



PROJECT SUSTAINABILITY REPORT

PUERTO NUEVO



ABOUT THIS PROJECT REPORT

This Report is part of a series of Local Sustainability Reports that Saipem began publishing in 2003 as 'Sustainability Case Studies' with the purpose of underlining the importance the Company ascribes to local business sustainability.

These Reports are also submitted to the relevant stakeholders, so that they can assess the sustainability approach Saipem adopts in their respective areas.

A Project Report focuses on a specific project and describes the principles, activities and performance of Saipem in relation to sustainable development. It is designed to provide easy access to key indicators and information and is divided into two parts: the first provides an overview of Saipem and its business around the world, while the second introduces the country in which the project is executed and then goes on to describe the project itself as well as its sustainability performance.

Along with the annual Sustainability Reports and the Country Sustainability Reports, the Project Sustainability Reports represent the main tools adopted by Saipem to communicate to all stakeholders the Company's commitment and performance with regard to sustainability.

This Report has been drafted in line with the principles of materiality, stakeholder inclusiveness, sustainability context and completeness as defined in the Global Reporting Initiative (GRI) version G3.0. The document aims to describe Saipem's performance and its engagement with stakeholders in Colombia during the execution of the Puerto Nuevo Project.

A set of Key Performance Indicators (KPIs) was selected to bolster the information provided to stakeholders. The consolidation perimeter is based on the principles adopted for financial reporting and annual sustainability reporting. Data for the Company's performance reported in the document have been drawn from the management and reporting systems used by the various Company functions involved in the reporting process. The Project execution period was from April 2011 to September 2012. Data are reported for the entire period unless otherwise indicated.

Published in 2012

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MESSAGE FROM THE CEO



Umberto Vergine

Saipem is an international Oil&Gas contractor with approximately 44,000 employees and operations in more than 50 countries.

Saipem plays a significant role in its market sector and contributes substantially to the economic development of the countries in which it operates.

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

Given the wide range and complexity of our activities, our engagement with local stakeholders requires a comprehensive approach to sustainability. Furthermore, the variety of projects undertaken and the differences between countries where these activities are performed demand that a distinctive local approach be developed.

We publish these Reports on our Local Business Sustainability in order to favour open dialogue and enhance the development of local relationships, helping us to ensure that we operate at all times in an increasingly sustainable manner.

MISSION

Pursuing the satisfaction of our clients in the energy industry, we tackle each challenge with safe, reliable and innovative solutions. We entrust our competent and multi-local teams to provide sustainable development for our company and the communities in which we operate.

PUERTO NUEVO PROJECT OVERVIEW

The Puerto Nuevo Project located in Santa Marta, Colombia consisted in the construction of a first phase of new coal direct-loading facilities for ships in the Caribbean Sea. The Project execution phase started in April 2011 and ended in September 2012 and comprised the following main structures:

- a beach fronting abutment that defines the beginning of the trestle structure;
- a ship-loading pier, approximately 1,700 m long and 10 m wide, capable of accommodating Hadysize (30,000 DWT), Panamax (70,000 DWT), and Capesize Vessels (up to 180,000 DWT) and supporting the ship loader (provided by others) and;
- a tug berth landing structure to accommodate four tug boats.

Percentage of Colombian employees vs total workforce:

92%

Total purchases spent in the project area (Ciénaga and Santa Marta):

3.6 million USD

Hours for HSE training:

31,640



LETTER FROM THE MANAGEMENT

Saipem and its local subsidiary, Petrex, in cooperation with our client Prodeco, are proud to contribute to the development of Colombia's infrastructure through the 'Puerto Nuevo Project', the initial stage of the first port terminal in the Ciénaga area, with a direct loading system for coal.

From the beginning, the Project Management recognised the importance of sustainability as a strategic need to ensure successful Project completion. We have been constantly committed to the implementation of its sustainability policies; integrating economic and environmental objectives and encouraging the cooperation and effort of all the divisions (budget and accounting departments, human resources, procurement, logistics, HSE, and QAQC), to develop and undertake specific programs and activities accounting for the needs of all our stakeholders.

Our positive contribution to the economic development in the area of the Project was achieved by creating employment opportunities, improving the technical skills of the local population, strengthening suppliers and local enterprise development and promoting, in general, the welfare of the population. The efforts and activities carried out have always been based on the principles of harmony and mutual respect for all the cultures and people who make up our Group of stakeholders.

With more than 300 local employees and a spending of 3.6 million USD in local purchases, projects and initiatives for the local communities, Puerto Nuevo has become an emblematic project that has consolidated a very positive reputation not only by our Client, but also by the surrounding communities.

Since sustainability represents a core principle for Saipem, and we work to continuously improve our practices in order to achieve operational excellence and ensure the safety of our people in on going and future projects, your feedback and suggestions for the present Sustainability Project Report are welcome.

Jerome Hilt
Puerto Nuevo Project Manager



INTRODUCTION TO SAIPEM

Saipem is an international group with a strong inclination towards oil and gas related activities in remote and deepwater areas. The Company began operations in the 1950s and is now a leader in the provision of engineering,

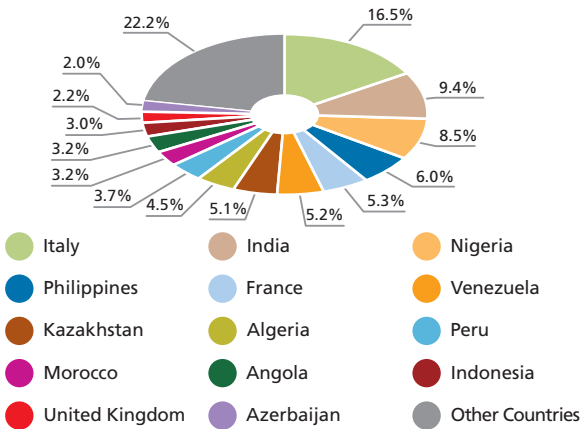
procurement, project management and construction services with distinctive capabilities in the design and execution of large-scale offshore and onshore projects.

Saipem is organised into two Business Units: Engineering & Construction and Drilling. It enjoys a significant competitive position in the provision of EPIC/EPC services to the oil industry both onshore and offshore, with a particular focus on the toughest and most technologically challenging projects, namely, activities in remote areas, deep waters and difficult oil fields. The Group is a truly global contractor, with a strong local presence in strategic and emerging areas such as West Africa, the Americas, Central Asia, the Middle East, North Africa and South East Asia.

Saipem is an international company employing over 44,000 people from approximately 119 nationalities (2011).

The majority of the Group's human resources (76% in 2011) are locally employed.

Saipem workforce distribution by nationality (2011)



★ Operating and Engineering Hubs



● Engineering Centres



□ Yards and Main Logistic Bases

▲ Other Main Areas and Representative Offices

SAIPEM SUSTAINABILITY APPROACH

Saipem believes that a correct, open and cooperative relationship with all stakeholders is vital for the success of each project.

Saipem is present in many locations around the world and operates with a decentralised organisation in order to respond to local needs and sustainability requirements.

Wherever it works, the Company plays an active role in local communities by offering employment opportunities and personnel training, working effectively with local suppliers and subcontractors, creating economic and social value and, finally, contributing to infrastructures

(e.g. access roads, construction camps with facilities such as hospitals, power generators, etc.).

The breadth of Saipem's international workforce is another facet of sustainability: all personnel are treated with dignity and their rights, cultural values, local customs and traditions, diversity and identity are at all times respected.

For each project, social, economic and environmental impacts are evaluated and continuously monitored in conjunction with the pursuit of customer satisfaction.



SAIPEM AT A GLANCE

Saipem has world class engineering and project management expertise together with a strong, technologically advanced and highly versatile fleet. The Company is organised into two Business Units: Engineering & Construction and Drilling, which often operate in synergy for onshore and offshore projects.

ENGINEERING & CONSTRUCTION

The E&C Business Unit is the outcome of a merger between the previous Onshore and Offshore Business Units.

Offshore activities include platforms, marine terminals, pipelines and the development of deepwater fields.

Experience in EPIC (Engineering, Procurement, Installation and Construction) projects hinges on trunklines, export pipelines, infield flowlines, pipe-in-pipe systems, bundles, tie-ins and riser systems for the transportation of oil, gas and multi-phase products from depths in excess of 2,000 metres.

Saipem is also involved in the construction of marine terminals, mooring systems with conventional buoys, wharfs, jetties and FPSO (Floating Production Storage and Offloading) units.

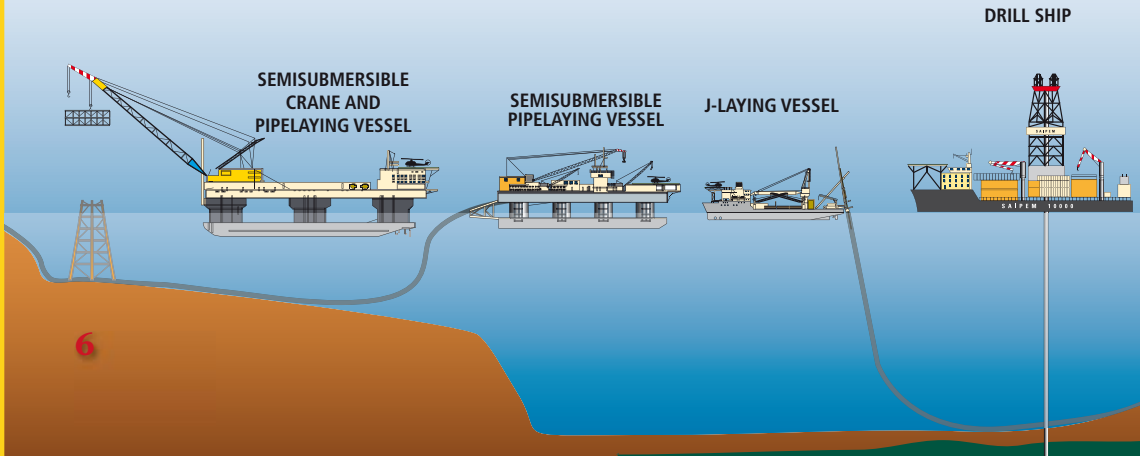
All of this is bolstered by significant fabrication capabilities based in the heart of major Oil&Gas provinces such

as Angola, Canada, Republic of the Congo, Kazakhstan, Nigeria, United Arab Emirates, the Mediterranean Sea, Indonesia and Brazil (under construction), with an aggregate in-house fabrication capacity of over 250,000 tonnes per year.

With a fleet of over 40 construction vessels, the Company is a leader in deepwater and shallow water pipelaying and platform installation with more than 30,000 km of sealines and more than 2.5 million tonnes of offshore structures installed. The Company has completed more than 90 major EPIC projects, including several challenging large-scale integrated complexes.

Onshore, Saipem mainly serves the Oil&Gas segments, the refining and petrochemical markets, as well as a number of diversified industrial markets such as infrastructures (i.e. high speed railways, port facilities and marine terminals) and environment (especially remediation of soil, ground water and contaminated sites).

Saipem offers a complete range of services, from feasibility and front-end studies to design, engineering, procurement and field construction, most often on an EPC (Engineering, Procurement and Construction) and LSTK (Lump Sum Turn Key) contractual basis, for complex Oil&Gas facilities, including production,



treatment, liquefaction, refining and petrochemical plants, as well as for Oil&Gas transportation systems, such as pipelines, pumping and compression stations and terminals.

Saipem's expertise focuses on the design and execution of large projects with a high degree of complexity in terms of engineering, technology and project management, with a strong bias towards challenging projects in the most difficult environments and remote areas. Saipem has designed and built numerous 'mega' Oil&Gas production facilities, 36 grass-roots refineries and more than 500 individual refining process units, as well as more than 400 plants worldwide to produce chemicals from natural gas, including the world's largest ammonia/urea complexes. In particular, land pipeline design and construction has historically been one of the mainstays of Saipem's business. The Company has laid a record of over 60,000 km of gas pipelines, 30,000 km of oil & product pipelines and 1,400 km of water pipelines on five continents. In recent years, the Company has designed and constructed more than 40 power plants (over 10,000 MW) and four Integrated Gasification Combined Cycle plants, two of which are the world's largest (power output of about 550 MW each).

DRILLING

As an international drilling contractor operating in some of the harshest onshore and offshore environments, Saipem is presently contracted to major oil companies in many of the Oil&Gas industry's 'hotspots', carrying out important drilling programmes in Europe, the Commonwealth of Independent States (CIS), North and West Africa, the Middle and Far East and the Americas.

Saipem's vast experience in managing drilling activities with an adequate technological and operational level has allowed the Company's capabilities to develop.

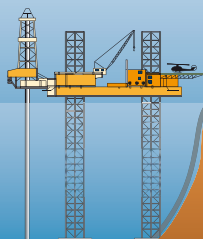
In offshore drilling, the Company in fact boasts a rich fleet with seven jack-ups, a Tender Assisted Drilling Barge, seven semisubmersible drilling rigs and two drillships (the Saipem 10000 and the Saipem 12000) which can operate at depths of up to 10,000 and 12,000 feet, respectively. In the onshore sector, Saipem owns about 100 drill and workover rigs.

Over many decades, Saipem has drilled more than 7,300 wells, 1,800 of which offshore, totalling an overall depth of about 18.5 million metres, and has been involved in the workover of hundreds of wells.

SEMISUBMERSIBLE DRILLING RIG



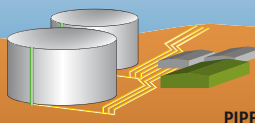
JACK-UP DRILLING RIG



DRILLING RIG



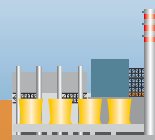
REGASIFICATION PLANT



PIPELAYING



POWER PLANT



SAIPEM IN THE WORLD

EUROPE		2009	2010	2011
Revenues	(€ million)	1,999	1,931	1,938
Investments	(€ million)	117	122	78
Workforce	(units)	10,073	10,563	10,410
Local Workforce	(% of total)	85	80	81
Energy consumption	(ktoe)	73	78	72
Energy cons.	(ktoe/Mmh)	2.44	2.86	2.56
HSE Training	(hours)	275,969	220,360	86,465

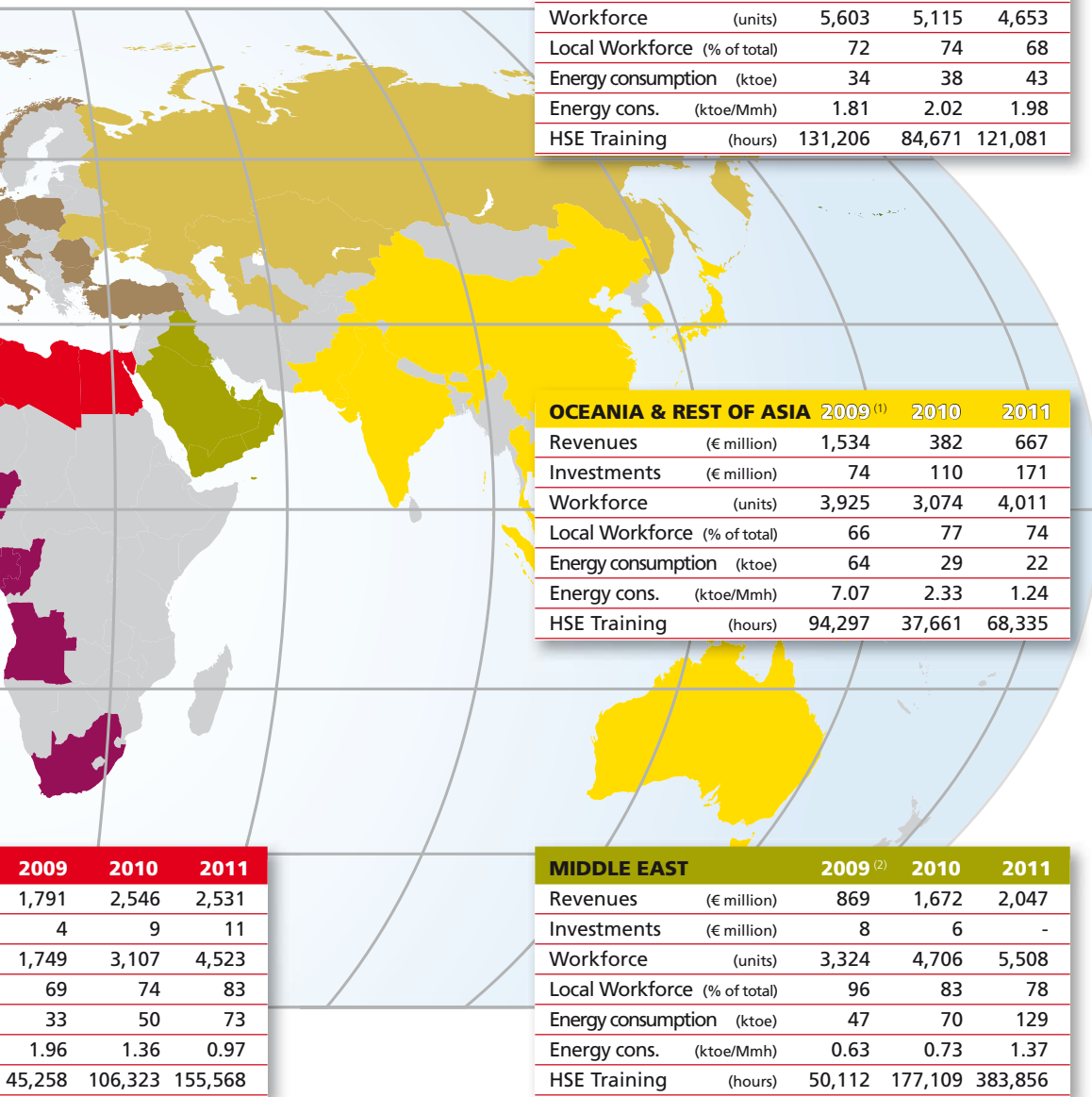
AMERICAS		2009	2010	2011
Revenues	(€ million)	598	719	1,009
Investments	(€ million)	45	49	158
Workforce	(units)	5,218	5,122	6,665
Local Workforce	(% of total)	79	95	87
Energy consumption	(ktoe)	158	72	82
Energy cons.	(ktoe/Mmh)	7.39	3.17	2.85
HSE Training	(hours)	113,346	125,221	204,199

SOUTH CENTRAL AFRICA		2009	2010	2011
Revenues	(€ million)	2,315	2,678	2,692
Investments	(€ million)	61	38	16
Workforce	(units)	8,160	9,487	8,462
Local Workforce	(% of total)	70	64	62
Energy consumption	(ktoe)	63	75	107
Energy cons.	(ktoe/Mmh)	1.03	1.12	1.66
HSE Training	(hours)	148,707	172,701	170,316

NORTH AFRICA		2009	2010	2011
Revenues	(€ million)			
Investments	(€ million)			
Workforce	(units)			
Local Workforce	(% of total)			
Energy consumption	(ktoe)			
Energy cons.	(ktoe/Mmh)			
HSE Training	(hours)			

Additional data for investments

Further investments not allocated by Areas were (in € million) 1,211 in 2009, 995 in 2010 and 738 in 2011.



CIS		2009	2010	2011
Revenues	(€ million)	1,186	1,232	1,709
Investments	(€ million)	95	216	27
Workforce	(units)	5,603	5,115	4,653
Local Workforce	(% of total)	72	74	68
Energy consumption	(ktoe)	34	38	43
Energy cons.	(ktoe/Mmh)	1.81	2.02	1.98
HSE Training	(hours)	131,206	84,671	121,081

OCEANIA & REST OF ASIA		2009⁽¹⁾	2010	2011
Revenues	(€ million)	1,534	382	667
Investments	(€ million)	74	110	171
Workforce	(units)	3,925	3,074	4,011
Local Workforce	(% of total)	66	77	74
Energy consumption	(ktoe)	64	29	22
Energy cons.	(ktoe/Mmh)	7.07	2.33	1.24
HSE Training	(hours)	94,297	37,661	68,335

2009	2010	2011
1,791	2,546	2,531
4	9	11
1,749	3,107	4,523
69	74	83
33	50	73
1.96	1.36	0.97
45,258	106,323	155,568

MIDDLE EAST		2009⁽²⁾	2010	2011
Revenues	(€ million)	869	1,672	2,047
Investments	(€ million)	8	6	-
Workforce	(units)	3,324	4,706	5,508
Local Workforce	(% of total)	96	83	78
Energy consumption	(ktoe)	47	70	129
Energy cons.	(ktoe/Mmh)	0.63	0.73	1.37
HSE Training	(hours)	50,112	177,109	383,856

(1) In 2009 including also Middle East countries (except Saudi Arabia).

(2) In 2009 including only Saudi Arabia.

COLOMBIA



COUNTRY OVERVIEW

Located in the northern part of South America, Colombia encompasses different regions: extending from the Pacific Coast in the west, its borders reach to the steep Andes mountains ranges to the east (divided into Occidental, Central and Oriental Cordilleras); the capital city, Bogotá, lies in this region and is considered the highest city of its size in the world with an urban population of around 10 million people living over 2,600 metres above sea level; on the

other side of the Andes, Colombia comprises parts of the vast rainforest plain and biodiversity rich Amazon region bordering Brazil; to the north-east, the prairies of the Llanos region extend into the Orinoco basin on the Venezuelan border; further north, important ports and industrial cities, such as Cartagena and Barranquilla, are located on the Caribbean Sea, whose waters are punctuated by a number of islands. Due to its position in the tropical cyclone area and on the 'Ring of fire' of

the Pacific, the country is prone to natural disasters such as earthquakes, tsunamis, floods and volcanic eruptions. This composite and diverse territory is home to 46 million people, comprising descendants of the Spanish who arrived during colonization between 1499 up to independence in 1819, African (about 8%), European and Asian immigrants and indigenous people inhabiting the region since the pre-Colombian period.

SOCIAL OVERVIEW

A significant number of Colombians emigrated abroad in recent years, mainly to the US or Spain. The United Nation High Council for Refugees (UNHCR) also estimates there are around 3 million internally displaced people (IDPs) in Colombia. One of the reasons for this is the security situation in some parts of the country where paramilitary groups continue to operate. Other issues include the presence of large scale drug trafficking organisations and the high rate of

violent crime in parts of the country. The United Nations Development Program (UNDP) ranked Colombia in the 2011 Human Development Index (HDI) 87 (out of 187). This placement also reflects the difference in living conditions occurring in Colombia among different social levels and the effect of the internal conflict on human rights. Progress in the overall social and economic situation is demonstrated by the higher HDI ranking over the last years. The population growth rate is decreasing and is currently 1.02%. Plans in the years to come

Economic indicators

GDP (Purchasing power parity)	(billion \$)	478
GDP real growth rate	(%)	5.9
GDP per capita	(\$)	10,400
Labour force	(million units)	22.45
Unemployment rate	(%)	10.8

Source: CIA The World Factbook - data 2011 est.

Puerto Nuevo overview

The area of Puerto Nuevo is in Ciénaga Municipality, in the Department of Santa Marta, on the Caribbean Sea region of Colombia. The town of Ciénaga is 35 km from the department capital city of Santa Marta. The total population is around 120,000 residents. There are important environmental, historic and tourist areas in this region, such as the National Park of

Salamanca Island, a conservation area in the transition environment between the estuary of Río Magdalena and the Caribbean Sea, the Santa Marta beaches and tourist locations, and the historic heritage represented by colonial-era buildings in Ciénaga and Santa Marta. The area is famous for banana and palm tree plantations and it is a popular tourist

destination famous for its beaches and fine local cuisine. After the decline of extensive plantations and with the exception of tourism, the other important economy drivers are mining and port activities. The need for a modern port terminal for the active mining industry in the interior of the region lead to the project for a new infrastructure to be built in this area.

should match the economic growth with modernisation of the country's infrastructures.

ECONOMIC OVERVIEW

The country has an advanced and complex economy, which has been expanding over the last few years, and is a strong exporter of natural resources such as minerals, oil and agricultural products such as coffee. Colombia's economy has increased significantly in the last few years; this

is partly due to higher commodity prices as the country exports mineral resources. Public financial policies in recent years have aimed at reducing the government budget (whose deficit rounds out to over 5% of the country's GDP), and cutting pension spending while trying not to rely on recessive policies and reducing the unemployment rate. Improvements in the security have resulted in attracting foreign investment while illegal activities have been estimated to account for a significant part of the country's 'real' GDP.

Oil and gas reserves and production

	Units	1995	2000	2005	2008	2009	2010	2011
Oil production	(kbbl/d)	587	691	530	592	675	789	n.a.
Oil reserves	(M bbl)	3,400	2,577	1,542	1,506	1,355	1,355	1,900
Gas production	(G m ³)	4.32	6.51	7.30	7.84	10.61	11.39	n.a.
Gas reserves	(G m ³)	283	188	119	106	124	134	136

Source: Eni World Oil and Gas Review.

Energy indicators

		2005	2006	2007	2008	2009
Energy production	(ktoe)	79,476	84,588	87,602	93,596	99,150
Electricity production	(GWh)	50,411	53,852	55,314	56,024	57,265
Energy use per capita	(kg of oil equivalent per capita)	650	678	664	683	697
Fossil fuel energy consumption	(% of total)	74	73	72	73	75
Electric power consumption per capita	(kWh per capita)	903	952	977	974	1,047
CO ₂ emissions per capita	(tonnes per capita)	1.37	1.41	1.43	1.50	n.a.

Source: World Bank.

PUERTO NUEVO PROJECT

DESCRIPTION OF THE PROJECT

A consortium of Colombian coal producers, led by C.I. Prodeco SA, obtained a license from and has an agreement with the Government of Colombia to develop a new coal terminal immediately to the south of the existing Drummond facility in the municipality of Ciénaga in the Santa Marta region. The project is managed by a new company - Puerto Nuevo SA (PNSA).

On the occasion of the construction of the new port in Ciénaga, a series of facilities for unloading trains and the buffer storage of coal are to be constructed.

Saipem, together with its Colombian subsidiary, Petrex, signed the EPC contract with Atlas Investment Ltd on February 1, 2011. Atlas Investments Ltd appointed C.I. Prodeco SA as Engineer responsible for relations with Saipem for all activities concerning the Puerto Nuevo Project execution. In general terms, the scope of work of the EPC

The Cantitravel



The Cantitravel is a major equipment item for constructing maritime jetties. Basically, it is a guide for pile-driving. Equipped with its own crane, it can move

along rails placed on the structure. It enables standalone construction of jetties and loading platforms using land-based means without the need for seaborne resources, thus

reducing unforeseeable hazards at very low levels. The optimisation of the Cantitravel led to a safer work environment and a reduction in the time taken to install the trestle.

contract included the following maritime facilities:

- a beach fronting abutment that defines the beginning of the trestle structure;
- a ship-loading pier measuring approximately 1,700 m in length and 10 metres wide, capable of accommodating Hadysize (30,000 DWT), Panamax (70,000 DWT), and Capesize Vessels (up to 180,000 DWT) and supporting the ship loader (provided by others). It is the longest pier in Colombia;
- a tug berth structure to accommodate four boats and two pilot boats to one side of the trestle.

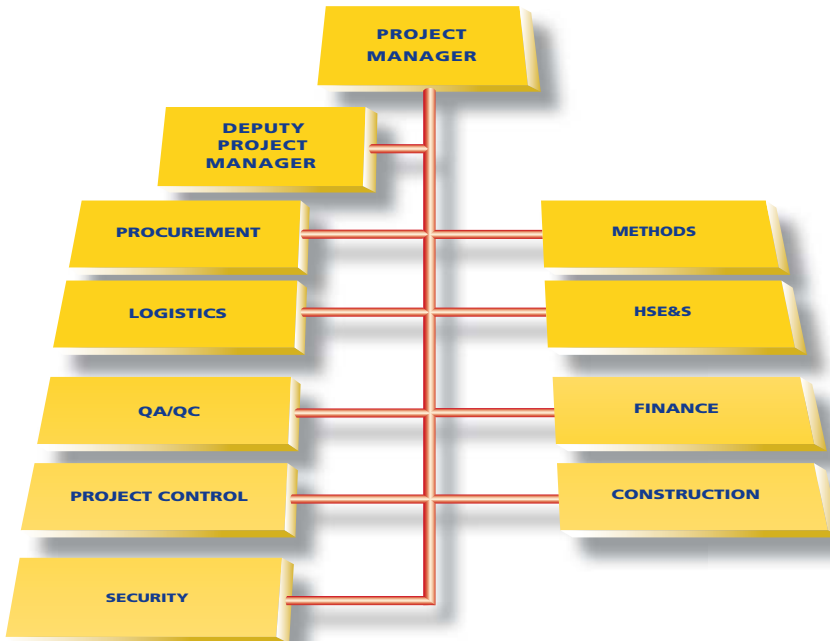
The trestle (82-span, 1,640 m long, 10 m wide and two piles every 20 m) and the loading platform (45-span, 410 m long and 21.70 m wide with three,

four or five piles – two of which are inclined – every 9.10 m) was installed by a travelling unit called ‘Cantitravel’. The metal structures were covered with concrete slabs precast on-site.

ORGANISATION AND PROJECT MANAGEMENT

Puerto Nuevo Project activities were under the responsibility of a Project Manager, supported by a Deputy PM. Specific Departments (HSE&S, Quality, Procurement, Logistics, Finance, Project Control, Security, Methods and Construction) manage the various project activities. Continuous collaboration among the Departments was effective not only for guaranteeing the correct project execution but also for defining strategy and relations with local stakeholders.

Organisation chart of the Puerto Nuevo Project





Project worker

SUSTAINABILITY APPROACH

The Puerto Nuevo Project were committed to contributing to the sustainable development of area communities influenced by the project during the entire construction phase, thereby ensuring long term growth.

Acknowledging that its activities should not incur unacceptable risks to people or the environment, operational activities were carried out every day guided by the following principles. Compliance with Colombian legislation

- and all legal requirements.
- Attention to the health of Company employees and their safety at work.
- Identification of communities associated with Company operations to establish relations based on mutual participation and to contribute to economic and social development.
- Respect for the culture, customs, interests and rights of communities;
- Protection of the environment and ecosystems and preservation of natural resources.
- Improvement of living standards and contribution to the development of local communities.

Health, Safety & Environmental Policy

To comply with Saipem commitments for the continuous improvement of the HSE system and in accordance with local legislation and Client requirements, the Saipem policy is based on achieving its goals through the following objectives:

- ZERO injuries and occupational diseases;
- Continuous improvement of the HSE Management System through periodic reviews of our objectives;
- Safeguarding of health and safety of our employees through a preventive culture;
- Respect for and protection of the Environment in accordance with regulatory requirements;
- Soil, air and water

pollution prevention impacted by the project.

In order to achieve these objectives and to provide a safe, healthy, and environmentally friendly workplace for employees and subcontractors, Client and third parties employees, the Project Management ensured that:

- During Project operations, potential risks were identified and assessed in order to manage the potential risks and to put control measures in place to minimise the risks;
- Safety procedures were developed to cover high potential risk activities during the Project such as: Permit to work System, Job Safety Analysis, Hazard Identification and Risk Assessment

and Training Program;

- A training program in safety procedures was developed and implemented;
- Propel workforce to intervene if an unsafe situation presents itself through a Saipem program of Leadership in Health and Safety. 'LiHS Workshop';
- Waste management procedures were implemented and a licensed company was contracted in order to properly segregate, reduce, recycle and dispose of the wastes;
- Proper procedures and training were provided to prevent and control emergency situations.

A diverse range of tools were used and implemented to protect employees during all Project operations.

SUSTAINABILITY PERFORMANCE

PEOPLE

Workforce Management

Around 426 people were directly employed by Saipem, and around 100 additional workers were employed by different subcontractors. Approximately 92% of Saipem's total employees were Colombian, of which 42% were directly from Ciénaga.

Human Resources management was aimed at guaranteeing the qualification and professional training of workers, while retaining them during the entire Project execution.

Demobilisation of workers

During the demobilisation phase, with the support of the HR Department,

several workshops were provided to outgoing workers in order to prepare them for the job hunt in the months to follow. Subjects included how to prepare a curriculum vitae and attending a job interview. About 250 workers attended these workshops.

Training

Saipem considers personal and professional development of all employees a top priority and training activities as the key process for developing professional roles and managerial skills.

About 3,318 hours of external training was provided to the workforce in Puerto Nuevo with *SENA (Servicio Nacional de Aprendizaje), Avante, Cryogas and ARP Sura* in order to certify unskilled workers.

Workforce

Expatriates		34
Local (Colombians)	Manager	1
	White collar workers	7
	Blue collar - skilled workers	301
	Blue collar - unskilled workers	83
Total		426

Training

Subject	Training hours	No. participants
Scaffolding	120	24
Crane operators with certification	52	16
Train the trainer working at heights	820	105
Riggers	405	135
Cargo handling	450	150
Safe handling of gas cylinders	31.5	21
International Maritime Organisation regulations	1,216	152
First Aid	224	56



Health Clinic

Internal communication

From the beginning of the Project, in order to maintain good communications with the internal and external workforce, the Project Management created a Newsletter entitled 'El Portal del Puerto'. The bilingual Spanish and English newspaper informed readers, of the progress of the project as well as the different activities within the Project site and in the areas influenced/ impacted by the Project. The newsletter was distributed to project workers, customers and subcontractors.

HEALTH

An Occupational Health Program was implemented in accordance with local regulations. This Program was directed

at all personnel, subcontractors and visitors and included all the activities aimed at preserving and strengthening individual and general health conditions.

Within this Program, specific epidemiological surveillance programs were created in the Project not only based on health risk assessments but also taking into consideration the results and observations of the occupational medical examinations performed on the workers. In particular, a preventive cardiovascular program was conducted on 271 patients during the entire Project execution period.

Due to the high temperatures in the summer, a health stress campaign was conducted to explain the risks and detail

Health interventions

	No. of occurrences
Drug and alcohol testing with breath analyser	4,456
Drug and alcohol testing of urine	115
General consultations	2,125
Health talks	268

prevention measures to be taken. A first aid brigade, trained by a Red Cross Rescuer, was operational in different areas of the Project site.

SAFETY

The Puerto Nuevo Project was committed to complying with regulations and ensuring a safe work environment for its employees by using all the tools required to protect them during Project operations.

Induction training and site orientation were provided to personnel upon arrival on site, regardless of position and experience, in order to properly communicate basic information regarding Project HSE Policy, goals and philosophy, site specific rules, alarms and procedures, escape routes and muster points, sea survival, etc.

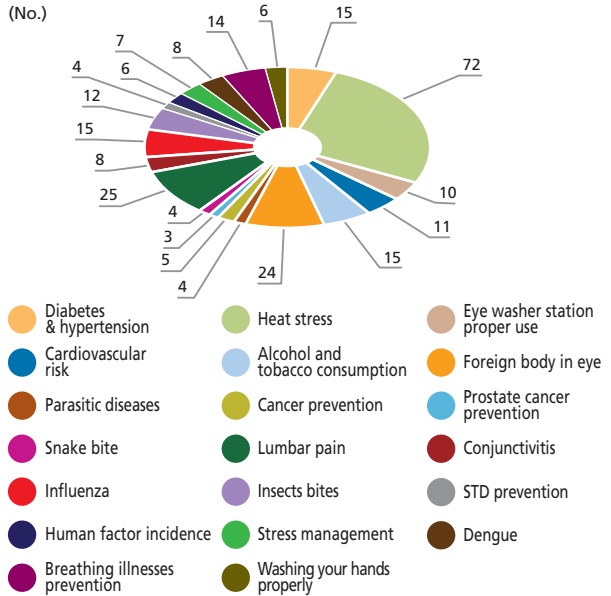
A Training Program was also developed and implemented in order to ensure all employees were trained to the level commensurate with their particular task on site. The following features are discussed during training sessions:

- HSE Policy;
- Site security;
- Administrative and operative organisation of the Company;
- Driving vehicles on site: max. speed, parking in reverse, use of seat belts, etc.;
- Smoking policy: prohibited in office spaces, vehicles and posted areas;
- Alcohol and drug policy;
- Use of Personal Protective Equipment (PPE);
- Accident management, emergency plans and brigades, evacuation plan;
- Equipment and facilities available for use during medical emergencies;
- Environment incident risk assessment;
- Hazards associated with the Project;
- Work over water requirements;
- Environmental protection and appropriate use of natural resources.

HSE activities were implemented during the various phases of the Project with different frequencies: daily, continuously,

Health talks

(No.)



monthly, randomly, upon occurrence of incidents and with the aim of organising, assessing, controlling risks and providing sufficient training and preparation for emergency brigades, workers, medical and HSE teams; the latter leads to a reduction of incident occurrences and an accurate response to unplanned events.

As the offshore operations began, sea survival training was given to the entire workforce. The training was mandatory before entering to the Cantitravel area. In addition to that, advanced sea survival training was conducted for the workers of the Cantitravel area. It included explanations and practical exercises on IMO (International Maritime Organisation) regulations, and how to survive in emergency conditions at sea.

Leadership in Health and Safety (LiHS)

The Saipem Leadership in Health and Safety Program was implemented during the Puerto Nuevo Project site



Spreading the safety culture

and directed at the entire workforce, including subcontractors, in accordance with the LiHS system. Cascade messages were held from the Project Manager at the beginning of Project execution and Five Stars Program were conducted. Three people on the HSE team became Five Stars trainers and presented the workshop to the Project workers.

Emergency Drill

Frequent safety offshore and onshore drills were performed on site in order to measure response times of the emergency brigades, the HSE team and the medical team. Simulations of different incidents such as falling into the water, getting entangled or crushed by objects, and other topics, were performed with the direct participation



Sea survival training

Safety performance	
Worked Man Hours	1,715,036
LTIFR	0.00
TRIFR	2.33

Leading indicators	
HSE training hours	31,640
SHOC Cards	530
Tool Box Talks	8,865
HSE meetings	720
Job Safety Analysis	14,149
HSE Inspections	4,661
HSE Management visits	59

Note: Data provided in the table covers the period from May 2011 to September 2012 and include both Saipem employees and subcontractors (extracted from the Safety Portal).

of workers. At least one safety drill was scheduled per month but in some periods, two drills were performed monthly in order to maintain the preparedness of emergency teams for diverse situations.

Contest 'writing about Safety'

This contest was created to increase worker awareness on safety related issues and reinforce the safety commitment. Each employee could participate by writing a story involving safety either at work or outside of work.

The winners of the best story awarded received a T-shirt and public recognition.

HSE Incentive scheme

An 'employee of the month' award was created to reward those employees who distinguished themselves for their dedication to the activities and their attention to health and safety, with the overall aim of promoting the health and safety culture among the entire workforce. Golden hats were delivered to the winners along with a certificate and public recognition for their remarkable practice.



A toolbox talk



The construction phase

CLIENT

Atlas Investments Ltd appointed C.I. Prodeco SA, a company of Glencore International Plc, as Engineer responsible for relations with Saipem for all activities concerning the Puerto Nuevo Project execution.

From the beginning of the Project a collaborative relation was established with the Client resulting in joint support aimed at reaching the common goal of completing the Puerto Nuevo Project on time in accordance with contractual requirements.

In particular, Prodeco performed a series of HSE audits on the Project site. The opening audit was performed in October 2011, with a qualification of 92.4% (percentage of compliance with international standards based on the OSHAS frame), while the second audit was conducted in 2012 with an improved result of 94.3%.

VENDORS

The strategy of Saipem included the promotion of the use of local vendors

for the provision of services in the Project. Total purchases in the area (Ciénaga and Santa Marta) amounted to 3.6 million USD.

Local vendors provided goods and services such as food and catering, cleaning services, printing and stationery, clothing and textiles, computers and electronics.

All vendors working on the Project site participated in training activities organised for Saipem workers, especially with regard to HSE. In particular, companies providing food and catering services were submitted to periodic audits and procedure revision in order to ensure compliance with internal requirements.

ENVIRONMENT

The Puerto Nuevo Project Environmental Management System was developed based on the Environmental Impact Assessment (EIA) study produced by the Client. A Project HSE policy together with a plan and procedures package

were developed and implemented to ensure compliance with the relevant EIA mitigation measures.

Waste Management

The management system for non-hazardous solid waste was mainly based on waste segregation with the objective of proper disposal and recycling.

Waste was classified according to utility and hazard, collected and stored separately to guarantee the recycling process.

Oil spill prevention

In order to prevent spills of oil and chemical products on the ground, a spill prevention campaign was conducted by the HSE Department. Training on how to prevent these kinds of situations and how to react in case of their occurrence was provided to all workers.

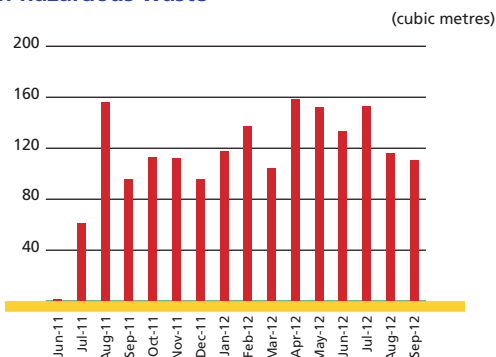
A number of brigades were properly trained to intervene in case of onshore and offshore oil or chemical spills. In addition, the HSE team installed several spill kits to be used by operators to rapidly respond in case of an oil spill. Oil spill kits were also provided to truck drivers, in case of spills during transport. An offshore spill kit was placed on the beach area, at the abutment.

Environmental training

Several training activities were conducted during Project execution on environmental topics addressed to workers to increase awareness and competence for a better resource management and protection of the environment.

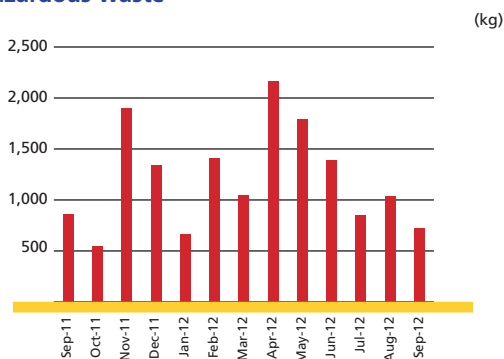
The HSE team conducted a total of 2,714 hours of environmental training. Specific training on waste management segregation and hazardous waste handling were prepared and conducted with the collaboration of the waste service supplier.

Non-hazardous waste



Note: As soon as most of the workers were mobilised for the Project and the pile driving and pier construction works started (in August 2011), the solid waste generation trend was maintained quite constant during the overall Project execution period.

Hazardous waste

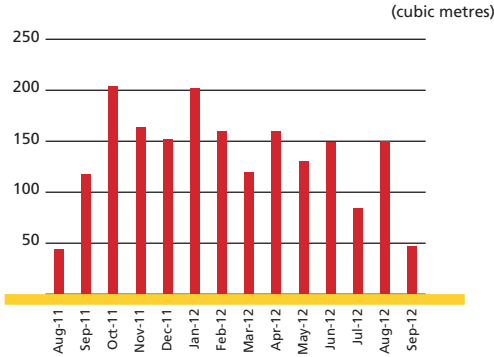


Note: For safety and health reasons, hazardous waste were stored in an isolated area with restricted access only by authorised people and periodically collected by a licensed company. During the months of November 2011 and April 2012, production increased due to production intensification (slab prefabrication, structure and slab installation up to span, etc.).

Awareness campaign

A large campaign to create awareness of specific environmental topics was conducted covering the entire workforce; activities were conducted

Wastewater Management



Note: The water used for cleaning the mixer's chute was purified in a decantation pool; this preliminary treatment consists of three gravity separation chambers where settlement of suspended solids from the water takes place. A total of 20 m³/day of water was treated in this manner and then collected by an authorised company for further treatment.

during HSE toolbox talks and HSE training courses. The main topics covered included:

Saving Water Campaign: to raise awareness of personnel on saving water and reducing consumption; March was elected the month for water celebration.

Energy Campaign: to raise awareness in workers on the consequences of spending excess energy; the main goal

was to reduce electricity consumption in offices as well as in everyone's home.

Waste Segregation: this campaign was implemented in offices and on site to reinforce the culture of segregation of waste for reusing and recycling. Different colour coded waste drums were put in place and were explained to personnel.

Recycling Contests

A series of initiatives were carried out to create awareness on the importance of recycling materials and creative ways of reusing them.

The first contest invited all employees to create an innovative cover of a notebook using only recycled materials. This contest aimed at promoting recycling practices among workers, through the design of calendars with recycled paper that reused materials in creative ways.

Twenty employees participated in the contest. The winners were chosen by the Project Manager, the HSE Manager and the Client, and were awarded with hand-painted hats.

The 'Recycling at Christmas' contest consisted in decorating Christmas Trees with reused and recycled objects and materials that were used in daily activities at each of the working areas of the yard, concrete slabs, workshop,

Waste recycled

Material	Unit	Quantity
Ferrous metals	(kg)	1,350
Paper & cardboard	(m ³)	33,544
Plastic	(m ³)	25,000
Wood	(m ³)	30,000

Note: Data provided in the table cover the period from July 2011 to September 2012 and are extracted from the Saipem Environmental Web Report (EWR).

Energy consumption

Electricity	(kWh)	1,779,540
Diesel	(tonnes)	180

Environmental training

Subject	Training Hours
Environmental risk assessment	353
Spill response management	393
Waste management	915
Water/wastewater management	274
Noise management	38
Hazardous waste management	741

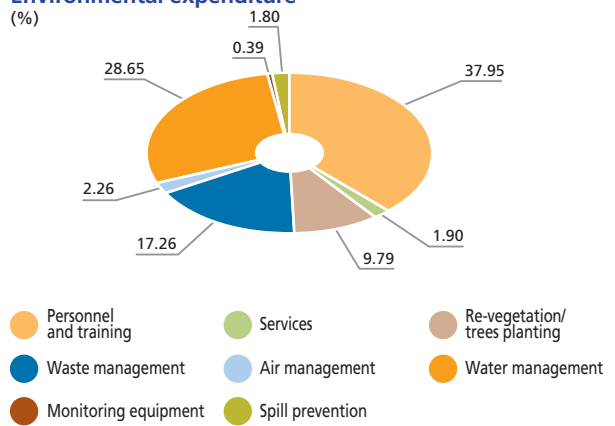
structure assembly and cantitravel workers. The winners were chosen by the Construction Manager, the Deputy Project Manager and the Precast Concrete Manager, and were awarded with hats and celebrated at a party in the canteen.

Planting

A planting campaign was conducted to minimise the visual impact of the project and to create a friendlier working environment. Some local species such as lemon were planted in trestle's surroundings.

In addition, decorative plants were planted near the office area to create a pleasant atmosphere.

Environmental expenditure (%)



Waste management



The importance of biodiversity protection

LOCAL COMMUNITIES

Relation with local communities

Since the beginning of the Project, the Project Team has worked to establish good relations with the communities near Ciénaga, considered the zone of direct influence of the Project to collaborate with them in the promotion of social and economic development and to improve the quality of life. A Community Attention Office was set

up where both Saipem and the Client had community coordinators and where they welcomed the local population of Ciénaga on a weekly basis to receive suggestions, complaints and provide answers to the general public.

Periodic visits to the Cordobitas community, the community located closest to the Project, were carried out throughout Project execution. Visits were mainly informal where community coordinators spent time with community representatives and with most of the community members visiting their homes. These were opportunities

to listen to them and to create trust and a cordial environment with the neighbouring population.

Working with local schools

Being aware of the importance of a proper education for school-aged children and youths who represent the future of the country, the Project corporate responsibility strategy focused on collaboration with local schools.

A series of initiatives and seminars were held at schools located in the areas of direct influence of the Project, focusing in particular on health promotion and environmental protection.

In addition, Saipem supported the 'Mochila de Valores' project in the schools in the areas of direct influence of the Project. About 400 students were involved. The scope of the project was to reinforce the awareness of values and ethics in youths to facilitate coexistence and personal development.

Health promotion

A series of health promotion campaigns were held during the project duration. An important contribution to health promotion within communities was the Saipem Health Brigade within the HSE Department.

The HSE team, with the support of the local health office and the National



Promoting health and safety culture among local students



Initiatives for local communities



Training Services (Servicio Nacional de Aprendizaje), visited schools in the area of direct influence of the Project in order to provide information and educational health talks about Sexually Transmitted Diseases (STDs), early pregnancy, use of psychoactive drugs and manufacturing practices. Participating schools included Alfredo Correa de Andrei College, La Maria College and Alliance for Progress and Educational Institution Mayorca Carlos Garcia. A total of 425 students benefited from these workshops.

Saipem participated, together with the Health Secretary, ICBF, EPS, San Cristobal hospital and local fire fighters, in the 'Life Festival' held at the Costa Verde School. Different general medical services such as dentistry, ophthalmology, and vaccination were provided to the local community. A total of 233 people, including children and adults, participated.

The Saipem Health Brigade carried out a series of health campaigns addressed to fishermen families, offering visits on general medicine, dentistry,

gynaecology, and vaccinations. About 351 people participated.

After the measles outbreak in Barranquilla, the Saipem Health Brigade provided awareness campaigns on measles, rubella and tetanus outbreak prevention. Activities were conducted with the support of Salud Total, SaludCoop and Coomeva EPS. About 263 people participated.

Environment Days

On Sunday, June 5, 2011, World Environment Day was celebrated with neighbouring schools from Ciénaga. After presenting waste segregation and recycling to 200 school children, the children made drawings on the topic 'caring for the environment'. The best drawings were awarded with school supplies and all drawings were hung on the walls of the school. An 'ecological point' was set up for solid waste segregation and an ecological group was consolidated to stimulate youth environmental spirit. The members of the group received green T-shirts as a

sign of membership in the group and commitment to environment protection.

On Friday, June 15, 2012, several contractors from Puerto Nuevo gathered again to celebrate the 2012 World Environment Day at the Guillermo F. Moran School. Saipem participated in the event also by contributing to the improvement of the school structure.

Promoting entrepreneurship

A baking and pastry course was carried out addressed to women, mainly the wives of fishermen, to enable them to set up their own business and contribute to the family earnings. With the arrival of the holiday season, the participants of the course started to prepare what they learned during the course, offering their different products for sale.

Students of the Carlos Garcia Mayorca School, along with a group of teachers and parents, visited the Puerto Nuevo Marine Facilities as part of a project to develop entrepreneurship.

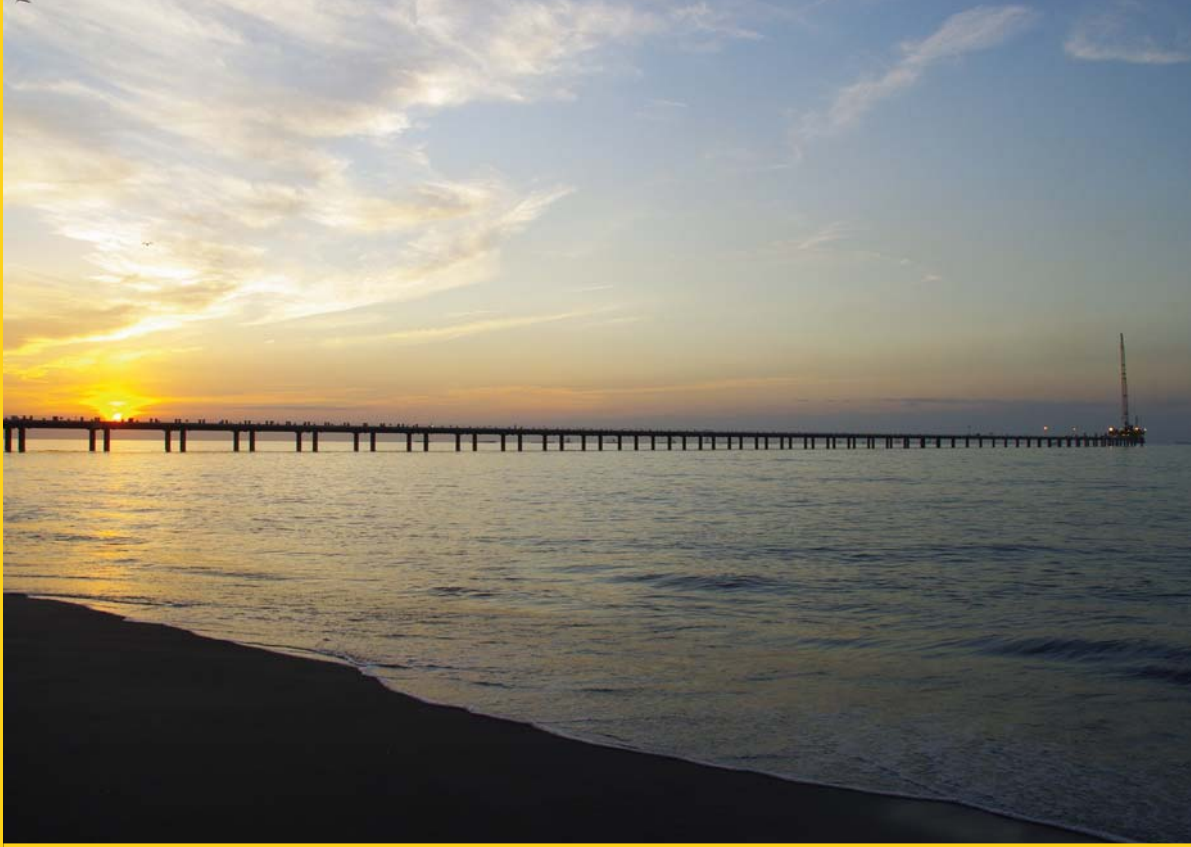
Cultural identity promotion

Saipem supported a cultural school project giving the opportunity to a group of children and youths from the Carlos Garcia Mayorca School to participate in a parade at the CAIMAN festivities in Ciénaga on January 19, 2012, the most popular event within the local community.

In addition, the Project supported the refurbishment of the canteen of the Virginia Gomez School and the 'Carnival Cup' football tournament that included the participation of several schools and institutions.



Students from a local school participating to the football tournament



ACRONYMS

DWT

Dead weight tonnage

EIA

Environmental Impact Assessment

EPC

Engineering, Procurement and Construction

EPIC

Engineering, Procurement, Construction and Installation

EPS

Entidades Promotoras de Salud (Health promoting entities)

EWR

Environmental Web Report

GDP

Gross Domestic Product

HR

Human Resources

HSE

Health, Safety and Environment

HSES

Health, Safety Environment and Sustainability

ICBF

Instituto Colombiano de Bienestar Familiar

LTIFR

Lost Time Injury Frequency Rate

$$LTIFR = \frac{\text{No. LTI} \times 1,000,000}{\text{Total worked man hours}}$$

QA

Quality Assurance

QC

Quality Control

SENA

Servicio Nacional de Aprendizaje

SHOC

Safety Hazard Observation Card

TRIFR

Total Recordable Incident Frequency Rate

$$TRIFR = \frac{\text{No. TRI} \times 1,000,000}{\text{Total worked man hours}}$$

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SAIPEM Società per Azioni
Capital stock: €441,410,900 fully paid
Tax identification number and Milan Companies' Register
No. 00825790157

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Special thanks to all those who contributed to the elaboration of this report

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Design, layout and supervision: Studio Joly Srl - Rome - Italy
Printing: Impronta Grafica - Cantù (Como) - Italy

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