
CREATING VALUE

2019 SUSTAINABILITY REPORT

**TALKING ABOUT SUSTAINABILITY
MEANS FOR US TALKING
ABOUT OUR VALUES.**

**BEING RESPECTFUL,
BEING RESPONSIBLE,
CREATING VALUE.**

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LETTER FROM THE CHAIRMAN

Dear Stakeholders,

The extraordinary times we are living through push us every day to find new ways to reposition ourselves in a global economy focused on sustainability. We are leveraging our consolidated expertise of a world-scale, technology-driven engineering and contracting company to open our long-term vision of a new low-carbon economy. With this in mind, our multiple role as technologists, contractors and entrepreneurs can work as an accelerating factor for a concrete energy transition. We want to ride this transformative phase using more and more sustainability as a strategic lever to drive our business today. That's the new role for companies in such a challenging landscape and that's why an entrepreneurial attitude is needed.

“WE WANT TO RIDE THIS TRANSFORMATIVE PHASE USING MORE AND MORE SUSTAINABILITY AS A STRATEGIC LEVER TO DRIVE OUR BUSINESS TODAY”

The private sector has a pivotal role to play in leading changes, both in mindset and in economic dynamics. We need entrepreneurs to re-invent the economy.

“INCREASING THE LOCAL CONTENT OF OUR OPERATIONS, AS A TRIGGER FOR VIRTUOUS DEVELOPMENT CYCLES”

We have to act locally and globally. In each place where we work, we continue to focus on our responsible corporate citizenship through our typical approach of increasing the local content of our operations, as a trigger for virtuous development cycles. Globally, we work through joint platforms to make our actions more powerful. The 17 Sustainable Development Goals and the 10 principles underlying the UN Global Compact become a shared vocabulary between international bodies, the private sector, communities and public opinion, for talking about common responsibility and a common future.

In order to achieve this epochal change ahead of us, a new culture and a new education are needed. We are multiplying our efforts to support the young generations of students who will be the technical managers of the Green New Deal of tomorrow.

We want to think outside the box. Our constant interaction with universities, research centers and innovation hubs, thanks to innovative programs of open innovation and digitalization, allow us that peripheral view needed to make this change happen. We are committed to progressing down this path with all those who share our commitment.



Fabrizio Di Amato
Maire Tecnimont Chairman and Major Shareholder



LETTER FROM THE CEO

Dear Stakeholders,

2019 was the end of a very intense decade for sustainability globally. Many changes have taken place in the last 10 years, both in terms of greater awareness of public opinion and of visible effects deriving from an uncontrolled use of natural resources, from irresponsible production systems and from changes in the consumption of industrial products. The global changes, occurring particularly and to an unprecedented extent in natural phenomena, have woken everyone up, at all levels, urging them to find new solutions for a form of economic development for today that doesn't threaten the environment and social equality tomorrow. In the last decade our role as an industrial player in the hydrocarbon sector gradually changed. We have kept working in our core business as a market leader with excellent financial performance, proven once again in 2019 with revenues of 3.3 billion euro. But at the same time, we strive to find new ways to meet the unstoppable transition toward a different energy mix and the search for new feedstocks to be processed at industrial level. Our long experience and respected expertise in hydrocarbon processing gave us the keys to open new doors. The Green Acceleration Project set up by our Group is our way to move further through this changing phase and step into the fourth industrial revolution, with our focus on industrializing sustainability. This isn't a white paper, starting from scratch. We are leveraging our solid expertise in building large plants and our technological aptitude, in order to speed up innovation when working on the frontiers of green chemistry, circular economy and industrial carbon footprint reduction. Our long-term commitment to a lower environmental impact, led us at the end of 2019 to issue an ESG-linked Schuldschein loan, a concrete pledge to achieve the Group's CO₂ emission reduction targets. The financial community has become more and more demanding, clients need urgent technical solutions to cut the environmental impact of their products, stakeholders are more aware and active than ever, and we are ready to contribute to this new industrial era by taking our passion for "joining the dots" even further. Innovation does not mean discovering new solutions; it means joining existing solutions in new ways to serve new needs. This is at the heart of the only possible and realistic energy transition. The next decade, leading up to 2030, will be crucial. Our Group has set the Sustainable Development Goals as its compass in reaching that milestone, convinced that only joint action, at a global level, can really make positive change happen, and even more convinced that, as an industrial player, our Group has a greater responsibility to make those changes possible by unleashing the potential of our expertise.

“OUR LONG EXPERIENCE AND RESPECTED EXPERTISE IN HYDROCARBON PROCESSING GAVE US THE KEYS TO OPEN NEW DOORS”

“INNOVATION DOES NOT MEAN DISCOVERING NEW SOLUTIONS; IT MEANS JOINING EXISTING SOLUTIONS IN NEW WAYS TO SERVE NEW NEEDS”



Pierroberto Folgiero
Maire Tecnimont CEO and COO



2019 OUR SUSTAINABILITY EVENTS



“PATRIMONIO D'INGEGNO - INTELLECTUAL HERITAGE”
Maire Tecnimont presents its vast archive of projects that have marked the development of Italy.



Partner of L'Altra Napoli Onlus: **“THE GLASS HOUSE”** space for socialising.



Step up and make sustainability happen: the Group gets more and more involved in the **UN GLOBAL COMPACT**.



Opening of **MYREPLAST PLASTIC WASTE UPCYCLING** plant in Brescia (Italy).



SAFETHINK: the new group HSE brand & communication campaign.



Partner of **MIND** for an open innovation center in green technologies.

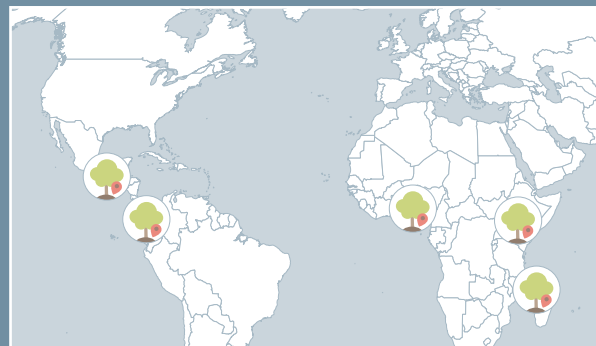


The **GREEN TECHNOLOGY EXPO “ECOMONDO”** hosted five workshops on the future of Energy Transition.

JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
	Maire Tecnimont confirms its rating in the CARBON DISCLOSURE PROJECT .				ZERO WASTE in Milan: where even food is “circular”.						

IN 5 COUNTRIES WITH OUR CORPORATE FOREST

With the cooperation of Treadm the Group has already planted 1,900 fruit trees in five developing countries and contributed, not only to the absorption of GHG gases, but also gave new opportunities of economic development to the local farmers taking care and picking fruit in our corporate forest.



Maire Tecnimont at the **CSR AND SOCIAL INNOVATION EXHIBITION**.



Maire Tecnimont confirms its commitment to sustainability by finalizing an **ESG-LINKED SCHULDSCHEIN LOAN**.

IN EVIDENCE

MISSION

We want to be a world class technology-driven contractor operating in the Engineering, Procurement and Construction sector.

Our key factors are competence, entrepreneurship and adaptiveness.

VISION

We have long roots and distinctive competences and technologies in the hydrocarbon processing sector namely petrochemicals, oil&gas refining and fertilizers industries.

We aim at accelerating the world energy transition towards sustainable development and a circular economy approach, having a wide range of services end to end in the value chain.

We focus on the chemical processing of conventional and renewable natural resources into energy and advanced products for manufacturing.

GROUP HIGHLIGHTS 2019



¹ Referred to 20 projects that best represent the business of the Group both in terms of progress and as a type of product and technology (Ref. to par. 6.2).
² Including ~3,000 professionals in electrical and instrumental division. ³ Referred to Hydrocarbons Business Unit.

OUR CORPORATE IDENTITY

INDUSTRY

PETROCHEMICALS

FERTILIZERS

OIL&GAS REFINING

POWER

RENEWABLES & GREEN CHEMISTRY

BUSINESS MODEL



45 COUNTRIES

50+ COMPANIES

~58 MAIN PROJECTS⁴

~9,300 EMPLOYEES & PROFESSIONALS⁵

⁴ Referred to ongoing projects above €1 Min Value, excluding Licensing, Maintenance and Intercompany Projects.

⁵ Including ~3,000 professionals in electrical and instrumental division.

ON PICTURE
Milan aerial view

Maire Tecnimont is a leader in the natural resources processing industry with advanced technological and executive skills. We are also a leader in plant engineering in oil & gas downstream, petrochemicals, fertilizers and power. We are working to provide solutions for the energy transition and green chemistry, to meet our clients' expectations of decarbonization.

We are a technology-driven player working to convert of natural resources into energy, innovative and sustainable materials thanks to our highly technological DNA and position at the crossroads between the energy and the manufacturing industries.

Our technological roots go back to the pioneers of the hydrocarbon chemical engineering industry. On these strong bases, we have founded an agile, flexible and international business model that offers continuous technological and execution innovations ready to be developed for the energy transition and decarbonization.

Our three pillars of decarbonization are based on mitigating the environmental impact of the oil & gas industry, recycling plastic and developing additives or oil substitutes for fuels or plastics from renewable sources.

We offer services including licensing, engineering, procurement of materials and equipment and construction supervision, making available our project management expertise. Our execution strategy is based on a world-class HSE performance, significantly higher than the industry benchmark.

Maire Tecnimont has expertise in the design and engineering of power plants. We deliver large-scale renewable energy plants to generate power from wind, solar and biomass.

We leverage a distinctive technology-driven model for project development, enabling us to get involved early in clients' investment initiatives.



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- GROUP ECONOMIC, FINANCIAL AND BALANCE SHEET PERFORMANCE
- INVESTOR INFORMATION
- OUR THREE SOULS: WHO WE ARE, WHAT WE DO
- MARKET LEADERSHIP
- PARTNERSHIP FOR DEVELOPMENT

1.1 GROUP ECONOMIC, FINANCIAL AND BALANCE SHEET PERFORMANCE

THE MAIRE TECNIMONT GROUP 2019 KEY ECONOMIC, FINANCIAL AND BALANCE SHEET HIGHLIGHTS (COMPARED TO 2018) ARE REPORTED BELOW:

(in Euro thousand)	DECEMBER 2019	%	DECEMBER 2018	%	CHANGE %
Revenues	3,338,364		3,646,612		(8.5%)
Business Profit *	316,988	9.5%	284,111	7.8%	11.6%
EBITDA **	235,592	7.1%	205,723	5.6%	14.5%
EBIT	188,902	5.7%	185,512	5.1%	1.8%
Net financial expense	(21,895)	(0.7%)	(12,801)	(0.4%)	71.0%
Income before tax	167,007	5.0%	172,710	4.7%	(3.3%)
Net income	114,695	3.4%	117,401	3.2%	(2.3%)
Group net income	112,981	3.4%	110,575	3.0%	2.2%
Net financial position (Adj.)	(78,864)		(93,874)		
Shareholders' equity	448,936		342,633		
Backlog	6,373,371		6,611,968		
Order Intake	3,209,904		2,966,479		

* "Business Profit" is the industrial margin before the allocation of general and administrative costs and research and development expenses; its percentage of revenues is the Business Margin.

** EBITDA is net income for the year before taxes (current and deferred), net financial expenses, currency exchange differences, gains and losses on the valuation of holdings, amortization and depreciation and provisions. EBITDA is a measure utilized by

management to monitor and assess the operating performance. Management consider EBITDA a key parameter in measuring the Group's performance as not impacted by the effects of differing criteria applied to taxable income, the amount and characteristics of the capital utilized and by amortization and depreciation. As EBITDA is not governed by the Group's accounting standards, the Group calculation criteria may not be uniform with those adopted by other groups and, therefore, may not be comparable.

1.2 INVESTOR INFORMATION

MAIRE TECNIMONT S.P.A. SHARE CAPITAL

	Expressed in No. of shares	Expressed in No. of voting rights
Share Capital	€ 19,920,679	€ 19,920,679
Total	n. 328,640,432	n. 496,305,566
Floating share capital	n. 160,975,298	n.a. ***
Floating share capital %	48.982%	n.a. ***

*** Following the amendments to Article 2.2.1. of the "Regulation for markets organised and managed by Borsa Italiana", in force since March 4, 2019, the calculation of the free float was made only on the basis of the number of shares and not on the number of votes.

MAIRE TECNIMONT SHARE PERFORMANCE

The Maire Tecnimont share price in 2019 was influenced in the initial part of the year by a number of sector issues of particular interest to investors, such as working capital management and the net financial position, and in the second

half by the growth outlook, supported not only by new orders acquired during the year - but also by those to be acquired in 2020.

In 2019, Maire Tecnimont met 182 investors in the main European countries - in France, Germany, the United Kingdom and Switzerland - and also in Australia.

The average daily trading volume in 2019 was 1,177,839 shares, at an average price of Euro 2.80.

MILAN STOCK EXCHANGE ORDINARY SHARE PRICE, EURO

	01/01 - 31/12/2019
Maximum (March 1, 2019)	3.64
Minimum (August 14, 2019)	2.04
Average	2.80
Period-end (December 30, 2019)	2.47
Stock market capitalization (at December 30, 2019)	813,056,429

1.3 OUR THREE SOULS: WHO WE ARE, WHAT WE DO

 <p>CONTRACTORS</p> <p>ENGINEERING, PROCUREMENT, CONSTRUCTION</p>	 <p>TECHNOLOGISTS</p> <p>TECHNOLOGY AND LICENSING</p>	 <p>ENTREPRENEURS</p> <p>BUSINESS DEVELOPMENT AND VENTURES</p>
<p>A well-rooted legacy in engineering design, along with a sound track record in managing large, integrated, and complex projects, has allowed us to maintain a leading position as an international contractor.</p> <p>A highly technological focus provides access to the best available state-of-the-art processes, guaranteeing us recognized world leadership as a contractor.</p> <p>Through our network of international engineering centers, we provide clients with services and know-how ranging from conceptual studies, through technology selection, to process engineering and detailed design. The services we provide benefit from business synergies and cross-fertilization across the Group, profiting from all our companies' skills and specializations.</p>	<p>The Maire Tecnimont technology portfolio consists of more than 100 patent families and about 1,297 individual patents and patent applications in many countries. In addition, the innovation pipeline (IPL) process has been rolled out across the Group, resulting in over 70 new innovation projects in the Green Acceleration project and more than 54 new patents in different fields. Maire Tecnimont's research activities fall mainly into the following categories: development of new raw materials for petrochemicals production; improvement of current technologies; and development of innovative and sustainable new technologies.</p> <p>Our continuous cooperation with Universities and Research Centers makes us frontrunners in innovation and R&D, remaining on the cutting-edge of our industry.</p>	<p>We pursue opportunities assisting potential clients from the early stages of the investment process, leveraging our advanced technical and financial skills to promote projects in which the Group can play a pivotal role in coordinating the whole process and the various financial, institutional, and technical actors involved.</p> <p>The Group itself initiates projects, bringing together investors and resources to establish a company to build and operate a plant. It entails playing a key role to steer strategic development - from concept to execution - of large-scale projects.</p>



ENERGY TRANSITION ENABLERS

Thanks to our extensive know-how in research, licensing, engineering and construction of processing plants **we provide solutions for the energy transition**. Our history, expertise, knowledge and leadership in transforming natural feedstocks make us an industrializer of innovative and sustainable industrial-scale plants.

From scouting, pivoting, industrializing, and finally marketing a portfolio of sustainable technologies dedicated to decarbonization and green chemistry, **we are committed to accelerating the energy transition**, making it real for our clients and communities.

1.4 MARKET LEADERSHIP

PETROCHEMICALS

WELL ROOTED TECHNOLOGY ORIENTATION:
MARKET LEADER (#1) FOR INSTALLED CAPACITY (last 10ys)

30% MARKET SHARE IN POLYOLEFIN PLANTS

50% MARKET SHARE IN LDPE PLANTS

SINCE 1970 MORE THAN **200** POLYETHYLENE & POLYPROPYLENE PLANTS**

FERTILIZERS

54% MARKET SHARE IN LICENSING UREA PLANTS TECHNOLOGY (#1 WORLDWIDE)*

34% MARKET SHARE IN LICENSING UREA GRANULATION TECHNOLOGY (#2 WORLDWIDE)*

SINCE 1924 MORE THAN **172** AMMONIA AND UREA PLANTS**

OIL & GAS REFINING

WELL RECOGNIZED LEADERSHIP

WORLD CLASS TRACK RECORD

SINCE 1971 MORE THAN **250** HYDROGEN AND SULPHUR RECOVERY UNIT PROJECTS**

POWER

21gw INSTALLED WORLDWIDE

7th RANK ENR WORLD TOP-10 POWER MARKET ENGINEERING COMPANIES 2016

SINCE 1962 MORE THAN **280** POWER GENERATION PROJECTS

RENEWABLES & GREEN CHEMISTRY

TECHNOLOGIES FOR ENERGY TRANSITION:

5 PROPRIETARY

3 UNDER PARTNERSHIP FOR EXCLUSIVE LICENSING

OVER 20 WITH A ROLE OF INTEGRATOR & EPC

OVER 10 RESEARCH PROJECTS WITH A ROLE OF PARTNER/COORDINATOR

DEVELOPED MORE THAN **1,000MW** WIND **800MW** SOLAR

DESIGNED MORE THAN **560MW** WIND **300MW** SOLAR

MANAGED MORE THAN **500MW** WIND **150MW** SOLAR

BUILT MORE THAN **480MW** WIND **150MW** SOLAR

* Data are based on corporate analysis.
** Completed..

1.5 PARTNERSHIP FOR DEVELOPMENT

Public and private institutions are converging towards the achievement of development results. The role of a multinational group

like Maire Tecnimont is to **facilitate this convergence, leading to a shared responsibility to achieve the development goals**, in particu-

lar innovation, education and sustainable economic growth.



PROJECTS

● **CO₂ to Olefins**
Research project
Milan Polytechnic, Italy

This project aims to develop a new technology for producing **high-value chemicals** by exploiting CO₂ as a raw material. It will make use of CO₂ as a carbon feedstock while **reducing carbon emissions and CO₂ footprint** more than conventional technologies.

● **Acceleration of green initiatives**
MIIND, Milano, Italy

Our Group is among the 10 founding companies of Milan Innovation District, a place where all the ecosystem players – research institutes, companies, start-ups, incubators and accelerators – can **converge and select the best opportunities**, in the awareness that contamination is a strategic development factor in creating synergies. As a partner we are working on an open innovation center for green technologies.

● **Energy Solutions for a Sustainable Environment**
University of Milano-Bicocca, BHOS

Renewable energy production, water management and recycling in agriculture in the context of the circular economy, with a particular focus on climate change and environmental issues, have been at the center of the **Baku Summer School 2019**, with the support of our Group and the Italian embassy in Baku.

● **University Chair in Open Innovation**
LUISS Guido Carli University of Rome, Italy

The new chair has been assigned to Professor Henry Chesbrough, Director of the Garwood Center for Corporate Innovation at the University of California, Berkeley, and intellectual godfather of the concept of “Open Innovation”, according to which **companies not only use internal resources, but also tools and technological skills from outside of the organization.**

“THE FUTURE OF ENERGY” - WHITEBOOK WITH ASSOLOMBARDA

Our Group is a particularly active member of Assolombarda, the largest association of the entire business system in Italy. Our Chairman, Fabrizio Di Amato, is Vice President for Energy, Clusters, Supply Chains and Research Studies and in this role, he promoted the publication of the white paper

“Il futuro dell’energia (“The future of energy”) in November 2019. This book, one of a series of five issued by Assolombarda, is the first with a vertical approach to the topic of energy. It sets the ambitious goal of defining nine specific industrial policy proposals that can support companies in their innovation processes for the energy transition.

LEGEND

- Projects
- Academic partnerships
- Memberships

● **Study of thermodynamic behaviour of natural gas with low CO₂ content**
École Nationale Supérieure des Mines de Paris, France

The Project aims to analyze the thermodynamic properties of natural gas, with a particular focus on liquefied natural gas (LNG) production, which is expected to **play a significant role in the energy transition as a cleaner and low-carbon fuel.**

● **Support the education of local students**
Baku Higher Oil School (BHOS), Azerbaijan

The development program, now in its fourth edition, aims to refine its participants’ **technical skills by applying their knowledge in practical engineering projects.** It has made students an integral part of the team of Group’s Azeri branch. Students are also given courses on soft skills and languages.

ACADEMIC PARTNERSHIPS

Our Group is part of active collaboration agreements with several universities, among them:

- **Campus Bio-Medico University, Rome, Italy:** tutoring for graduate candidates
- **University of Salerno, Italy:** postgraduate internships
- **Technical University of Eindhoven, the Netherlands:** PhDs, postgraduate internship
- **University of Bologna, Italy:** tutoring for graduate candidates
- **La Sapienza University of Rome, Italy:** tutoring for graduate candidates
- **University of Messina:** organization of “Summer School”

MEMBERSHIPS

Our membership in a number of associations is essential to maintain dynamic and proactive relations with our stakeholders and share best practices with our peers in business management at all levels. Our Group is an **active member of about 70 business organizations, chambers of commerce, trade and industry associations, and technical federations** at the international and local level as well as global organizations and their local bodies, with the aim of fostering debate about sustainability.

Main business associations or global organizations and foundations with a focus on sustainability issues our Group participates as a member:

- Arab Fertilizer Association (AFA), Egypt
- Associazione Italiana di Ingegneria Chimica (AIDIC) - Italy
- Associazione Italiana per lo Studio e le Applicazioni delle Microalghe (AISAM), Italy
- Associazione Nazionale Impiantistica Industriale (ANIMP), Italy
- Assolombarda, Italy
- Carbon Disclosure Project (CDP), United Kingdom
- Fertiliser Association of India (FAI), India
- Global Compact Network Italia (GCNI), Italy
- International Fertilizer Association, France
- Renewable Energy Solutions for Africa (RES4AFRICA), Italy
- United Nations Global Compact (UNGCI), United States
- World Economic Forum (WEF), Switzerland

SUSTAINABILITY AT MAIRE TECNIMONT

OUR AIM



LOWER GHG EMISSIONS



REDUCE OUR CARBON-DIOXIDE (CO₂) EMISSIONS

RATING CDP

B
RATING

CARBON DISCLOSURE PROJECT

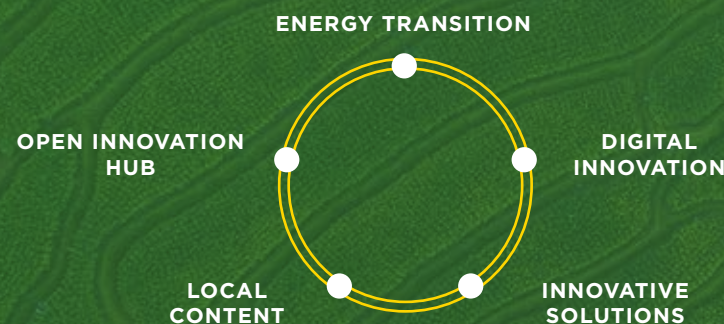
WE SUPPORT



SUSTAINABILITY CONTEXT

THE PRESENT WAY OF PRODUCING AND CONSUMING GOODS AND ENERGY IS NO LONGER SUSTAINABLE.

SUSTAINABILITY STRATEGY



STAKEHOLDERS



EMPLOYEES



SHAREHOLDERS & INVESTORS



TECHNOLOGICAL PARTNERS



BUSINESS PARTNERS



CLIENTS



SUPPLIERS



LOCAL AUTHORITIES & GOVERNMENTS



CONTRACTORS & SUB-CONTRACTORS



LOCAL COMMUNITIES



LOCAL ORGANIZATIONS & NGOs



PROFESSIONAL/CATEGORY ASSOCIATIONS

ON PICTURE
Indian tea plants

A sound sustainability vision is not only a powerful risk management trigger for our Group but also helps us to be **increasingly resilient to the ever-changing energy scenario in which we operate**. It shapes our approach as we seek to generate shared value in the long-term for our stakeholders.

As a compass for our sustainability journey, the Sustainable Development Goals (SDGs) help us to stay focused on our environmental, social and governance (ESG) targets. **The acceleration of climate change has made the SDGs more real and urgent** and the current international debate calls for a faster energy transition.

We are relying on technologies, certifications and our top professionals to become more green, all with a view to the energy transition. Our goals are concrete: **minimize the carbon footprint for oil and gas processing, strengthen the circular economy and develop new products and processes for non-fossil raw materials**, always encouraging the development of new processes and waste-to-energy (producing energy from urban waste).

The **2020-2024 Industrial Plan approved by the Board of Directors of Maire Tecnimont includes ESG sustainability indicators** (environmental, social and governance) linked to the Sustainable Development Goals set out in the United Nations 2030 Agenda. As of this year, the plan identifies and prioritizes material topics based on the various business lines and the relevant SDGs. The plan therefore connects economic and financial goals to sustainability ones, allowing for integrated strategic planning.



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- MANAGING RISKS AND OPPORTUNITIES

2.1 SUSTAINABILITY CONTEXT

RESPONDING TO THE CHALLENGE: A STRATEGY TO MEET FUTURE TRENDS AND DRIVE CHANGE

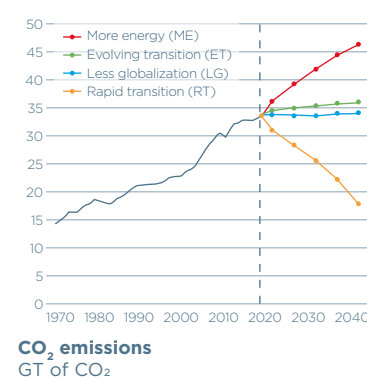
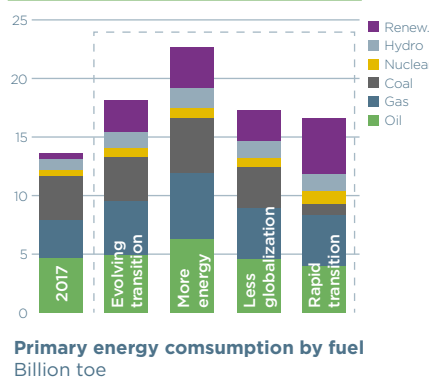
The energy transition is driving both producers and customers to rethink their future needs and what kinds of products and solutions will be required to enable a sustainable future in terms of emissions waste and economics. The scale and complexity of the shift required are huge, but it will be driven by **asset owners increasingly moving capital employed from traditional, legacy activities to new, greener assets and by customers placing a premium on sustainable products and consumption.**

Increasing the pressure to address sustainability issues for the core business and to reduce CO₂ emissions from legacy assets is creating new opportunities for traditional players and new entrants, opening up new markets. **Environmental remediation, renewable energy, recycling, and cleaner fuels** are just a few examples of the new business areas. As plastics recycled from waste increase in volumes for instance, oil required as feedstock for the plastic industry will significantly reduce, **shifting profit pool from the hydrocarbon industry to new segments of the value chain** (e.g. waste collection and management, recycling, petrochemicals).

Although our renewable power continues to evolve rapidly and have greater impact, **we are anticipating the next phase of change** to increasingly reduce more and more the chemicals,

plastic, and lubricants we waste, and increase our recycling, to see hydrogen scaling become a long-term solution and continue to scale bio feedstock into transport fuels and petrochemicals.

ENERGY OUTLOOK 2040⁶



OUR AIM



Circularity implies a process of restoration and regeneration, in which materials constantly flow around a 'closed loop' system, rather than being used once and then discarded; this means a need to **develop and scale technologies for mechanical and chemical recycling**, to adapt current industrial processes to use new circular feedstock deriving from waste,

for the production of new, "circular" chemicals, or fuels, from waste.

CIRCULARITY

REGENERATION



RESTORATION

EXAMPLE: BIOFUELS

Let's take biofuels, which have a vital role, together with electric and CNG vehicles, in tackling decarbonization in the transport sector. Indeed, **global biofuel demand is expected to increase steadily between 2017 and 2040**, with a compound annual growth rate of ~7%, reaching an overall volume of ~470 billion liters of oil equivalent globally. Advanced biofuels (or second-generation biofuels) will be the driving force of this evolution, as they mitigate sustainability risks associated with changing land use and competition over food production. **There is plenty of innovation to bring to scale**, to help the transport and fuels sector to set up a strategy for a low-carbon economy.

EXAMPLE: HYDROGEN

Now let's look at hydrogen. Three main types of hydrogen are capturing attention at the moment:

- **grey hydrogen**, which is produced from natural gas through steam methane reforming, through a process that produces CO₂ concurrently;

- **blue hydrogen**, a thermal treatment of methane to produce carbon and gaseous hydrogen, but no CO₂;

- **green hydrogen**, produced from electricity and water through electrolysis. If renewable electricity is used, zero emissions are generated.

Grey hydrogen is the main solution in a low-carbon-price scenario. However, to sustain global decarbonization trends, blue and green hydrogen are expected to grow significantly. As of 2017, the total hydrogen market was estimated at between ~\$115 billion and \$130 billion, with an expected compound annual growth rate (from 2017 to 2025) in the range of ~6-7%, coming in 2025 to a terminal value of ~\$200 billion⁷. Looking at practical applications, the largest hydrogen demand arises from the chemical industry (~65% of total consumption). However, in view of the energy transition and sustainability, potential application could be extended to other industrial scopes such as refineries and heavy industry, like steel, or high energy-consuming processes, like glass. We are moving in this direction with several projects related to the production of hydrogen (and other chemicals) from waste, **a really innovative challenge which solves two key problems: waste recovery on one hand, and process decarbonization on the other.**

We are also networking and studying **new models for an open innovation** and for a reshaping of industrial landscapes. The new shape of industry will include a much greater rate of collaboration across large-scale and distributed green companies. Therefore, the site of the near future will likely comprise - in a distributed or integrated logic - oil refining, petrochemicals production, renewable power generation, bio feedstock and fuel production, waste collection and recycling, hydrogen production.

In fact, **two green industrial business models will emerge:**

1 BROWNFIELD INTEGRATED BUSINESS MODEL

in which **green technology units will be integrated into industrial clusters** to leverage existing infrastructure (storage, logistics) and assets (refinery conversion units). This solution will be typically preferred in large industrial clusters contexts where large feedstock volumes are needed or available. Examples of technologies are waste-to-methanol, waste-to-fuel, hydrogen production, waste plastic to chemicals. **This model offers a great solution for green technology adoption to exploit advantages of scale and costs while maintaining flexibility and choice.**

2 DISTRIBUTED BUSINESS MODEL

where **green technology / plants will be of small or medium size and distributed around the country.** The aim is to be **in proximity to the feedstock and reduce inbound logistics costs and complexity.** Renewable fuel is a good example of the potential for distributed business: to reduce the biomass logistical constraints driven by high volumes, companies decentralize biomass processing locally. Biomass is then transported in liquid status, which considerably reduces both costs and complexity, and then stored and transformed into fuel at existing refineries, thus

leveraging existing assets and reducing the capex needed for the conversion (this solution typically requires a retrofitting of the FCC to enable co-processing).

In both models, distributed and integrated, given the innovative aspect of both the business model and the technology, **there is a common trend of developing partnerships for joint development between the different actors in the value chain**, to socialize costs and risks, but also to develop the right conditions to test the first pilots. Indeed, there is a need to both secure the intake of the new feedstock (waste, organic biomass) and ensure a stable offtake from the market. Therefore, the ability to develop partnerships between technology providers, industrial / energy companies, and feedstock management companies (be it waste or agricultural biomass) is a key success factor in developing green industry.

With a view to accelerating technological innovation in the energy transition, **Maire Tecnimont is dedicating great attention, through NextChem, to developing technological solutions for improving waste recovery technologies in the circular economy**, developing processes for the use of biological components as feedstock and innovations to reduce greenhouse emissions in traditional industrial processes.

NextChem is moving towards a more integrated approach where it acts as project developer of more articulated solutions. It orchestrates the work of the different players, be they industrial companies or producers, waste managers or suppliers, government authorities or regulators, or even investors. As such, **NextChem is driving the establishment of new green business models**, working alongside both producers and consumers to achieve a common goal that is taking up the energy transition challenge.

⁶ Source: BP Energy Outlook - 2019 Edition.

⁷ Source: Bain & Company.

2.2 GROUP COMMITMENT TO THE SDGs AND THE UN GLOBAL COMPACT

WE SUPPORT Our Group is among more than 10,000 companies pledged worldwide to put human rights, labour, environment and anti-corruption at the centre of their responsible activity in doing business. We took this commitment on in 2011, and 2019 was the time to take a step forward. **We decided to upgrade our tier as a member to “Participant”**, believing in the catalytic power of UN Global Compact in animating a debate, involve all societal actors and ultimately igniting a global movement of awareness and action toward



sustainability in a wider perspective. This change is a further commitment, **increasingly focusing our actions as a business player on making a significant impact in the social context we operate.** We take the “making global goals local business” statement very seriously and we work hand in hand

with the **Global Compact Network Italy to share views and be inspired by business experiences** in integrating sustainability in operations. In May 2019, we joined the Board of GCNI, of which we have been a founding member since 2015. Our heavy involvement in UNGC activities gave us a further boost in achieving the goals set in the 2030 agenda by the UN, with the shared effort paving the way towards more equal societies and protection of the planet. **The 12 Sustainable Development Goals our Group decided to set itself from the 17, are those to which we can contribute the most as a business player and corporate citizen, in our everyday work.**



“I am pleased to confirm and renew the commitment of Maire Tecnimont to integrate the UN Global Compact Ten Principles in our business, in 2019 too. Every day we strive to fully integrate respect for human rights, workers’ well-being and top-level labor conditions, the fight against corruption and care of the environment in our way of doing business, with a higher level of engagement since we joined GCNI in 2011. We constantly work across a broad spectrum, at all levels, from our head office activity to the local context of our operations, always keeping in mind that there is no value creation without responsibility and respect.”

Pierroberto Folgiero
Maire Tecnimont Group CEO

MAIRE TECNIMONT COMMITMENT TO THE SUSTAINABLE DEVELOPMENT GOALS



CARBON DISCLOSURE PROJECT



Maire Tecnimont has maintained its position (“B”) in the ranking of the Carbon Disclosure Project (CDP), the international non-

profit organization that researches the impacts of leading listed companies each year in terms of climate change policies and performance. The CDP releases an annual questionnaire on specific climate issues, which companies volunteer to take part in.

In 2019, more than 7,000 companies completed the CDP questionnaire, representing over 50% of global market capitalization.

Maire Tecnimont, which publicly discloses environmental information through Carbon Disclosure

Project since 2014, has improved its position from “D-” in 2016 to “B” in 2019 (in a D to A scale), a position in line with the sector average and higher than the European and world average of “C”.

This positive result acknowledges the efforts made by Maire Tecnimont to addressing the Sustainable Development Goal 13 – Climate Action and is mainly due to a strong sustainability governance structure that helps the Group to **implement sustainability strategy across the business, manage goal-setting and reporting processes, strengthen relations with external stakeholders and ensure overall accountability**, together with a consolidated risk management process that helps to quantify the financial impact of the risks and opportunities related to climate change.

ESG-LINKED SCHULDSCHEIN LOAN

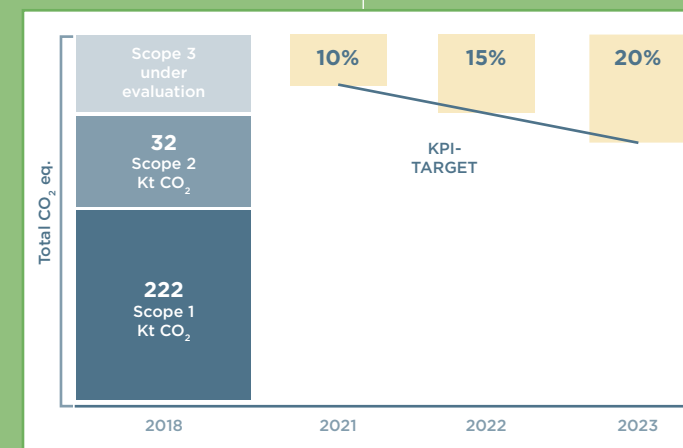
In 2019, Maire Tecnimont confirmed its commitment to sustainability by finalizing an **ESG-linked Schuldchein loan aimed at supporting the Group’s investments in its green technologies.** The cost of the instrument, with a nominal value of €62.5 million, may vary in relation to the achievement of the Group’s CO₂ emission reduction targets in comparison with the baseline (2018).

Other indirect emissions (e.g. savings achieved thanks to the implementation of the “Smart Working” program and incentives aimed at reducing commuting).

This transaction confirmed the Group’s commitment to the United Nations’ Sustainable Development Goals (“SDGs”), by supporting the transition to an economy based on the use of renewable resources.

The initiatives aimed at mitigating the climate change, in line with the Group’s commitment to energy transition, are linked to the following types of emissions:

- Emissions deriving from activities directly controlled by the Group (e.g. industrial activities of plastic recycling and activities in green chemistry);
- Indirect emissions due to the production of energy purchased and used by the Group (e.g. energy efficiency measures);



In this regard, the Group set up NextChem, a company that develops and manages technological initiatives to support the Energy Transition and Green Chemistry. NextChem aims to be the partner of choice for the industrialization

of technological innovations for reducing CO₂ emissions from production and processing activities.

2.3 SUSTAINABILITY STRATEGY

In the fast-changing and highly competitive Oil & Gas sector, **innovation and sustainable development are crucial to creating value**. All companies have taken steps to deal with the changing world in recent years, continuously focusing on technological advantages and unique competencies, implementing efficiency programs, integrating services, and seeking operational excellence.

In this complex context, Maire has identified five strategic pillars for creating value for its

stakeholders and shareholders, within the framework of the Paris Agreement and in line with the Sustainable Development Goals (SDGs) set out in the United Nations' 2030 Agenda. **Maire Tecnimont has implemented a systemic approach to pursue efficiency, resilience and growth, integrating sustainability in every aspect of its operations**, with the long-term goal of driving the energy transition and contributing to the sustainable and inclusive development of the communities where we operate.

NEXTCHEM: THE MAIRE TECNIMONT COMPANY WORKING FOR THE ENERGY TRANSITION

With a view to accelerating technological innovation in the energy transition, Maire Tecnimont has set up a dedicated technology vehicle.

In November 2018, NextChem was born, **consolidating Maire Tecnimont capabilities, technologies, patents and projects, to develop technological solutions with a primary focus on:**

- 1 Improving the **circular economy** by upcycling plastic waste and using waste-to-chemical and waste-to-fuel solutions;
- 2 Use of **biological and renewable components as feedstock** for producing bio-based chemicals, intermediates and fuels;
- 3 Reduce **greenhouse emissions** in traditional processes.

The three areas will be enabled by bold and cost-effective technology innovation.

DIGITAL INNOVATION



Maire Tecnimont is tackling the digital transformation with "beyond digital" and creating value by putting an emphasis on people and supply chain, leveraging on technological innovation and digital transformation. Digital can be the lever to embed lean principles in a seamless way and drive productivity increase, while digitalization should aim at critically reviewing internal processes and simplifying them. In this sense, **Maire Tecnimont's digital transformation strategy is acting on two different levels:** greatly optimizing internal processes ("digitalizing the core") and creating a wider range of digital services for customers ("digital advantage").

INNOVATIVE AND MORE EFFICIENT SOLUTIONS FOR CLIENTS

Maire Tecnimont is committed to fully understanding its clients' needs in order to serve them properly with quality and fairness. Moreover, it firmly believes that



innovation is crucial to creating value both for the Group and its clients. In this sense, as a major global EPC contractor in the refining, petrochemical and fertilizers industries, **Maire Tecnimont is evolving to offer more integrated solutions**, including through partnerships with technological players, to increase revenues, profits, and client loyalty. In the last few years, Maire Tecnimont has been working on a set of different synergic areas to digitalize its core processes, including EPC, while strengthening its transactional and collaboration platforms. Specifically, **Maire Tecnimont is focusing on reducing time and costs and on providing more energy efficient solutions** during the engineering phase already. The Group is working on two different streams:

- 1 **Improving the operational model** using digital enablers, with the aim of increasing competitiveness and reducing capital and operating costs both for Maire Tecnimont and its Clients;
- 2 **Complementing the Maire Tecnimont Group's value proposition** with new digitally enabled services for current and new clients, with the aim of identifying new value streams, enabled by technology, to improve Maire Tecnimont's offer.

THE ROLE OF LOCAL CONTENT FOR SUSTAINABLE DEVELOPMENT

Resource-rich countries in the Middle East and North Africa region, especially the Gulf countries, are placing an increasing emphasis on the need to derive more benefits from their wealth of resources. To do so, a series of reforms have been undertaken to capture more gains from extractive resources. **Countries are increasingly inserting local content requirements into their legal framework**, through legislation,

regulations, guidelines, industry contracts, and bidding practices. Given this context, **maximizing local content is one of the cornerstones of Maire Tecnimont's business philosophy in all markets.** In fact, the Group believes local content requirements can have a positive impact on its business, maximizing opportunities for higher levels of reliability and quality through proximity to local suppliers, optimizing opportunities for lower costs on some locally procured goods and services, helping develop a sustainable and trusting relationship with the local market, reducing the costs and risks associated with projects. **The Group contributes to the social and economic well-being of local areas by creating employment, strengthening local suppliers, developing local skills and capacities, enhancing local entrepreneurship, transferring know-how and technologies and prioritizing the employment and training of local citizens.** Maire Tecnimont's sustainability commitment focuses on local content as a pillar of the long-term strategy for the Group's presence in the host Countries, based on the close engagement of local stakeholders. Closer integration with local communities means the Group can make a lasting and sustainable contribution to economic and social development.



OPEN INNOVATION HUB

In a situation where innovation has become a critical success factor, adopting open systems of collaboration with a range of players lets us pool resources and skills, to develop new solutions. Companies are experimenting with a profound transformation in their business models, going from innovation based on internal R&D, to a constant and synergistic dialogue with the outside world: what is known as open innovation. **Open innovation is a new cultural and strategic approach, based on which companies can improve their time-to-market by recourse to solutions, tools and technological skills from outside their walls.** Maire Tecnimont felt the strategic need to adopt an open innovation model, one that seeks not to wall in the innovation process but to open it up to collaboration through a wide network of players, exploiting external resources, developing new products and generating new ideas and sources of income for the Group and the system. It was against this backdrop that the idea of developing an innovation centre was born. This would be a natural meeting point and catalyst for an ecosystem in which to reflect on and develop open innovation models, and act as an enabler and accelerator of new green initiatives. The Maire Tecnimont Group therefore also signed a partnership with Milano Innovation District (MIND), which will be built over the former Expo in Milan. It will be **an innovation district in which the academic world, training and research institutes, companies, start-ups, incubators and accelerators can exchange and share resources, knowledge and technologies.**



MAIRE TECNIMONT VISION AND COMMITMENT TO LOW CARBON ECONOMY: THE ROLE OF NEXTCHEM

Climate change is already here. Its economic impact is real and growing, and immediate action is essential. Very few business sectors can ignore the physical and economic effects of climate change. **Cutting emissions in half by 2030 and carbon neutrality by 2050 require dramatic changes** to production and consumption patterns, as well as the transformation of energy and transport.

But what can we do as a Group? We have to engage and find technological solutions for our clients by using the vast experience and know-how of our Group companies to innovate **to create new sustainable technologies**.

With over 6,000 people, **we have some of the best technological intelligence in the world**. Engineers, project managers, processors, technologists, young talent and senior managers can all work together to help the chemical and traditional oil & gas sector, the core of our client portfolio, to turn the corner and plan a new, more environmentally, socially and economically sustainable future for their factories, plants and businesses.

Our clients need our help. They need our help to reduce the carbon footprint of their plants, develop new more environmentally friendly technology, innovate on their existing products and discover new ones, reduce their waste and recover their production scrap, open new markets and help their downstream clients to be more sustainable. We now have a huge role to play. **This is both engagement for a better greener future and business.** It is both a cost, the cost of changing our minds, and revenue. We are willing to help our clients to improve their sustainability, face new environmental requirements and offer new sustainable products and solutions.

The path to a new global low-carbon economy will be long and difficult, and is marked by differing pace, opportunities and constraints. **We need to find coherence between the need for an energy transition from fossil to non-fossil on one side, and the increase in demand for traditional oil derived products in some**

parts of the world, which need to increase the welfare level of their populations. We need to achieve the right balance between sustaining development and curbing emissions in emerging economies, where the link between rising growth and the quality of life of millions of people, and rising carbon dioxide is more entrenched than in the developed world.

A full transformation of economies in line with sustainable development goals should not create winners and losers or add to economic inequality; goals must be fair and create new opportunities, while protecting those negatively impacted, in the context of a just transition. Our business strategy follows this approach, as is evidenced by our membership of the UN Global Compact and we are following the UN Sustainable Development Goals guidelines to shape our sustainability goals, action plan and reporting.

Acting now to prepare our clients for climate change will give us a lasting commercial advantage and improve the impact of our activity and contribution to a sustainable economy. The former is the scope of our market leadership and shareholders give-back, the latter is the purpose of our social responsibility and long-lasting corporate citizenship.

We have launched a new company to drive this green acceleration, NextChem, which will work with other companies of our Group to implement this strategy.

During 2019, NextChem set up several initiatives which are milestones on our roadmap to Energy Transition. Among these: the launch of the first up-cycling plant in Italy with our MyReplast technology's unique capability to produce high quality recycled polymers from plastic waste; the agreement with ENI to build waste-to-hydrogen and waste-to-methanol plants within the refineries of Venice and Livorno, agreements to build the first plant for the production of a bio-chemical intermediate for bio-lubricants and the licensing of a new Renewable Diesel technology.

GOALS



**BY 2030
CUT EMISSIONS
IN HALF**

**BY 2050
CARBON
NEUTRALITY**



2.4 STAKEHOLDER ENGAGEMENT

Sustainable growth over time is closely linked to the responsiveness of the Group to changes both in our market and in society.

To identify, engage and enhance the relations with stakeholders that can reasonably be expected to affect the ability of the Group to successfully implement its strategies and achieve its objectives, are pivotal to set Group's priorities. **A steady interaction with stakeholders allows the Group to identify the most relevant sustainability issues** and to assess how to best incorporate them into business and

management operations. Constant dialogue, including a formal system to report any compliance through a grievance mechanism, **promotes trust, creates mutual value and supports the sustainable growth of the business in line with stakeholder expectations.**

For these reasons, Maire Tecnimont has identified and mapped its stakeholders, with the aim of defining the importance and the impact of their expectations on Group operations. The main methods of stakeholder engagement are identified in the following page.

To keep a dynamic flow of information toward all the groups of interest and the media is essential, both in giving a clear insight on the evolution of our business and creating a constant contact between our Group and public opinion. In this regard, our presence on social media, along with an up-to-date Group website system, the Corporate TV and the Group intranet, are very effective channels to give live evidence of our everyday work and ensure transparent access to any relevant data on our Group.

OUR DIGITAL PRESENCE

The Maire Tecnimont Group is on the channels LinkedIn, Twitter, Instagram and YouTube, where it promotes its corporate values, focusing on what it believes to be key communication assets: people, technology, challenges, responsibilities and reliability.

With more than 160,000 followers, **our social media accounts are an important point of contact for sharing business topics and initiatives to do with sustainability.** Our Top Management also plays an active part in communication about our company, keen to be ever more transparent with our stakeholders.

Maire Tecnimont's online presence includes the Group website, which has more than 670,000 individual users, and five websites dedicated to the sister companies

Tecnimont, KT - Kinetics Technology, Stamicarbon and NextChem. **Thanks to the Corporate TV project, we have an integrated system of 30 connected televisions**

at 13 of our offices in Italy and around the world, on which more than 50 videos are shown today, with constantly updated programming. The Group's intranet is the main touchpoint for supporting internal communication and spreading information to all the company's people. In the last year, more than 200 news items were published on the portal.

MORE THAN



**160
THOUSAND
FOLLOWERS**

ON

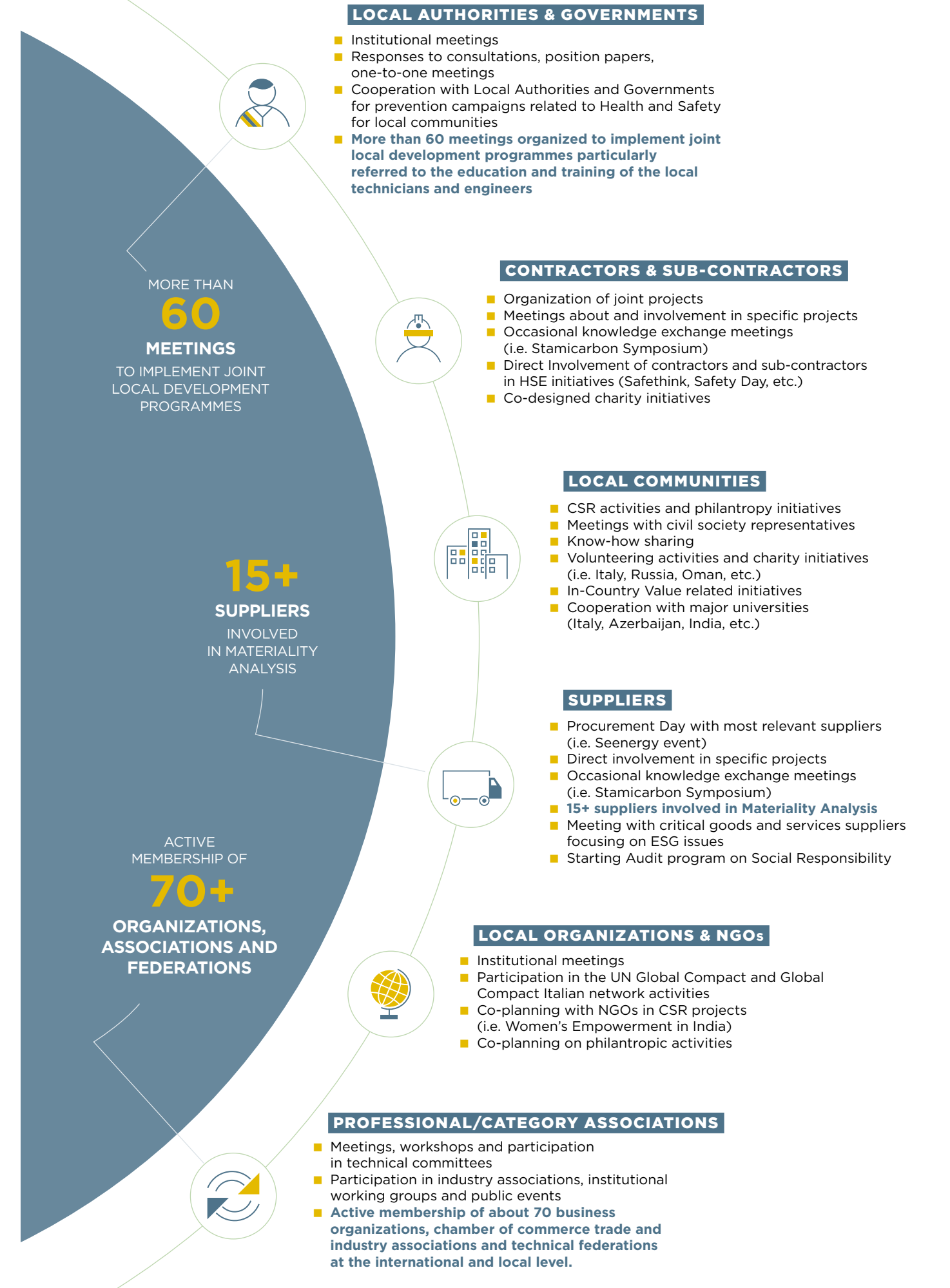
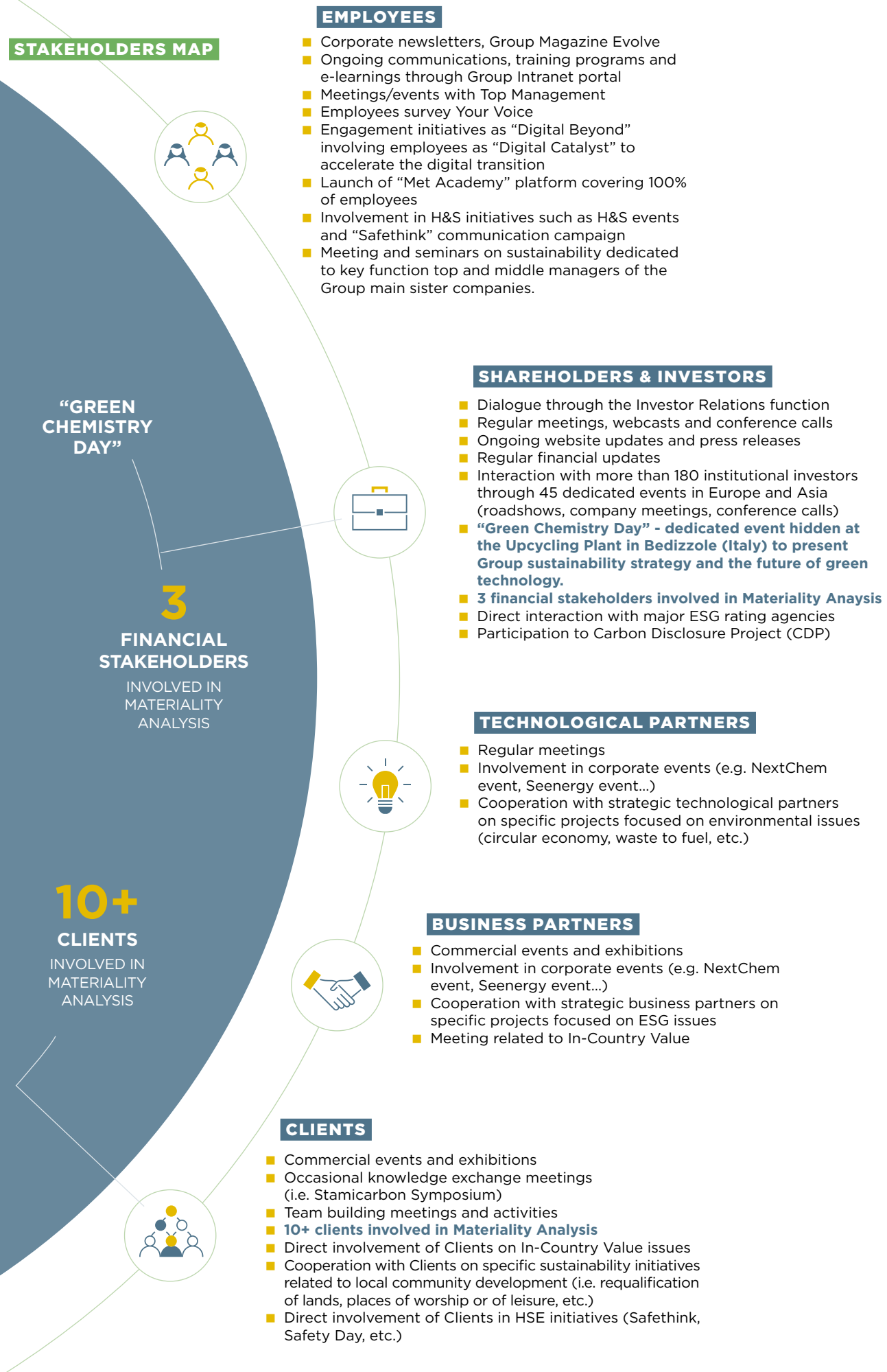
LINKEDIN

TWITTER

YOUTUBE

**670
THOUSAND
INDIVIDUAL
USERS**
ON GROUP
WEBSITE

**50+
VIDEOS**
**200+
NEWS**



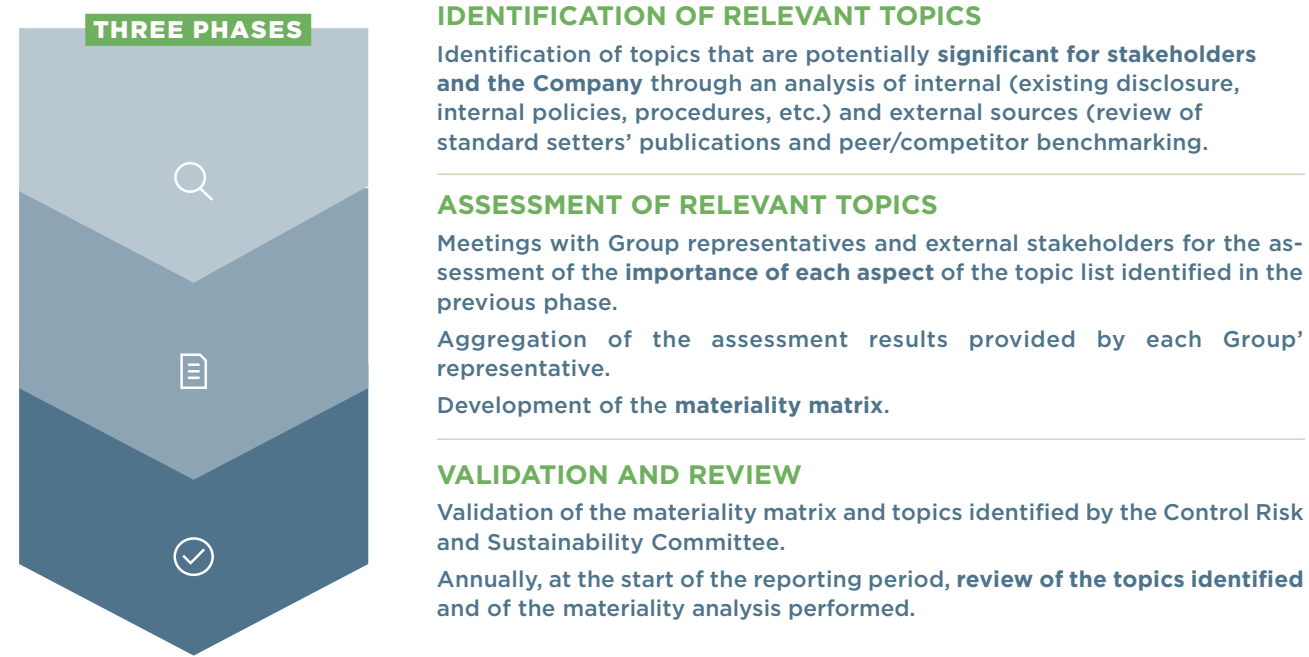
2.5 MATERIALITY ANALYSIS

In order to identify the Group's action priorities, issues where further disclosure is required and activities involving stakeholders to be improved, **Maire Tecnimont has carried out a materiality analysis since 2017**, based on the

guidelines of the most commonly-used international standards, such as the Global Reporting Initiative (GRI) and the Communication on Progress (COP) principles of the UN Global Compact. The objective of the analysis is to

identify the key topics for Maire Tecnimont and its stakeholders, which can act as management levers to create long term value to support the Group's strategy.

The materiality analysis process is divided into three main phases:



The result of the materiality analysis is summarized in the materiality matrix, which contains the following information:

■ the **horizontal axis** shows the **relevance of topics according to the Group**. The right part of the matrix shows the issues for which

a high level of impact in the coming years is foreseen in terms of the capacity of Maire Tecnimont to create long-term value.

■ the **vertical axis** indicates the **priority that stakeholders attribute to the various issues**. The upper part of the matrix shows the

most relevant issues for stakeholders in terms of the influence that each of them has on their decision-making.

MATERIALITY MATRIX



MATERIAL topic: ● Social ● Environmental ● Economic ● Cross themes ● Not GRI-specific

The material topics that have emerged from the analysis are **consistent with our corporate vision and represent the pillars of our corporate responsibility strategy**. Information on all these topics are disclosed in this report, including those required by Italian Legislative Decree 254/16 on non-financial disclosure⁸.

In the 2019 materiality analysis

process, potentially significant topics and categories of stakeholder subject to the assessment were reviewed following the guidelines of the leading sustainability reporting standards. In particular, **Maire Tecnimont's material topics were assessed with the involvement of more company functions and key external stakeholders such as Investors, Clients and Suppliers**.

Moreover, **during the 2020 new initiatives to involve and listen to stakeholders** (employees, sub-contractors, category associations, business partners) **will be implemented** with the aim of reacting to changes in the sustainability scenario in which the Company operates.

⁸ For the correlation of the material topics with the topics of Legislative Decree 254/2016, reference should be made to the table in the section "Methodology, Principles and Reporting Criteria".

2.6 ESG ADENDA: COMMITMENT, RESULTS, OBJECTIVES

MATERIAL TOPIC	SDGS	COMMITMENT	2019 RESULTS	OBJECTIVES
ENVIRONMENTAL				
Climate change & GHG emissions		<ul style="list-style-type: none"> Reduce the carbon footprint of the Group and its Clients Minimize GHG impact of logistic activities Compensation initiative 	<ul style="list-style-type: none"> Issued the ESG Linked SSD Loan Launch of NextChem, new vehicle dedicated to energy transition Carbon Disclosure Project rating confirmed to B Launch of multi-year reforestation program (Treedom) 	<ul style="list-style-type: none"> Implementation of the air emission estimation methodology accounting for Scope 3 Emissions Launch of Green Logistic Plan Target of 20% CO₂ reduction/avoided emission (Scope 1 + Scope 2+ Scope 3) by 2023 Carbon Disclosure Project rating improved to A by 2021
Energy efficiency		<ul style="list-style-type: none"> Optimize energy consumption at office level and construction sites 	<ul style="list-style-type: none"> Performed energy and GHG reduction assessment on Group's main offices and Construction Sites 	<ul style="list-style-type: none"> Implementation of several energy saving and GHG reduction initiatives on Group's main offices (LED Lights) and a Pilot Site
Waste management		<ul style="list-style-type: none"> Reduce the environmental impacts of production 	<ul style="list-style-type: none"> Performed energy and GHG reduction assessment on Group's main offices and Construction Sites Agreement with Eni for a technology that transforms non-recyclable waste into hydrogen and methanol 	<ul style="list-style-type: none"> Cooperation with Saola Energy to license a technology for the production of Renewable Diesel Pursuing 10+ new projects related to Circular Economy, Green Green and Greening the Brown
R&D and innovation		<ul style="list-style-type: none"> Research activities to promote technological development and innovation 	<ul style="list-style-type: none"> Launch of a digital transformation program involving the whole Organization: Beyond Digital 56 ongoing innovation projects 1,492 patents in force (192 field in 2019) 	<ul style="list-style-type: none"> +70 ongoing innovation projects Continue to invest in R&D to reinforce our IP Portfolio
SOCIAL				
Health and safety		<ul style="list-style-type: none"> Protection of workers' health and safety 	<ul style="list-style-type: none"> Launch of a multi-year HSE awareness program at offices and construction sites (SAFETHINK Campaign) Implementation of a Group Policy relevant for Health & Safety management LTIF=0,096; TRIR=0,317 Implementation of a Group Policy relevant for Sustainability 	<ul style="list-style-type: none"> Continue to promote and reinforce the H&S culture by strengthening the HSE Awareness Program LTIF and TRIR: continue to perform better than IOGP Construction Benchmark
Responsible supply chain		<ul style="list-style-type: none"> Promoting a sustainable supply chain 	<ul style="list-style-type: none"> 100% Coverage of new qualification based on ESG criteria 100% Coverage of new qualification based on ESG criteria Sustainable Supply chain project 	<ul style="list-style-type: none"> Social Audit Programs on Suppliers Launch of Maire4PMI a specific program targeted to Italian SME Project

MATERIAL TOPIC	SDGS	COMMITMENT	2019 RESULTS	OBJECTIVES
Local economic development		<ul style="list-style-type: none"> Contributing to the development and economic growth of the countries where the company is present 	<ul style="list-style-type: none"> 52% of goods and services purchased locally on total purchases per area/country 	<ul style="list-style-type: none"> Launch of multi-year strategic program of In-Country-Value (ICV) with active involvement of all Regional Offices
Local communities		<ul style="list-style-type: none"> Support Local Communities Strengthening the Stakeholder Engagement Promoting Cooperation agreements with universities 	<ul style="list-style-type: none"> 550+ pro-bono / volunteering hours Inclusion of Clients and Suppliers in the Stakeholder Engagement 15 Agreements with universities 	<ul style="list-style-type: none"> Inclusion of Employees and Business Associations in the Stakeholder Engagement 20+ Agreements with Universities
Human capital development		<ul style="list-style-type: none"> Strengthen the knowledge and skills of the entire workforce 	<ul style="list-style-type: none"> Launch of a multi-channel educational platform available to all employees (MetAcademy) 66% of employees receiving regular performance and career development reviews 66,137 Training Hours (+24% vs 2018) 	<ul style="list-style-type: none"> Continuous implementation of programs and events to reinforce Cyber Security and Fraud Prevention Leadership Program implementation Diversity & inclusion Committee
Diversity		<ul style="list-style-type: none"> Promote Equal Employment Opportunities (Gender, Age, Race) 	<ul style="list-style-type: none"> 20% of women/total workforce (vs 19% Industry benchmark) 93% Salary Gap (Europe) 	<ul style="list-style-type: none"> Diversity & inclusion Committee
Employment		<ul style="list-style-type: none"> Promote sustainable development through sustainability targets Ensure work-life balance and promotion of Smart Working 	<ul style="list-style-type: none"> 15% of MBO of the CEO linked to ESG Target Full Deployment of Smart Working (BE ADAPTIVE!) for Employees in Milan 	<ul style="list-style-type: none"> Diversity & inclusion Committee Commitment in the future LTI Plans at least 10% linked to ESG Target Continue to pursue work-life balance initiatives (Launch of Smart Working for KT Employees in Rome) MBO linked to ESG target extended to all management WW (2024)
Customer relation		<ul style="list-style-type: none"> Cooperation with Clients in sustainability programs targeted at local communities 	<ul style="list-style-type: none"> Stakeholder Engagement with Clients 	<ul style="list-style-type: none"> Implementation of Integrated Customer Satisfaction Monitoring System
Human rights		<ul style="list-style-type: none"> Promote the protection of Human and Workers Rights 	<ul style="list-style-type: none"> 34% of Employees trained on SA8000 	<ul style="list-style-type: none"> Pursue Human Rights Awareness among employees leveraging on multi-channel educational Met-Academy platform
GOVERNANCE				
Diversity		<ul style="list-style-type: none"> Promote Equal Employment Opportunities (Gender, Age, Race) 	<ul style="list-style-type: none"> 40% of women in the BoD Implemented BoD Diversity Policy 	<ul style="list-style-type: none"> Launch of Diversity & inclusion Committee
Ethics and compliance		<ul style="list-style-type: none"> Constant alignment with international recommendations and best practices on governance 	<ul style="list-style-type: none"> Implementation of a set of Policies on Sustainability Topics 	<ul style="list-style-type: none"> Launch of training courses on Group Anticorruption Code in English Adoption and implementation of Group Anticorruption Code (2021)

2.7 MANAGING RISKS AND OPPORTUNITIES

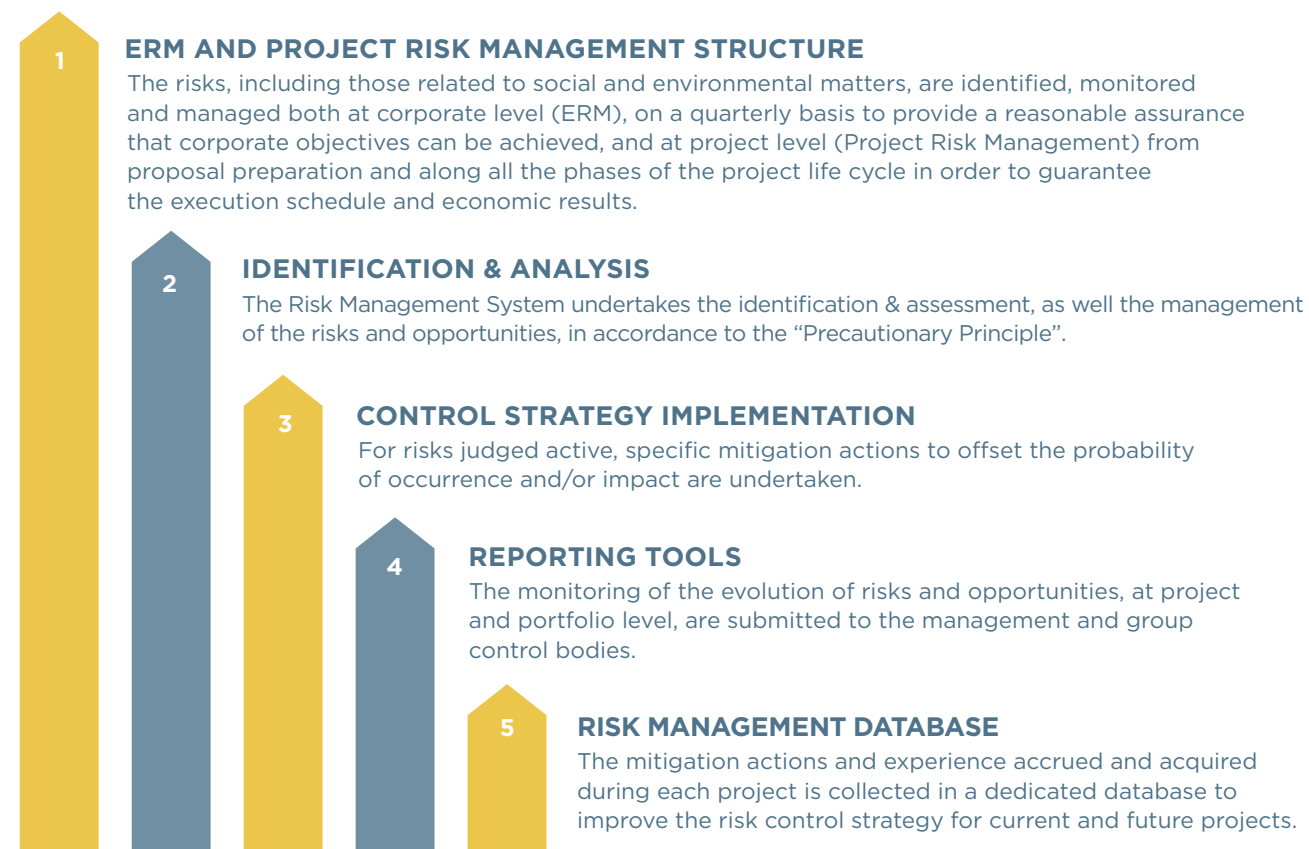
The implementation and reinforcement of the internal system for control and management of risk and opportunities, comprising tools and organizational structures developed with guidelines and standards defined at Group level, guarantees the achievement of the strategic objectives as-

signed by Top Management.

The Risk Management System adopted in Maire Tecnimont and the continuous fine tuning of risk management methodology based on experience accrued and existing best practices, guarantees traceability and transparent

analysis and control of risks and opportunities, through a process which allows the monitoring and control of risks of projects from the proposal phase and cross-departmental risks affecting the various corporate functions of Maire Tecnimont.

RISK MANAGEMENT SYSTEM FIVE PILLARS



Moreover, in order to consistently translate Maire Tecnimont's values, and in accordance with the Sustainability Plan that promotes sustainable development fully in line with the guidelines of the United Nations Global Compact of which Maire Tecnimont has been an active member since 2011, **Maire**

Tecnimont has decided to formalize specific group policies on Sustainability, which introduce principles and guidelines to link internal operating policies/procedures and management systems already in place. The formalization process was completed in 2019 and published in the first quarter of 2020.

With reference to the material topics, the group is exposed to a variety of risks. The table in the following page lists the main risks and the main actions aimed at mitigating the effects and ensuring appropriate management.

MATERIAL TOPICS ⁹	REFERENCE SCENARIO AND MAIN RISKS/ OPPORTUNITIES	MITIGATION ACTIONS (INCLUDING THE POLICIES PURSUED OR IMPLEMENTED)
- Ethics & compliance - Anti-corruption - Grievance mechanism	Carrying out its international activities, the Group must ensure compliance with its ethical principles, laws and relevant regulations by its employees and third party involved. Main risks are related to non-compliance to the above as well the risks of fraud and/or illegal conduct and corruption in all its forms, including extortion and bribery. Further risks concern an incorrect detection of complaints raised by an individual or group of individuals related to actual or perceived impacts cause by the company's operating activities.	- Implementation of the Group Code of Ethics and Organization, Management and Control Model as per Italian Legislative Decree 231/2001 ("231 Model"); - Issuing and adoption of Group Standard Procedures; - Execution of audits by the Internal Audit Department and by the Supervisory Body as per Italian Legislative Decree 231/2001; - Scheduling of induction sessions in order to improve the knowledge of the members of the Board of Directors and the Board of Statutory Auditors; - Training programs concerning Legislative Decree 231/2001, the 231 Model and the Group Code of Ethics or related issues for all Maire Tecnimont's personnel; - Communications of the Grievance mechanism outlined in the Group Code of Ethics and Model 231 to all employees, suppliers, sub-contractors and business partners in general. For more details, please refer to Chapter 3.
- Employment - Diversity - Industrial relations - Human capital development	The Group operates in over 45 countries, through approx. 50 companies and having to manage over 6,000 employees with different social and cultural backgrounds together with varied skills, daily facing the challenges deriving from diversity and multiculturalism. Main risks may relate to: - loss of key personnel and/or highly specialized professionals; - decrease of employee engagement and motivation; - lack of training and development opportunities; - decrease of attractiveness as an employer in the labor market; - non-compliance with relevant laws on workers' rights; - not respecting diversity and assuring equal opportunities.	- Implementation of the Group Code of Ethics and Organization, Management and Control Model as per Italian Legislative Decree 231/2001 ("231 Model"); - Corporate guidelines for management of Human Capital; - Processes related to employees' skills and behaviors assessment; - Development plans; - Rewarding and incentive processes; - Engagement surveys; - Policies fostering work-life balance and encouraging ever growing responsibility; - Care and respect for the value of diversity within the Group. - Monitoring of workers' rights and respect and application of collective agreements; - Industrial Relations system based on transparent and ongoing dialogue. For more details, please refer to Chapter 4.
- R&D and innovation	Operating in competitive sectors, the Group is subject to risks associated with the constant development of used technologies and licenses in order to maintain and/or increase its market share. Main risks could be related to: - Technologies not "up to date" with the needs of the market; - Risks of know-how and Intellectual Property infringement vs. own and third-party technologies; - Financial risks associated with the investment in R&D.	- Technical and economic resources allocated to R & D; - Proper management of the Group's intellectual property assets and technological skills in order to develop new business projects, technologies and licenses; - Collaboration with universities and research centers; - Updating and protection of its patents and other intellectual property rights; - Signature of specific Non-Disclosure Agreements with Vendors and third parties involved; - Constant monitoring of all projects and new initiatives in research and development through evaluation of expected results during the entire development and industrialization process; - Development of a new business unit ("NextChem") dedicated to green acceleration through the launch of new technological initiatives in the field of energy transition, to better respond to new market dynamics. For more details, please refer to Chapter 5.
- Economic development - Local communities/ local economic development - Customer relations - Responsible supply chain	The presence of the Group in over 45 countries and the execution of projects in some of these, involves a necessary and fundamental interaction with customers and local communities in order to guarantee their economic development. Possible risks may arise regarding the failure to support the local content in terms of opportunity for local labor force and for local suppliers of good and services, training for local people and investments in local assets. Furthermore, a solid and reliable supply chain must be guaranteed, both in terms of performance and ethical behavior, including risks deriving from non-compliance by the supplier with the principles and policies to which the Group had requested to underwrite and pursue. Finally, possible risks may concern non-compliance regarding information and labeling of products and services.	- Implementation of the Group Code of Ethics and Organization, Management and Control Model as per Italian Legislative Decree 231/2001 ("231 Model"); - Importance of MET Economic value distributed; - Ability to provide a broad and integrated range of services, from feasibility studies to basic engineering, from selecting technology to developing lump-sum turnkey projects; - Policy (implemented) regarding the adoption of a strategy described below: <ul style="list-style-type: none"> • Pursuing a local content strategy enhancing the opportunities for local labor force and goods and services, supplying training for local people; • Adoption of internal model to quantify the footprint in the local territory; - Policy (implemented) regarding the management of suppliers, in accordance to the strategy described below: <ul style="list-style-type: none"> • Promoting the Partner's involvement even before

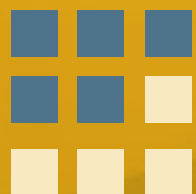
⁹ For the correlation of the material topics with the topics of Legs. Decree 254/2016, reference should be made to the table in the section "Methodology, Principles and Reporting Criteria".

MATERIAL TOPICS	REFERENCE SCENARIO AND MAIN RISKS/ OPPORTUNITIES	MITIGATION ACTIONS (INCLUDING THE POLICIES PURSUED OR IMPLEMENTED)
		<p>the bidding stage, proposing innovative solutions which create added value;</p> <ul style="list-style-type: none"> • Strengthening the local supply chain through International Procurement Office (IPO); • Scouting of suppliers in different countries around the globe; • Using the E2Y procurement platform; • Maire Tecnimont group qualification and management process of supplier through questionnaires and tools requesting information about the Environment, Social Accountability, Health and Safety matters; • Sharing with suppliers of Maire Tecnimont Group's Terms and Conditions that include environmental and social requirements. <p>- Policy regarding information and labeling of products and services (there are no cases of "non-compliance" regarding information and labeling of products and services).</p> <p>For more details, please refer to Chapter 6.</p>
	<p>Maire Tecnimont is subject to laws and regulations for the protection of health and safety, respect for human rights and the safeguarding of the environment at national, international and EU level.</p> <p>Being an EPC Contractors Group, the risks relative to the health and safety of the employees present every day at home office and construction site are continuously investigated and mitigated.</p> <p>The HSE risk management is based on the principles of prevention, protection, awareness, promotion, and participation; its aim is to guarantee the workers' health and safety and to protect the environment and the general well-being of the community. In spite of the Group adoption of such procedures and specifically at construction sites, the risk of events, even continuously investigated and mitigated, that are harmful to the health of people and the environment cannot be excluded. Furthermore, possible risks may concern environmental non-compliance.</p> <p>The Group is also exposed to risks related to climate change such as:</p> <p>(i) the impact of more restrictive laws and regulations on energy efficiency and climate change, which may lead to an increase in operational costs and, consequently, to a reduction in investment in the industry</p> <p>(ii) the impact of client awareness and sensitivity to climate change and GHG emissions reduction, with a consequent shift towards low-carbon products.</p> <p>The development of "general environmental regulations" could generate new business opportunities for Maire Tecnimont in the growing low-carbon energy market. The expertise of the Group in developing sustainable solutions for its clients and the ability of the Group to react quickly to changes in environmental regulations are clear competitive advantages.</p> <p>Moreover, client and consumer demand for eco-friendly solutions and renewable energy technologies is on the up. Maire Tecnimont is already providing low-carbon solutions to its clients and is therefore equipped to handle the potential growth in demand.</p> <p>The development of "general environmental regulations" could generate new business opportunities for Maire Tecnimont in the growing low-carbon energy market. The expertise of the Group in developing sustainable solutions for its clients and the ability of the Group to react quickly to changes in environmental regulations are clear competitive advantages.</p> <p>Moreover, client and consumer demand for eco-friendly solutions and renewable energy technologies is on the up. Maire Tecnimont is already providing low-carbon solutions to its clients and is therefore equipped to handle the potential growth in demand.</p>	<p>- Implementation of the Group Code of Ethics and Organization, Management and Control Model as per Italian Legislative Decree 231/2001 ("231 Model");</p> <p>- Developing an HSE (Health, Safety and Environment) and SA (Social Accountability) Management System which is in line with the requirements of laws in force and with international standards ISO 14001 and OHSAS 18001, SA 8000 and for which multi-site certification has been obtained;</p> <p>- Performing a detailed risk analysis to eliminate and minimize the probability and the impact related to an event;</p> <p>- Performing the HSE Design, from Front End Engineering Design to detailed EPC phase;</p> <p>- Implementing an intensive HSE training program for workers in each construction site and in head offices;</p> <p>- Policy regarding environmental compliance (there are no cases of "non-compliance" with environmental laws and regulations).</p> <p>For more details, please refer to Chapter 7.</p>
<p>- Health and safety of employees and contractors</p> <p>- Human rights</p> <p>- Energy efficiency</p> <p>- GHG emissions</p> <p>- Water & waste management</p>		

MATERIAL TOPICS	REFERENCE SCENARIO AND MAIN RISKS/ OPPORTUNITIES	MITIGATION ACTIONS (INCLUDING THE POLICIES PURSUED OR IMPLEMENTED)
	<p>Maire Tecnimont give particular attention to the reliability of its IT systems as necessary to achieve business objectives.</p> <p>Emphasis is placed on technology to protect confidential and proprietary information managed the IT systems. However, our hardware and software products and information contained in our corporate IT systems should be vulnerable to damage or disruption caused by circumstances beyond our control such as, malicious activities or fraud by unauthorized third parties that intentionally misleads an employee into sending confidential information using a written or verbal communication such as an email, fax, letter or phone call, cyber-attacks, system or computer network failures, or computer viruses. The inability of IT systems to perform correctly for any reason could compromise operational activities and result in reduced performance, significant repair costs, transaction errors, data loss, processing inefficiencies, downtime, disputes with negative effects on brand reputation and commercial transactions.</p>	<p>In order to prevent these risks, the IT Systems and relevant processes have been structured in accordance to the requirement of Maire Tecnimont's IT policies to prevent both cyberattacks and fraudulent attacks/ social engineering frauds. Integrated solutions have been developed according to the following main pillars:</p> <ul style="list-style-type: none"> - Information's storage on Cloud Infrastructure; - Enterprise Access Service, so all users are authenticated by a sophisticated service which is able to grant the user using Multi Factor Authentication procedures or Security Certificates. Moreover, the Enterprise Access Service selects the access to its services. Devices or PC without antivirus, connecting from untrusted locations or users not compliant with enterprise policies are filtered and the access is denied; - Artificial Intelligence Antifraud system; - Open Source Intelligence tools to search for sensitive corporate information on dark web and to protect domains and users in a more extensive way; - Continuous and effective management of threats through a Security Operation Center operating 24/7 capable of avoiding virus, phishing, spam or spoofing activities, malicious domains; - Periodic Cyber security assessment in line with ISO 27001 guidelines; - Internal simulated phishing campaigns, using different technologies (instant messaging, e-mail, paper documents) to identify at-risk user groups and reveal training needs; - Extensive and focused IT and behavioral security training and awareness program towards employees; - Timely communications to all Group employees as soon as threat intelligence team identifies new phishing campaigns, potential fraud attacks or new systems vulnerabilities; - Integrated and centralized treasury payments, managed directly by Headquarter; - Advanced security policies to manage Bank details within the entire Value Chain.
- Customer relations/ IT risks		
	<p>The Group, operating in over 45 countries, can be subject to a localized or extended event of epidemics or diseases that can have impacts to its business, to the productivity of its employees and to the supply chain.</p> <p>The occurrence of any of the risks described below could have a material adverse effect on business operations and financial performance.</p>	<p>Since 2018, Maire Tecnimont deployed the "be adaptive" program to enable its employees to work in Agile context. This transformation involves the Digital infrastructure, the organizational policies, the team's culture and the competences of the employees. Therefore, Maire Tecnimont can rely on an organizational, technological and training platform which enables its employees to work in Agile mode "Smartworking", able to support the normal productivity irrespective of the place of work of the employee.</p> <ul style="list-style-type: none"> - The regional distribution of our workforce across several continents with strong integration and collaboration can mitigate possible constraints or travel bans; - Health care service to support employees and consultants located all over Italy, as well as the staff members of clients hosted at the Group's Milan and Rome offices; - Travel agent support has been strengthened for employees in order to manage any potential business trip's limitation; - Periodical impact analysis on key projects in order to guarantee business continuity across supply chain involving whole organization in each country.
- Health and safety of employees and contractors/epidemics and diseased		

GOVERNANCE AND ETHICS

DIRECTORS



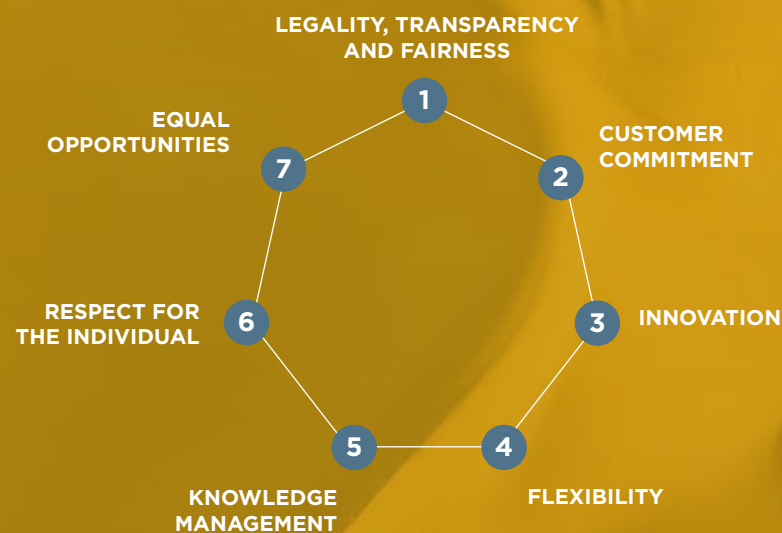
5 INDEPENDENT DIRECTORS OF **9** APPOINTED DIRECTORS

DIVERSITY



4 WOMEN ON THE BOARD OF DIRECTORS
1 WOMAN ON THE BOARD OF STATUTORY AUDITORS
2 WOMEN ON THE SUPERVISORY BODY

GROUP'S VALUES



MODELS



ANTI-CORRUPTION



15 GOVERNANCE BODY MEMBERS THAT THE ORGANIZATION'S ANTI-CORRUPTION POLICIES AND PROCEDURES HAVE BEEN COMMUNICATED TO

ON PICTURE African desert



BUSINESS PARTNERS



LOCAL ORGANIZATIONS & NGOs



PROFESSIONAL /CATEGORY ASSOCIATION



CONTRACTORS & SUB-CONTRACTORS



CLIENTS



LOCAL COMMUNITIES



EMPLOYEES

The Maire Tecnimont Group is committed to **maintaining the highest standards of corporate governance**, particularly with regards to compliance with ethical and legal requirements.

Maire Tecnimont features an advanced Corporate Governance system and actively promotes the fight against corruption, the promotion of human and workers' rights, and ensures that all workers and employees comply with the law and regulations and act with integrity in their everyday actions.

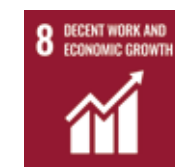
Ethics and compliance are the key factors in the conduct of Maire Tecnimont Group business for maintaining and strengthening stakeholder confidence.

Business ethics and compliance are indeed the principles that guide the Maire Tecnimont Group's construction of an integrated Internal Control and Risk Management System that is appropriate to its size, complexity, operational structure, business and sustainability challenges.

Maire Tecnimont considers corruption to be an untenable obstacle to business efficiency and fair competition. In accordance with the Group Code of Ethics, Maire Tecnimont tackles any risk of non-compliance with laws and regulation, including corruption, by adopting a structured system of rules, controls and grievance mechanisms which prevent any illicit behavior and protect its global reputation.

This includes the adoption and implementation of the Group Code of Ethics and Organization, Management and Control Model as per Italian Legislative Decree 231/2001 ("231 Model"), the issuing of Group Standard Procedures and the execution of audits by the Internal Audit Department and by the Supervisory Body as per Italian Legislative Decree 231/2001.

3



MATERIAL TOPICS

- ETHICS AND COMPLIANCE
- ANTI-CORRUPTION
- GRIEVANCE MECHANISM

3.1 GOVERNANCE

The corporate governance system of Maire Tecnimont essentially focuses on **creating shareholder sustainable value over the medium-long term**, conscious of the societal impact of Company and Group activities and the underlying need to consider the interests of all stakeholders adequately.

Maire Tecnimont's governance is based on the traditional model that includes a Shareholders' Meeting, a Board of Directors and a Board of

DIRECTORS

2 EXECUTIVE DIRECTORS



9 APPOINTED DIRECTORS

Statutory Auditors. The Board of Directors and the Board of Statutory Auditors of Maire Tecnimont are appointed at the Ordinary Shareholders' Meeting according to a slate voting system that protects the rights of the minority shareholders.

On 29 April 2019, the Ordinary Shareholders' Meeting appointed a Board of Directors of 9 members (of which 2 executive Directors) for the three-year period 2019-2021, i.e. until approval

of the company financial statements at December 31, 2021 as follows:

Further information on corporate governance at Maire Tecnimont can be found in the 2019 Corporate Governance and Ownership Structure Report, pursuant to article 123-bis of the Italian Consolidated Finance Act, available on the Company website (www.mairetecnimont.com, "Governance" section) (the "2019 Corporate Governance Report").

BOARD OF DIRECTORS

- 1 FABRIZIO DI AMATO
CHAIRMAN
- 2 PIERROBERTO FOLGIERO
CEO & COO
- 3 LUIGI ALFIERI
DIRECTOR
- 4 GABRIELLA CHERSICLA
INDEPENDENT DIRECTOR
- 5 ANDREA PELLEGRINI
INDEPENDENT DIRECTOR
- 6 PATRIZIA RIVA
INDEPENDENT DIRECTOR
- 7 VITTORIA GIUSTINIANI
INDEPENDENT DIRECTOR
- 8 STEFANO FIORINI
DIRECTOR
- 9 MAURIZIA SQUINZI
INDEPENDENT DIRECTOR



Further information on director appointment procedures according to the slate voting system and Director profiles can be found in the 2018 Corporate Governance Report.

- Management bodies
- Control bodies
- Management and Control bodies
- Supervisory bodies

THE SHAREHOLDERS' MEETING

It adopts resolutions on issues indicated by the law, such as approval of financial statements, appointment of the Board of Directors, Board of Statutory Auditors, Independent Auditors and amendments to the Company's By-laws.

BOARD OF STATUTORY AUDITORS

It monitors the compliance with the law and the Company's By-laws, the principles of good administration and the suitability of the organisational, administrative and accounting structure.

BOARD OF DIRECTORS

It determines and pursues the strategic objectives of the Company and the Group.

INDEPENDENT AUDITORS

They have a mandate to form an opinion on the financial statements and to verify the proper keeping of the company accounts and the correct reporting of the operating events in the accounting records.

231 SUPERVISORY BODY

It carries out activities on the operation, observance and updating of the "Model 231" and on the implementation, within the Company, of the provisions of the Legislative Decree 231/2001.

CONTROL RISK AND SUSTAINABILITY COMMITTEE

It assists the Board of Directors in assessing the suitability of the internal control and risk management system including the risks relevant for the sphere of sustainability.

REMUNERATION COMMITTEE

It formulates proposals regarding the remuneration of the Directors, including those holding special offices, and the executives of the Group.

RELATED-PARTY COMMITTEE

It carries out those tasks reserved to it by the CONSOB Related Parties Regulation and the related procedure adopted by the Company.

The number of independent directors (5 independent directors out of 9 appointed directors) in the Board of Directors in office, all non-executive directors, exceeds that required by law and the Maire Tecnimont By-Laws.

Similarly, Committees are composed of non-executive directors, the majority of whom are independent, including the Chairperson. Regarding gender diversity, the Board of Directors in force, with 4 women out of 9 directors, is fully compliant with the most recent legislative provisions, effective from January 2020, strengthening gender diversity on the Board of Directors and Board of

Statutory Auditors. The Board of Directors is also well-balanced in terms of training, professional and managerial background, age, geographical origin and international experience and compliant with the "diversity guidelines" approved by the Board of Directors in 2019 in relation to the appointment of the Board of Directors and the Board of Statutory Auditors in force.

Also the Board of Statutory Auditors in office is well-balanced in terms of diversity and compliant with the "diversity guidelines" approved the Board of Directors and with the most recent legislative provisions, effective from January 2020,

related to the gender diversity (1 woman out of 3 appointed Statutory Auditors).

The Board of Directors has established two internal committees with advisory functions, the **Remuneration Committee** and **Control Risk and Sustainability Committee**.

The Board of Directors has also established a **Related Party Committee** which is assigned the tasks and duties set out by the Regulation on related parties issued by CONSOB, the Italian authority for listed companies.

The Board of Directors has appointed a **Supervisory Body** ("231 Supervisory Body") involved in the operation, observance and updating of the 231 Model and in implementing at the Company the provisions of Italian Legislative Decree 231/2001.

DIVERSITY IN THE BOARDS

- 4 WOMEN ON THE BOARD OF DIRECTORS
- 1 WOMAN ON THE BOARD OF STATUTORY AUDITORS
- 2 WOMEN ON THE SUPERVISORY BODY

In accordance with the July 2018 edition of Corporate Governance Code of Borsa Italiana S.p.A. ("Corporate Governance Code"), the Board of Directors carried out, also for 2019, the annual self-assessment ("Board Evaluation") on the size, composition and operation of the Board and its Committees.

The results **were shared in advance with the Lead Independent Directors** and presented to the Board of Directors and reported in the 2019 Corporate Governance Report.

The Board of Statutory Auditors also carried out a self-assessment

for 2019, concerning, among other matters, the adequacy of the composition of the Board of Statutory Auditors and the professional expertise on the Board and the functioning and climate of meetings of the Board of Statutory Auditors.

The results of the annual self-assessment of the Board of Statutory Auditors were sent to the Board of Directors and reported in the 2019 Corporate Governance Report.

The Chairman of Maire Tecnimont, with the support of Group Corporate Affairs, Governance & Compliance Department, has set up

several induction sessions in order to improve the knowledge of the members of the Board of Directors and the Board of Statutory Auditors on Maire Tecnimont Group activities and its business, as well as the principles of risk management and the regulatory framework applicable to the Group. Additional information on the induction sessions settled up in 2019 are reported in the Corporate Governance and Ownership Structure Report for 2019. The Board of Directors and the Board of Statutory Auditors are periodically briefed on all activities conducted involving Maire Tecnimont and the Group:

the outlook, the Group's general operating performance and the most significant transactions, the capital structure, the financial position and any other atypical or unusual transactions, together with all related information.

Reporting to the Board of Directors and Board of Statutory Auditors is coordinated by the Chairman, in agreement with the CEO of Maire Tecnimont and with the support of the Secretary of the Board of Directors and the Group Corporate Affairs, Governance & Compliance Department.

3.2 ETHICS AND COMPLIANCE

Maire Tecnimont, in building the Group's identity, has established the following fundamental principles: **being business-centred and customer-oriented, respect for and development of human resources and commitment to environmental and safety issues**. Maire Tecnimont requires its employees to constantly bear in mind as they go about their daily business the Group's most important value: ethical conduct.

- 1 INNOVATION
- 2 RESILIENCE AND ENTREPRENEURSHIP
- 3 INTEGRATION AND MULTICULTURALISM
- 4 MARKET COMMITMENT
- 5 RESPECT AND SUSTAINABILITY
- 6 RESPONSIBILITY TOWARDS THE COMMUNITY
- 7 MERIT AND EQUAL OPPORTUNITIES

The Maire Tecnimont Group considers it essential to conduct business in full compliance with the law, regulations, statutory provisions and ethical integrity and fairness.

Maire Tecnimont has set out these values and principles in the Group Code of Ethics¹⁰ and in its corporate standards and procedures.

The Group Code of Ethics was updated in 2019 and applies to the Board of Directors, Auditors, all employees and outside collaborators (consultants, business partners, etc.), suppliers, sub-contractors, clients and any other parties who at any level come in contact with Maire Tecnimont or act for and on its behalf.¹¹ It must be adopted by all Group subsidiaries, both in Italy and abroad, to ensure that the conduct of business and the

management of company operations always and everywhere is ethical and meets high standards of integrity.

The Board of Directors of Maire Tecnimont S.p.A. has adopted its own 231 Model, which was updated in 2019, thus **responding to the need to ensure fairness and transparency in the conduct of business and the management of company operations**. The Board of Directors has therefore appointed a 231 Supervisory Body with autonomous powers of initiative and control.

Moreover, the Italian companies directly controlled and fully owned by Maire Tecnimont S.p.A. (i.e. "sister companies") each have their own 231 Model and 231 Supervisory Body.

¹⁰ The Group Code of Ethics is a single document applicable to the entire Maire Tecnimont Group, available in Italian and English and published in the "Governance" section of the www.mairetecnimont.it website. All Companies controlled directly or indirectly by Maire Tecnimont, in Italy and abroad, must adopt the Group Code of Ethics and comply with its content.

¹¹ Recipients of the Group Code of Ethics will hereafter be referred to as "Interested Parties".

GOVERNANCE OF SUSTAINABILITY

The Corporate Governance of Maire Tecnimont is aligned with **international best practices in sustainability**.

The "**Control Risk and Sustainability Committee**" has the duty to support the Maire Tecnimont Board of Directors in, among other **matters, evaluating all relevant risks to the sustainability** of the long-term activities of the Company and the Group. Specifically, this Committee is in charge of:

- examination of sustainability matters related to business and relations with stakeholders;
- examination of the reporting and consolidation system for drafting the Group Sustainability Report ("Sustainability Report") that includes the Non-Financial Statement as per Legislative Decree No. 254/16 ("NFS");
- preliminary examination of Sustainability Report that includes NFS;
- monitoring the position of the Company on sustainability topics and in particular on the ethics indicators of sustainability
- giving opinions on sustainability topics if they are required by Board of Directors.

The "**Internal Sustainability Committee**", a strategic advisory body for the Chief Executive Officer of Maire Tecnimont S.p.A. is in charge of providing support in

the **definition of the policies for the sustainable management of the business, of the related development programs, guidelines and objectives**, including those related to Corporate Giving, monitoring their achievement, and for the analysis of interactions with stakeholders. The "Sustainability Reporting Function", directly reporting to the Chief Financial Officer, has the responsibility of drafting the Group Sustainability Report ("Sustainability Report"), containing the Non-Financial Statement as per the Legislative Decree No. 254/16 ("NFS"). Furthermore, the Function will be in charge of **planning and monitoring the Sustainability-related activities**, in coordination with the company's relevant Functions.

Finally, the setting up of the "**Green Acceleration Advisory Board**" of Maire Tecnimont should be noted, a strategic body serving the Chairperson of the Board of Directors and the Chief Executive Officer of Maire Tecnimont, with the duty to further **strengthen the knowledge and awareness of the Group in terms of the energy and industrial transition in progress** and of the related impacts. The "Green Acceleration Advisory Board" of Maire Tecnimont also has the duty to contribute to the strengthening of the identity of the Group as a key and innovative actor in the green chemicals sector, with the aim of becoming a leading player for the development of the circular economy. The "Green Acceleration Advisory Board" of Maire Tecnimont, in addition to the Chairperson of the Board of Directors and the Chief Executive Officer, comprises **high profile experts, with international experience and varied skills and specific experience**.

In 2020, **further steps forward in strengthening sustainability governance led to approval of the Group's new policies**, in which it sets out its vision, together with the sector principles **in the fields of sustainability**, health and safety, the environment, human resources, human rights, the supply chain and quality.

In 2019, **15% of the goals assigned to the CEO and COO were linked to environmental sustainability**.

The Maire Tecnimont Group also set out a **long-term incentive plan** for the three-year period 2019-2021, dedicated to the CEO and COO of Maire Tecnimont and selected top managers, with **10% of the objectives associated to ESG targets**.

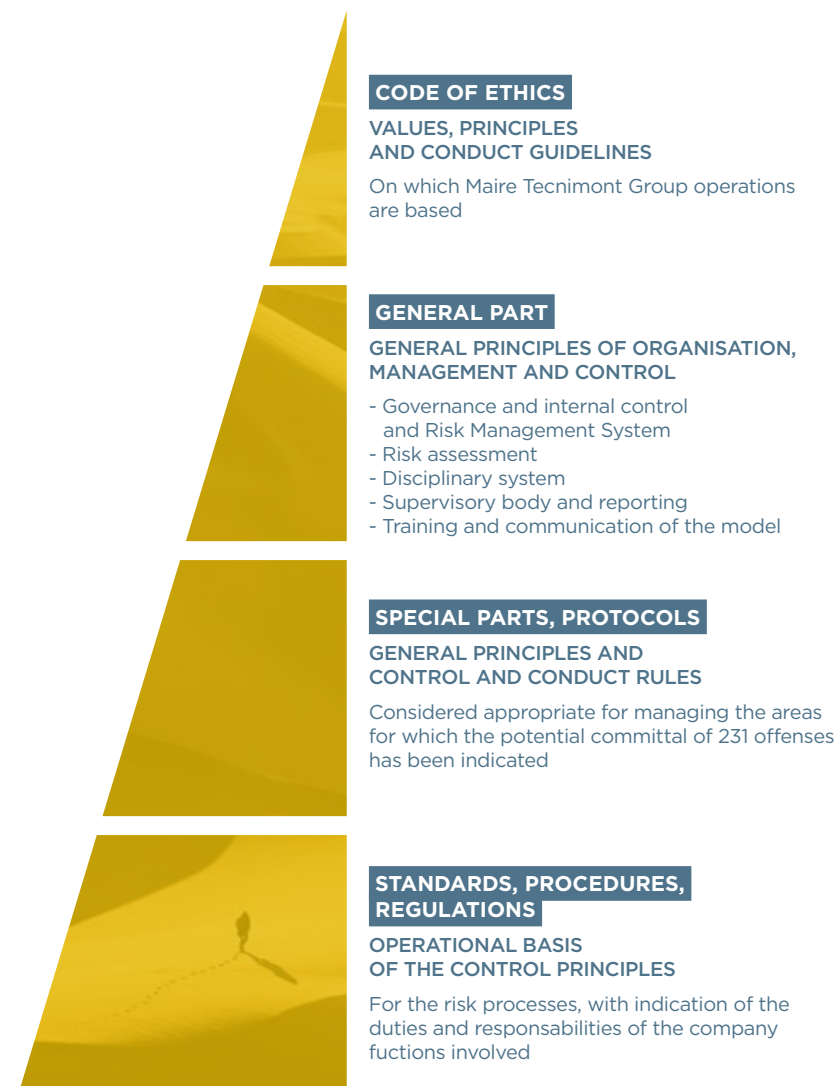
IN 2019
15%
OF THE GOALS ASSIGNED
TO THE CEO AND COO
WERE LINKED TO
ENVIRONMENTAL
SUSTAINABILITY

Aside from the Group Code of Ethics, the **231 Model establishes a set of rules and principles of control and conduct to be adopted and implemented** in order to mitigate the risk of committing the offenses referred to in Italian Legislative Decree 231/2001, including corruption and the violation of environmental protection and workers' health and safety rules.

The Group Internal Audit Department, the Group Corporate Affairs Governance & Compliance Department and the 231 Supervisory Bodies are, respectively, the representatives for monitoring the effective implementation of the Group Code of Ethics and the 231 Model.

Maire Tecnimont Group personnel, and those acting on its behalf, are responsible for understanding the applicable rules and must act in compliance with internal regulatory instruments such as the Group Code of Ethics, the 231 Model and corporate standards and procedures. Such instruments, which also include rules and principles concerning anti-corruption policies, are communicated to all Group employees and Interested Parties.

ORGANISATION, MANAGEMENT AND CONTROL MODEL: INTEGRATED SYSTEM OF RULES



3.3 ANTI-CORRUPTION

As a multinational Group conducting business in over 45 countries, the Maire Tecnimont Group and its personnel are subject to the local laws, including any that ratify international conventions and prohibit the corruption of public officials and private parties.

As located in Italy, both Maire Tecnimont and its personnel are subject to Italian law, specifically

the provisions of Legislative Decree 231/2001 and subsequent amendments which regulate the administrative liability of legal entities for offenses committed by their directors, employees or associates in Italy or abroad, in the interest or to the advantage of such legal entities.

Activities which may give rise to the risk of committing the

abovementioned offenses, including corruption, are identified through specific risk assessment activities within the framework of the 231 Model.

The Group Corporate Affairs, Governance & Compliance Department, together with the Group Development & Compensation Department, **plans and executes the communication and training programs**

concerning Legislative Decree 231/2001, the 231 Model and the Group Code of Ethics or related issues for all the Maire Tecnimont Group Companies. Maire Tecnimont personnel should indeed be intensively informed of and trained on the importance of compliance with legislation and the 231 Model, so as to clearly understand the different risks and preventive measures.

E-learning training must be attended by all employees of Maire Tecnimont and the Italian subsidiaries. The scope of the training is:

- 1 the provisions of Italian Legislative Decree No. 231/2001 and related crimes;
- 2 the structure of the 231 Model;
- 3 the principles and controls under the 231 Model, including the anti-corruption rules;
- 4 the Group Code of Ethics.

Moreover, in 2019 sessions on the provisions of the Decree no. 231/2001 and the structure of the 231 Model were taken by all directors of Maire Tecnimont and the Italian subsidiaries.

In any case, in order to maximize awareness of the Group Code of Ethics, the 231 Model and corporate standards and procedures (including those related to anti-corruption), such instruments are communicated to all Group employees, as well as to all Interested Parties.

15

GOVERNANCE BODY MEMBERS THAT THE ORGANIZATION'S ANTI-CORRUPTION POLICIES AND PROCEDURES HAVE BEEN COMMUNICATED TO

100%

GOVERNANCE BODY MEMBERS THAT THE ORGANIZATION'S ANTI-CORRUPTION POLICIES AND PROCEDURES HAVE BEEN COMMUNICATED TO

3.4 GRIEVANCE MECHANISM

Maire Tecnimont has committed to **integrating the various mechanisms for collecting and managing grievances and reports.** The Group is aware of the importance of these channels to prevent any category of abuse and is highly engaged in strengthening and ensuring their effectiveness.

The grievance mechanism is outlined in the Group Code of Ethics and the Model and is therefore communicated to all employees, suppliers, sub-contractors and business partners in general. Violations (or alleged violations) of the 231 Model and/or the Group Code

of Ethics must be reported by employees and third parties to Group Corporate Affairs Governance & Compliance Department and the 231 Supervisory Body.

For this purpose, **Maire Tecnimont has put in place a whistle-blowing platform that protects whistle-blowers**, on which they can notify any potential violation of the Group Code of Ethics, the 231 Model and document system.

Maximum confidentiality of the complainants' identity and compliance with the legislation in force is guaranteed throughout.

Potential violations of the Group Code of Ethics and the 231 Model are all immediately addressed upon receiving notice. **Over the last three years, all concerns raised have been addressed, and no concerns have been reported at any company of the Group in relation to incidences of corruption**, both active and passive, or of discrimination based on race, color, gender, religion, political opinion or national or social origin. In 2019 **all concerns related to the previous year have been resolved.**

PEOPLE AT THE CENTER

EMPLOYMENT



6,347

EMPLOYEES



82.7%

EMPLOYEES WITH PERMANENT CONTRACT



20%

WOMEN



3,154

ENGINEERS

TRAINING



66,137 H

TOTAL HOURS OF TRAINING

BREAKDOWN OF EMPLOYEES BY LOCATION

42%

ITALY & REST OF EUROPE

9%

MIDDLE EAST REGION

12%

RUSSIA & CASPIAN REGION

1%

AMERICAS REGION*

33%

INDIA & REST OF ASIA

3%

NORTH AFRICA REGION & SUB-SAHARAN AFRICA REGION

* In this representation "North America Region" and "Central and South America Region" are shown together as "Americas Region"

ON PICTURE
Malaysian coast



CLIENTS



EMPLOYEES



LOCAL AUTHORITIES & GOVERNMENTS



PROFESSIONAL /CATEGORY ASSOCIATIONS



CONTRACTORS & SUB-CONTRACTORS



LOCAL ORGANIZATIONS & NGOs

People who are passionate about their work, have solid and ever-growing competences, and share company goals, are the key to our Group's success.

Our Group has built its success on the skills, the abilities, the sense of belonging and commitment of its Human Capital to company results and goals.

In the complex business we work in there is a paramount need to attract, involve, motivate, and retain the best resources.

The initiatives activated in favour of our employees cover communication, continuous training and development, and aim to consolidate and spread our values, culture and distinctive competences, and to allow our People to contribute in reaching Group goals with always growing enthusiasm and professionalism.

Our commitment is to engage and incentivize the employees of all the Group's companies adopting an approach based on an ever stronger alignment of individual, project, business and Group objectives, and on recognizing our People's merit and skills.

We work every day to support our People in their professional growth, also through a clear description of roles, responsibilities and goals to be reached, and guaranteeing them the tools and the optimal conditions they need to carry out their activities at best.

4



MATERIAL TOPICS

- EMPLOYMENT
- INDUSTRIAL RELATIONS
- DIVERSITY
- HUMAN CAPITAL DEVELOPMENT

4.1 EMPLOYMENT

The Group has continued to carry out strategic planning for its workforce to ensure adequate consistency.

In terms of headcount, in 2019 the Maire Tecnimont Group counts 6,347 employees, 82.7% of them with permanent contract, with an increase on 2018 of more than 200 people. As for gender distribution, women represent 20% of the overall workforce, with an increase of around 8% on the previous year.



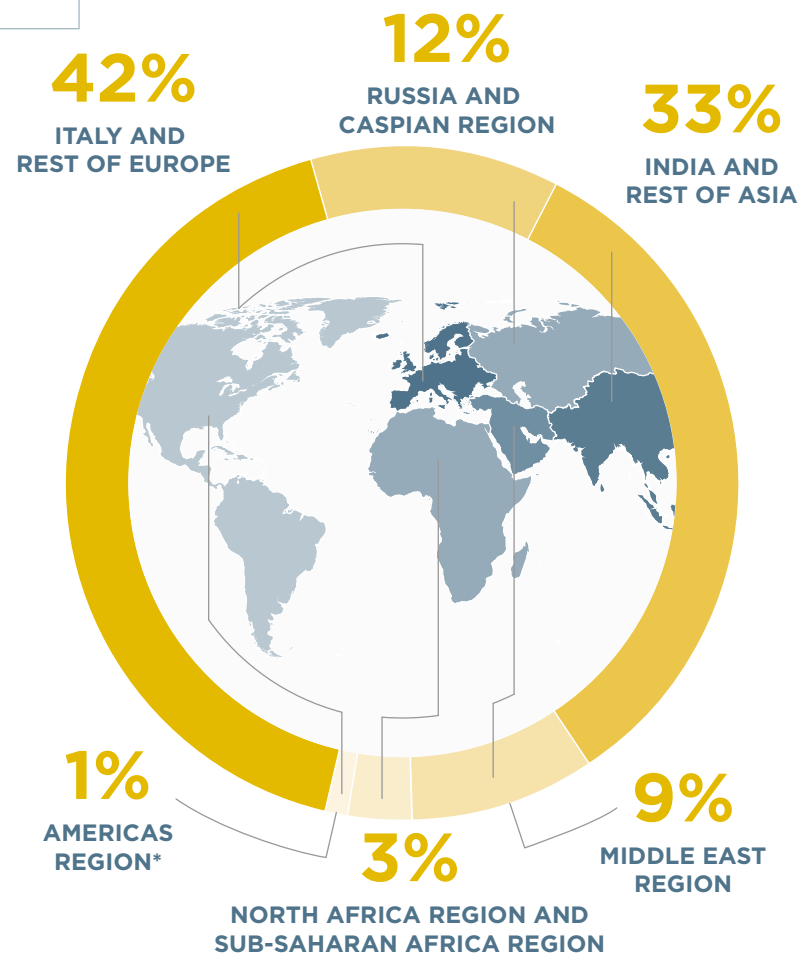
in India, of which 71% (57 people) began the professional path in the various engineering disciplines. Engineering represents the Group's largest professional family and its percentage growth further increased compared to 2018 (48% compared to 46% last year).



3,154
ENGINEERS

Fruitful collaboration with universities (above all with the Milan Polytechnic), schools and research bodies continued, leading to the activation of 44 internships, with an average duration of five months: 20 at the Indian subsidiary TCMPL, 20 at the Group's various Italian companies and 4 at the Dutch subsidiary Stamicarbon.

BREAKDOWN OF EMPLOYEES BY OPERATING GEOGRAPHIC ZONE



* In this representation "North America Region" and "Central and South America Region" are shown together as "Americas Region". For more details on "Employees by location of operation" see "Appendix - Sustainability Performance".

About 800 permanent employees were hired in 2019, while 363 people left the Group. The above numbers therefore amount to an overall turnover ratio of 6.9%. This turnover is particularly significant in the Russia region, with a turnover ratio of 30%, compared to the 9% registered in the previous year. India and Italy follow with respective turnovers of 7% and 5%. The significant increase in resignations in Russia can be attributed to the end phase of the Kingisepp project, as well as to the adjustment difficulties at the Amur site, a particularly remote area with extreme weather conditions.

The Group once again confirmed its interest in hiring young people and graduates, using apprenticeship contracts where in place (Italy and India), which combine standard work activity with a strong training and skills development approach, further confirming its attention to supporting the professional growth of its resources. Specifically, in 2019 a total of 80 apprentices were hired, 52 of them in Italy and 28

4.2 INDUSTRIAL RELATIONS

The Group complies with labor regulations in the various countries where it operates and the conventions of the International Labour Organization (ILO) on workers' rights (freedom of association and collective bargaining, consultation, right to strike, etc.), systematically promoting dialog between the parties and constantly seeking a fair level of agreement and sharing of objectives and company strategies.

In 2019, **informing and consulting activities of the union representatives were increased at company and local levels**, both in Italy and in the Netherlands.



Especially within the Group's main Italian companies, the interaction with Unions and the agreements signed concerned the collective incentive systems (attendance and results awards and Maire4You, the flexible benefits scheme) as well as the new Working Time Model, with the goal of

better adapting these systems schemes to the different business contexts. Other fruitful discussions concerned the many training initiatives carried out over the year.

At the Dutch sister company Stamicarbon, discussions with the work council led to signing a new collective labor agreement (CLA), applicable in 2019, and covered also the set-up of the new company organizational structure ("Double Helix Business Line Structure"), as well as the acquisition of Protomation.

4.3 DIVERSITY

We are interested in competences. We always strive to ensure each employee, in our Group, feels valued for her/his unique skills and assets, regardless of age, sex, ethnicity, social background or physical attributes.

Our commitment to diversity, inclusion and equal opportunities is a value for our People, clients, and business. It enables us to attract and retain unique skills and professional profiles and, at the same time, to foster creativity and efficiency development throughout our workforce. Inclusion takes shape in respecting and enhancing differences. **We are committed to ensure equal opportunities for all those who works and cooperates with our Group.**

Respect for diversity is intrinsic in our organization, in our People management, in the way we collaborate with our suppliers and partners and interact with our clients and, more generally, all our stakeholders.

These values, already included in the Group Code of Ethics, were expressly and forcefully confirmed in the new "Human Resources" Policy, which will be subjected to approval by the first quarter of 2020. Furthermore, as further proof of our Group's

commitment, a "Diversity and inclusion" committee is about to be established and will involve representatives from the main subsidiaries.



Regarding gender diversity, in December 2019, 20% of the Group's workforce were women, with an increase of 1 percentage point compared to 2018.

This current ratio is in line with the industry average¹² (European O&G Services).

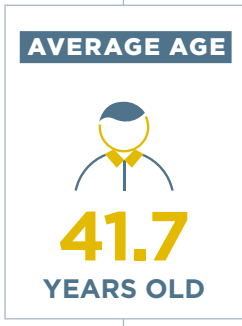
¹² Source: internal surveys and Barclays research, 2019.

As part of its effort to reduce the **gender gap**, the Group is working to further increase the number of women working as Middle Managers and Executives, which already increased 14% and 2%, respectively, in 2019. This result was also obtained thanks to special programs to support colleagues in returning to work after maternity leave. In general, the results for the year in terms of the gender distribution of our staff prove the efficacy of the actions taken in this area, as does the 100% rate of return from parental leave¹³.



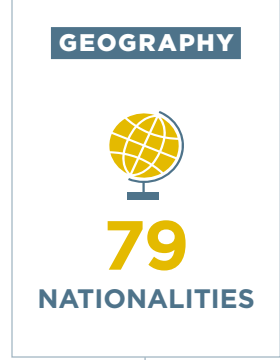
general, the average salary gap among the staff analyzed was 93%.

Regarding **age diversity**, the average age in the Group is 41.7, almost in line with 2018. The most numerous age group was is 31-50 (4,315 people, 68% of the total), within which the average age was is 40. The proportion of people under 30 is unchanged since 2018, at 12%, as well as those over 50, amounted to 20%.



Analysis of the **salary gap** covered the main companies in Europe. The population analyzed therefore amounted to 2,735 people, of whom 733 were women. The most significant gap was among Executives (aged over 50). In

The respective **average ages** within these groups are 27 and 56. Overall, the statistics show that from an age point of view, the Group's population is well balanced and there is nothing to note in terms of generational change.



Moving on to geographical diversity, in line with the expansion of the business, during 2019 Angolan, Algerian, Croatian and Nigerian citizens have been employed, further increasing the number of **nationalities** already existing in the Group.

This also confirming the Group's local content policies, testified also by the decrease in Italian and non-Italian staff posted abroad during the projects construction phase, particularly in those geographical areas that offer qualified and experienced

people in line with the Group's vacancies. By way of example, in the India Region and Russia & Caspian Region, local workforce represents, 99% and 62%, of staff working on projects in the execution phase and at head offices respectively.

4.4 HUMAN CAPITAL DEVELOPMENT

The launch of the "MET Academy", the Group's new digital window on training offer accessible to all employees, confirms the Group's commitment to **maintaining a high competency level of its People**. This platform, benefiting from the ongoing digitalization process, allows to **extend to all employees the access to knowledge and information**, thus



promoting and spreading the Group know-how. The first 200 training contents, bound to grow, are already available thanks to the intercompany collaboration and the support in producing and reorganizing inter-departmental material. The "MET Academy" allows to **capitalize on the company expertise heritage**, providing a digital space where to

find tools useful for professional growth and development, as well as for building the solid base of knowledge that allows, also new hired resources, to understand the culture and peculiarities of the organization. To meet this need a section of the platform, dedicated to new employees, was specifically created: it is rich in training content, from those designed for spreading the principles of our Code of Ethics, to those which describe the origins and history of the Group and its various business sectors.

¹³ Parental Leave is granted by the Group to its employees in accordance with different national legislations and local policies.

your VOICE

This important initiative is the result of **listening to the voices and opinions of People**, who, thanks to the engagement survey "Your Voice", had the possibility to express their wish to have access to always more training opportunities.

The 24% increase in training hours compared to the previous year, for a total of 66,137, certifies the Group's ever growing attention to

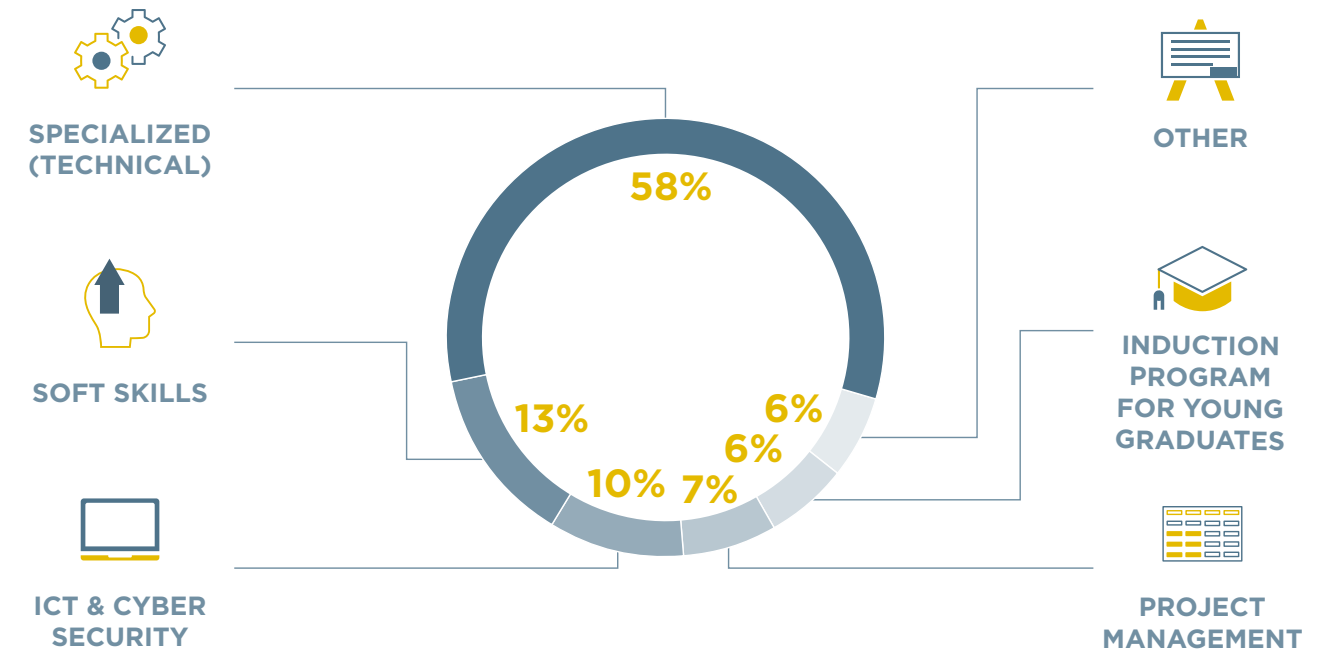
Human Capital development. This increase is particularly marked in specialized-technical training, due to the fact that important initiatives were carried out involving employees at the construction site in Russia, in order to get the technical certifications required by local legislation.

Specific investments were also made in



soft-skills training, dedicated to the **development of behaviours and effective communication styles capable of supporting and ease business**, bearing in mind the cultural peculiarities of the countries the Group works in. Also important were also the training activities dedicated to the use of IT tools and to the awareness raising on Cyber Security topics.

BREAKDOWN OF TRAINING BY CONTENT



TRAINING: WHAT'S NEW IN 2019

Training courses dedicated, respectively, to the reinforcement of constructive negotiation competences within the Contract Management, and to the strengthening decision making skills in complex scenarios, in partnership with LUISS Business School, were among the more significant new initiatives in the period. The latter path, making use of exercises and methods with a strong focus on experiential learning, involved a mixed group of

participants with management roles, from task forces of various projects, maximizing the opportunities for discussion and cross-fertilization. Important training investments were also promoted on the topic of Cyber Security, as part of the Group's gradual release of a comprehensive package of e-learning courses aimed at strengthening awareness of potential IT risks and on virtuous behaviors to be adopted.

The Company has also confirmed its commitment to guaranteeing to all its employees the knowledge of the 231 Model, as well as the Code of Ethics and the Italian Legislative Decree 231/2001, and, in general, of anti-corruption topics, by activating dedicated training courses.

As further confirmation of the Group's care to the training and the professional growth of its resources, **in 2019 a scholarship was established to allow brilliant young employees to undergo a prestigious development path, an Executive Master in Project Management at MIP - Milan Polytechnic.**



COMPETENCES DEVELOPMENT PROGRAM (CDP) FOR PROCUREMENT

Following the assessment of technical competences, which involved over 300 people from Procurement Departments at Group level, in 2019 the first training activities within the "Competences Development Program" were delivered, focused on the topics of Supply Chain Management & Economics, Vendor Management and Negotiation Techniques for Procurement.

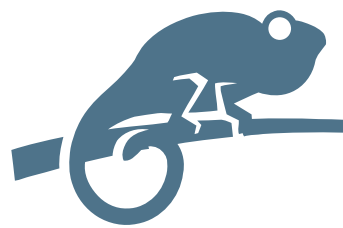


These investments, with a multiannual perspective, will continue involving employees from companies abroad and extending the program to cover other key topics.

WORK LIFE BALANCE

The Group is committed to promoting solutions and initiatives aimed at constantly and continuously improve work-life balance. To this end, the Smart Working, the new working approach very successfully adopted at the Group's Milan offices in 2018, was extended to the Rome offices, within the company KT - Kinetics Technology. Rolling out the "BE ADAPTIVE! Working Smart in Maire Tecnimont Group" program, along with the dedicated training for personnel coordinators and their collaborators involved in the pilot phase and needed to access the initiative, will allow the participants to work at their offices even just one day a week.

The second pilot project, launched within the Group's Italian companies, is a natural continuation of the "BE ADAPTIVE!" program and puts at the center the importance



BE ADAPTIVE!

of constant feedback between personnel coordinator and collaborator. **This project involves the development of new models and tools supporting the sharing of objectives, the assignment of priorities through a rolling approach, and the constant monitoring of the activities progress and achieved results.** The initiative, called "Results-Driven Organization - My Responsibilities", will



allow an ever greater work-planning capability and foster moments of discussion. All this will be also possible thanks to a dedicated IT tool developed specially to allow managers easily assign tasks and deadlines to their collaborators, who will have, anytime, a clear outline of their goals.

EVALUATING OUR COMPETENCES TO INVEST IN OUR GROWTH

In 2019 the integration and harmonization project of the "Employee Performance Commitment" process in various companies of the

Group continued, involving all employees with the requested criteria of the companies in Azerbaijan. Also the analysis activities and the implementation of the process within the main European companies and in the Middle East region proceed, with the aim of spreading the "Employee Performance Commitment" to these companies as well in 2020.

EMPLOYER BRANDING

Finally, contact and interaction opportunities with various academic institutions were confirmed, including Milan Polytechnic - where

the Group funded a chair in "Chemical Projects Engineering and Management" and took part in career days and other company presentation to students- and the Baku Higher Oil School, in Azerbaijan, where the development program was confirmed, offering the most deserving students a training course within the Group. The inauguration of a chair in "Open Innovation" at LUISS Guido Carli University in Rome also represents a new and significant opportunity, for the Group, of synergy and openness to innovation, broadening employer brand visibility even further, and substantial support for the academic world.

LOCAL CONTENT IN TEMPA ROSSA

As part of Corporate Social Responsibility initiatives and local content development, the subsidiary Tecnimont's commitment to communities in Basilicata went on, involving 375 workers in 29 training initiatives and taking the form of professional qualification courses for sub-contractors employees resident in the region and working on the site of the Tempa Rossa project.



TECHNOLOGY, DEVELOPEMENT, INNOVATION AND R&D



BUSINESS PARTNERS



TECHNOLOGICAL PARTNERS



CLIENTS



EMPLOYEES



PROFESSIONAL /CATEGORY ASSOCIATION



CONTRACTORS & SUB-CONTRACTORS

In the current, highly competitive O&G sector, **innovation is crucial to the creation of value for our organization and for our stakeholders.** Combining diverse talents and investing in human capital and R&D have been part of our DNA for more than 50 years.

Innovation is the **conversion of new concepts and insights into successful market applications.** It can only be achieved by closely linking the identification of market opportunities with technical expertise development.

Thanks to our technological background and our leadership in the transformation of natural feedstocks, we are able to **bridge the gap between the idea born in the laboratory and production on an industrial scale.** We are industrializers of innovation and we can be industrializers of sustainability.

Maire Tecnimont created in 2018 a special company - NextChem - to offer technological solutions to its clients to **reduce the carbon impact of their traditional processes, develop new processes and products from non-fossil feedstocks and from renewable energy sources,** improving their circular economy through recycling, *waste-to-fuels* and *waste-to-chemicals*.

As innovation is one of the Group's main competitive advantages, we also decided to be a pioneer in **digitalization applied to Engineering Procurement and Construction as well as in a coordinated supply chain.** Maire Tecnimont launched its digital transformation strategy aiming to a profound optimization of all our internal processes, but also the creation of an additional offer of digital services to our clients.

The Focus of the Group is also to have an **efficient R&D structure** that can help the individual companies **deliver innovative products and new technologies and support operational improvements that boost productivity.**

INNOVATION AND R&D



5

INNOVATION CENTERS



57

INNOVATION PROJECTS



~34

PEOPLE INVOLVED IN R&D AS FULL TIME EQUIVALENT



24

PARTNERSHIPS FOR TECHNOLOGICAL DEVELOPMENT

PATENTS



123

FAMILY BASED



1,492

EQUIVALENTS

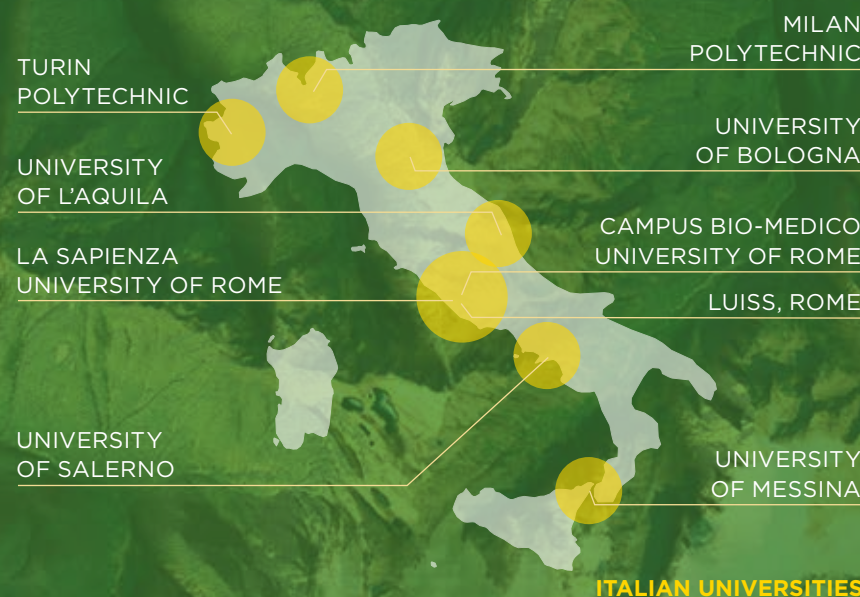
DIGITALIZATION

1st EVENT FOR DIGITAL INNOVATION



BEYOND DIGITAL

COLLABORATIONS



ON PICTURE Alps landscape

5



MATERIAL TOPICS

- R&D AND INNOVATION

5.1 R&D AND TECHNOLOGICAL INNOVATION

The energy transition is ongoing. The social and economic impact of climate change on communities, environment, health is real, **the demand from the market for green technologies, renewable energy, sustainable products, low impact services is concrete** and almost all business sectors need to change their production patterns, looking for new technologies, designing new products, exploring new symbiosis with other sectors and building new markets. **The next decade will be decisive in finding technological solutions to make the energy transition concrete.** Consumers, communities and institutions are demanding climate-friendly products, services and processes and that demand will only grow.

Global warming and the resulting climate change make it more and more urgent to find solutions for reducing carbon dioxide emissions into the atmosphere. The development and scaling of industrial technologies for the energy transition, which may contribute dramatically to a low-carbon economy and help to reduce climate changes, is a priority for Maire Tecnimont Group. **We are committed to help industry to accelerate Energy Transition, creating new products from renewable feedstock and entering new markets with a non-fossil footprint, reducing carbon emissions of traditional plants, improving circularity through Upcycling and waste-to-chemicals, developing clean, green and circular energy solutions.** Thanks to our technological background and our leadership in the transformation of natural feedstocks, we are able to bridge the gap between ideas

born in the laboratory and production on an industrial scale. We are **industrializers of innovation** and we can be **industrializers of sustainability.**

Maire Tecnimont created in 2018 a special company - NextChem - to offer technological solutions to its clients to reduce the carbon impact of their traditional processes, develop new processes and products from non-fossil feedstocks and from renewable energy sources, improving their circular

economy through recycling, *waste-to-fuels* and *waste-to-chemicals*. **NextChem transforms innovative ideas into real industrial processes and plants**, through Project Development, Technology Licensing, Engineering, Procurement and Construction services and Joint Ventures and Joint Cooperation Agreements.

The roadmap towards Energy Transition is set across three areas of activity:

GREEN GREEN

The innovative area aimed at identifying oil substitutes to produce chemical intermediates, fuels and plastics from renewable sources.

CIRCULAR ECONOMY

Focused on plastic waste recycling to produce Upcycled polymers, fuels and other chemicals. The range of solutions range from the mechanical to the chemical recycling, from Upcycling of plastic waste materials to *waste-to-chemicals* and *waste-to-fuel* technologies, which can produce "circular" hydrogen, methanol and other valuable chemicals.

GREENING THE BROWN

Aimed at mitigating the environmental effects of the technologies used for the transformation of oil and natural gas. We are focused on innovation in traditional petrochemical solutions, aimed at limiting and eliminating CO₂ and other greenhouse gas emissions released from existing plants.

R&D EXPENDITURE



Maire Tecnimont has invested approximately **€56 million** in the last **5 years** in innovation projects, also through investments focused on start-ups and partnerships, in order to build a technology portfolio to best address the new requirements of the on-going revolution in the energy and chemical industries.

IMPROVING RE-USE OF WASTE THROUGH A CIRCULAR ECONOMY, WITH AN INTEGRATED PLASTIC RECYCLING APPROACH



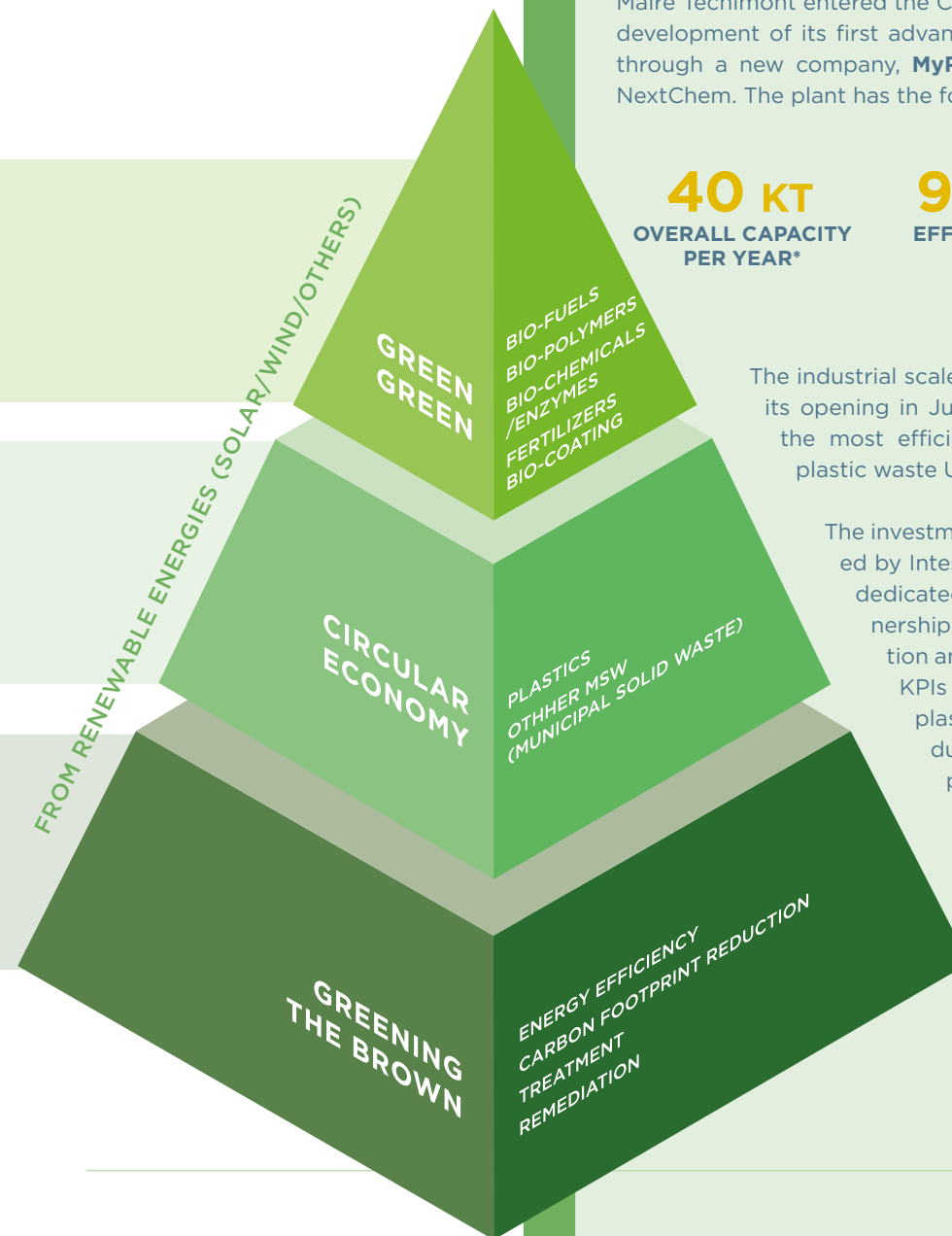
Maire Tecnimont entered the Circular Economy by investing in the development of its first advanced plastic waste Upcycling plant, through a new company, **MyReplast Industries**, a subsidiary of NextChem. The plant has the following characteristic:

40 KT OVERALL CAPACITY PER YEAR*
95% EFFICIENCY
8.5 KT TOTAL CO₂ REDUCTION PER YEAR

The industrial scale plant located in Brescia, Italy, had its opening in June 2019. It has been described as the most efficient and economically sustainable plastic waste Upcycling plant in the EU.

The investment was supported by a loan granted by Intesa Sanpaolo, through the new fund dedicated to the Circular Economy, in partnership with the Ellen MacArthur Foundation and with the identification of specific KPIs relating to the number of tons of plastic material recycled and reintroduced in the production cycle, improvement of product quality and related waste efficiency.

* Corresponding to the average total plastic consumption of 1 million people.





In 2019, global plastic production resulted in ~300MT; therefore, assuming a relatively constant business activity, the number could potentially increase up to ~400-500MT by 2030. With this threat to the environment, major governments and companies are taking increasing actions to address the issue. Several complementary methods of re-generating plastic wastes exist as of today, with different degrees of maturity. The most general differentiation is between mechanical and **chemical solutions**.

Maire Tecnimont, through NextChem, has developed a portfolio of **plastic waste recovery solutions** based on the concept of applying the best available technology according to the recyclability grade of the plastic waste input. Highly recyclable plastics can be best exploited through technologies capable of producing new raw material for **substituting virgin polymers** in producing plastic goods. Non-recyclable plastics may find their best use in a chemical process that separates them into their basic molecules and transform them into **new chemical feedstock**.

THE MAIN PHASES OF OUR UPCYCLING TECHNOLOGY:



ADVANCED SORTING PROCESS

THROUGH CUTTING-EDGE SORTING RECYCLING SENSORS



HIGHLY EFFICIENT PROCESS

FROM MECHANICAL SORTING TO GRINDING, WASHING AND COLOR SEPARATION



UPCYCLING PROCESS

FINISHING PLASTIC FLAKES UPGRADED INTO QUALITY MATERIAL BY COMPOUNDING AND EXTRUSION TECHNOLOGIES

USE OF BIOLOGICAL COMPONENTS AS FEEDSTOCK. RENEWABLE DIESEL (HVO) PRODUCTION PLANTS: SUPERIOR PERFORMANCES THROUGH MODULAR APP

Biofuels have a vital role, together with electric and natural gas vehicles, in tackling decarbonization in the transport sector. **Advanced biofuels** (or second-generation biofuels) will be the driving force behind this evolution, as they mitigate sustainability risks associated with changing land use and competition over food production.

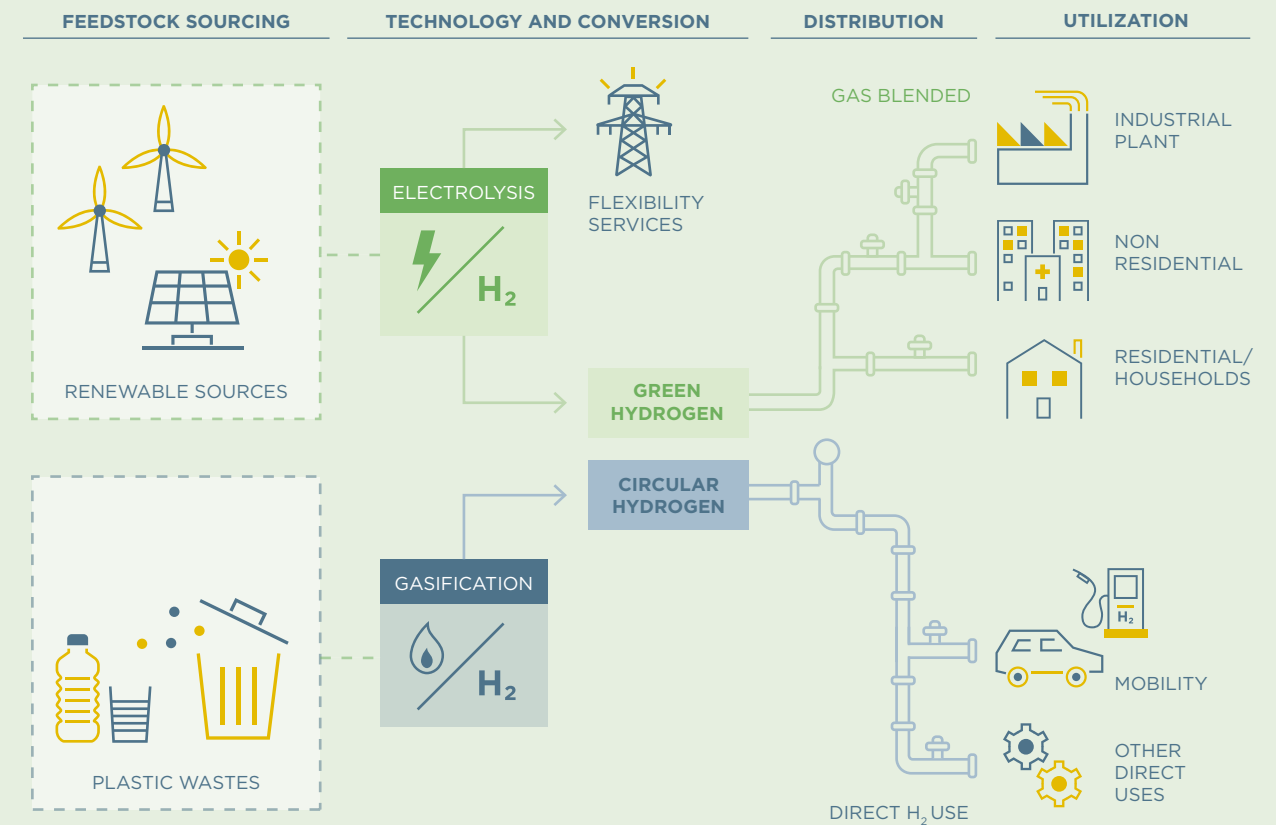
In the Hydrogenated Vegetable Oil (HVO) space, while main projects as of today focus on large scale plants (200-600KT per year), in 2019 NextChem has included in its portfolio, in partnership with the American Saola Energy, an **innovative solution of small scale plants** (20-40KT per year). This solution tackles limited feedstock while **reducing complexity and costs of logistics, transportation and operations**. Furthermore, small-scale models allow for distributing the treatment of feedstock near its source, then connecting the HVO biofuel to storage tanks. Plants can also be easily integrated with bioethanol production units, to use the Distilled Corn Oil by-product as feedstock.

NextChem will license this technology worldwide and is going to use its **very own innovative pre-treatment and hydro-treatment technology to treat a wide variety of feedstock**, including the most “difficult” ones (e.g. acid oils).

Renewable diesel (HVO) and **traditional biodiesel** (also known as fatty acid methyl ester or **FAME**) are often confused. Both can be made from vegetable oils and residual fats but are produced differently; biodiesel by trans-esterification and renewable diesel by hydro-treating. While FAME’s potential for blending with fossil diesel is limited, HVO is a drop-in fuel that meets the petroleum fuel ASTM D975 and EN 590 standards. It overcomes blending limits, is currently used in existing diesel engines without any constraints, and has superior properties to fossil and FAME.



FROM CHEMICAL RECYCLING TO GREEN AND CIRCULAR HYDROGEN PRODUCTION: LEVERAGING ON RENEWABLES AND PLASTIC WASTES TO CREATE NEW ROUTES FOR HYDROGEN



Source: Next Chem

Maire Tecnimont, through its subsidiary NextChem, provides two alternative technologies – **gasification and pyrolysis** – to provide a second life to municipal solid wastes, refuse-derived fuel and non-recyclable plastics. For the gasification process, we have developed an economically viable model to transform feedstock into “circular hydrogen” Syngas. NextChem’s technology advantage lies specifically in the **flexibility and modularity of the different process phases** according to clients’ needs. We can easily integrate methanation, methanol synthesis, methanol to olefins, polymerization and compounding to generate, respectively, natural gas, methane, monomers, polymers and compounded plastics.

Waste plastics are transformed through a chemical conversion process with oxygen, to produce – at traditional refineries – diesel, petrol and even plastics – through additional steps (e.g. methanation/methanol synthesis, methanol to olefins, polymerization). The main feedstock type is waste plastic mix (or refuse-derived fuel, RDF).

We expect to leverage on **increasingly popular renewable energy sources as well as on the vast abundance of plastic wastes** to produce respectively green and circular hydrogen through technologies of electrolysis and chemical conversion. Once produced, these chemicals could be used as feedstock for steel production plants or refineries, or distributed and used to feed a wide variety of areas both indirectly and directly.

In 2019 NextChem has launched **two innovative partnerships** with Eni. For the Venice refinery, the two companies have signed a partnership agreement to develop and implement a conversion gasification technology for **producing hydrogen** from Refuse Derived Fuel and non-recyclable plastic, **while minimizing environmental impact and reducing carbon emissions**. Moving forward, we expanded our collaboration with Eni by launching a commercial cooperation agreement to build a *waste-to-methanol* plant at the Livorno refinery. Here too, the vehicle for the production of methanol will be syngas, a direct output of chemical gasification processes.

RESEARCH PROJECTS

Maire Tecnimont participates in a number of research projects, as coordinator or partner. Some of them are funded by the EU, others by the Italian Government.



The DEMETO (Modular, scalable and high-performance DE-polymerization by MicrowavE TechnOLOgy) project, funded by the European Union, is about chemical recycling of PET on an industrial scale, using a microwave-based process to intensify the alkaline de-polymerization reaction. The process at the base of DEMETO technology allows to recovery and recycle the monomers, closing PET lifecycle through a circular economy value chain, reducing plastic's market dependency on natural resources and improving drastically the environmental footprint of PET production. NextChem is involved in the design and construction of a demonstration unit able to treat 1.5 tons a day of PET flakes from mechanical recycling and to produce monomers with a very high purity level, so much so that they can re-introduced in the production of new "virgin" PET.



PEGASUS (Renewable Power generation by solar Particle Receiver Driven Sulphur Storage Cycle) is a project funded by the European Union in the framework of its Horizon 2020 program, developed by DLR, project coordinator, NextChem, APTL/CERTH, Karlsruhe Institute of Technology (KIT), and BrightSource (BRS). The scope is to investigate a novel power cycle for renewable electricity production combining a solar centrifugal particle receiver with a sulfur storage system for baseload operation. The proposed technology combines the use of solid particles as heat transfer fluid (proppant) and catalyst medium in the framework of a thermochemical cycle, allowing to store solar energy in the form of solid sulphur. This architecture results in long-time energy storage system as well for a continuous renewable electricity production.



MEWLIFE (MicroalgaE biomass from phototrophic-heterotrophic cultivation using olive oil Wastewater) is a LIFE project funded by the European Union LIFE and coordinated by NextChem that aims to demonstrate the environmental benefit and economic feasibility of an innovative approach to produce microalgal biomass in an integrated phototrophic-heterotrophic cultivation system. The proposed system uses pre-concentrated olive oil wastewaters as a carbon source for growing algae, thus contributing to waste reuse and valorization. The microalgal biomass will be tested for application in nutraceuticals (by extracting carotenoids) and for bio-polymer production (by extracting starch and other carbohydrates and the lipid fraction).



MEMBER (advanced MEMBranes and membrane assisted procEsses for pre- and post-combustion CO₂ captuRe) is a consortium of 17 Partners with Tecnalia as Project Coordinator. The key objective of the MEMBER project is the scaling up and manufacturing advanced materials and testing them with new membrane-based technologies that outperform current technologies for pre- and post-combustion CO₂ capture in power plants as well as H₂ generation with integrated CO₂ capture. The tests will be performed in the same conditions as the final industrial application. One of the main objectives of the project is to overcome CCS market barriers with an ambitious set of CCS solutions, taking European industrial companies (materials manufacturers, engineering companies and end users) to a leading position in the CCS market, generating economic growth and job opportunities. Three prototypes will be designed and tested throughout the project. This project has been funded by the European Commission within the framework of Horizon 2020 (Grant Agreement No. 760944).



HIFLEX (High-Storage density solar power plant for flexible energy system) is a Horizon 2020-funded project coordinated by NextChem and KT-Kinetics Technology, bringing together partners like Barilla, DLR, CMI, SUGIMAT, HelioHeat GmbH, Tekfen, IndygoTech Minerals SA, Dürmeier and Quantis. The aim of the project is to demonstrate a complete pre-commercial flexible CSP (concentrated solar plant) using solid ceramic particles stable up to 1000 °C as a heat transfer and storage medium. This innovative technology has several advantages over state-of-the-art CSP technology. During the HIFLEX project, the world's first complete pre-commercial CSP will be designed, built and demonstrated at Barilla's industrial plant. Solar energy, collected at the plant itself, will be available as thermal energy to be used for production of pasta.



STREAM (Sistema di Trattamento reflui con Recupero di Energia, Acqua e Materia) is funded by the Italian Ministry of Economic Development, in the framework of its national program "Imprese e Competitività" for 2014-2020. It is focused on the development of a technology for wastewater treatment and offers the opportunity to purify very contaminated wastewater, recovering useful materials and demineralized water to be re-used in the production process, using low-value waste energy. The technology at the base of the project involves the use of thermal processes for wastewater concentration and of refining step for water reuse, with the goal of reaching a ZLD system. The prototype is under construction at the KT facilities in Chieti. It will be tested on a wide variety of wastewaters from industries of different types.



Bizeolcat (Bifunctional zeolite-based catalysts and innovative process for sustainable hydrocarbon transformation) is a Horizon 2020-funded project comprising 14 partners: Fundació Eurecat (project coordinator), NextChem, the University of Oslo, Eindhoven University of Technology, Sintef AS, Centre national de la recherche scientifique (CNRS), the Slovenian National Institute of Chemistry, Türkiye Petrol Rafinerileri Anonim Şirket, Perstorp AB, Strane Innovation SAS, the European Research Institute of Catalysis, A.I.S.B.L., the Spanish Association for Standardisation and Certification and CEPESA. Bizeolcat addresses the need to lower the carbon footprint in the refining industry. The main objective is to obtain light olefins and aromatics using light hydrocarbons (C₁, C₃ and C₄), which means increasing the use of light alkanes as raw material for specialty chemical industry and not as feedstock for fuels in the current oil refining process.



The Bofurea (Basic Oxygen Furnace Gas to UREA) project, funded by the Ministry of Economic Affairs of The Netherlands, aims to contribute towards the reduction of carbon footprint in integrated steel plants through the valorization of the off gas coming from basic oxygen furnace gas, which would otherwise be burned off. By applying the concept of circular economy, the project aims to develop a cost-effective process for converting basic oxygen furnace gas (BOF gas) into valuable chemicals like urea or Adblue solution products while simultaneously delivering storage-ready CO₂ at no extra cost. The proposed concept results in carbon footprint reduction within the steel industry, thus accelerating the energy transition. The partnership includes ECN part of TNO as Coordinator, Arcelor Mittal, Stamicarbon, NextChem, Radboud University, Kisuma and OCI Nitrogen.



The RECENT (Electrocatalytic reduction of CO₂ through nano-structured electrodes) project falls under the EU's KET programs and is co-financed by the regional government of Lazio, in Italy. The project aims for simultaneous development of a system for storing surplus electric energy from renewable and/or traditional sources turned into chemicals and a system to reduce CO₂ emission from combustion and/or biogas plants. This is accomplished through an electrochemical process that allows for the conversion of electrical energy into chemical energy, leading to the production of synthesis gas from carbon dioxide by using nanostructured catalytic electrodes. The aim of the project is to design, build and test two prototypes: the first for the synthesis of nanostructured electrodes and the second for electrochemical CO₂ reduction. In this way, the catalysts produced in the former prototype will be used for the electrochemical reduction of CO₂ in the latter one.



The strategic objective of R&D Project PROMECA (PROcess intensification through the development of innovative MEMbranes and CATalysts) is substantially contributing to the increase of knowledge, skills, and competitiveness in EU research and industry, by designing and deploying a thorough plan of research and secondment of researchers between top-level academic and industrial partners in the EU, contributing to the main EU policies on innovation. Distributed hydrogen production is the main focus of the PROMECA project. The idea is to develop, test, and validate an innovative membrane reactor, fueled by renewable feedstock, integrating new structured catalysts and selective membranes to improve the overall system performance, durability, cost effectiveness, and sustainability. The consortium brings together six partners, with KT, Air Liquide and ICI Caldaie as industrial ones. The University of Salerno is the Project Coordinator. The project is funded by European Commission in the framework of Horizon 2020 under the action Marie Skłodowska-Curie Actions Research and Innovation Staff Exchange (MSCA-RISE) (Grant Agreement No. 734561).



INCITE (INnovative Chemoenzymatic inTEgrated processes) fosters competitiveness within the European green chemistry industry. The project will base its demonstration on two chemo-enzymatic processes using hydrolases, to build two novel demonstration plants in real industrial settings, one being catalysis of esterase, important to the production of insecticides, and the other being the solvent-free synthesis of oleochemical esters using lipase enzymes. Within the INCITE project, BIO-P has an engineering role from the basic stages to plant construction.

5.2 DIGITAL INNOVATION

The explosion of data availability, artificial intelligence, and the overcoming of physical and organizational boundaries have led to a real digital revolution on a large scale. And yet, almost 75% of investments to date have failed to meet the expectations of companies in terms of results achieved.¹⁴

Maire Tecnimont has decided to be a pioneer in applying digitalization to engineering procurement and construction, as well as coordinated supply chain. Maire Tecnimont Digital Transformation strategy is acting on two different levels: greatly **optimizing internal processes** (“digitalizing the core”) and **creating a wider range of digital services for customers** (“digital advantage”).

DIGITALIZING THE CORE

In this first phase of Digital Transformation, launched in 2015, Maire Tecnimont has been working on a set of different synergetic areas to **digitalize its core processes, including Engineering, Procurement and Construction**, while strengthening its transactional and collaboration platforms. **Maire Tecnimont has now reached a leading position in modeling systems and BIM design**, enabling the application of 4D modeling. This enhanced approach to contracting, alongside the EPC core processes, allows for integration of modeling with schedules and clears the way for AWP implementation. This will redefine priorities as part of a **truly construction-driven approach, and lead to a paradigm shift allowing projects to manage the typical sequences of the engineering-design sector as well as possible.**

DIGITAL ADVANTAGE

The application of innovative methodologies for plant design is **a win-win for the contractor and the client, as they shorten the project schedule and tend to minimize errors and consequent reworks**, to the advantage of all parties involved. The Maire Tecnimont Group is developing an internal EPC innovation program in order to **maintain its competitiveness on the market**, while ensuring both improved engineering methodologies and cost reduction.

In the second phase of digital transformation, started in 2018, Maire Tecnimont is focusing on **reducing time and costs and providing more flexible project management solutions, while creating new opportunities** for serving our market. The objective is to promote flexible technological platforms that can integrate with the best digital solutions for customers and create an ecosystem engaging different stakeholders.

The program is working on two different streams:

1 Operational model improvement applying digital enablers, with the aim to:

- **Increase competitiveness**, reducing capital and operating costs both for Maire Tecnimont Group's companies and their Clients;

- **Redefine sequences** and/or optimize schedules, to speed up both project execution and proposal phase;

- **Improve productivity** and HSSE Key Performances.

2 Complement Maire Tecnimont Group's **Value Proposition with new digitally enabled services** for current or new Clients, with the aim to:

- **Identify new Value streams** enabled by Technology;

- **Improve Clients' experience** and Maire Tecnimont's offer;

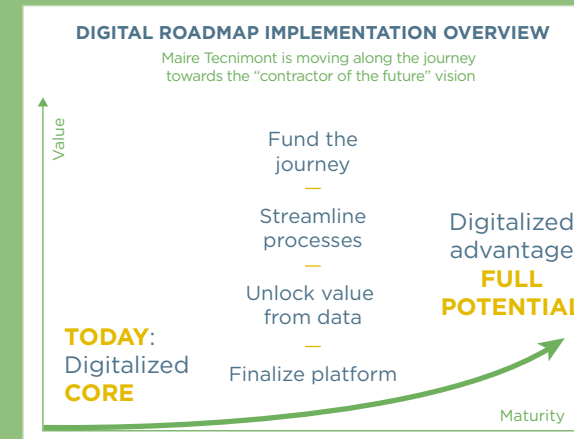
- **Evaluate new opportunities** to enhance the generation of in-country value (ICV).

The digital vision of Maire Tecnimont aims to strengthen even more effectively its role as a “digital orchestrator” of the over 6,000 companies in its supply chain, **offering its clients new services, as well as allowing efficiency and productivity to be recovered in both the construction phase and in the operation of the plant.** For example, the application of digital solutions to a petrochemical plant can generate an **efficiency recovery estimated at between 4% and 7% of operating margin**, thanks to a multiplicity of factors: artificial intelligence and the enormous availability of data make it possible today to **recreate a “digital twin” of the plant**, which allows for the continuous optimization of energy consumption and the various phases of the chemical process in real time.

To succeed in obtaining these results, it is fundamental that the role of general coordination is carried out by a contractor who knows how to combine engineering and technological skills. **People and their engagement are the key to change**, which is why the Group has asked for an active participation of its employees as “Digital Catalysts”, namely accelerators of digital change.

¹⁴ Resources: BCG Henderson Institute; BCG analysis - More than 300 companies in different industries for more than 5 years.

CREATING DIGITAL ADVANTAGE FOR MAIRE TECNIMONT GROUP



To support the second phase of the digital transformation, Maire Tecnimont has worked with a leading consulting firm to launch a **program for the development and implementation of new innovative solutions**. In doing so, Maire Tecnimont's aim is to realize its vision of becoming the “contractor of the future” by leveraging digital innovation. Through the program, the “contractor of the future” will grow in maturity (i.e. ability to anticipate and manage the disruptions caused by technology, customers and the markets in which we operate) and therefore be able to increase the value of stakeholders in our projects, namely customers, suppliers and local communities.

4 STREAMS OF DIGITAL ROADMAP IMPLEMENTATION PROGRAM



To pursue these goals, the program focuses on four main areas:

- **Improve the value proposition** to managers and system operators through a suite of digital products for customers that allows TCO-oriented optimisation over the life of the plant (predictive maintenance, asset digital twins, etc.)

- **Increase the efficiency and effectiveness** of internal processes through digital initiatives to restructure the group's end-to-end processes (plant engineering, procurement, etc.)

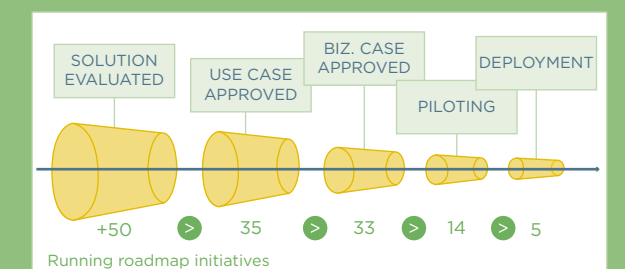
- **Complement existing technical skills** at Maire Tecnimont with the targeted hiring of highly specialised professionals with a digital focus (data scientists, robotic process automation specialists, etc.)

- **Design and implement a flexible operating model** with clear roles and responsibilities within the organisation, to maintain a value-driven pipeline of innovative digital initiatives and ensure their implementation on time, on budget and to the required quality.

This project directly involves Maire Tecnimont staff through a bottom-up methodology, which takes **innovative ideas from all employees and evaluates each idea through an “Innovation Pipeline” mechanism** (a “gate”), aimed at selecting the ideas with the greatest potential in terms of innovation, feasibility, practicality and cost-effectiveness.

The digital program is now live. Using a “stage gate” process, the roadmap consists of 35+ initiatives, with 10+ initiatives released to the business for monitoring of their use and effectiveness.

Over a hundred people from across the group are involved in the project with different roles. More than 30 workshops were conducted on start-up, which generated 50+ ideas. The strength of the programme is the **dynamism of its content**, which is constantly changing and feeding it.



100+
PEOPLE INVOLVED

30+
WORKSHOP

35+
INITIATIVES

50+
IDEAS

BEYOND DIGITAL

NOV 19 2019 Maire Tecnimont launches “BEYOND DIGITAL”, an event that goes beyond the rhetoric on digitalization to discuss various experiences in an open debate, overcoming stereotypes and assumptions. The goal of the event is to create a new operational model that focuses on people’s commitment and on strengthening transversal supply chain processes.



approach to widespread entrepreneurship, in which we must all reinvent ourselves in the way we work.” The experience of the Maire Tecnimont Group indicates that digital transformation requires a pragmatic approach to value creation through a vast portfolio of initiatives and the pervasive involvement of human resources.

“Our vision of digitalization involves a profound optimization of all our internal processes, but also the creation of an additional offer of digital services to our clients. We interpret digitalization not as ‘dreamers’ but as ‘doers’, i.e. with the pragmatic approach of the engineering contractor used to compete in the field with complexity”, commented Pierroberto Folgiero, Maire Tecnimont Group CEO.

BEYOND DIGITAL

Fabrizio Di Amato, Maire Tecnimont Chairman, commented: “For Maire Tecnimont, digitalization and energy transition are two great opportunities to be taken in a complementary way. As an entrepreneur I think that the success of this process can take place on its own through an

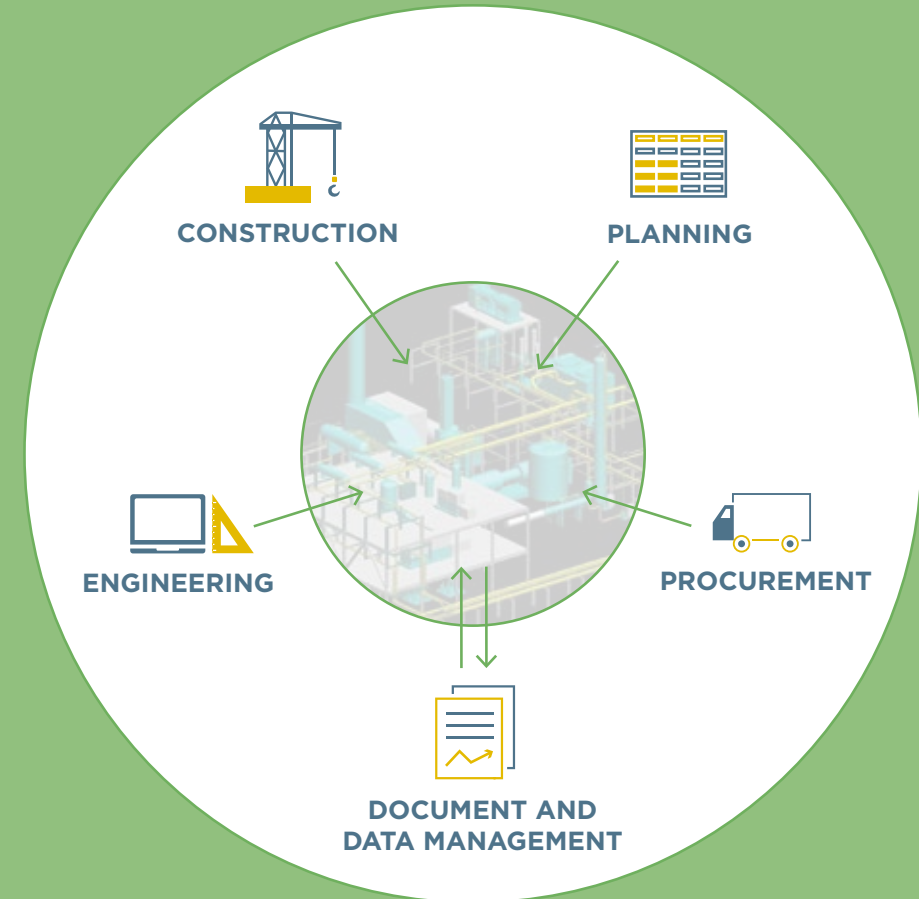


DIGITAL TWINS AND OTHER PROJECTS

The purpose of an EPC Contractor is to hand over to the customer a production plant and the entire information set (attributes) needed for its management, maintenance and liaison with the competent authorities. As a point of innovation, Maire Tecnimont wants to offer its customers an integrated digital platform that brings together the information set described above, enabling them to manage it by essentially providing a digital twin of the plant.

The heart of the platform is a 3D model that evolves over time from a design tool to a visualiser of the attributes of the plant components.

This approach effectively integrates EPC work processes with the customer’s needs, creating a flexible environment that can evolve over the life of the plant (from design to decommissioning at the end of its useful life).



This inter-system integration (e.g. the simplification of the snapshot underlying a steel structure) opens up a number of possibilities, such as:

- Development of 4D models and AWP methodologies that, through Advanced Analytics and Artificial Intelligence tools, enable cross-referencing of information on document management systems, work programs, production status of materials to optimise transport, use of construction resources, site safety, etc.
- Development of virtual-reality systems to manage the training of operations and maintenance staff, simulation of complex interventions on critical HSE areas.
- Development of systems for operational optimisation and predictive maintenance.

The above is based on the ability to provide a complete digital suite per project, that meets the needs of the contractor and the end customer, and that can evolve over time to always reflect the state of the art.

5.3 KNOW-HOW MANAGEMENT

Technological advantage is a key strategic asset for the Group, which develops its **innovation strategy primarily to protect the portfolio of patents and developed technologies.**

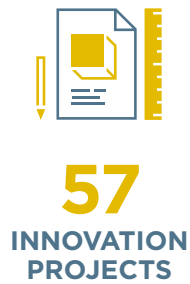
In addition, the **Maire Tecnimont Group leverages on its IP assets** and technological expertise to develop new commercial projects, technology alliances and licensing.

In 2019 **Maire Tecnimont Group owns more than 1,000 patents**, most of them in the area of urea and fertilizers.

NRS OF PATENTS OF THE GROUP ¹⁵



INNOVATION AND R&D



The Group's patents and other intellectual property rights covering its products and services it offers, including trademarks, are key assets that are fundamental to the Group's success and position.

As innovation is also one of the prime areas of competitive advantage for the Group, **we continuously strengthen R&D and our portfolio of proprietary innovative technologies** in order to boost our position as a technology provider to the refining, power, oil & gas and petrochemical industries. We deliver a number of innovation projects every year and actively work with leading research centers and industrial partners to continuously improve the overall performance of our technologies.

¹⁵ The table lists the number of patents, including patent applications. A family has different equivalents (same invention but filed in a different country).

COLLABORATION WITH UNIVERSITIES AND RESEARCH CENTERS

EUROPEAN UNIVERSITY

- UNIVERSITY OF LEUVEN
- TECHNICAL UNIVERSITY OF EINDHOVEN
- ECOLE DES MINES IN PARIS

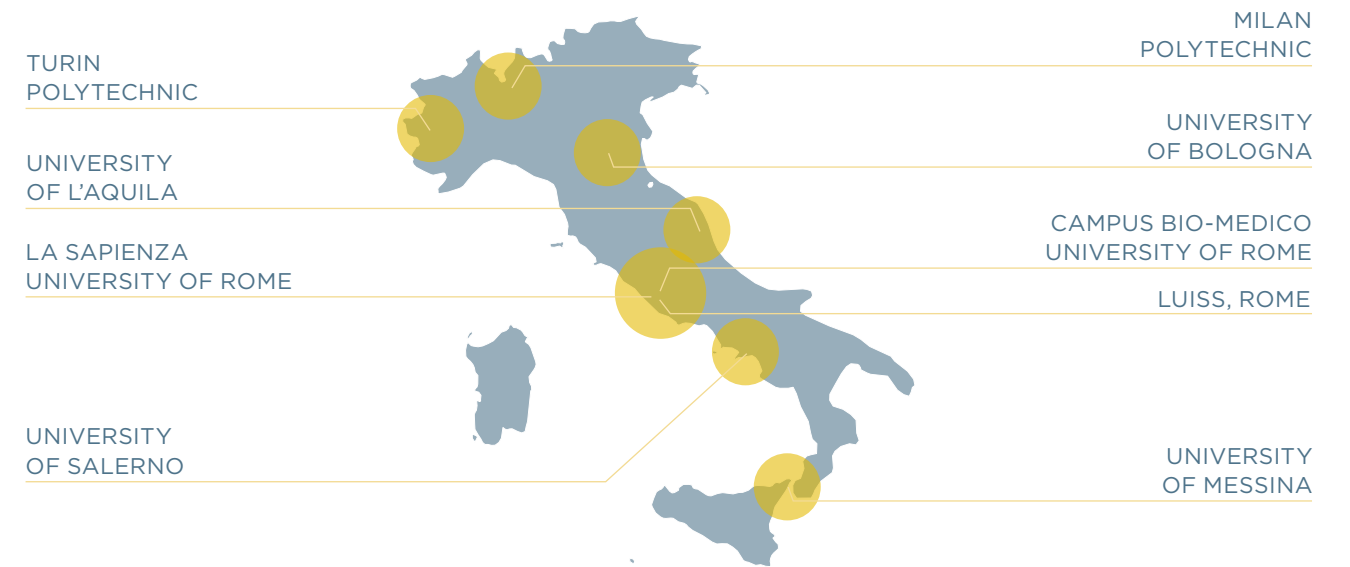
BUSINESS PARTNERSHIP

- PROTOMATION
- HOLLAND NOVOCHEM
- ENVIROCARE

INTERNATIONAL RESEARCH INSTITUTIONS

- TECNALIA
- INTERTEK LABORATORIES

ITALIAN UNIVERSITIES



Maire Tecnimont Group has a long history of collaboration with major universities, technology suppliers, research centers and commercial partners. Over recent years, the Maire Tecnimont Group has stepped up its collaboration with top Italian and foreign universities, developing research projects and exchanging views and ideas and thus creating a strong bridge between the academic and industrial world.

Maire Tecnimont's long-standing collaboration with **Milan Polytechnic** has been further strengthened through research project partnerships, and through the funding of a **chair in Chemical Projects Engineering and Management**, launched in 2018 and for the next 15 years.

In a scenario where innovation has become a critical success factor, in 2019 Maire Tecnimont established a partnership with **LUISS Guido Carli University, creating a chair in Open Innovation.**

In 2018, the Maire Tecnimont Group began cooperating with BHOS (**Baku Higher Oil School**), providing concrete support to the university master's degree course and supplying research facilities.

The collaboration with **Rome's Campus Bio-Medico University** has been going since 2011, as part of the concrete support for the university's master's degree course in **Chemical Engineering for Sustainable Development.**

Other historic academic partners are **La Sapienza University of Rome, the University of Salerno, the University of Bologna and the University of Messina.** Abroad, Maire Tecnimont companies cooperate with the **Technical University of Eindhoven** and with the **Ecole des Mines in Paris.**

Collaborations and agreements have been **established with international research institutions**, e.g. with TecNALIA, a research center in Spain developing membrane reactors for hydrogen production, in addition to Intertek Laboratories.

Some of these collaborations **have developed into business partnerships**, such as those with Holland Novochem and Envirocare.

INNOVATION IN STAMICARBON

Stamicarbon, Maire Tecnimont's innovation and licensing company, licenses technology for manufacturing urea and provides follow-up services designed to ensure **the best possible operation of the urea plant** throughout its working life.



ULTRA-LOW ENERGY DESIGN

Stamicarbon's novel ultra-low-energy design features a truly radical innovation in energy efficiency, leading to a reduction of about 40% in steam consumption at urea plants. This is a significant reduction in energy costs and therefore in OPEX and also reduces the carbon footprint substantially in comparison with other types of urea plants.

SUSTAINABLE PRODUCTION OF NITRATE FERTILIZERS

As part of a consortium led by MetDev, Stamicarbon, the Maire Tecnimont Group's project development company, is partnering with Siemens and Sowitec (Vestas) to develop a fertilizer plant to produce green nitrate fertilizers in Kenya. The topic has received a lot of positive responses from the industry in order to make fertilizer production sustainable.

SAFUREX®

Recycling of high-pressure equipment through a "buy-back program" in partnership with Sandvik, which has received unique cooperation in order to improve the content of recycled material in our own Safurex® material, from around 84% to 90%. The pilot project has been successfully completed and new recycling opportunities are being explored.

SYMBIOSIS BETWEEN STEEL AND FERTILIZER: BASIC OXYGEN FURNACE GAS TO UREA

As part of a large consortium led by Dutch Research Institute TNO, Stamicarbon, METDEV and NextChem are participating in the BOF2Urea project. The goal is to apply carbon capture and utilization (CCU) in combination with storage (CCS) based on the off-gases from steel mills, using BF or BOF gas. In this instance Stamicarbon is working with Arcelor Mittal. The purpose is to produce ammonia/urea (in this case as AdBlue®), but usable also as fertilizer, based on recycled carbon. This topic is very hot, as decarbonization of the steel industry is one of the pillars of the European Union's proposed Green Deal.

DOING BUSINESS WITH GREEN CHEMISTRY & SUSTAINABLE ENERGY

JUL 22 - 26 2019 Through start-up companies, young people can play an important role in overcoming barriers and defining the expectations generated by the "green" revolution. This was the goal of the Summer School 2019: to **place the most interesting and emerging topics within green chemistry and sustainable energy in an economic context** and show how these potential new technologies may become a source of business.

The Summer School was organized by the European Research Institute of Catalysis (ERIC), KT - Kinetics Technology, the Institute for Membrane Technology - National Council of Italy (ITM-CNR), Rome's Campus Bio-Medico University (UCBM), Mewlife and NextChem's Demeto and Pegasus projects. The event was sponsored by Maire Tecnimont, NextChem and AIDIC (Associazione Italiana di Ingegneria Chimica).



The purpose of the event, supported by scientists from academic research, engineers from **industry and entrepreneurs**, was to define a complete path, all the way from conception,

testing and preparation of research to project grants, recognition of the business plan, fundraising and the industrial phase.

The school was attended by 33 graduate students, PhD students in chemical and industrial engineering and people interested in business opportunities in these emerging sectors. Summer School 2019 also gave rise to the publication of "Catalysis, Green Chemistry and Sustainable Energy" which includes many lectures given at the school.

MAKING BUSINESS WITH GREEN CHEMISTRY & SUSTAINABLE ENERGY

SUMMER SCHOOL
22 - 26 JULY 2019

TEATRO COMUNALE DEGLI ARRISCHIANTI
SARTEANO (SI), ITALY

Sponsored by: Maire Tecnimont, NextChem (Maire Tecnimont for Energy Transition), AIDIC

Under the Patronage of: Comune di Sarteano



CREATING SUSTAINABLE VALUE

SUPPLY CHAIN



ECONOMIC DEVELOPMENT



2019 PROCUREMENT FIGURES



CLIENTS



SUPPLIERS



BUSINESS PARTNERS



PROFESSIONAL /CATEGORY ASSOCIATION



CONTRACTORS & SUB-CONTRACTORS



LOCAL AUTHORITIES & GOVERNMENTS



LOCAL ORGANIZATIONS & NGOs



LOCAL COMMUNITIES

Maire Tecnimont is conscious of the social dimension of its activities along its value chain. **The Group promotes dialogue with stakeholders and plans operations responsibly** in order to manage its impact and strengthen its positive contribution to local environments and communities.

The Group considers business sustainability to be an integral part of its strategy. **Our commitment is to create long-term value for all our stakeholders**, especially locally, by identifying common goals and agreeing on specific initiatives.

Interacting with local stakeholders, reinforcing the supply system and creating value for clients are fundamental aspects of Maire Tecnimont's strategy for delivering sustainable value and development.

Maire Tecnimont maintains regular dialogue with its stakeholders to understand their priorities and expectations with regard to the Group's activities and to identify potential issues, so as to improve its performance across all its projects. **Ongoing dialogue is a multi-dimensional opportunity, simultaneously bringing economic, social, and environmental benefits to stakeholders.**

Maire Tecnimont has launched structured activities to integrate environmental, social, and governance (ESG) factors into its supply chain, from supplier scouting to qualification processes and post-order management. This approach has been found to have a **direct and positive impact on the Company, leading to a reduction in quality non-conformities and an improvement in performance, including by enhancing synergies with relevant stakeholders.**

The Group oversees a healthy and robust competitive business relationship, which is vital in supporting the sustainability goals of both Maire Tecnimont and its clients in more than 45 countries around the world.

6



MATERIAL TOPICS

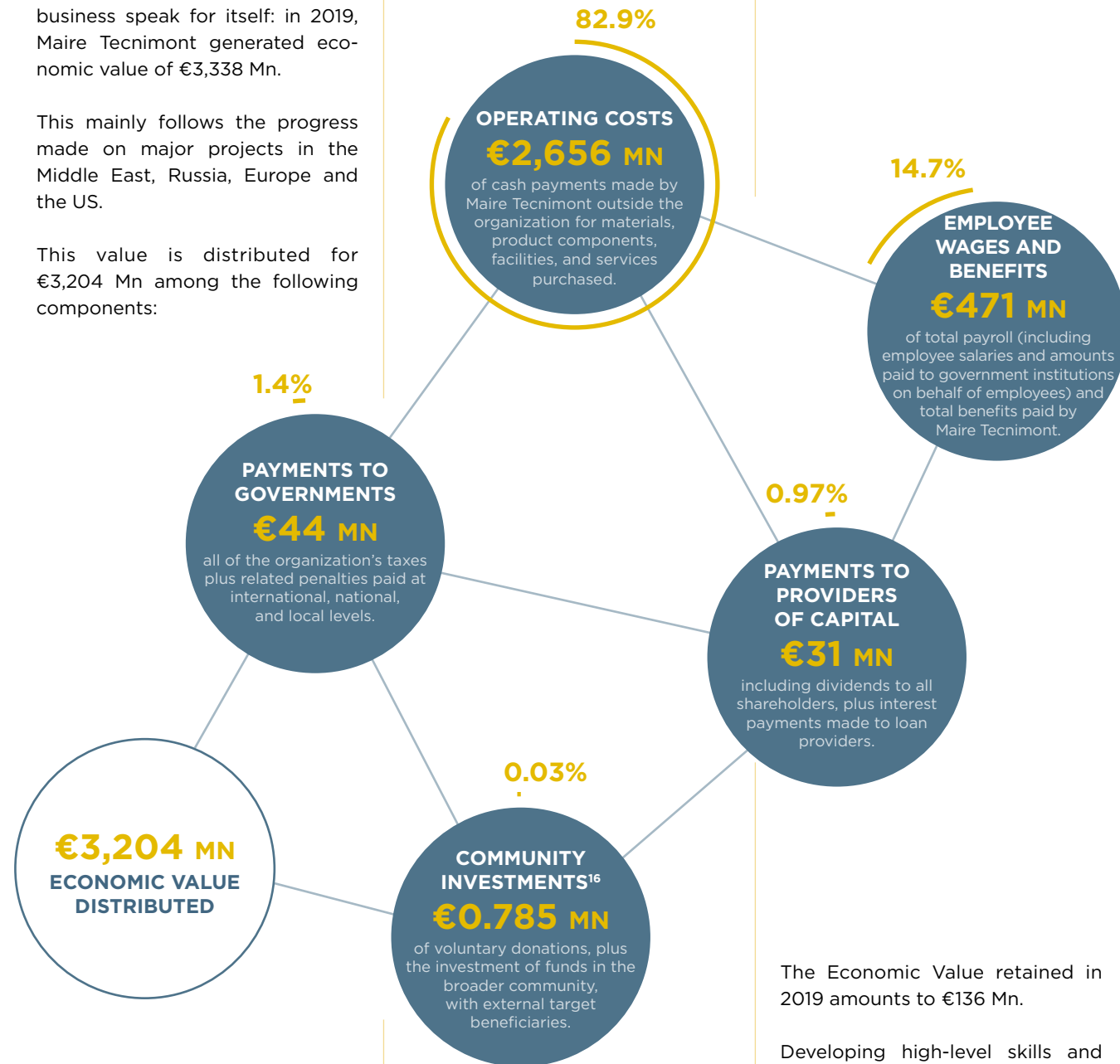
- ECONOMIC DEVELOPMENT
- LOCAL COMMUNITIES
- LOCAL ECONOMIC DEVELOPMENT
- CUSTOMER RELATIONS
- RESPONSIBLE SUPPLY CHAIN

6.1 ECONOMIC DEVELOPMENT

We are convinced that **the best way to add value locally and improve our contribution as a corporate citizen is through our projects around the world.** We let our business speak for itself: in 2019, Maire Tecnimont generated economic value of €3,338 Mn.

This mainly follows the progress made on major projects in the Middle East, Russia, Europe and the US.

This value is distributed for €3,204 Mn among the following components:



The Economic Value retained in 2019 amounts to €136 Mn.

Developing high-level skills and expertise, investing in people, focusing on innovation and chasing top level results are the keys to sound long-term development.

¹⁶ It does not include direct and indirect investments related to projects ("Local Content").

6.2 LOCAL COMMUNITIES AND LOCAL ECONOMIC DEVELOPMENT

Maire Tecnimont plays a significant role in its sector and contributes substantially to the economic development of the countries in which it operates. **The Group considers business sustainability to be an integral part of its strategy.** Our commitment is to create long-term value for all our stakeholders, especially locally, by identifying common goals and agreeing on specific initiatives.

Maire Tecnimont's sustainability commitment focuses **on local content as a pillar of the long-term strategy for the Group's presence in the host Countries**, based on the close engagement of local stakeholders. Closer integration with local communities means we can make a **lasting and sustainable contribution to economic and social development.** Given our activities, engagement with local stakeholders

requires a comprehensive approach to sustainability. Furthermore, the variety of projects undertaken and the differences between countries in which they are executed demands that a distinctive local approach be developed. In this respect, **in 2020 the Group launched a multi-year strategic In-Country Value (ICV) project** which involves all the Group's regions.

LOCAL CONTENT APPROACH

<p>EMPLOYMENT Creation of opportunities for locals and development of local workforce</p>	<p>STAKEHOLDER ENGAGEMENT AND COMMUNICATION Understanding of stakeholder concerns, effective communication and creation of aligned vision</p> <p>LOCAL COMMUNITY BENEFITS Contribution to local communities through health, education, safety, site rehabilitation and economic sustainability</p> <p>ENVIRONMENTAL PRESERVATION Minimization of air, land and water pollution, waste reduction and biodiversity preservation</p> <p>FISCAL CONTRIBUTION Local contribution through tax and equity obligations in a transparent manner, preventing corruption</p>
<p>PROCUREMENT Procurement of goods, services and technologies from local suppliers and subcontractors</p>	
<p>TECHNOLOGY TRANSFER Contribution to supply-chain development for product and services in line with International standards</p>	
<p>TRAINING AND EDUCATION Contribution to labor-market vocational training and support for local universities</p>	
<p>PROPERTIES AND EXPORTS Owning of fixed assets in the host country and local contribution through export revenues</p>	

Maire Tecnimont contributes to the social and economic progress of a territory by creating local employment, strengthening local suppliers, developing local skills and capacity, enhancing local

entrepreneurship, transferring know-how and technologies and prioritizing the employment and training of local citizens. Education and training are key in developing the human capital of our host

countries and creating shared value. **The Group contributes to employment creation directly and indirectly:** directly through the employment of the company staff and the purchase of goods and

services; indirectly through the employment, subcontracting and procurement activities of our contractors and suppliers, and through wider economic effects.

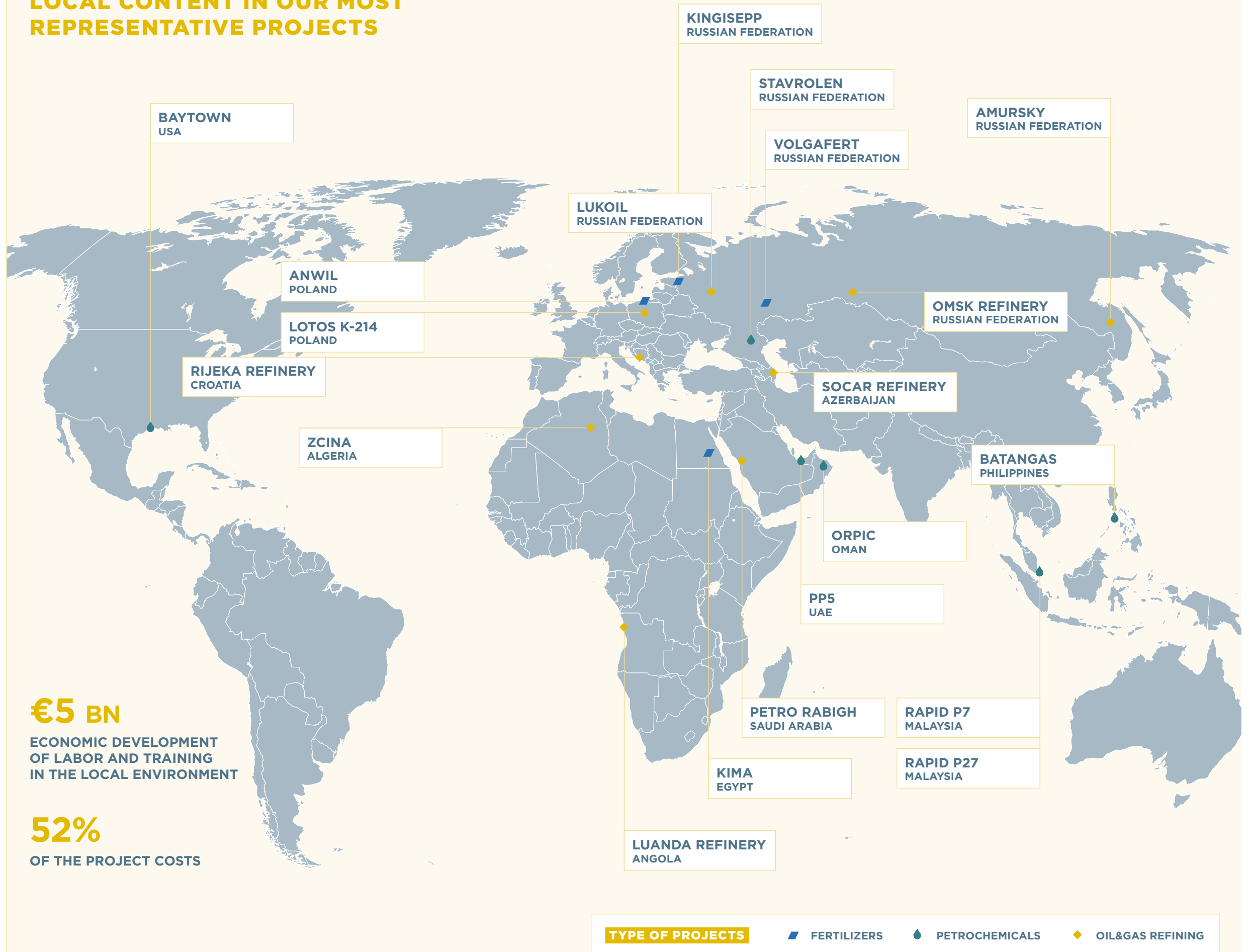
Maire Tecnimont is aware that during construction operations the local communities may suffer minor environmental or social impacts, such as higher waste or greater CO₂ and noise emissions, both localized at construction areas and on public roads where the traffic is heavy. However, any real or potential impact is temporary and is proactively managed in order to reduce the exposure of the population and to comply with local regulations and Client expectations.

The Group's competitiveness starts with local suppliers. **A shorter and closer supply chain not only helps improve procurement effectiveness and margins, it also generates local value and contributes to local market development.** The Group works proactively with local subcontractors to ensure excellent quality, while enhancing its roots and value generation in the country. Moreover, it makes sure local contractors are appropriately qualified and capable of responding to business needs.

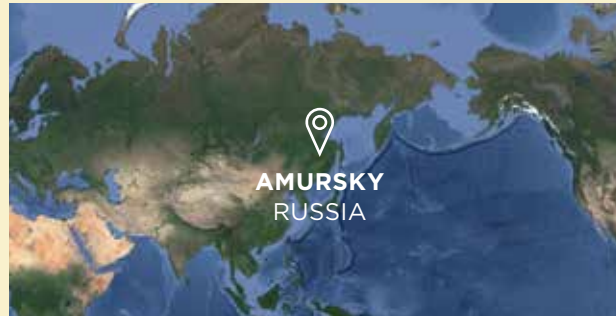
Evaluation of local content in quantitative terms helps Maire Tecnimont to quantify the positive effects of its activities on local economies and societies.

For this reason, **the Group has internally developed a model to quantify its footprint from operating in a territory in terms of economic development, local employment and human capital growth. In particular,** the Group's 20 most representative projects around the world have been identified, and the total spent on goods and services for them, together with the economic development of labor and training in the local environment amounts to approximately **€5 billion, corresponding to 52% of the project costs.**

LOCAL CONTENT IN OUR MOST REPRESENTATIVE PROJECTS



AMURSKY GAS PROCESSING PLANT – AGPP P3



The plant, located 13 km north of the town of Svobodny, in the Amur region of Russia, will be **the largest gas processing plant in the world**, with a capacity of 42 billion m³ of gas per year.

The Tecnimont Utilities, Interconnecting and Off-Site (UI&O) part of the project involved a task force of more than 900 engineers and specialists from different disciplines, spread over more than 17 operating centers in 10 time zones, from Milan to Mumbai, from Moscow to Ningbo, in China, including 12 Russian design institutes and Maire Tecnimont Russia local teams. **More than 28,000 people of 20 nationalities are working in connection with the plant** and about 20,000 people for the UI&O P3 project alone.

The remoteness of the location, the size of the plant, and tough extreme climate conditions imply a higher level of complexity both in terms of project execution and social and cultural integration, but at the same time it will have a huge impact in terms of creation of infrastructure and in employment opportunities in the



area, representing an important occasion of local economic development and a sustainability contest goal. Aware of the delicate social environment in which such a mega-project will be completed over the next few years, **our Group has come up with and started to implement an AGPP P3 Program for Social and Cultural Integration** aimed at:



“Keeping the team spirit alive and connecting different cultural groups in a very complex international context is essential. We have introduced the role of cultural

and social mediator, a local with cultural experience and qualifications.

The mediator has the task of fostering awareness and motivation among all the workers on a project, communicating the progress of the construction (with photo and video reports by drones, social and cultural activities, festivals of regional music and cuisine, concerts, language courses held by workers themselves, sports activities and competitions, and interaction with local communities).

These are all examples of the project’s added value.”

Constantin Cimpuieru
Tecnimont Integrated Projects Vice President

- decreasing any risks related to taking on a greater number of multinational staff, by improving intercultural relations.
- supporting local communities and contributing to their long-term socio-economic development.
- improving working and living conditions for project staff.
- sharing Italian cultural heritage and the Group’s values with local communities and other participants in the project.

In 2019, several initiatives have been implemented locally, often in coordination and synergy with both our clients and subcontractors. A series of private and public events, charity initiatives, volunteering programs, sports competitions, educational programs and scientific and cultural initiatives were made possible by the constant interaction of a dedicated member of site staff with all the project’s stakeholders and community.

tions, educational programs and scientific and cultural initiatives were made possible by the constant interaction of a dedicated member of site staff with all the project’s stakeholders and community.

25

PROJECTS
LAUNCHED WITHIN
AGPP3 SCI PROGRAM

200+

EVENTS
CONDUCTED TO PROMOTE
AND INCREASE VARIETY

6,000+

PEOPLE
ENGAGED IN SCI ACTIVITIES

25+

MEDIA HITS
IN THE LOCAL MASS MEDIA

35+

PARTNERS
ENGAGED IN ACTIVITIES

SOCAR POLYMER PP&HDPE



With the aim of enhancing the Azerbaijani economy in terms of job creation, supplier support, local business development, transferring know-how to locals, **Maire Tecnimont has implemented a Local Content strategy to develop its business with a long-term vision** through:

- **development and training programs** to improve the quality of the workforce, sharing know-how and developing specific skills;
- **creating relationships and cooperation** with local educational institutions to increase the recognition of the Group at universities to attract the best students.

An important part of the Local Content strategy is the **Development Program**, in collaboration with Baku Higher Oil School (BHOS), where the participants receive mentoring sessions from the Office and Site teams of local Group’s subsidiaries, together with an intensive Italian course, allowing them to understand the main line of communication with headquarters. In 2018-2019, the course participants, 100% of which were women, joined the team as Junior Project Engineers. Furthermore students had the opportunity to participate in a post-diploma summer school focused on green chemistry and technology.

PROCUREMENT SCENARIO

In 2019, Maire Tecnimont has participated in 26th Caspian Oil & Gas Exhibition in Baku. Over 100 Azerbaijani oil and gas sector companies and Maire Tecnimont representatives have met with over 200 people. Maire Tecnimont works proactively with local suppliers and subcontractors to ensure excellent quality and competitiveness, while establishing its local footing and generating value for Azerbaijan.



For this reason, since 2016, Maire Tecnimont Group has had a Procurement Team entirely dedicated to the Azerbaijani branch and in charge of all local market procurement. Number of qualified vendors: 200+ Value of the local procurement: approximately €400 Mn¹⁷.

TALENT ACQUISITION

Employing local workers in Maire Tecnimont projects enriches the diversity of the Group’s workforce, offers young talents from around the world the opportunity to grow professionally in their own country and enables the Group to establish and maintain relations with host countries.

At the end of the financial year, the Group branch in Azerbaijan employed locally over the 25% of the staff. With reference to the TCM-KT JV Azerbaijan project, as

at 31 December 2019, local staff amounted to around 55% of the total. Furthermore, in relation to gender composition, the females working at the offices of the Branch represented the 85% of the total staff.

CULTURAL EVENTS

Since 2016, Maire Tecnimont co-sponsored in Baku 200+ cultural

events on Italian culture to spread Italian cultures to Azerbaijani people and to support a mutual sharing of cultures between the two countries.

UNIVERSITY COLLABORATION

Maire Tecnimont actively support top education in Azerbaijan by teaching at master’s in business administration, one co-organized with Geneva Business School, “Financial Management” and “Change and Innovation Management” courses.

~€400 MN

**VALUE OF THE LOCAL
PROCUREMENT**

200+

**QUALIFIED
VENDORS**

¹⁷ Global value of expenditure in Azerbaijan from 2016 to date.

WORLDWIDE GIVING

OUR CORPORATE GIVING: PHILANTHROPY WITH A VISION

Our corporate giving supports the main cross-cutting actions defined in the Group's Sustainability strategy framed by the SDGs. Philanthropy, as discussed during last UN General Assembly in September 2019, is only one link in the wider chain of capital needed to achieve the sustainable development goals, but it has a unique capacity to be closely involved in impacted areas and have a more direct relationship with problems to be remedied and the actors who work to overcome them.

The actions we put in place in terms of CSR, charity, advocacy and partnerships for social development are focused on the topics which emerged from the materiality analysis, paying specific attention to HSE, human capital development and training, the commitment to combatting global warming and socio-economic and cultural development. We use the leverage of philanthropy both at operational level, to work closely with local communities and meet their needs, and at corporate/company level when a wider action with local impact is necessary. In this work, cooperation with and support for NGOs is of paramount importance, since the convergence between corporate resources and knowledge and skills of the third sector professionals is the only way to ensure our giving has an impact for beneficiaries, creating positive change.

ZERO FOOD WASTE

ZERO WASTE

Maire Tecnimont is one of the main companies contributing to "Zero Sprechi" ("Zero waste") the food waste recovery initiative begun in Municipality 9 of Milan. The project involves companies and large-scale retail trade in the area, the Lombardy federation of companies Assolombarda, Milan city council, Milan Polytechnic, Ricetta QuBi and Banco Alimentare, putting into action its food policy and top priority of zero food waste. Our Group is particularly proud to be one of the companies supporting the initiative, which is an example of synergy between private business, government agencies, entrepreneurial associations and non-profit organizations, coming together in solidarity to enhance the circular economy by reducing food waste.



Milan, Group HQ, Italy

Tempa Rossa, Italy

ALONGSIDE CIVIL PROTECTION IN ITALY



Following the support we offered in 2018 to Protezione Civile Gruppo Lucano, our Group decided to donate additional materials to the base camp for the Tempa Rossa project, to support the important activities that the network of 6,000 volunteers carries out every day in the Basilicata region and around Italy.



Maire Tecnimont is proud to help the fundamental work that Civil Protection carries out in terms of responding to all the risks in the local area and the whole country, of prevention, forecasting and spreading a culture of civil protection, and recognizes the central role of local stakeholders as the cornerstone of a resilient community.

OUR CORPORATE FOREST



Worldwide - Cameroon, Ecuador, Guatemala, Kenya, Madagascar

As the environment is close to our hearts, we decided to make use of one of the most powerful and effective existing tools for reducing CO2 emissions: trees. With the cooperation of Freedom the Group has already planted 1,900 fruit trees in 5 developing countries and not only contributed to the absorption of GHG gases, but also given new opportunities of economic development to local farmers caring for and picking fruit in our corporate forest. The 1,900 trees we have planted can absorb enough CO2 from the atmosphere to fill up to 850 trucks.



Svobodny, Russian Federation

Sohar, Oman

Mumbai, India

SUPPORT TO LOCAL COMMUNITIES



Within the framework of the community engagement initiatives to contribute to in-country value in Oman, in 2019 our Group kept working with local communities to promote both cultural and education initiatives, through sponsorships and scholarships and environmental improvement for the areas surrounding the project site, in liaison with the client.



After the Caravan beach restoration and the erection of Wadi Halahel Bin Gaith in the previous years, project team at site cooperates side by side with local stakeholders contributing to the social and economic wellbeing of the places where we work.

SOCIAL AND CULTURAL INTEGRATION PROGRAM IN RUSSIA



Our Group is present in the Amur region, participating in the engineering, procurement and construction of AGPP (Amur Gas Processing Plant), the biggest gas treatment plant in Russia and the largest gas project in our history.



The remoteness of the location, the size of the plant, and tough climate mean a higher level of complexity both in terms of project execution and cultural integration. 28,000 people of 20 nationalities participating in the project make interaction with local communities one of the challenges of this mega-project.



That's why our Group has elaborated and started to implement an AGPP P3 Program for Social and Cultural Integration, made up of yearly public events, charity actions, volunteering programs, and sport, education, science and culture initiatives to be shared by project teams, local communities and partners of the project.



WOMEN'S EMPOWERMENT IN INDIA



For the fifth year in a row our Group is working with disadvantaged women in India, to empower them and to offer them new opportunities to play an active role both in their families and in their communities. Thanks to our cooperation with the local NGO CORP, since 2015



we have created integrated programs of vocational and soft skills training for women living in the slums of greater Mumbai. The activities, held at 7 different centers, are aimed at offering a set of practical professional skills (tailoring, beauty, computer literacy) to provide their beneficiaries with basic working training they can easily use to enter the job market and finally giving them the opportunity to become financially independent. Childcare services are also provided as integral part of the project, to ensure an all-encompassing approach based on the real needs of women and the community. Monthly medical check-ups, basic financial education and women's rights awareness sessions complete the programs.

The empowerment of women activates a virtuous circle for the development of the community, as they are integrated, gender equality is boosted, small enterprises are created and children's health and education improve, thus catalyzing social change on a larger scale. That's why supporting this initiative allows us to create long-term impact from a wider perspective, in which economic development starts inside communities.

6.3 RESPONSIBLE SUPPLY CHAIN

Maire Tecnimont Group is conscious of the key role of the supply chain in its business and **constantly strengthens relations with strategic suppliers, seeking to build together a common organizational process integrating ESG principles throughout the entire production chain.**

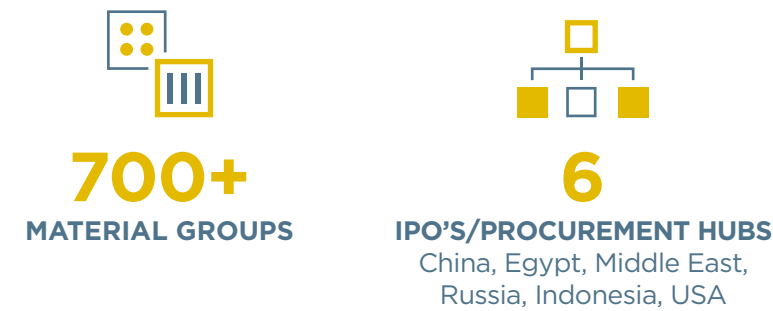
In line with the Group's continued commitment to sustainability, Maire Tecnimont has launched structured activities for the integration of environmental, social, and governance (ESG) factors within its supply chain from supplier scouting to qualification process and post-order management.

In order to make the supply chain stronger and more sustainable, **the Group developed a focus on vendors committed to equal opportunities, respect for human rights and environmental protection.** The Group's Code of Ethics, recently updated, form the framework of purchasing activities, a de facto guide and code of conduct for suppliers.

Over the recent year, we are assisting to an evolution of the traditional "value for money" approach; market competition is moving to a "long-term equilibrium" approach integrating ESG principle. To be able to seize opportunities of this change, Maire Tecnimont structured its approach leveraging on three drivers: qualification process, suppliers management tools and procurement organization.

QUALIFICATION PROCESS

In order to select the best suppliers, the Maire Tecnimont group has created a qualification process in compliance with the laws and



regulations on local and European Union procurement and in line with the Group management model.

Vendor qualification process assesses the applicant by focusing on a range of areas:

- Industrial information
- Financials
- Quality management
- Health, safety and environment
- Human rights
- Compliance (code of ethics, anti-corruption, anti-terrorism)

Only after passing the assessment may the supplier qualify for the specific commodity and receive orders. In this way, the Group's supply chain has become much more aware of the importance that Maire Tecnimont envisages to sustainabil-

ity as a criterion for the selection of suppliers and the assignment of contracts.

At present, **100% of new suppliers are screened on sustainability criteria.** In particular, in 2019 we approved 777 new qualifications.

In order to ensure the application of ethical, economic, environmental and social principles along its value chain, **in 2019 the Group decided to adopt a Supply Chain Policy,**

which includes the guidelines for a responsible and sustainable supply chain, which will be applied to all employees, collaborators, suppliers and business partners.



MAIRE TECNIMONT LIFELONG SUPPLIER ENGAGEMENT

- International Scouting
- Supplier registration
- On-site qualification visit
- Qualification questionnaire
- Tender management
- Inspection visits
- Performance measurement and evaluation

SUSTAINABLE SUPPLY CHAIN PLATFORM

Since 2019, Maire Tecnimont Group has been an active contributor to the **working group creating an industry-shared guidelines on metrics for assessing the environmental, social and governance (ESG) sustainability of supply chains** in the plant engineering industries (with focus on vendors of equipment and services providers, including sub-contractors).

The working group - structured as a joint industry program (JIP), valid at global level - involves leading international EPC Contractors and key players in the the Italian Association of Plant Engineering (ANIMP) as active participants.

The working group started by mapping the sustainability needs of end users and stakeholders to reach a common definition of the metrics for the creation of Sustainability Scores, shared through an innovative digital vendor management platform for each vendor. This is practical, easy-to-use, comprehensive and valid for all types of supplies, as well as linked as much as possible to existing standards, norms and programs.

SUPPLIER MANAGEMENT TOOLS

Since 2016, Maire Tecnimont has been using a dedicated platform, E2Y, to enable a more effective, proactive, and integrated procurement cycle. **All the phases of the procurement process are now electronically managed** in compliance with both Group procedures and local and geographic needs. It enhances negotiation process transparency, ensuring a more efficient integration among Engineering, Procurement and Construction and faster negotiation.

The process, mandatory mainly for the most critical materials and services purchased, requires the potential supplier to register on E2Y and fill-in technical questionnaires on the web, disclosing their performance on Environmental, Social, Health and Safety matters. In particular, depending on product/service offered, questionnaires are designed to assess the principal parameters affecting sustainability:

INTEGRITY

fair trade, conflict of interest, bribery and corruption.

HUMAN AND WORKERS' RIGHTS

child labor, health and safety, non-discrimination.

ENVIRONMENT

use of raw materials, use of energy and CO₂ emissions, water consumption and waste management.

Finally, **in 2020 the Group has decided to start a Social Audit program** with the support of an external consultant, to verify the respect of human rights by its strategic suppliers both from the point of view of the materials supplied and relevant on the basis of purchase turnover and country of origin.



PROCUREMENT ORGANIZATION

Managing projects and markets all around the globe, Maire Tecnimont Group decided to create International Procurement Offices (IPO's) as the local face of the Group. Market opportunities, both on the sell side and the supply side, are finalized through this hub.

Local presence is key to developing strong relationships and ensuring that remote suppliers follow our guidelines (mainly on HSE and quality of supply). Locally, we promote the development of suppliers jointly with local communities and government.



GREEN LOGISTIC PLAN



Following the current sustainable approach it is developing globally, Maire Tecnimont has launched a plan to optimize its processes in order to reduce CO₂ emissions.

The plan involves redefining the logistics chain, assessing the involvement of suppliers of transport services, the packaging of materials and the method of supplying building sites for plants.

A first successful experiment with the change in method was done during the deliveries for the Amursky project, for which two further strategies were put in place with a strong green impact:



PRIORITIZING THE USE OF RAILWAY NETWORKS

THROUGH WHICH 12 MN KM WERE TRAVELED BY 1,000 WAGONS, WHICH HAS ALLOWED A REDUCTION OF CO₂ EMISSIONS OF OVER 50% COMPARED TO ROAD TRANSPORT



OPTIMIZING THE FILLING OF CONTAINERS/TRUCKS

TO REDUCE TRIPS BY ANOTHER 2,700

Based on these encouraging results, we began a Green Logistics Plan, presented at the "Shipping Meets Industry" convention on 30 January 2020. Given the encouraging results from the pilot site, we plan to develop and implement this plan in the next few years.

SEENERGY 2019

NOV 18 2019 Building a new relationship model with the supply base in the projects around the world: this is Seenergy, the event that Maire Tecnimont organizes yearly at its headquarters in Milan.



About 200 top managers of our main international partners took part in this event which represents an important opportunity to share the goals and experiences that have enriched the Group during the last year. In our auditorium over 1 trillion in revenues and a workforce of over 4 million people were represented.

This year the meeting focused on the **three main pillars of the Group's strategic plan: Capex reduction through operational excellence, Circular Economy and Sustainability in the supply chain and Digital Transformation.**

The event ended with the awards ceremony for SEENERGY 2019 Best Performing Partners.

3rd
EDITION

200
TOP MANAGERS

4
MILLION PEOPLE WERE REPRESENTED

1
TRILLION IN REVENUES



THE POSITIVENESS OF HSE

THE NEW GROUP HSE BRAND & COMMUNICATION CAMPAIGN



HSE AWARENESS PROGRAM



CERTIFICATIONS



MAN-HOURS WORKED

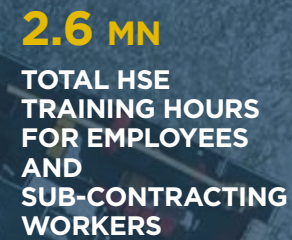


HEALTH AND SAFETY ON SITE*



* Referred to Hydrocarbons Business Unit and based on 1 million hours worked.

TRAINING



WASTE MANAGEMENT



GHG EMISSIONS



** Referred to the volume of GHG emissions generated from both in Headquarters and Construction sites.



EMPLOYEES



CONTRACTORS & SUB-CONTRACTORS



CLIENTS



LOCAL ORGANIZATIONS & NGOs



LOCAL COMMUNITIES



TECHNOLOGICAL PARTNERS

For Maire Tecnimont Group, the health and welfare of the individual, the safety of industrial plants and the protection of the environment are essential corporate objectives.

The Group strives every day at home office and construction sites to prevent any kind of human injury and illness, negative impacts on the environment and the violation of the human rights. In general, a continuous focus is placed on creating a positive workplace, at which people can work safely, can be conscious of the risks and consequences for the environment of their job and can cooperate and share work and life experiences, while growing professionally with their colleagues.

The planning, implementation, monitoring and continuous improvement of an effective HSE Management System are the main levers for establishing appropriate HSE priorities and targets. For the Maire Tecnimont Group, as EPC Contractors, people make the difference. Therefore, the risks relative to the health and safety of the employees present every day at home office and construction sites are continuously investigated and mitigated.

The Group follows a preventive approach for reducing the risk of accidents and their associated affects, safeguarding the health and safety of its employees and personnel under its responsibility, and minimizing negative impacts at the headquarters and construction sites.

The HSE Management System is certified by a third-party organization for the main operating companies according to the ISO 14001:2015 standard for environmental management and to the OHSAS 18001:2007 standard for occupational health and safety.

7



MATERIAL TOPICS

- HEALTH AND SAFETY OF EMPLOYEES AND CONTRACTORS
- ENERGY EFFICIENCY
- GHG EMISSIONS
- WATER MANAGEMENT
- WASTE MANAGEMENT
- HUMAN RIGHTS

7.1 HSE CULTURE

The safety and protection of people is not only a priority but a fundamental value that all of us put into practice in all our activities day after day.

We are putting our efforts into increasing the engagement of our colleagues, our clients and subcontractors, because HSE¹⁸ is a value which everyone believes in and identifies with. The challenge of our journey is to humanize HSE.

OUR AIM

THE CHALLENGE OF OUR JOURNEY IS TO HUMANIZE HSE

all personnel in every activity in the engineering, procurement, construction and commissioning stages of our projects. Continuous and intensive monitoring and regular audits are carried out by the internal HSE auditors within the organization and by external notified bodies, ensuring that the HSE obligations are met effectively.

Training is essential to the creation of value for our stakeholders and to ensure the long-term health of our business. It is a core strategic activity of the Group, which continuously develops the professional competences and skills of our employees. An intensive specific training program and sessions involve all employees in order to improve their knowledge on health, safety and environment issues, tailored according to the role and tasks of each employee. In terms of activities performed on site, training is a key element of incident prevention.

About training, 8,321,720 hours have been dedicated to HSE courses over the last three years. The average hours of training per capita provided to employees at home office and construction sites for Maire Tecnimont Group on HSE, Social Accountability and Project Quality topics were 11.1 hours in 2017, 13.8 hours in 2018 and 11.9 hours in 2019. Trend variation observed is linked to the cyclical nature of the training

HSE TRAINING



8.3MN
HOURS
OVER THE LAST
THREE YEARS

campaigns carried out over the years. In addition, all subcontractor workers at construction sites receive training on HSE and Human rights issues. The ratio between HSE training hours and man hours worked on site was 2.74% in 2017, 2.52% in 2018 and 2.45% in 2019¹⁹.

In addition to the classroom training for all workers, a best practice implemented in two Group projects was to realize a Training Lab dedicated to special hazards (e.g. work at height), realized by the Subcontractors.

The adoption of this practice is aimed at increasing all workers' risk perception, as they all encounter risks during their work. The ultimate goal is developing an HSE culture among workers.

The implementation of an on-site Training Lab consists in performing theoretical and practical training, in assigned site areas properly set up, to reinforce risks awareness in various construction work and enhance the safety culture within each project.

The training may concern: safety campaigns, safety during welding activities, work at height, scaffolding awareness, basic lifting and rigging, confined space entry, electrical safety, grating works, pipe fitting, fire safety, hot work & gas cylinder, waste management and spill prevention and other specific topics.

In addition, it is possible to simulate recorded incidents

(e.g. near misses) to spread lessons that have been learned.

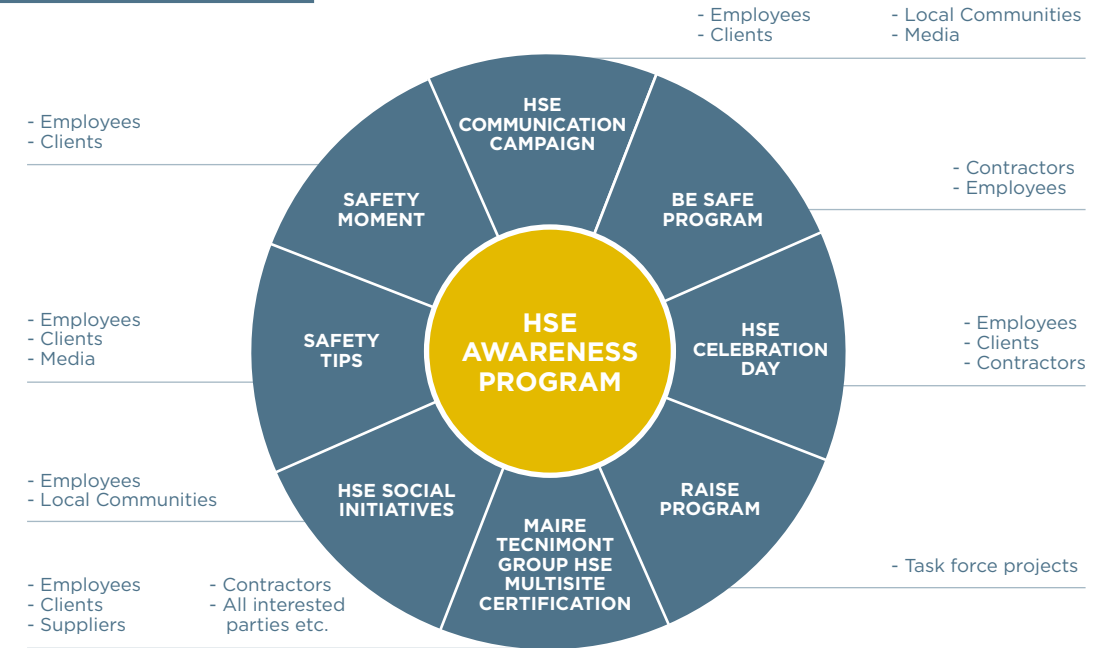
Our impressive figures are obtained by methodologies, commitment and the awareness and engagement of all the people

involved in our activities.

In this ambit, in 2018 we launched a five-year plan with the aim of defining a new approach to HSE culture, not confined to individual projects but comprehensively

facilitating general empowerment of HSE awareness at MET. The "HSE Awareness Program" breaks down into a series of initiatives, all focused on this singular objective, applying a multi-stakeholder approach.

HSE AWARENESS PROGRAM



THE FOLLOWING ACTIVITIES HAVE BEEN INITIATED IN 2018:

BE SAFE PROGRAM	Group program introduced on project of Sister Companies to spread awareness of Safety Issues and a "Working in Safety" approach, involving field supervisors in recording and managing HSE Non-Compliance
HSE CELEBRATION DAY	Celebration days following strong HSE performances during the carrying out of construction projects.
RAISE PROGRAM	"Reinforce Awareness in Safety & Environment" is an intensive program within a Tecnimont-Exxon Mobil Project aimed at spreading and strengthening HSE awareness and consciousness through Team building, in the form of a series of workshops on specific safety topics.
MAIRE TECNIMONT GROUP HSE MULTISITE CERTIFICATION	Group goal achieved in line with OHSAS 18001:2007 and ISO 14001:2015 standards, leveraging synergies among the various entities

IN 2019 THE PROGRAM WENT AHEAD WITH THE FOLLOWING ACTIVITIES:

HSE SOCIAL INITIATIVES	Social initiatives on HSE and SA8000 topics to support local development, undertaking activities which best reflect our Group's values. HSE social initiatives have been held in schools in Central Italy.
SAFETY TIPS	"Training capsules" sent via mail on a weekly basis to all Group employees to improve knowledge of procedures and good practices on HSE and SA8000 topics, in both working and non-working environments. In 2019 29 safety tips were published.
SAFETY MOMENT	"Training packages" on HSE and SA8000 topics, with a positive and immediate communicative impact on working and non-working activities, to be proposed for the opening of meetings with clients, suppliers, etc.
HSE COMMUNICATION CAMPAIGN	Communication campaigns to bring attention to HSE & Social Accountability issues. In 2019 two communication campaigns were launched to reach all employees both in offices and on sites. (ref. box page 89) The engagement events for the Safethink campaign were 5, with an estimate of about 4.500 attendants in the main Company offices and in one of the most relevant Group sites, Amursky.

¹⁸ HSE: Health, Safety and Environment






¹⁹ For more details on HSE training hours see: "Appendix: Sustainability Performance"

MAIRE TECNIMONT PROGRAM FOR HSE

In the last two years, we exceeded the challenging goal of launching a new brand to create the basis of a new culture and shared HSE identity. **We have decided to boost and renew the Program.**

Maire Tecnimont has to strengthen this culture through a deeper humanizing program to create engagement with each employee/third parties and to make sure that the new HSE vision is applied by everyone in each single activity.

Our main working objectives:

AREA OF INTEREST	ACTIONS	2020 TARGET
 HSE COMMUNICATION CAMPAIGN	Communication campaigns to bring attention to HSE issues and maximize internal commitment	- Two-year communication campaign based on 4 themes
 EVENT & EXTERNAL PARTNERSHIP	Take part in HSE events and start new partnerships on HSE issues to spread and consolidate our commitment even with external subjects	- initiative on a Group's construction site broadcast in live streaming - evaluating a new partnership on HSE issues
 TRAINING TOOLS	Spread of pills and training tools to increase awareness of procedures and good practices on HSE & SA8000 issues in the workplace and out of it.	- Safety Tips (initiated in 2019) - Safety Moment - Best Practice publication for internal personnel - Third edition of "Group HSE Workshop" - Certification of HSE Manager in accordance with UNI 11720:2018 - "Safethink Rules for Life" manual
 HUMANIZING PROGRAM	Development of a training and workshop program to raise awareness and spread the new HSE vision among Maire Tecnimont employees	- Top-down: involving the management to share the new HSE vision, and to share with them how to transfer it to the rest of personnel - Bottom-up: key figures of middle management will be involved in order to make them trainers, strategic ambassadors who will transfer the knowledge to all other employees
 HSE SOCIAL INITIATIVES	Social initiatives on HSE & SA8000 issues for local communities, carrying out activities that better express the values of our Group	New HSE initiative aimed at supporting of high schools and/or new Social Accountability initiatives aimed at raising awareness of the local community on human rights issues.

THE NEW GROUP HSE BRAND & COMMUNICATION CAMPAIGN

The Maire Tecnimont Group has launched an **innovative HSE brand & communication campaign aimed at maximizing our safety culture: Safethink**

always 'make the right choice'. Every decision we make in our work is important, especially if it concerns the safety of all the stakeholders who work with us. With this in mind, the Group created the HSE communication campaign and the new Safethink brand, to make each of us increasingly aware of "actively thinking about safety" before acting and reinforcing a shared HSE identity.



The Safethink brand stems from the evaluation of the various hypotheses that might best fit into the HSE identity of the Maire Tecnimont Group: a definition, a character, a symbol. However, none of these options seemed to best represent the corporate vision on safety and the message to be conveyed to the personnel, so we coin a new word: create a concept that represents the basis for every single behaviour, Safethink.

The campaign strengthens safety culture and achieves shared practices through new initiatives: 4 cycles, 4 different themes (Tools, Behaviours, Environment, Social Accountability), 4 different events designed to be held anywhere, from offices to construction sites.

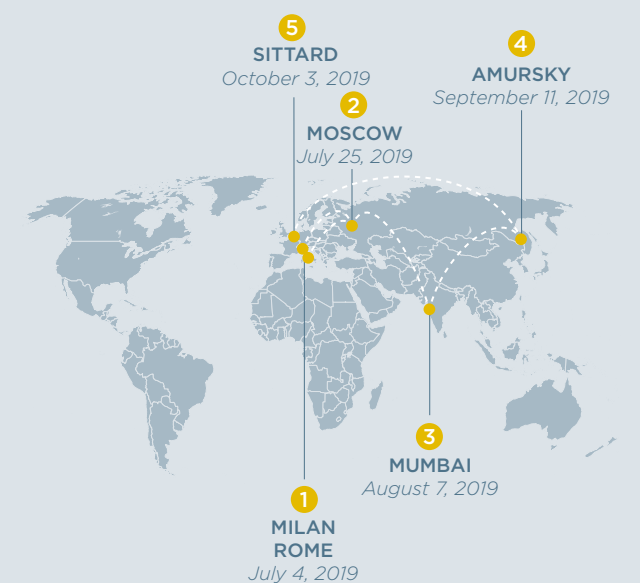
In order to always distinguish ourselves in safety excellence, we cannot afford to make the wrong choice, but



ENGAGEMENT

The Safethink launch was held in July 2019 at the Maire Tecnimont headquarters in Milan and KT Rome. Involvement and participation were already visible during the launch event, full of stories and practices shared on the HSE. A video conference has been arranged to let our colleagues from different construction sites to be virtually present at the event: KIMA Egypt, RAPID Malaysia, SOCAR Azerbaijan, ORPIC OMAN, AGPP - AMURSKY and LUKOIL from the Russian Federation, PP5 - BOROUGE Abu Dhabi, LOTOS Poland, PETRO-RABIGH Saudi Arabia.

A few months after the launch of the campaign, the Safethink brand is already highly appreciated and welcomed by colleagues both at the headquarters and above all on site.



SAFETHINK RULES FOR LIFE

The “Safethink Rules for Life” were defined and launched during the second HSE communication campaign focused on behaviours. The “Safethink Rules for Life” of Maire Tecnimont Group consisting in a selection of 10 safety rules that the Group considers of primary importance for the prevention of accidents and defined considering:

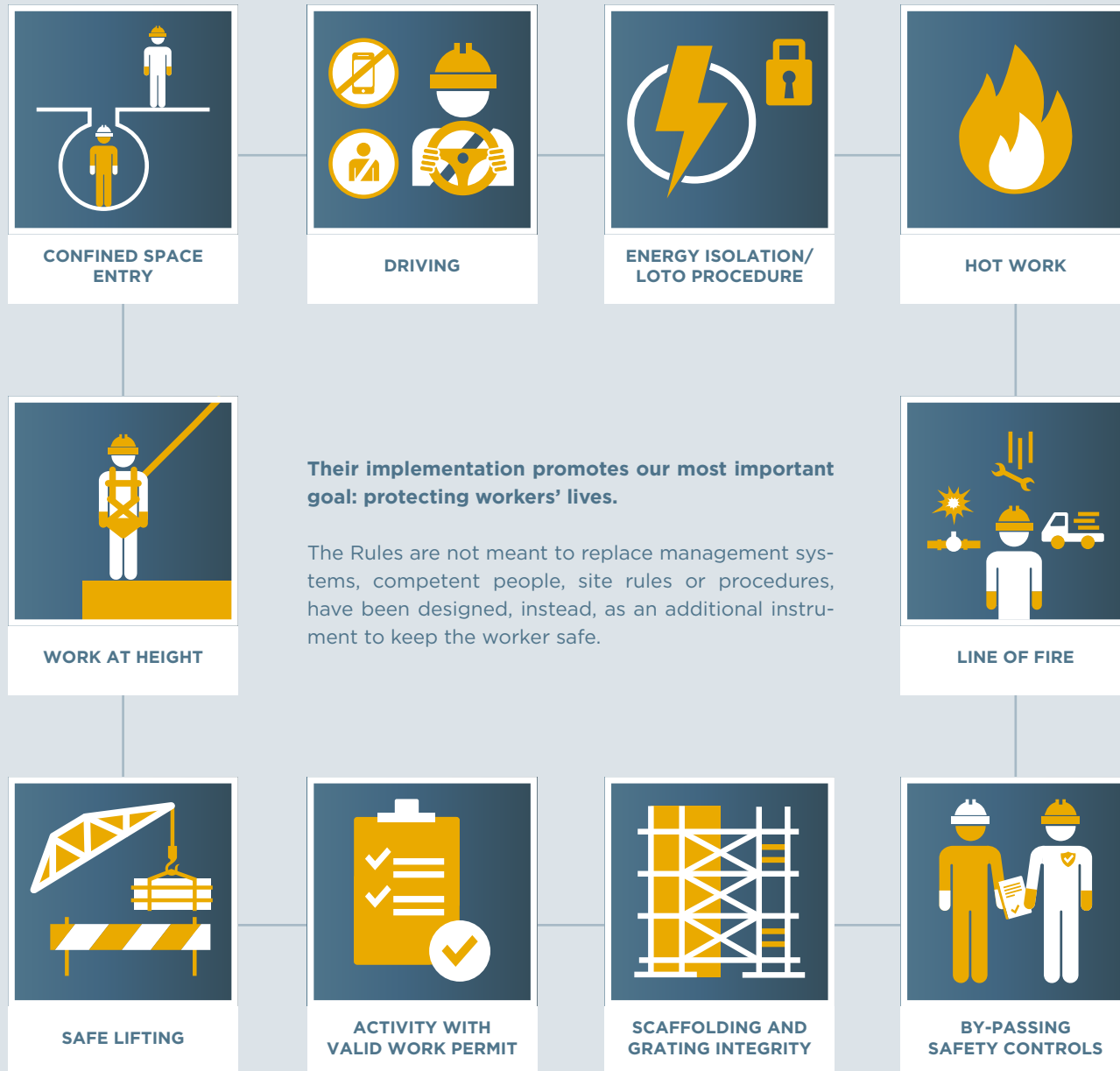
- The international reference of the IOGP (International Association of Oil & Gas Producers), report 459 of 2018;

- The main competitors and customers life-saving rules;

- A statistical analysis of the Fatal Accidents and Lost Work Day Cases* of the last 10 years - on TCM and KT - for a total of 60 events, grouped by causal factor.

Therefore, the rules were not simply taken from those defined by IOGP but have been customized to reflect our context. In fact, **additional rules have been defined and ad hoc pictograms have been created, to emphasize the distinctiveness of our safety culture.**

* IOGP, for the definition of its life-saving rules, has only taken fatalities into account for reference. Our statistics also include injuries with lost work days, as there were few fatalities occurring in the reference period, therefore not very representative.



7.2 HUMAN RIGHTS

Respecting fundamental human rights is an essential element of the Maire Tecnimont Group's vision. **The Company recognizes the diversity of the countries in which it operates and of its customers, suppliers, and employees and each is valued as a strategic asset.**

One of Maire Tecnimont's key goals is **to ensure its business is managed ethically, fairly and responsibly**, taking into account certain intangible things, such as the Company's human, organizational and social resources. The Maire Tecnimont Group, in compliance with the SA8000 Standard and the United Nations' Universal Declaration of Human Rights, recognizes and promotes among its employees and business partners respect for the individual, their dignity and their values as a core aspect of its identity and of its conduct. Accordingly, any form of intolerance, violence, harassment or discrimination (be it based on gender, race, nationality, age, political opinions, religion, sexual orientation, health condition or socio-economic status) is disavowed. The total number of incidents of discrimination involving employees and contractors/subcontractors was zero in the 2017-2019 period.

Maire Tecnimont's position on safeguarding human rights is made clear to all stakeholders, both internal and external, through the Code of Ethics, a copy of which is provided to new hires and suppliers and is always available on the Corporate website.

In order to ensure ethical and responsible business management, the Group's companies, with a

similar process to that used for the Health, Safety, and the Environment assessments, are committed to a voluntary Social Responsibility certification in accordance with the SA8000 management system.



This system can be certified through an audit system by an independent body and is based

on international human rights standards (ILO and UN conventions) and national labor laws. Its purpose is **to provide a tool that protects and gives authority to all personnel working for a company and to all those who collaborate with the company, such as suppliers, contractors, subcontractors, and home workers.**

In compliance with the SA8000 Standard, at each Group certified Sister Company an SA8000 Workers' representative has been elected to facilitate workers' liaison and communication with company management on matters related to Social Responsibility.

Furthermore, we appoint a Social Performance Team, responsible for monitoring and maintaining the SA8000 Management System. The Social Performance Team also conducts a periodic written Risk

Assessment to identify and prioritize areas of current or potential non-compliance with the standard and ensure that corrective and preventative actions are effectively implemented. **The risk assessment is conducted on the basis of the Enterprise Risk Management Group methodology.**

The target of this Risk Assessment is to evaluate the probability of a negative event happening, and the severity of the negative impact on occurrence. Involving the Social Performance Team in this systematic process, the Group's companies are able to foster worker-manager collaboration around a proactive process that leads to practical and sustainable workplace improvements.

On site, Construction Management plays a lead role in increasing awareness and monitoring of human rights. All site personnel receive Social Responsibility training, both in a traditional classroom setting and through e-learning video clips.

A central aspect of our vision is to listen and give voice to the Group's various internal and external stakeholders. We have therefore created a channel for all our stakeholders to send/receive reports, as a direct way of receiving complaints and suggestions to improve daily



working life. These channels differ depending on the type of stakeholder involved and are all managed by applying thorough analysis and transparency. In particular, alongside dedicated SA8000 Management Team and Worker Representative mailboxes, the Group has developed more structured ways to access the channels and ensure the anonymity of the complainant, as per the previously mentioned complaint mechanism. A special section of the corporate website allows both internal and external stakeholders to report alleged breaches of company policies and/or of SA8000 standard requirements.

The Company has invested significantly in internal communication and human rights training in order to educate and engage all employees in this regard.

The total number of hours in the reporting period regarding training on human rights policies or procedures concerning the human rights aspects of operations were as follow: 4,668 hours in the year 2017, 5,815 hours performed in the year 2018 and 4,077 hours in the year 2019²⁰.

The percentage of employees trained during the reporting period on human rights policies and procedures concerning human rights aspects out of the total number of employees was 35% in 2019 compared to 41% of the previous year²¹.

The commitment to human rights training involves in addition to employees, also sub-contractors. 100% of sub-contractor workers receive human rights issue training.

In order to translate the above Maire Tecnimont Group Vision, a specific policy has been published in the first quarter of 2020.

²⁰ For more details about training hours on Human rights see: "Appendix: Sustainability Performance".

²¹ For more details on percentage of employees trained on human rights see: "Appendix: Sustainability Performance".

HSE&SA SOCIAL INITIATIVES

Maire Tecnimont is strongly committed to local development and holds initiatives that reflect its values, especially working with the local stakeholders on topics for us fundamental as Health, Safety, Environment and Social Accountability.

With this aim, in 2019 the Maire Tecnimont Group KT - Kinetics Technology Subsidiary held a social initiative on Health, Safety and Environment issues (HSE) at the Istituto Comprensivo L. Mannetti, a school in Antrodoco, near Rieti, in Central Italy affected by the earthquake. KT - Kinetics Technology - which already has a proven track record supporting schools on HSE issues, shared its know-how through an awareness-raising activity for pupils and teachers at the school.



KT also organized in 2019, in collaboration with Unigum/MSA (suppliers for PPE), a Workshop on Emergency Rescue in Confined Spaces at its headquarters in Rome. The subject was an experiential learning activity on personal protection equipment, divided in two steps: in the morning a classroom training session to a group of technicians from every production department, in the afternoon practical use of safety harnesses on the "Safety Truck", a special vehicle equipped with safety protection equipment.



7.3 ENVIRONMENT

In an era when environmental issues are increasingly resonant and visible around the world and the people are becoming every day more conscious about the pollution damages, **Maire Tecnimont Group shows its efforts to help the green economy, creating business and value by using recycled plastic waste to produce polymers.** This is what the Myreplast Industries plant, a Nextchem subsidiary, does, guaranteeing about 95% of the recycling process, moving on from words to actions.

The ISO 14001 certifies that Maire Tecnimont Group Environmental Policy is well suited to all subsidiaries and activities relevant to home office and construction sites, performing detailed analysis to evaluate the significance of working activities that influence the environment, negatively impacting through the consumption of energy, harmful atmospheric emissions, spills on soil and water, waste production, resource depletion and damage to flora and fauna. The results of this analysis define specific action plans to continuously mitigate impacts connected to the home office and construction activities.

The activation of "Smart Working" for the Italian companies, represent an important environment improvement helping in reducing of traffic with its associated impacts like noise, CO₂ and particulate emissions.

Group's Environmental policy is also defined by engineering phase which is an opportunity to propose technological

modifications which can result in energy saving and cleaner emissions, leading to environmental and economic benefits for the customer, stakeholders and the whole community.

ENERGY EFFICIENCY

The Group's energy intensity factors are calculated using both direct and indirect energy consumption as a numerator and man-hours worked as a denominator. Hours worked have been acknowledged as representative of the Group's overall activity.

In 2019, the energy intensity indicator reduced on 2018 for Group home offices from 11,048 in 2018 to 10,253 kJ in 2019 while for Construction sites slightly increased from 23,849 in 2018 to 24,437 kJ in 2019²². Generally, the energy intensity indicator remains substantially unchanged over the last three years of observation, with oscillation in consumption of 2-3%.

The following main consumptions are monitored at home offices for continuous improvement:

- Natural gas for heating offices;
- Electricity for air conditioning, computer equipment, lighting, etc.;
- Fuel for power production related to emergency generators and heating units;
- Fuel for private and public means of transport for employees to reach their workplaces;
- Fuel for transportation of suppliers of goods or services.

Maire Tecnimont's headquarters in Milan produce about 30,000 kWh from installed photovoltaic panels and several energy saving systems in offices that have resulted in the achievement of an excellent level of zero local emissions of CO₂ equivalent.

At Construction sites the Maire Tecnimont Group monitors energy consumption at our temporary facilities, including the consumption of Subcontractor operating vehicles, material suppliers and private transportation²³.



²² For more information on energy intensity see data in "Appendix - Sustainability Performance".

²³ For more information on energy consumption see data in "Appendix - Sustainability Performance".

GREEN HOUSE GAS (GHG) EMISSIONS

The Group's GHG emission intensity factors are calculated from both direct and indirect emissions (Scope 1 and Scope 2 emissions) as a numerator, and man-hours worked as a denominator. Worked hours have been recognized as representative of the Group's overall activity.

Direct emissions are emissions from fossil fuels such as natural gas, diesel and gasoline, directly

through Group activities and operations. Indirect emissions are from the direct consumption of electricity through Group operations.

In 2019 the Group has reduced its GHG emissions for home offices. Regarding construction sites, the trend of hourly unit values, net of some minimal oscillation, remains substantially constant over the three years of observation. Therefore, the observed changes in hourly unit consumption are not significant. The energy mix used also varies according to the

geographical areas where we operate and therefore depending on network energy availability.

The following table shows the aggregate volume of direct GHG emissions in metric tons CO₂ equivalent, generated by Group's operations (Scope 1 emissions). The Group also quantifies indirect emissions resulting from electricity consumption (Scope 2 emissions).

GHG EMISSIONS

Year	GHG emission intensity [kg CO ₂ /man-hours worked]		Scope 1 emissions [tons of CO ₂ eq.]			Scope 2 emissions [tons of CO ₂ eq.]		
	HQs	Construction Sites	HQs	Construction Sites	Total	HQs	Construction Sites	Total
2017	1.54	1.95	812	164,137	164,949	10,473	7,826	18,299
2018	1.35	1.84	814	221,262	222,076	9,256	22,331	31,587
2019	1.30	1.98	501	168,643	169,144	10,089	39,700	49,789

Maire Tecnimont emission estimation methodology is aligned with the most important international standards for the calculation of air

emission. In 2020, the Group methodology will be updated and its boundaries of application will be increased accounting also for

Maire Tecnimont Scope 3 Emissions by including GHG deriving from employees business travel and commuting.

ENERGY EFFICIENCY INITIATIVES

Maire Tecnimont, in its commitment to promote decarbonization and better use of energy, continuously implements energy efficiency initiatives for offices and construction sites.

In 2019, the Group started the upgrade of Milan offices by installing LED lamps and low energy consumption devices (printers, electric towels, etc.), obtaining an expected nominal saving of at least 40%.

In 2020, various energy saving initiatives will be implemented at the construction site level.

In particular, the Group will implement a specific assessment to identify and develop these initiatives starting from a pilot construction site.

WATER MANAGEMENT

The sources of water for sanitation and civil purposes (canteen, toilets, flushing wc...) used by the companies located in Maire Tecnimont Headquarters in Milan are provided via public supply network and via the rainwater collection systems on the roof.

The facilities of the complex use, without chemical changes, groundwater to feed Heating Ventilation Air Conditioning (HVAC) systems, both for heating and air conditioning.

Waste water discharge in the urban sewerage network for which no discharge authorization is needed in accordance with the current local law.

Over the last three years, total water withdrawn from municipal water supplies or other public or private water utilities were: 53,234 m³ in 2017, 41,145 m³ in 2018 and 47,544 m³ in 2019. The same quantity of water was discharged to sewers over the last three years.

In 2017, 1,404,060 m³ of water were withdrawn (and consequently discharged), while in 2018 the amount was 1,494,510 m³ and 1,436,860 m³ in 2019.

On construction sites, safeguarding water resources is one of the environmental topic highlighted during induction and periodical promotional campaigns

In respecting Client rules and the local laws, no water discharge to the public sewer or directly to the sea and rivers is allowed.

Water consumption on construction sites over the last three years is presented in "Appendix - Sustainability Performance".

WASTE MANAGEMENT

Maire Tecnimont Group undertakes careful and comprehensive collection, transportation and final treatment of waste by means of qualified external companies.

The Group has provided several locations with segregated collection bins for paper waste, plastic and toner, promoting the "reduce, reuse, recycle" message, and specific

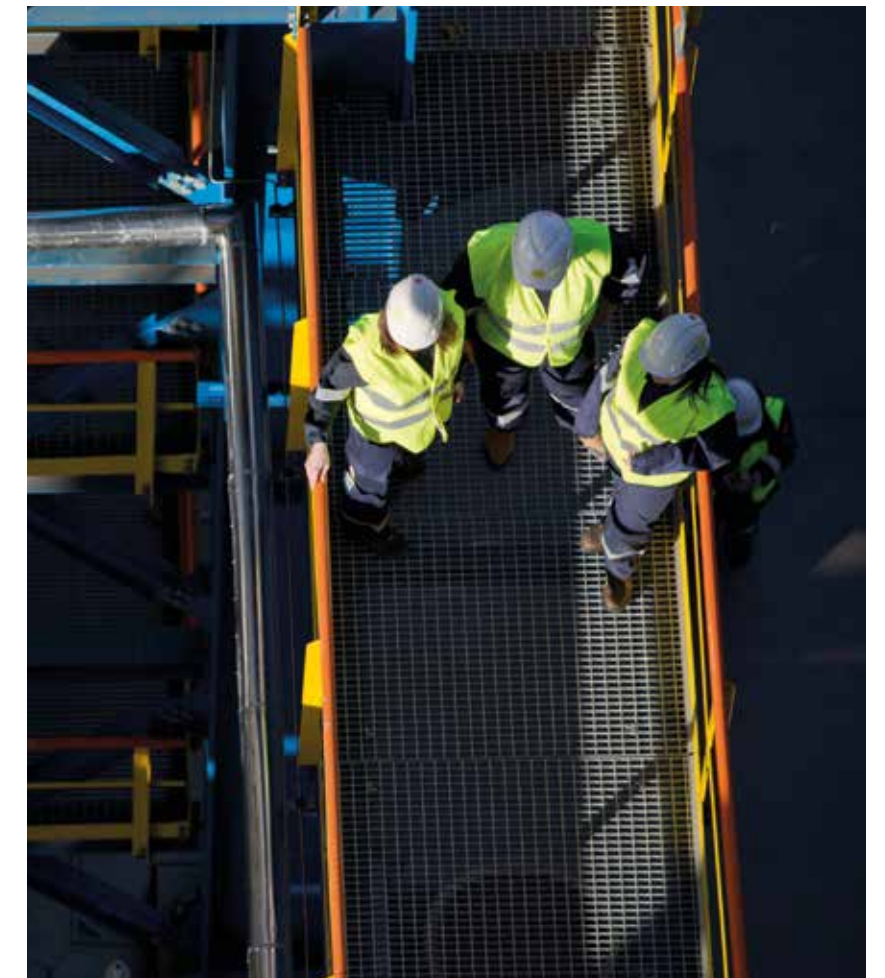
temporary storage areas, avoiding mixing hazardous (electronic and computer components, lead-acid batteries, neon lamps) and non-hazardous waste (paper, toner, electronic components, alkaline batteries, furniture, plastic packaging, mixed metals, insulation, wood).

The most consistent waste produced is paper; therefore, the digitalization of documents assists a "paper-less" approach which helps to reduce paper supplies and consequently paper waste.

The Group has started also to increase purchasing of recycled paper, encouraging even more a "recycling culture".

According to the Group Policy, verification and management of the Subcontractors' waste procedures and behaviors is done daily on construction sites, in cooperation with specialist waste companies according to local laws.

The Group's waste production at Home offices and construction sites is presented in "Appendix - Sustainability Performance".



7.4 HEALTH AND SAFETY

The Group strongly supports a preventive approach to reduce the risk of accidents and associated effects, safeguarding the health and safety of its employees and the personnel for which it is responsible and minimizing negative effects at its headquarters as well as on construction sites.

Over the last three years, a total of more than **349 million man-hours** were worked at the Group home offices and on its construction sites worldwide²⁴.

The occupational disease rate (ODR) measures the frequency of occupational diseases relative to the total time worked by all employees. No occupational diseases were recorded over the last three years (ODR=0).

PERFORMANCE AT HEADQUARTERS

At the Group Head Office, for the Maire Tecnimont Hydrocarbons²⁵ business unit over the last three years, a total of over 22.5 million man-hours were worked at Headquarters. Man-hours worked, including branches, for the year 2017 were 7,150,369, for the year 2018 amounting to 7,298,596 and for 2019 were 8,063,986.

The number of injuries²⁶ registered for 2017 was one (with 5 lost days), for 2018 year were four (with 127

lost days), for 2019 were four (with 116 lost days). The Lost time Injury Frequency (LTIF)²⁷, according to OSHA, is 0.028 for the year 2017, 0.110 for the year 2018, **0.099 for the year 2019**.

In Italy, commuting events, thus outside company headquarters, must be recorded according to domestic legislation. Commuting injuries over the last three years for the Group's Italian companies are 15 for 2017, 17 for 2018 and **9 for the year 2019**.

For the Green²⁸ Business Unit over the last three years, a total of over 0.48 million man-hours were

worked at Headquarters. Man hours-worked, for the year 2017 were 194,222, for the year 2018 amounting to 187,268, and for 2019 were 105,161.

The number of injuries registered for 2017 was zero, for 2018 year was one (with 50 lost days) and zero for 2019. The Lost Time Injury Frequency (LTIF), according to OSHA is 1.068 for the year 2018 and **zero for 2019**.

Commuting injuries over the last three years for the Green Business Unit are zero for 2017, 3 for 2018 (with 200 lost days) and **zero for 2019**.



²⁴ More details about man-hours worked at the Group home offices and on its construction sites is presented in "Appendix - Sustainability performance"

²⁵ Business Unit Hydrocarbons includes all Group's subsidiaries operating in Petrochemical and Oil&Gas fields

²⁶ Commuting accidents are not included

²⁷ Lost time injury frequency (LTIF) is the number of lost time injuries (fatalities + lost work day cases)/man hours worked per 200,000 exposure hours. The LTIF indicator takes into account fatalities and injuries along with lost days

²⁸ Business Unit Green includes all Group's subsidiaries operating in Renewables and Green Chemistry fields

CONSTRUCTION SITE PERFORMANCE

For the Hydrocarbons business unit, the Group adopts the main performance indicators set out by OSHA (US Occupational Safety and Health Administration) and IOGP (International Association of Oil & Gas Producers), in order to monitor and detect areas for improvement and to continuously promote a strongly HSE-focused approach on worksites.

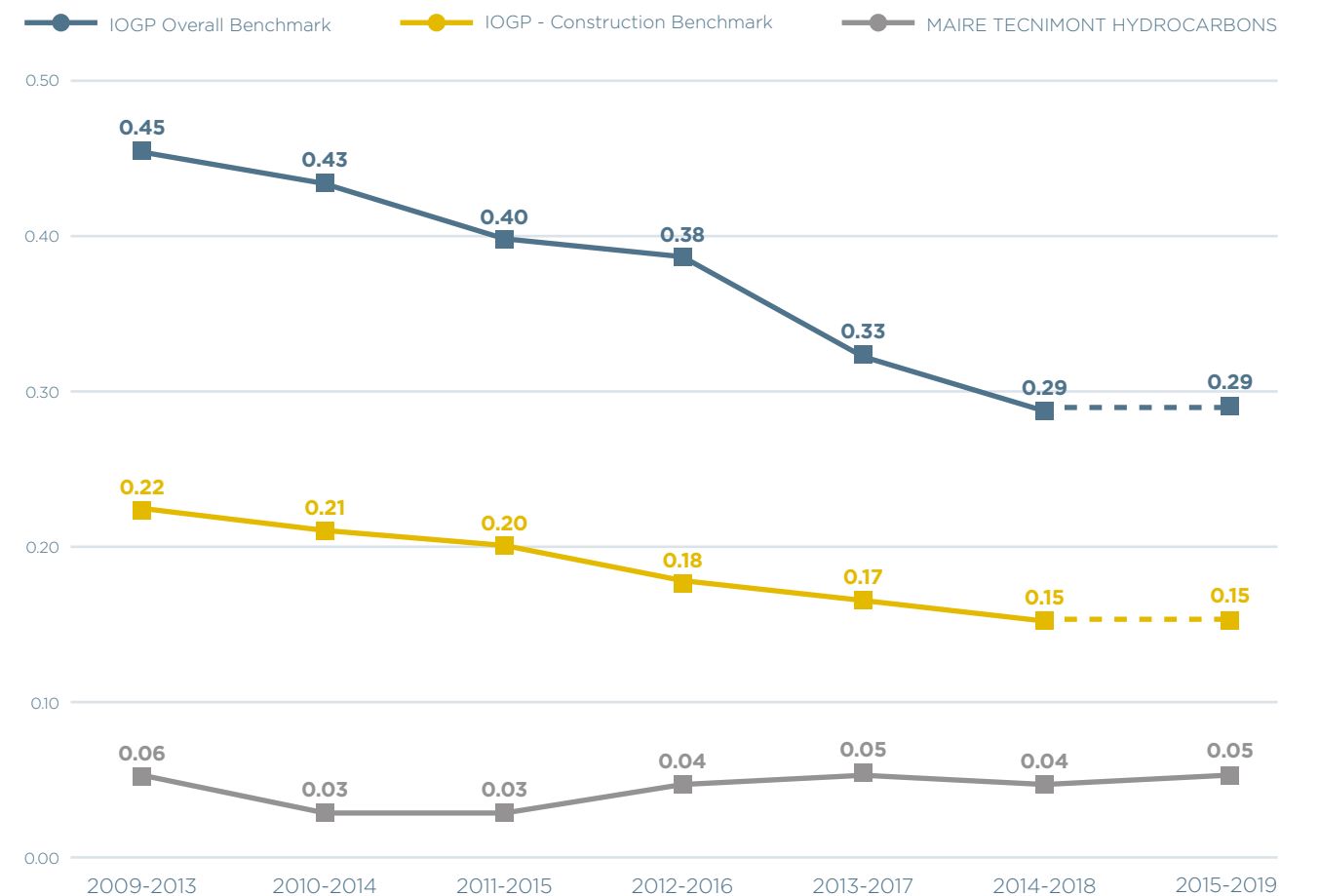
Over the last three years, a total of over **320 million man-hours** were worked in construction sites of the Maire Tecnimont Hydrocarbons business unit.

By their nature, the events categorized as LTIs²⁹ have a very low frequency of occurrence, therefore, in order to value their trend over time it is necessary to embrace a much longer observation period than the single year; for this purpose, the IOGP, whose statistical data we

use as a sector benchmark for HSE, has adopted a 5-year rolling average for the LTIF indicator and also our organization has made similar processing.

2019 data for IOGP is not available yet (as benchmark data will be published in second quarter 2020) and for this reason the Group will maintain the same 2018 benchmark data also for 2019.

LTIF FIVE YEAR ROLLING AVERAGE (per million hours)



Analysis of the trends of the last few years confirms Group's commitment to excellence in injuries prevention. In fact, net of a small fluctuation in the last five years,

our values remain consistently lower than the IOGP benchmarks, as one can see straight away in the above graph³⁰.

The table in the next page shows the main safety indicators for the Maire Tecnimont Group as per IOGP criteria.

²⁹ Lost Time Injury (LTI) is the sum of fatalities and lost work day cases.

³⁰ The calculation was made on the basis of the subsidiaries Tecnimont S.p.A. and KT - Kinetics Technology S.p.A., as they are the top societies in the Group by hours worked in construction.

HYDROCARBONS SAFETY INDICATOR ACCORDING TO IOGP

	2017	2018	2019
Man-hours worked on construction sites (employees & sub-contractors)	86,695,854	129,950,053	103,982,295
Lost time injury frequency - LTIF ³¹	0.046	0.015	0.096
Total recordable injury rate - TRIR ³²	0.150	0.062	0.317

The numbers and trends emerging according to these indicators are regularly compared with internationally recognized benchmarks, such as those provided annually by the IOGP for EPC contractors. Considering injuries with lost work days occurred during the year 2019, the LTIF and TRIR indicators are still lower than their respective IOGP benchmark³³. For the Green business unit over the last three years, a total of over

5.5 million-man hours were worked on construction sites. Man-hours worked on construction sites (Employees in Construction Sites + Sub-contractors) for the year 2017 were over 1.379 million hours, for the year 2018 were over 2.685 million hours and for 2019 were over 1.501 million hours. The recordable incident cases reported the following safety performance calculated across 1,000,000 hours worked for the Injury

Frequency Index (INAIL) and across 1,000 hours worked for the Injury Severity Index (UNI: 7249).
 ■ The Injury Frequency Index³⁴ was 12.33 for the year 2017, 12.29 for the year 2018, **6.66 for the year 2019**;
 ■ The Injury Severity Index³⁵ was 0.247 for the year 2017, 0.128 for the year 2018, **0.353 for the year 2019**.
 In 2019, the Injury Frequency Index halved compared to 2018.

HSE DESIGN

The MET Group promotes the "HSE" value not only to ensure the safety of all employees both at the headquarters and at sites but also to add value to all other activities related to its business. MET applies HSE principles and risk-based design approach from the first design phase to ensure the success of EPC projects and prevent consequences such as poor HSE performance, delays in planning, increase in costs, issues related to the different authorization processes in every country. HSE design starts with a Feasibility Study, then moves on to the Basic and Front-End Engineering Design (FEED) phase and concludes with the detailed EPC phase. Its main objectives are:
 ■ Safe and reliable installations, making the most appropriate technical and economic choices, according to the contract and the project schedule, in compliance with laws, regulations and good engineering

practice codes and standards, enhancing technical know-how.
 ■ Prompt responses, starting at the bidding phase, to the requests of the most demanding clients, with specific studies that guarantee a high standard of safety in the workplace and a reduction in environmental impacts at the facility under design. The HSE Design concepts and techniques followed from the very beginning of the engineering stage up to the commissioning and start-up of the plants provide support to the end-user to comply with Process Safety Management standards and guidelines in order to achieve significant benefits, such as:
 ■ Potentially major industrial accident risk control and management;
 ■ Elimination of legislative non-conformities, fines or restrictions.

³¹ Lost time injury frequency (LTIF) is the number of lost time injuries (fatalities + lost work day cases) /man hours worked per 1 million exposure hours. The LTIF indicator takes into account fatalities and injuries with lost days.
³² Total recordable injury rate (TRIR) is the number of recordable injuries (fatalities + lost work day cases + restricted work day cases +medical treatment cases)/man hours worked per 1 million exposure hours. The TRIR indicator takes into account: fatalities, injuries with lost days, restricted work day cases and medical treatment cases.
³³ For more information on safety indicators see data in

"Appendix - Sustainability Performance"
³⁴ Injury Frequency Index is the number of lost time injuries (fatalities + lost work day cases + restricted work day cases+ medical treatment cases) /man-hours worked per 1 million exposure hours. The indicator takes into account: fatalities, injuries with lost days, restricted work day cases and medical treatment cases.
³⁵ Injury Severity Index is the number of lost days/man-hours worked per 1 thousand exposure hours. The indicator takes into account lost days due to injuries. Injury Severity Index is defined according to OSHA Forms 300 methodology.

HSE CELEBRATION DAY

Maire Tecnimont Group shows its HSE commitment also through specific events carried out at construction sites when a significant number of worked man-hours without injuries are reached. The celebration days are carried out as a practice in all the Group's construction sites, as a reference is reported below the outstanding goal achieved in Oman construction site, at LIWA Plastics EPC2 project of Tecnimont S.p.A. subsidiary: **37 million worked man-hours without LTI** (Lost Time Injuries according to OSHA - Occupational Safety and Health Administration).

This remarkable result was possible thanks to an exceptional HSE commitment by both, the HSE team and the Construction team.



Maire Tecnimont top management kept on joining site-by-site celebrations to express its gratitude to everybody who allowed the realization of this significant result.



SUSTAINABILITY PERFORMANCE

GOVERNANCE AND ETHICS

COMPOSITION OF THE GOVERNANCE BODIES									
	2017			2018			2019		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Members of the governance bodies by gender	8	7	15	8	7	15	8	7	15
Board of Directors	5	4	9	5	4	9	5	4	9
Board of Statutory Auditors	2	1	3	2	1	3	2	1	3
Supervisory Body as per Legs. Decree 231/01	1	2	3	1	2	3	1	2	3
	2017			2018			2019		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Members of the governance bodies by age	8	7	15	8	7	15	8	7	15
Under 30 years old	0	0	0	0	0	0	0	0	0
31-50 years old	1	3	4	1	3	4	1	2	3
Over 51 years old	7	4	11	7	4	11	7	5	12

ANTI-CORRUPTION COMMUNICATION AND TRAINING IN MAIRE TECNIMONT			
	2017	2018	2019
Total number of governance body members that the organization's anti-corruption policies and procedures have been communicated to	15	15	15
Percentage of governance body members that the organization's anti-corruption policies and procedures have been communicated to	100%	100%	100%
Total number of governance body members that have received training on anti-corruption	15	15	15
Percentage of governance body members that have received training on anti-corruption	100%	100%	100%

CONCERNS REPORTED UPON UNETHICAL OR UNLAWFUL BEHAVIOR AND ORGANIZATIONAL INTEGRITY			
	2017	2018	2019
Total number of work-related concerns reported in the year	6	6	7
Addressed	6	6	7
Resolved	5	1	1
Investigated and found to be unsubstantiated	1	3	5

EMPLOYMENT & INDUSTRIAL RELATIONS

BREAKDOWN OF EMPLOYEES BY CONTRACT TYPE									
	December 2017			December 2018			December 2019		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Permanent Employees	909	3,927	4,836	1,025	4,153	5,178	1,100	4,148	5,248
Fixed-Term Employees	94	513	607	136	826	962	149	950	1,099
Total	1,033	4,440	5,443	1,161	4,979	6,140	1,249	5,098	6,347

PERMANENT EMPLOYEES: HIRES AND DEPARTURES			
	2017	2018	2019
Hired	378	770	790
Turn-over ³⁶ ratio	2.9%	4.3%	6.9%

NUMBER OF EMPLOYEES COVERED BY COLLECTIVE BARGAINING AGREEMENTS ³⁷									
	December 2017			December 2018			December 2019		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Total headcount employed in Italy & rest of Europe	662	1,984	2,646	720	2,137	2,857	755	2,209	2,964
Total headcount covered by collective bargaining agreements	648	1,793	2,441	702	1,902	2,604	728	1,988	2,716
Total	98%	90%	92%	98%	89%	91%	96%	90%	92%

³⁶ Turnover ratio is calculated on permanent termination for voluntary reasons.

³⁷ For the calculation of this indicator, only the Italy and Rest of Europe Region was considered.

BREAKDOWN OF EMPLOYEES BY HEADCOUNT GEOGRAPHIC ZONE

	December 2017			December 2018			December 2019		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Italy & Rest of Europe	662	1,984	2,646	720	2,137	2,857	755	2,209	2,964
India & Rest of Asia, out of which:	239	1,741	1,980	251	1,813	2,064	271	1,943	2,214
India Region	206	1,679	1,885	206	1,666	1,872	229	1,808	2,037
South-East Asia & Australia Region	0	0	0	0	2	2	0	6	6
Rest of Asia	33	62	95	45	145	190	42	129	171
Russia & Caspian Region	76	185	261	150	402	552	167	417	584
North America Region	1	0	1	3	1	4	5	16	21
Central and South America Region	7	10	17	9	14	23	8	13	21
Middle East Region	14	456	470	24	537	561	26	420	446
North Africa & Sub-Saharan Africa Region	4	64	68	4	75	79	17	80	97
Total	1,003	4,440	5,443	1,161	4,979	6,140	1,249	5,098	6,347

BREAKDOWN OF EMPLOYEES BY OPERATING GEOGRAPHIC ZONE

	2017			2018			2019		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Italy & Rest of Europe	658	1,723	2,381	711	1,728	2,439	752	1,902	2,654
India & Rest of Asia, out of which:	236	1,555	1,791	249	1,639	1,888	268	1,807	2,075
India Region	203	1,456	1,659	201	1,404	1,605	222	1,609	1,831
South-East Asia & Australia Region	0	1	1	0	3	3	1	22	23
Rest of Asia	33	98	131	48	232	280	45	176	221
Russia & Caspian Region	77	338	415	155	639	794	171	611	782
North America Region	10	49	59	10	39	49	5	19	24
Central and South America Region	1	1	2	3	1	4	9	73	82
Middle East Region	14	442	456	27	733	760	27	537	564
North Africa & Sub-Saharan Africa Region	4	50	54	4	153	157	17	149	166
Total	921	4,035	4,956	1,161	4,979	6,140	1,249	5,098	6,347

DIVERSITY**PARENTAL LEAVE³⁸**

	2017			2018			2019		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Total number of employees who took parental leave	45	0	45	60	1	61	38	5	43
Total number of employees who returned to work after parental leave ended	38	1	39	39	1	40	54	5	59
Total number of employees who did not return to work after parental leave ended	4	0	4	1	0	1	0	0	0
Total number of employees who returned to work after parental leave ended and were still employed 12 months after their return to work	40	2	42	33	1	34	34	0	34
Termination Rate	10%	0%	9%	2%	0%	2%	0%	0%	0%
Return to work rate	90%	100%	91%	98%	100%	98%	100%	100%	100%

BREAKDOWN OF EMPLOYEES ACCORDING TO CATEGORIES, GENDER AND AGE

	2017		2018		2019	
	Men	Women	Men	Women	Men	Women
EXECUTIVE LEVEL	92%	8%	91%	9%	92%	8%
< 30 yo	0%	0%	0%	0%	0%	0%
31 - 50 yo	48%	6%	46%	7%	43%	6%
> 50 yo	44%	2%	45%	2%	49%	2%
Total	587		639		660	
MIDDLE MANAGEMENT LEVEL	84%	16%	85%	15%	84%	16%
< 30 yo	1%	0%	1%	0%	1%	0%
31 - 50 yo	60%	14%	60%	13%	61%	13%
> 50 yo	23%	2%	24%	2%	22%	3%
Total	1,879		2,132		2,291	
WHITE COLLAR LEVEL	77%	23%	76%	24%	74%	26%
< 30 yo	18%	5%	15%	6%	15%	7%
31 - 50 yo	52%	15%	52%	16%	51%	16%
> 50 yo	7%	3%	8%	3%	8%	3%
Total	2,587		3,151		3,137	
BLUE COLLAR LEVEL	96%	4%	97%	3%	97%	3%
< 30 yo	10%	0%	29%	1%	22%	1%
31 - 50 yo	57%	4%	53%	2%	63%	2%
> 50 yo	29%	0%	15%	0%	12%	0%
Total	120		208		259	
TOTAL EMPLOYEES	5,443		6,140		6,347	

³⁸ The figures in the table were updated to ensure consistency with the calculation method.

SALARY RATIO OF WOMEN TO MEN³⁹

EXECUTIVE LEVEL	2017	2018	2019
> 50 yo	82%	82%	85%
31 - 50 yo	96%	95%	91%
< 30 yo	n.a.	n.a.	n.a.
MIDDLE MANAGEMENT LEVEL	2017	2018	2019
> 50 yo	90%	89%	87%
31 - 50 yo	93%	93%	94%
< 30 yo	88%	90%	105%
WHITE COLLAR LEVEL	2017	2018	2019
> 50 yo	94%	94%	94%
31 - 50 yo	94%	95%	95%
< 30 yo	99%	95%	99%
BLUE COLLAR LEVEL	2017	2018	2019
> 50 yo	n.a.	n.a.	n.a.
31 - 50 yo	77%	83%	89%
< 30 yo	n.a.	n.a.	n.a.

INCIDENCE OF WOMEN⁴⁰

EXECUTIVE LEVEL	2017	2018	2019
> 50 yo	5%	7%	7%
31 - 50 yo	16%	16%	16%
< 30 yo	0%	0%	0%
MIDDLE MANAGEMENT LEVEL	2017	2018	2019
> 50 yo	10%	11%	13%
31 - 50 yo	26%	25%	24%
< 30 yo	29%	13%	24%
WHITE COLLAR LEVEL	2017	2018	2019
> 50 yo	55%	56%	60%
31 - 50 yo	47%	46%	47%
< 30 yo	26%	29%	26%
BLUE COLLAR LEVEL	2017	2018	2019
> 50 yo	0%	0%	0%
31 - 50 yo	11%	18%	10%
< 30 yo	0%	0%	0%

³⁹ Average annual salary received by women compared to men. The figures refer to the personnel of the main European Group companies.

⁴⁰ The figures refer to the personnel of the main European Group companies, with registered office in Italy.

HUMAN CAPITAL DEVELOPMENT**TOTAL HOURS OF TRAINING BY EMPLOYEE CATEGORY**

	2017			2018			2019		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Executive	581	5,798	6,379	615	6,340	6,955	640	5,538	6,178
Middle Managers	3,234	14,071	17,305	4,408	15,547	19,955	4,558	22,012	26,570
White Collars	5,880	15,952	21,832	7,457	17,951	25,408	8,394	24,995	33,389
Blue Collars	-	-	-	-	736	736	-	-	-
Total	9,695	35,821	45,516	12,480	40,574	53,054	13,592	52,545	66,137

AVERAGE HOURS OF TRAINING BY EMPLOYEE CATEGORY

	2017			2018			2019		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Executive	12.91	10.70	10.87	11.18	10.86	10.88	11.43	9.17	9.36
Middle Managers	10.89	8.89	9.21	13.40	8.62	9.36	12.15	11.49	11.60
White Collars	8.96	7.25	7.64	9.67	7.54	8.06	10.35	10.75	10.64
Blue Collars	-	-	-	-	3.47	3.38	-	-	-

TOTAL NUMBER OF EMPLOYEES WHO HAVE RECEIVED TRAINING DURING THE REPORTING YEAR

	2017			2018			2019		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Executive	35	343	378	38	389	427	48	449	497
Middle Managers	189	773	962	252	976	1,228	283	1,291	1,574
White Collars	366	974	1,340	449	761	1,210	529	1,424	1,953
Blue Collars	-	-	-	-	10	10	-	-	-
Total	590	2,090	2,680	739	2,136	2,875	860	3,164	4,024

NUMBER OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS

	2017			2018			2019		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Executive	40	482	522	46	509	555	51	543	594
Middle Managers	228	1,176	1,404	264	1,426	1,690	306	1,603	1,909
White Collars	453	1,375	1,828	432	1,353	1,785	472	1,221	1,693
Blue Collars	-	-	-	-	7	7	-	5	5
Total	721	3,033	3,754	742	3,295	4,037	829	3,372	4,201

PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS

	2017			2018			2019		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Executive	89%	89%	89%	84%	87%	87%	91%	90%	90%
Middle Managers	77%	74%	75%	80%	79%	79%	82%	84%	83%
White Collars	69%	62%	64%	56%	57%	57%	58%	52%	54%
Blue Collars	0%	0%	0%	0%	3%	3%	0%	2%	2%

RESPONSIBLE SUPPLY CHAIN

TOTAL PURCHASING AND LOCAL PURCHASES⁴¹

	2017	2018	2019
Total purchasing value [Bn EUR] ⁴²	2.2	4.3	2.1
Total purchasing value spent on local suppliers [Bn EUR] ⁴³	1.4	3.3	1.2
Percentage of purchasing value spent on local suppliers	64%	77%	56%

Maire Tecnimont's total purchasing value in the reporting period is presented in the table with a focus on the value of local purchasing spent. After seeing an increase in the total values of purchases in 2018 thanks to a large subcontracting agreement for construction in Russia, the figure for 2019 hit record levels.

NEW SUPPLIERS SCREENED USING SOCIAL AND ENVIRONMENTAL CRITERIA

	2017	2018	2019
Total new positive qualifications	469	606	777
Percentage of new positive qualifications with focus on social and environmental criteria	100	100	100

⁴¹ Maire Tecnimont considers Russia, the Middle East and Europe as significant operational locations

⁴² Refers to the committed value for goods and services

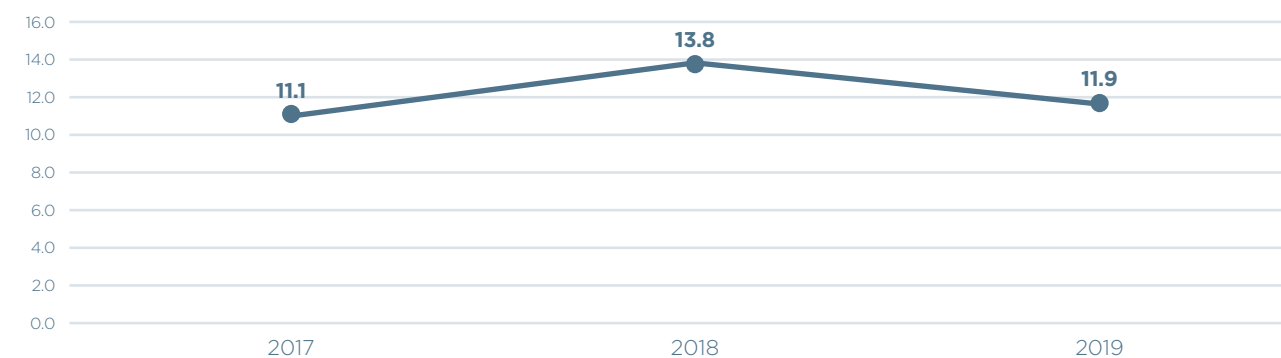
⁴³ Refers to the committed value for goods and services when project (or company) country is the same as vendor country (Group's definition of "Local")

HSE CULTURE

HSE TRAINING HOURS

	2017	2018	2019
HSE training hours for Home Office and Construction site employees	55,728	78,623	71,507
HSE training hours for Sub-contracting workers	2,323,330	3,272,967	2,519,565

AVERAGE TRAINING HOURS



HUMAN RIGHTS

TOTAL EMPLOYEES AND EMPLOYEES FOR SA8000 CERTIFIED COMPANY

	2017	2018	2019
Total Employees	5,443	6,140	6,347
Employees for SA8000 certified company	2,185	2,403	2,485

The table reports the total Group headcount and number of employees of SA8000-certified companies at the end of the year.

	2017	2018	2019
Total Employees trained	2,052	2,494	2,191
Percentage Employees trained on total Group employees	38%	41%	35%

The total number of employees trained during the reporting period in human rights policies or procedures concerning human rights aspects of operations are presented above. Furthermore, the table gives the number of employees trained during the reporting period on human rights policies or procedures concerning human rights, out of the total number of employees.

ENVIRONMENT

The data presented in the tables below, referring to energy and water consumption and the waste production, are based on data collected from over 92% of all the Group's offices and 96% of all its construction sites in 2019. Estimates have been made on the remaining difference.

ENERGY INTENSITY KJ/WORKED MAN-HOURS

	2017	2018	2019
Headquarters	12,451	11,048	10,253
Construction sites	25,911	23,849	24,437

HEADQUARTERS ENERGY CONSUMPTION⁴⁴

	2017	2018	2019
Hydrocarbons for power production (Natural gas and Diesel) (GJ)	11,140	10,646	4,244
Hydrocarbons for transport (Diesel and Gasoline) (GJ)	3,200	3,483	3,597
Electricity (GJ)	76,630	67,726	73,822
Other (GJ)	479	847	2,098
Total	91,449	82,702	83,761

Diesel for Power Production is related to the consumptions of electric generator. The item "Other" refers to consumption of diesel for heating one of the offices of the subsidiary Kinetics Technology S.p.A. (KT) and consumption for the new heating system at the subsidiary Stamicarbon B.V. This change had an effect in 2019 particularly, reducing the amount of hydrocarbons used to produce energy.

CONSTRUCTION SITE ENERGY CONSUMPTION⁴⁵

	2017	2018	2019
Hydrocarbons for power production (Natural gas ⁴⁶ and Diesel) (GJ)	849,608	1,201,268	965,464
Hydrocarbons for transport (Diesel and Gasoline) (GJ)	1,375,233	1,798,556	1,321,702
Electricity (GJ)	57,266	163,397	290,490
Total	2,282,107	3,163,221	2,577,656

TOTAL VOLUME OF WATER WITHDRAWN (M³) AT CONSTRUCTION SITE, BROKEN BY:

	2017	2018	2019
Surface water, including water from wetlands, rivers, lakes and oceans	34,562	155	52
Ground water	119,070	47,797	18,400
Municipal water supplies or other public or private water utilities (including tank trucks)	640,568	1,342,219	534,748
Total volume of water withdrawn (m³)	794,200	1,390,170	553,200

Water consumption is influenced by the working phase of construction sites over the year. In 2018, most of the subsidiary Tecnimont's construction sites were in the intermediate phase, in which water tests are done, causing a greater unit and overall consumption. The reduction in water consumption in 2019 reflects a different series of projects' phases. In fact, many of them were in the commissioning phase, while others were in the initial phase and water tests not yet started.

HEADQUARTERS WASTE MANAGEMENT

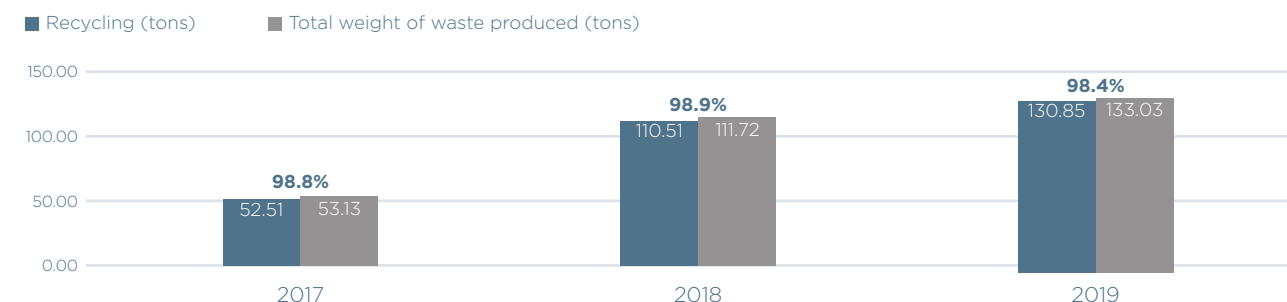
	2017	2018	2019
Total weight of waste (tons)	53	112	133
Non hazardous (tons)	52	110	131
Hazardous (tons)	<1	2	2
Total weight of waste by disposal method (tons)	53	112	133
Recycling	52	111	131
Landfill	<1	1	2
Other (to be specified)	<<1	0	0
Recovery (%)	98.8%	98.9%	98.4%
Disposal (%)	1.2%	1.1%	1.6%

⁴⁴ Group energy consumption does not stem from renewable forms of energy.

⁴⁵ Group energy consumption does not stem from renewable forms of energy.

⁴⁶ Natural gas consumption is related only to 2017 and to the construction site "Lotos" of KT - Kinetics Technology subsidiary.

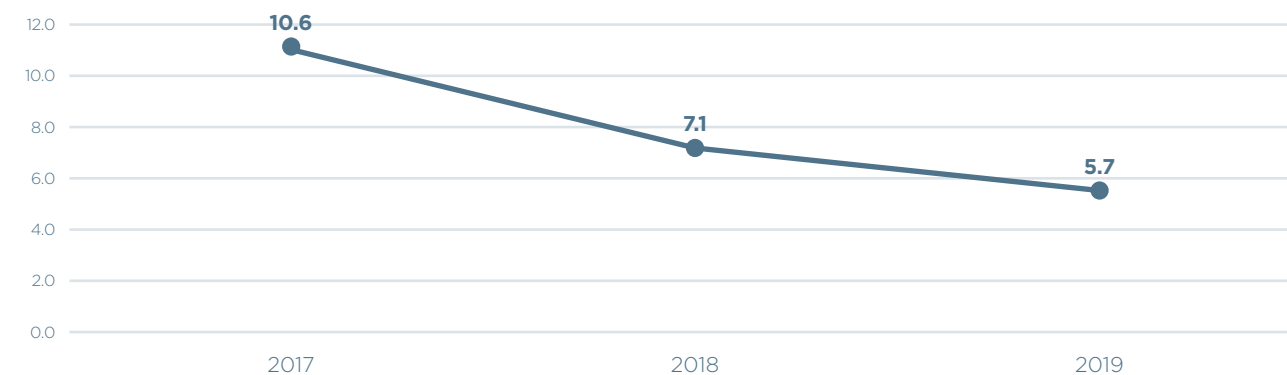
In 2019 more waste was produced than in 2018, mostly because of the subsidiary Tecnimont S.p.A., which produced more waste due to a disposal of furniture during renovations. All non-hazardous waste was recycled. It's also highlighted that about 131 tonnes of non-hazardous waste (98.4% of total waste) was recycled.

RECYCLING WASTE VS TOTAL WASTE**CONSTRUCTION SITES WASTE MANAGEMENT**

	2017	2018	2019
Total weight of waste (tons)	929,284	944,747	599,007
Non hazardous (tons)	928,294	944,366	596,837
Hazardous (tons)	990	381	2,170
Total weight of waste by disposal method (tons)	929,284	944,747	599,007
Recycling	109,660	129,532	68,339
Landfill	818,739	814,926	529,888
Other (to be specified)	885	289	780
Recovery (%)	11.8%	13.7%	11.4%
Disposal (%)	88.2%	86.3%	88.6%

The decrease in waste production in 2019 was due to many of the subsidiary Tecnimont's projects being in the final phase of pre-commissioning and commissioning, and therefore not in the construction phase.

The percentage of waste disposal (and therefore the percentage recovered) is affected, in some cases, by the rules of the construction sites applied at the industrial site owned by the end user. In 2019, this percentage fell from 13.7% to 11.4%. This was due in particular to the subsidiary Tecnimont S.p.A. (whose recovery percentage fell from 12% in 2018 to 4% in 2019), mainly due to the changed mix of countries hosting its various construction sites, most of which do not support or provide for waste recycling.

KG/WORKED MAN-HOURS

As shown in the above graph, the ratio between waste produced and man-hours worked saw a steady decrease from 10.6 in 2017, to 7.1 in 2018 and 5.7 in 2019.

HEALTH & SAFETY PERFORMANCE

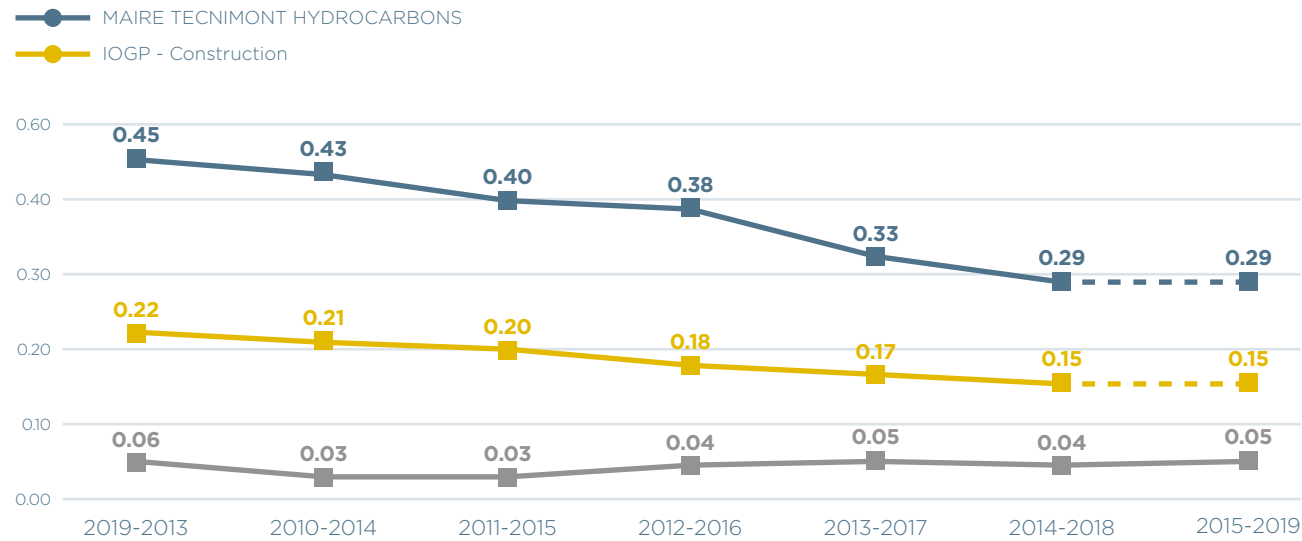
GROUP MAN-HOURS WORKED			
	2017	2018	2019
Home office man-hours employees	7,344,591	7,485,863	8,169,147
Site man-hours employees & sub-contractor	88,075,071	132,635,629	105,483,828
Total man-hours worked	95,419,662	140,121,492	113,652,975

The home offices' trend is steadily increasing year by year, while 2019 construction sites' man-hours worked decreased compared to 2018. This takes into consideration that many of the subsidiary Tecnimont's projects, that were in the peak phase in 2018, were about in closing phase in 2019.

By their nature, the events categorized as LTIs have very low frequency of occurrence, therefore, in order to value their trend over time it is necessary to embrace a much longer observation period than the single year; for this purpose, the IOGP, whose statistical data we use as a sector benchmark for HSE, has adopted a 5-year rolling average for the LTIF indicator and also our organization has made similar processing.

2019 data for IOGP is not available yet (as benchmark data will be published in second quarter 2020) and for this reason the Group will maintain the same 2018 benchmark data also for 2019.

LTIF FIVE YEAR ROLLING AVERAGE (PER MILLION HOURS)

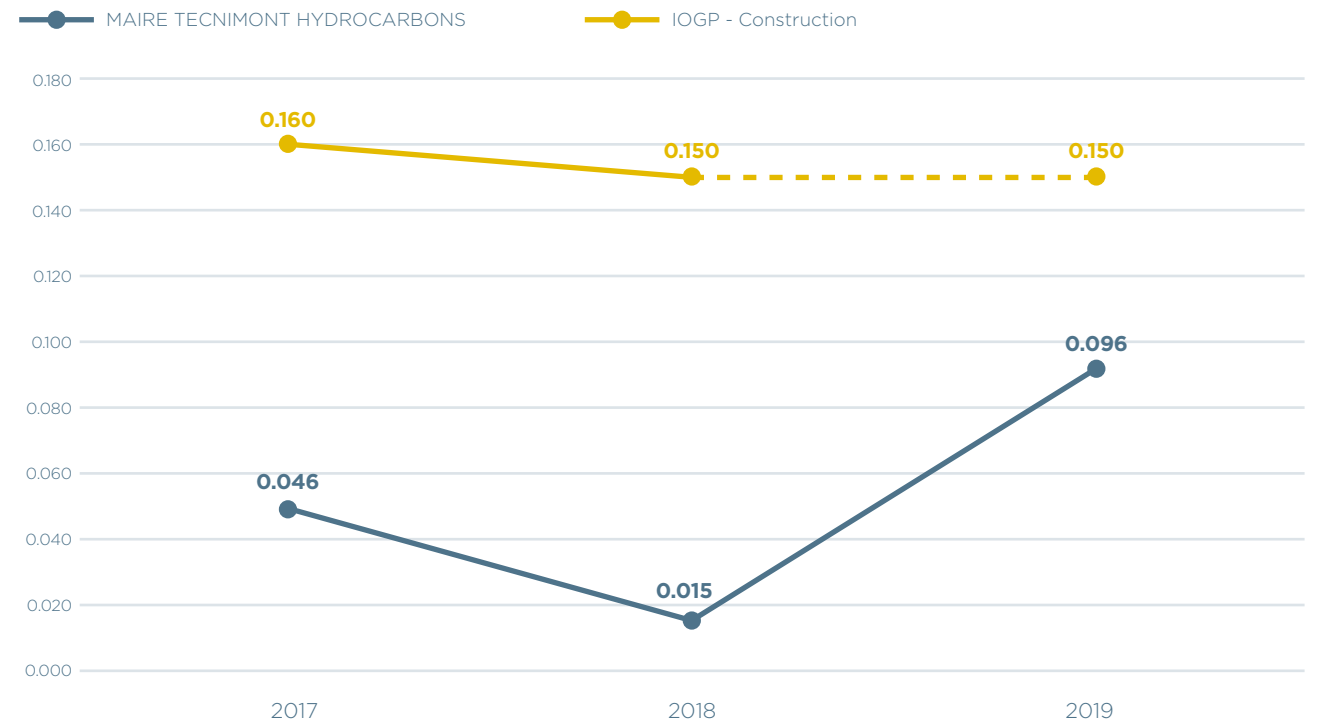


Analysis of the trends of the last few years confirms Group's commitment to excellence in injuries prevention. In fact, net of a small fluctuation in the last five years, our values remain consistently lower than the IOGP benchmarks, as one can see straight away in the above graph⁴⁷.

Maintaining the same reference data in 2019 as for 2018, the recorded LTIF indicator remained below the IOGP benchmark.

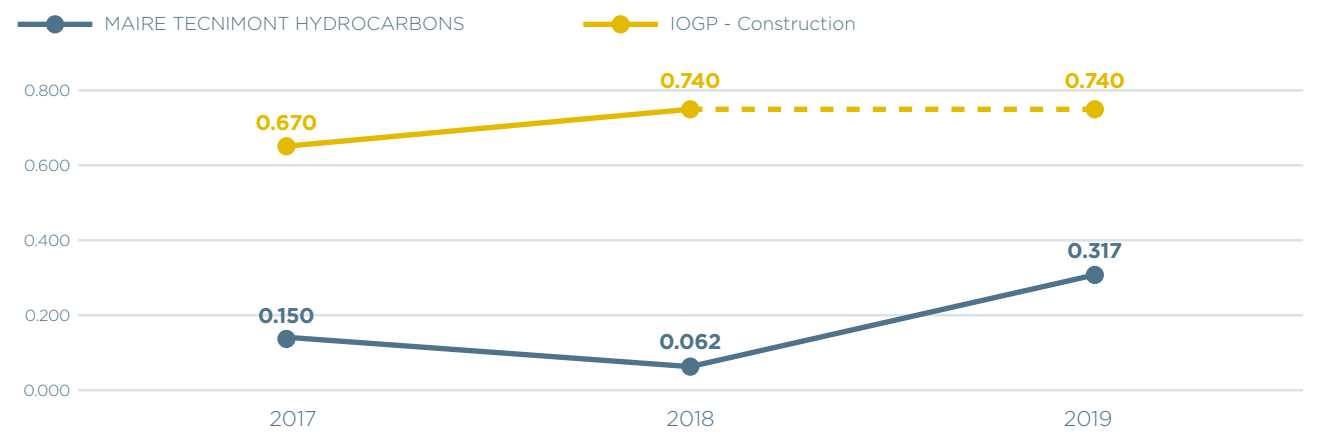
⁴⁷ The calculation was made on the basis of the subsidiaries Tecnimont S.p.A. and KT - Kinetics Technology S.p.A., as they are the top societies in the Group by hours worked in construction.

LOST TIME INJURY FREQUENCY (LTIF)



Maintaining the same reference data in 2019 as for 2018, the recorded TRIR indicator remained below the IOGP benchmark. This was around 2.3 times lower than the benchmark.

TOTAL RECORDABLE INCIDENTS RATE (TRIR)



METHODOLOGY, CRITERIA AND REPORTING PRINCIPLES

The Maire Tecnimont Sustainability Report, in this third edition, is intended to provide a complete presentation of the Group's activities, impacts, commitments and objectives in economic, financial, social and environmental terms. The Group has committed to the goal of incorporating sustainability into the Group's business strategy, governance, operations and financial reporting, in line with the Sustainable Development Goals (SDGs) established by the United Nations in the 2030 Agenda for Sustainable Development.

The report has been prepared in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Standards 2016: "Core option". Furthermore, Maire Tecnimont has aligned itself with the new "Consolidated Non-Financial Disclosure" reporting requirements provided for by Italian Legislative Decree No. 254 of December 30, 2016, which transposes, into Italian law, Directive 2014/95/EU of the European Parliament and Council.

The 2020-2024 Industrial Plan approved by the Board of Directors of Maire Tecnimont includes ESG sustainability indicators (environmental, social and governance) linked to the Sustainable Development Goals set out in the United Nations 2030 Agenda. As of this year, the plan identifies and prioritizes material topics based on the various business lines and the relevant SDGs. The plan therefore connects economic and financial goals to sustainability ones, allowing for integrated strategic planning.

STAKEHOLDER INCLUSIVENESS, MATERIALITY, COMPLETENESS, SUSTAINABILITY CONTEXT

The Sustainability Report presents the main Group results in terms of the economic, social and environmental topics identified in a dedicated materiality analysis, which is described in detail in Paragraph 2.5 "Materiality Analysis" of this document. In order to identify the most material themes, and therefore determine the contents of this report, consideration was taken of the opinions of the top management of the various corporate divisions in the Group, as well as of sector analysis results, sustainability macro-trends and other external reference sources. The report additionally aims to inform all stakeholders on the Group's main economic, social and environmental results.

The following table shows, for each of the identified material topics, its relative boundary both inside and outside of the organization. Note that there are no limits to the boundaries of material topics inside the organization.

MATERIAL TOPIC	SCOPE INSIDE THE ORGANIZATION	SCOPE OUTSIDE THE ORGANIZATION
Economic Development	Group	Shareholders, Investors
R&D and Innovation	Group	Shareholders, Investors
Ethics and Compliance	Group	Local Authorities, Government
Human Capital Development	Group	Sub-contractors
Health and Safety of Employees and Contractors	Group	Sub-contractors
Anti-corruption	Group	Customers, Suppliers, Sub-contractors, Local Authorities, Government
Human rights	Group	Suppliers, Sub-contractors
Employment	Group	Sub-contractors
Local Communities	Group	Local Communities
Industrial Relations	Group	Sub-contractors
Greenhouse Gas Emissions	Group	Suppliers, Customers, Local Communities
Water Management	Group	Suppliers, Customers, Local Communities
Grievance Mechanisms	Group	Sub-contractors, Customers, Local Communities, Suppliers
Local Economic Development	Group	Local Communities, Suppliers, Sub-contractors
Responsible Supply Chain	Group	Suppliers
Customer relations	Group	Customers
Diversity	Group	-
Energy efficiency	Group	Suppliers, Customers

At the beginning of the reporting process, opportune qualitative and quantitative indicators in relation to main impacts, activities and performances were identified for each of the material topics for the Group.

The following table shows the correlation between topics of the Italian Legislative Decree No. 254 of December 30, 2016, and material topics identified by Maire Tecnimont.

CORRELATION TABLE TO THE ITALIAN LEG. DEC. NO. 254/2016

TOPICS OF THE ITALIAN LEG. DEC. NO. 254/2016	MATERIAL TOPICS
ENVIRONMENTAL	Energy efficiency
	Water Management
	Greenhouse Gas Emissions
	Waste Management
SOCIAL	Ethics and Compliance
	Local Communities
	Customer relations
	Ethics and Compliance
EMPLOYEE-RELATED	Industrial Relations
	Employment
	Health and Safety of Employees and Contractors
	Diversity
RESPECT OF HUMAN RIGHTS	Human Capital Development
	Human rights
FIGHTING CORRUPTION	Anti-corruption
CROSS THEME	Responsible Supply Chain

COMPARABILITY AND CLARITY

In order to make the Sustainability Report accessible to all stakeholders, clear, complete and concise language has been used and images and graphics included. The indicators presented in the report refer data relating to the period from 01/01/2019 until 31/12/2019. Where possible, comparisons are made with previous periods and trends are examined in order to better explain and highlight any significant variations.

OBJECTIVITY

The data are presented in an objective and systematic way. The indicators describe the performances relating to the specific reporting period.

ACCURACY

The data presented in this report has been verified by the heads of each division in order to confirm its authenticity. Where pertinent,

data has been included from the Group's Annual Consolidated Financial Statements for 2019, prepared in compliance with International Accounting Standards (IAS).

TIMING

The Sustainability Report will be published on an annual basis. Timing for the publication of the Sustainability Report is in line with that of the Group's Annual Consolidated Financial Statements.

RELIABILITY

The Sustainability Report has been prepared by a working group formed for the specific purpose, whose members have been chosen from various roles at both corporate and subsidiary level. The contents in relation to the various reporting topics have been validated by the heads of each division, and, following approval by the "Sustainability Reporting" division, the final document, in its entirety, has been

The data and information provided in the Sustainability Report refers to the Maire Tecnimont Group, which in turn refers to Maire Tecnimont S.p.A. and to the companies in the Group's Annual Consolidated Statements for 2019. It should be noted that:

Financial data has been taken from the Group's Annual Consolidated Financial Statements, and refer to all the Group companies referenced therein;

■ Social data refers to all Group companies referenced in the Annual Consolidated Statements;

■ Health, safety and environment (HSE) data refers to all Group companies referenced in the Annual Consolidated Financial Statements and their respective sites and environments. In cases in which Group companies play the role of main contractor, data concerning them also include data concerning subcontractors;

■ Any further exceptions to reporting boundaries are indicated in individual sections.

The Group's Sustainability Report is published annually and circulated via the communication tools ordinarily used by the Group.

presented and discussed with the Group's Chief Executive Officer.

REPORTING BOUNDARIES

The Sustainability Report includes consolidated information and descriptions of performance indicators for Maire Tecnimont S.p.A. and all the direct and indirect subsidiaries of the Group. In accordance with Global Reporting Initiative (GRI) Sustainability Reporting Standards, material topics are associated with corresponding indicators. Furthermore, the boundaries within which these topics have impacts, both internally and externally to the Group, is indicated.

Any limits to the boundaries are also specified. Any variations in the reporting boundaries are described in the notes that refer to them.

The Sustainability Report has been subject to a limited audit by the designated independent audit firm PricewaterhouseCoopers.

GRI AND UN GLOBAL COMPACT CONTENT INDEX

By reporting against GRI Standards Guidelines and indicators, Maire Tecnimont proves it has adopted the principles of the United Nations Global Compact and shows its commitment and its fundamental responsibilities in the areas of human rights, labor, environment and anti-corruption.

GENERAL DISCLOSURES

REFERENCE

NOTE/ADDITIONAL INFORMATION

ORGANIZATIONAL PROFILE			
Disclosure 102-1	Name of the organization	-	Maire Tecnimont S.p.A.
Disclosure 102-2	Activities, brands, products, and services	Ch. 1 par. 1.1	For further information please refer to 2019 Annual Report.
Disclosure 102-3	Location of headquarters	-	Viale Castello della Magliana, 27 - 00148 Roma
Disclosure 102-4	Location of operations	Ch. 1 par. 1.2	For further information please refer to 2019 Annual Report.
Disclosure 102-5	Ownership and legal form	-	Joint Stock Company. For further information please refer to 2019 Annual Report.
Disclosure 102-6	Markets served	Ch. 1 par. 1.1	For further information please refer to 2019 Annual Report.
Disclosure 102-7	Scale of the organization	Ch. 1 par. 1.2, 1.3, 1.4, 1.7 and "Appendix - Sustainability Performance"	For further information please refer to 2019 Annual Report.
Disclosure 102-8	Information on employees and other workers	Ch. 4 par. 4.1 and "Appendix - Sustainability Performance"	For further information please refer to 2019 Annual Report.
Disclosure 102-9	Supply chain	Ch. 6 par. 6.4 and "Appendix - Sustainability Performance"	For further information please refer to 2019 Annual Report.
Disclosure 102-10	Significant changes to the organization and its supply chain	-	Maire Tecnimont's supply chain has not significantly changed during the reporting period.

Disclosure 102-11	Precautionary Principle or approach	Ch. 2 par. 2.6	
Disclosure 102-12	External initiatives	Ch. 1 par. 1.9 Ch. 2 par. 2.3	
Disclosure 102-13	Membership of associations	Ch. 1 par. 1.9	
STRATEGY			
Disclosure 102-14	Statement from senior decision-maker	"Letter from the Chairman" and "Letter from the CEO"	
Disclosure 102-15	Key impacts, risks, and opportunities	Ch. 2 par. 2.6	
ETHICS AND INTEGRITY			
Disclosure 102-16	Values, principles, standards and norms of behavior	Vision e Mission - Ch. 3 par. 3.2 and 3.3	For further information please refer to "Code of Ethics" of Maire Tecnimont.
Disclosure 102-17	Mechanisms for advice and concerns about ethics	Ch. 3 par. 3.4 and "Appendix - Sustainability Performance"	
GOVERNANCE			
Disclosure 102-18	Governance structure	Ch. 3 par. 3.1 and "Appendix - Sustainability Performance"	
Disclosure 102-21	Consulting stakeholders on economic, environmental, and social topics	Ch. 2 par. 2.4	
Disclosure 102-22	Composition of the highest governance body and its committees	Ch. 3 par. 3.1 and "Appendix - Sustainability Performance"	For further information please refer to 2019 Annual Report.
Disclosure 102-24	Nominating and selecting the highest governance body	Ch. 3 par. 3.1	
STAKEHOLDER ENGAGEMENT			
Disclosure 102-40	List of stakeholder groups	Ch. 2 par. 2.4	
Disclosure 102-41	Collective bargaining agreements	Ch. 4 par. 4.2 and "Appendix - Sustainability Performance"	For the calculation of this indicator, only the Italy and Rest of Europe Region was considered
Disclosure 102-42	Identifying and selecting stakeholders	Ch. 2 par. 2.4, .5, and "Methodology, Criteria and Reporting Principles"	

GENERAL DISCLOSURES	REFERENCE	NOTE/ADDITIONAL INFORMATION
Disclosure 102-43	Approach to stakeholder engagement	Ch. 2 par. 2.4, 2.5 and "Methodology, Criteria and Reporting Principles"
Disclosure 102-44	Key topics and concerns raised	Ch. 2 par. 2.5 and "Methodology, Criteria and Reporting Principles"
REPORTING PRACTICES		
Disclosure 102-45	Entities included in the consolidated financial statements	"Methodology, Criteria and Reporting Principles" - Ch. 1 par. 1.1 For further information please refer to 2019 Annual Report.
Disclosure 102-46	Defining report content and topic Boundaries	Ch. 2 par. 2.4 and 2.5, and "Methodology, Criteria and Reporting Principles"
Disclosure 102-47	List of material topics	"Methodology, Criteria and Reporting Principles"
Disclosure 102-48	Restatements of information	- There are no restatements of information.
Disclosure 102-49	Changes in reporting	- There are no changes in reporting.
Disclosure 102-50	Reporting period	"Methodology, Criteria and Reporting Principles"
Disclosure 102-51	Date of most recent report	- 2018
Disclosure 102-52	Reporting cycle	"Methodology, Criteria and Reporting Principles"
Disclosure 102-53	Contact point for questions regarding the report	- sustainability@mairetecnimont.it
Disclosure 102-54	Claims of reporting in accordance with the GRI Standards	"Methodology, Criteria and Reporting Principles"
Disclosure 102-55	GRI content index	GRI and UN Global Compact Content Index
Disclosure 102-56	External assurance	"Methodology, Criteria and Reporting Principles" and Assurance Statement
MANAGEMENT APPROACH		
Disclosure 103-1	Explanation of the material topic and its Boundary	Ch.: 1, 2, 3, 4, 5, 6, 7

Disclosure 103-2	The management approach and its components	Ch.: 1, 2, 3, 4, 5, 6, 7
Disclosure 103-3	Evaluation of the management approach	Ch.: 1, 2, 3, 4, 5, 6, 7 - Ch. 3 par 3.1
ECONOMIC PERFORMANCE		
Disclosure 201-1	Direct economic value generated and distributed	Ch. 6 par. 6.1
Disclosure 201-2	Financial implications and other risks and opportunities due to climate change	Ch. 2 par. 2.6
INDIRECT ECONOMIC IMPACTS		
Disclosure 203-1	Infrastructure investments and services supported	Ch. 6 par. 6.1 and 6.2
PROCUREMENT PRACTICES		
Disclosure 204-1	Proportion of spending on local suppliers	Ch. 6 par. 6.3 and "Appendix - Sustainability Performance"
ANTI-CORRUPTION		
Disclosure 205-1	Operations assessed for risks related to corruption	Ch. 3 par. 3.3 and "Appendix - Sustainability Performance"
Disclosure 205-2	Communication and training about anti-corruption policies and procedures	Ch. 3 par. 3.3 and "Appendix - Sustainability Performance"
Disclosure 205-3	Confirmed incidents of corruption and actions taken	- There have been no cases of "confirmed incidents of corruption" within the reporting period.
ENERGY		
Disclosure 302-1	Energy consumption within the organization	Ch. 7 par. 7.3 and "Appendix - Sustainability Performance"
Disclosure 302-3	Energy intensity	Ch. 7 par. 7.3 and "Appendix - Sustainability Performance"
Disclosure 302-4	Reduction of energy consumption	Ch. 7 par. 7.3 and "Appendix - Sustainability Performance"

GENERAL DISCLOSURES	REFERENCE	NOTE/ADDITIONAL INFORMATION
WATER		
Disclosure 303-1	Water withdrawal by source	Ch. 7 par. 7.3 and "Appendix - Sustainability Performance"
EMISSIONS		
Disclosure 305-1	Direct GHG emissions (Scope 1)	Ch. 7 par. 7.3 and "Appendix - Sustainability Performance"
Disclosure 305-2	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	Ch. 7 par. 7.3 and "Appendix - Sustainability Performance"
Disclosure 305-4	GHG emissions intensity	Ch. 7 par. 7.3 and "Appendix - Sustainability Performance"
Disclosure 305-5	Reduction of GHG emissions	Ch. 7 par. 7.3 and "Appendix - Sustainability Performance"
EFFLUENTS AND WASTE		
Disclosure 306-1	Water discharge by quality and destination	Ch. 7 par. 7.3 and "Appendix - Sustainability Performance"
Disclosure 306-2	Waste by type and disposal method	Ch. 7 par. 7.3 and "Appendix - Sustainability Performance"
ENVIRONMENTAL COMPLIANCE		
Disclosure 307-1	Non-compliance with environmental laws and regulations	- There have been no cases of not "non-compliance" with environmental laws and regulations.
SUPPLIER ENVIRONMENTAL ASSESSMENT		
Disclosure 308-1	New suppliers screened by using environmental criteria	Ch. 6 par. 6.3 and "Appendix - Sustainability Performance"
EMPLOYMENT		
Disclosure 401-1	New employee hires and employee turnover	The number of new hires concerns permanent employees, considering the focus on structural personnel and as indicated by workforce movements in the year. For consistent turnover analysis, the permanent workforce and the presentation of the voluntary departure rate was focused on.

Disclosure 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Ch. 4 par. 4.4 and "Appendix - Sustainability Performance"	Given the broad global spread of the Group, only benefits uniformly recognized at the various Group companies are qualitatively represented.
Disclosure 401-3	Parental Leave	Ch. 4 par. 4.3 and "Appendix - Sustainability Performance"	
LABOR MANAGEMENT RELATIONS			
Disclosure 402-1	Minimum notice periods regarding operational changes	Ch. 4 par. 4.2 and "Appendix - Sustainability Performance"	
OCCUPATIONAL HEALTH AND SAFETY			
Disclosure 403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Ch. 7 par. 7.4 and "Appendix - Sustainability Performance"	
TRAINING AND EDUCATION			
Disclosure 404-1	Average hours of training per year per employee by gender, and by classification	Ch. 4 par. 4.4, Ch. 7 par. 7.1 and "Appendix - Sustainability Performance"	
Disclosure 404-3	Percentage of employees receiving regular performance and career development reviews	Ch. 4 par. 4.4 and "Appendix - Sustainability Performance"	
DIVERSITY AND EQUAL OPPORTUNITIES			
Disclosure 405-1	Diversity of governance bodies and employees	Ch. 3 par. 3.1 - Ch. 4 par. 4.3 and "Appendix - Sustainability Performance"	
Disclosure 405-2	Ratio of basic salary and remuneration of women to men	Ch. 4 par. 4.3 and "Appendix - Sustainability Performance"	It was decided to report the results of the basic salary analysis given the significant portion of secondment indemnities out of total remuneration, which as applied almost exclusively to the male section of the workforce would have made the data non-representative.
NON-DISCRIMINATION			
Disclosure 406-1	Incidents of discrimination and corrective actions taken		There have been no incidents of discrimination regarding employees and contractor/subcontractors the period 2017-2019.

GENERAL DISCLOSURES	REFERENCE	NOTE/ADDITIONAL INFORMATION
HUMAN RIGHTS ASSESSMENT		
Disclosure 412-2	Employee training on human rights policies or procedures	Ch. 7 par. 7.2 and "Appendix - Sustainability Performance"
LOCAL COMMUNITIES		
Disclosure 413-2	Operations with significant actual and potential negative impacts on local communities	Ch. 6 par. 6.2
SUPPLIER SOCIAL ASSESSMENT		
Disclosure 414-1	New suppliers that were screened using social criteria	Ch. 6 par. 6.3 and "Appendix - Sustainability Performance"
CUSTOMER HEALTH AND SAFETY		
Disclosure 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	There have been no incidents of non-compliance concerning the health and safety impacts of products and services.
MARKETING AND LABELING		
Disclosure 417-2 ⁴⁸	Incidents of non-compliance concerning product and service information and labeling	There have been no incidents with non-compliance of contractual clauses that have led to final convictions with monetary compensation to clients. The monetary threshold for a conviction considered "significant" is € 10 million. Please for any Group ongoing disputes refer to the directors' report of the 2018 Annual Report for each of the relevant period.
SOCIOECONOMIC COMPLIANCE		
Disclosure 419-1	Non-compliance with laws and regulations in the social and economic area	There have been no cases of non-compliance with law and regulations in the social and economic area. Please for any Group ongoing tax disputes refer to the directors' report of the 2019 Annual Report for each of the relevant period.

⁴⁸ This indicator has been modified compared to the declaration provided by the GRI guidelines to be closer to the Group's business. The new declaration identified is: "Cases of non-compliance concerning contract clauses."

Independent auditor's report on the consolidated non-financial statement pursuant to article 3, paragraph 10, of Legislative Decree n. 254/2016 and to article 5 of Consob Regulation 20267 adopted by resolution of January 2018.



Independent auditor's report on the consolidated non-financial statement

pursuant to article 3, paragraph 10, of Legislative Decree n° 254/2016 and to article 5 of Consob Regulation 20267 adopted by resolution of January 2018

To the Board of Directors of Maire Tecnimont SpA

Pursuant to article 3, paragraph 10, of Legislative Decree n° 254 of 30 December 2016 (the "Decree") and article 5 of CONSOB Regulation n° 20267/2018, we have performed a limited assurance engagement on the "Sustainability Report - Containing the Group non-financial disclosure pursuant to Legislative Decree n° 254/2016" of Maire Tecnimont SpA and its subsidiaries (hereafter the "Group") for the year ended 31 December 2019 prepared in accordance with article 4 of the Decree and approved by the Board of Directors on 11 March 2020 (hereafter the "NFS").

Responsibility of the directors and of the Board of Statutory Auditors for the NFS

Directors are responsible for the preparation of the NFS in accordance with article 3 and 4 of the Decree and with the GRI Sustainability Reporting Standards defined in 2016 ("GRI Standards"), identified by them as the reporting standard.

Directors are responsible, in the terms prescribed by law, for such internal control as management determines is necessary to enable the preparation of a NFS that is free from material misstatement, whether due to fraud or error.

Directors are responsible for identifying the content of the NFS, within the matters mentioned in article 3, paragraph 1, of the Decree, considering the activities and characteristics of the Group and to the extent necessary to ensure an understanding of the Group's activities, its performance, its results and related impacts.

Directors are responsible for defining the business and organisational model of the Group and, with reference to the matters identified and reported in the NFS, for the policies adopted by the Group and for the identification and management of risks generated and/or faced by the Group.

The Board of Statutory Auditors is responsible for overseeing, in the terms prescribed by law, compliance with the Decree.

PricewaterhouseCoopers SpA

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Auditor's Independence and Quality Control

We are independent in accordance with the principles of ethics and independence set out in the Code of Ethics for Professional Accountants published by the International Ethics Standards Board for Accountants, which are based on the fundamental principles of integrity, objectivity, competence and professional diligence, confidentiality and professional behaviour. Our audit firm adopts International Standard on Quality Control 1 (ISQC Italy 1) and, accordingly, maintains an overall quality control system which includes processes and procedures for compliance with ethical and professional principles and with applicable laws and regulations.

Auditor's responsibilities

We are responsible for expressing a conclusion, on the basis of the work performed, regarding the compliance of the NFS with the Decree and with the GRI Standards. We conducted our engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information (hereafter "ISAE 3000 Revised"), issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. The standard requires that we plan and apply procedures in order to obtain limited assurance that the NFS is free of material misstatement. The procedures performed in a limited assurance engagement are less in scope than those performed in a reasonable assurance engagement in accordance with ISAE 3000 Revised, and, therefore, do not provide us with a sufficient level of assurance that we have become aware of all significant facts and circumstances that might be identified in a reasonable assurance engagement.

The procedures performed on the NFS were based on our professional judgement and consisted in interviews, primarily of company personnel responsible for the preparation of the information presented in the NFS, analyses of documents, recalculations and other procedures designed to obtain evidence considered useful.

In particular, we performed the following procedures:

- 1 Analysis of the relevant matters reported in the NFS relating to the activities and characteristics of the company, in order to assess the reasonableness of the selection process used, in accordance with article 3 of the Decree and the with the reporting standard adopted.
- 2 Analysis and assessment of the criteria used to identify the consolidation area, in order to assess their compliance with the Decree.
- 3 Comparison of the financial information reported in the NFS with the information reported in the Group's consolidated financial statements.



4 Understanding of the following matters:

- business and organisational model of the Group, with reference to the management of the matters specified by article 3 of the Decree;
- policies adopted by the Group with reference to the matters specified in article 3 of the Decree, actual results and related key performance indicators;
- main risks, generated and/or faced by the Group, with reference to the matters specified in article 3 of the Decree.

With reference to those matters, we compared the information obtained with the information presented in the NFS and carried out the procedures described under point 5 a) below.

5 Understanding of the processes underlying the preparation, collection and management of the significant qualitative and quantitative information included in the NFS. In particular, we held meetings and interviews with the management of Maire Tecnimont SpA and with the personnel of Tecnimont SpA, KT - Kinetics Technology SpA, Neosia SpA, Stamicarbon BV and we performed limited analyses of documentary evidence, to gather information about the processes and procedures for the collection, consolidation, processing and submission of the non-financial information to the function responsible for the preparation of the NFS.

Moreover, for material information, considering the activities and characteristics of the Group:

- At a group level:
 - a) with reference to the qualitative information included in the NFS, and in particular to the business model, the policies adopted and the main risks, we carried out interviews and acquired supporting documentation to verify their consistency with available evidence;
 - b) with reference to quantitative information, we performed analytical procedures as well as limited tests, in order to assess, on a sample basis, the accuracy of consolidation of the information.
- For the following companies Tecnimont SpA, Neosia SpA, KT – Kinetics Technology SpA, Stamicarbon BV and construction sites of Lukoil (Russian Federation), Rijeka Refinery (Croatia) and Socar HAOR (Azerbaijan), which were selected on the basis of their activities, their contribution to the performance indicators at a consolidated level and their location, we carried out site visits, during which we met local management and gathered supporting documentation regarding the correct application of the procedures and calculation methods used for the key performance indicators.



Conclusions

Based on the work performed, nothing has come to our attention that causes us to believe that the NFS of Maire Tecnimont Group as of 31 December 2019 has not been prepared, in all material respects, in compliance with articles 3 and 4 of the Decree and with the GRI Standards.

Rome, 26 March 2020

PricewaterhouseCoopers SpA

Signed by

Carmine Elio Casalini
(Partner)

Signed by

Paolo Bersani
(Authorized signatory)

This report has been translated from the Italian original solely for the convenience of international readers. We have not performed any controls on the NFS 2019 translation.

This Report has been translated from the Italian original solely for the convenience of international readers. It differs from the Italian original in paragraph 6.1, as it includes the approval by the Company's Board of Directors, on 14 April 2020, of the Shareholders' Meeting's new proposal to carry forward the net income for the financial year.

April 2020

EDITED BY

Maire Tecnimont
Sustainability Reporting Department
Institutional Relations & Communication Department

GRAPHIC DESIGN

Visualmade

PHOTOS

Maire Tecnimont Group Image Bank

Special thanks to all those who contributed to the drafting of this report.
For any feedback about this publication, please send an e-mail to:
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This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

