SUSTAINABILITY AT MAIRE TECNIMONT

OUR AIM
- LOWER GHG EMISSIONS
- REDUCE OUR CARBON-DIOXIDE (CO₂) EMISSIONS

RATING CDP
- B RATING
- CARBON DISCLOSURE PROJECT

WE SUPPORT
- UN GLOBAL COMPACT

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

SUSTAINABILITY STRATEGY
- ENERGY TRANSITION
- OPEN INNOVATION HUB
- LOCAL CONTENT
- INNOVATIVE SOLUTIONS
- DIGITAL INNOVATION

STAKEHOLDERS
- EMPLOYEES
- SHAREHOLDERS & INVESTORS
- TECHNOLOGICAL PARTNERS
- BUSINESS PARTNERS
- CLIENTS
- SUPPLIERS
- LOCAL AUTHORITIES & GOVERNMENTS
- CONTRACTORS & SUB-CONTRACTORS
- LOCAL COMMUNITIES
- LOCAL ORGANIZATIONS & NGOs
- PROFESSIONAL/CATEGORY ASSOCIATIONS

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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.
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).

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.

OUR AIM

LOWER GHG EMISSIONS

REDUCE OUR CARBON-DIOXIDE (CO₂) EMISSIONS

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.

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 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 billion.

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 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.
2.2 GROUP COMMITMENT TO THE SDGs AND THE UN GLOBAL COMPACT

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 and COO
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.

In 2019, Maire Tecnimont confirmed its commitment to sustainability by finalizing an ESG-linked Schuld- schein 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).

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);
- 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.

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:

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

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

### DIGITAL INNOVATION

**BEYOND DIGITAL**

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 (“digitizing 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.
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.
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.

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**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 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.
SUSTAINABILITY AT MAIRE TECNIMONT

Creating Value

EMPLOYEES
- Corporate newsletters, Group Magazine Evolve
- Ongoing communications, training programs and e-learnings through Group Intranet portal
- Meetings/events with Top Management
- Employees survey Your Voice
- Engagement initiatives as “Digital Beyond” involving employees as “Digital Catalyst” to accelerate the digital transition
- Launch of “Met Academy” platform covering 100% of employees
- Involvement in H&S initiatives such as H&S events and “Safethink” communication campaign
- Meeting and seminars on sustainability dedicated to key function top and middle managers of the Group main sister companies.

SHAREHOLDERS & INVESTORS
- Dialogue through the Investor Relations function
- Regular meetings, webcasts and conference calls
- Ongoing website updates and press releases
- Regular financial updates
- Interaction with more than 180 institutional investors through 45 dedicated events in Europe and Asia (roadshows, company meetings, conference calls)
- “Green Chemistry Day” - dedicated event hidden at the Upcycling Plant in Bedizzole (Italy) to present Group sustainability strategy and the future of green technology.
- 3 financial stakeholders involved in Materiality Analysis
- Direct interaction with major ESG rating agencies
- Participation to Carbon Disclosure Project (CDP)

TECHNOLOGICAL PARTNERS
- Regular meetings
- Involvement in corporate events (e.g. NextChem event, Seenergy event...)
- Cooperation with strategic technological partners on specific projects focused on environmental issues (circular economy, waste to fuel, etc.)

BUSINESS PARTNERS
- Commercial events and exhibitions
- Involvement in corporate events (e.g. NextChem event, Seenergy event...)
- Cooperation with strategic business partners on specific projects focused on ESG issues
- Meeting related to In-Country Value

CLIENTS
- Commercial events and exhibitions
- Occasional knowledge exchange meetings (i.e. Stamicarbon Symposium)
- Team building meetings and activities
- 10+ clients involved in Materiality Analysis
- Direct involvement of Clients on In-Country Value issues
- Cooperation with Clients on specific sustainability initiatives related to local community development (i.e. requalification of lands, places of worship or of leisure, etc.)
- Direct involvement of Clients in HSE initiatives (Safethink, Safety Day, etc.)

FINANCIAL STAKEHOLDERS INVOLVED IN MATERIALITY ANALYSIS
- 3 financial stakeholders involved in Materiality Analysis
- Participation to Carbon Disclosure Project (CDP)

“GREEN CHEMISTRY DAY”

CLIENTS INVOLVED IN MATERIALITY ANALYSIS
- 10+ clients involved in Materiality Analysis
- Direct involvement of Clients in HSE initiatives (Safethink, Safety Day, etc.)

STAKEHOLDERS MAP

FINANCIAL STAKEHOLDERS INVOLVED IN MATERIALITY ANALYSIS

CLIENTS INVOLVED IN MATERIALITY ANALYSIS

“GREEN CHEMISTRY DAY”
LOCAL AUTHORITIES & GOVERNMENTS
- Institutional meetings
- Responses to consultations, position papers, one-to-one meetings
- Cooperation with Local Authorities and Governments for prevention campaigns related to Health and Safety for local communities
- More than 60 meetings organized to implement joint local development programmes particularly referred to the education and training of the local technicians and engineers

CONTRACTORS & SUB-CONTRACTORS
- Organization of joint projects
- Meetings about and involvement in specific projects
- Occasional knowledge exchange meetings (i.e. Stamicarbon Symposium)
- Direct Involvement of contractors and sub-contractors in HSE initiatives (Safethink, Safety Day, etc.)
- Co-designed charity initiatives

LOCAL COMMUNITIES
- CSR activities and philanthropy initiatives
- Meetings with civil society representatives
- Know-how sharing
- Volunteering activities and charity initiatives (i.e. Italy, Russia, Oman, etc.)
- In-Country Value related initiatives
- Cooperation with major universities (Italy, Azerbaijan, India, etc.)

SUPPLIERS
- Procurement Day with most relevant suppliers (i.e. Seenergy event)
- Direct involvement in specific projects
- Occasional knowledge exchange meetings (i.e. Stamicarbon Symposium)
- 15+ suppliers involved in Materiality Analysis
- Meeting with critical goods and services suppliers focusing on ESG issues
- Starting Audit program on Social Responsibility

LOCAL ORGANIZATIONS & NGO’s
- Institutional meetings
- Participation in the UN Global Compact and Global Compact Italian network activities
- Co-planning with NGOs in CSR projects (i.e. Women’s Empowerment in India)
- Co-planning on philanthropic activities

PROFESSIONAL/CATEGORY ASSOCIATIONS
- Meetings, workshops and participation in technical committees
- Participation in industry associations, institutional working groups and public events
- Active membership of about 70 business organizations, chamber of commerce trade and industry associations and technical federations at the international and local level.
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:

1. IDENTIFICATION OF RELEVANT TOPICS
   Identification of topics that are potentially significant for stakeholders and the Company through an analysis of internal (existing disclosure, internal policies, procedures, etc.) and external sources (review of standard setters’ publications and peer/competitor benchmarking).

2. ASSESSMENT OF RELEVANT TOPICS
   Meetings with Group representatives and external stakeholders for the assessment of the importance of each aspect of the topic list identified in the previous phase.
   Aggregation of the assessment results provided by each Group’s representative.
   Development of the materiality matrix.

3. VALIDATION AND REVIEW
   Validation of the materiality matrix and topics identified by the Control Risk and Sustainability Committee.
   Annually, at the start of the reporting period, review of the topics identified and of the materiality analysis performed.

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.
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 disclosure.

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, subcontractors, category associations, business partners) will be implemented with the aim of reacting to changes in the sustainability scenario in which the Company operates.

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

<table>
<thead>
<tr>
<th>MATERIAL TOPIC</th>
<th>SDGS</th>
<th>COMMITMENT</th>
<th>2019 RESULTS</th>
<th>OBJECTIVES</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ENVIRONMENTAL</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Climate change &amp; GHG emissions</td>
<td></td>
<td>• Reduce the carbon footprint of the Group and its Clients</td>
<td>• Issued the ESG Linked SSD Loan</td>
<td>• Implementation of the air emission estimation methodology accounting for Scope 3 Emissions</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Minimize GHG impact of logistic activities</td>
<td>• Launch of NextChem, new vehicle dedicated to energy transition</td>
<td>• Launch of Green Logistic Plan</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Compensation initiative</td>
<td>• Carbon Disclosure Project rating confirmed to B</td>
<td>• Target of 20% CO₂ reduction/avoided emission (Scope 1 + Scope 2 + Scope 3) by 2023</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Launch of multi-year reforestation program (Treedom)</td>
<td>• Carbon Disclosure Project rating improved to A by 2021</td>
</tr>
<tr>
<td><strong>Energy efficiency</strong></td>
<td></td>
<td>• Optimize energy consumption at office level and construction sites</td>
<td>• Performed energy and GHG reduction assessment on Group’s main offices and Construction Sites</td>
<td>• Implementation of several energy saving and GHG reduction initiatives on Group’s main offices (LED Lights) and a Pilot Site</td>
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<td></td>
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</tr>
<tr>
<td>Waste management</td>
<td></td>
<td>• Reduce the environmental impacts of production</td>
<td>• Performed energy and GHG reduction assessment on Group’s main offices and Construction Sites</td>
<td>• Cooperation with Saola Energy to license a technology for the production of Renewable Diesel</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Pursuing 10+ new projects related to Circular Economy, Green Green and Greening the Brown</td>
</tr>
<tr>
<td><strong>R&amp;D and innovation</strong></td>
<td></td>
<td>• Research activities to promote technological development and innovation</td>
<td>• Launch of a digital transformation program involving the whole Organization: Beyond Digital</td>
<td>• 70 ongoing innovation projects</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• 56 ongoing innovation projects</td>
<td>• Continue to invest in R&amp;D to reinforce our IP Portfolio</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• 1,492 patents in force (192 field in 2019)</td>
<td></td>
</tr>
<tr>
<td><strong>SOCIAL</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Health and safety</td>
<td></td>
<td>• Protection of workers’ health and safety</td>
<td>• Launch of a multi-year HSE awareness program at offices and construction sites (SAFETHINK Campaign)</td>
<td>• Continue to promote and reinforce the H&amp;S culture by strengthening the HSE Awareness Program</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Implementation of a Group Policy relevant for Health &amp; Safety management</td>
<td>• LTIF=0,096; TRIR=0,317</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Implementation of a Group Policy relevant for Sustainability</td>
<td>• Implementation of a Group Policy relevant for Sustainability</td>
</tr>
<tr>
<td>Responsible supply chain</td>
<td></td>
<td>• Promoting a sustainable supply chain</td>
<td>• 100% Coverage of new qualification based on ESG criteria</td>
<td>• Social Audit Programs on Suppliers</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• 100% Coverage of new qualification based on ESG criteria</td>
<td>• Launch of Maire4PMI a specific program targeted to Italian SME Project</td>
</tr>
<tr>
<td>MATERIAL TOPIC</td>
<td>SDGS</td>
<td>COMMITMENT</td>
<td>2019 RESULTS</td>
<td>OBJECTIVES</td>
</tr>
<tr>
<td>-------------------------------------------</td>
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<td>-----------------------------------------------------------------------------</td>
<td>------------------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Local economic development</td>
<td></td>
<td>• Contributing to the development and economic growth of the countries where the company is present</td>
<td>• 52% of goods and services purchased locally on total purchases per area/country</td>
<td>• Launch of multi-year strategic program of In-Country-Value (ICV) with active involvement of all Regional Offices</td>
</tr>
<tr>
<td>Local communities</td>
<td></td>
<td>• Support Local Communities • Strengthening the Stakeholder Engagement • Promoting Cooperation agreements with universities</td>
<td>• 550+ pro-bono / volunteering hours • Inclusion of Clients and Suppliers in the Stakeholder Engagement • 15 Agreements with universities</td>
<td>• Inclusion of Employees and Business Associations in the Stakeholder Engagement • 20+ Agreements with Universities</td>
</tr>
<tr>
<td>Human capital development</td>
<td></td>
<td>• Strengthen the knowledge and skills of the entire workforce</td>
<td>• 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)</td>
<td>• Continuous implementation of programs and events to reinforce Cyber Security and Fraud Prevention • Leadership Program implementation • Diversity &amp; inclusion Committee</td>
</tr>
<tr>
<td>Diversity</td>
<td></td>
<td>• Promote Equal Employment Opportunities (Gender. Age, Race)</td>
<td>• 20% of women/total workforce (vs 19% Industry benchmark) • 93% Salary Gap (Europe)</td>
<td>• Diversity &amp; inclusion Committee</td>
</tr>
<tr>
<td>Employment</td>
<td></td>
<td>• Promote sustainable development through sustainability targets • Ensure worklife balance and promotion of Smart Working</td>
<td>• 15% of MBO of the CEO linked to ESG Target • Full Deployment of Smart Working (BE ADAPTIVE!) for Employees in Milan</td>
<td>• Diversity &amp; 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)</td>
</tr>
<tr>
<td>Customer relation</td>
<td></td>
<td>• Cooperation with Clients in sustainability programs targeted at local communities</td>
<td>• Stakeholder Engagement with Clients</td>
<td>• Implementation of Integrated Customer Satisfaction Monitoring System</td>
</tr>
<tr>
<td>Human rights</td>
<td></td>
<td>• Promote the protection of Human and Workers Rights</td>
<td>• 34% of Employees trained on SABDOO</td>
<td>• Pursue Human Rights Awareness among employees leveraging on multi-channel educational Met-Academy platform</td>
</tr>
<tr>
<td>GOVERNANCE</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Diversity</td>
<td></td>
<td>• Promote Equal Employment Opportunities (Gender. Age, Race)</td>
<td>• 40% of women in the BoD • Implemented BoD Diversity Policy</td>
<td>• Launch of Diversity &amp; inclusion Committee</td>
</tr>
<tr>
<td>Ethics and compliance</td>
<td></td>
<td>• Constant alignment with international recommendations and best practices on governance</td>
<td>• Implementation of a set of Policies on Sustainability Topics</td>
<td>• Launch of training courses on Group Anticorruption Code in English • Adoption and implementation of Group Anticorruption Code (2021)</td>
</tr>
</tbody>
</table>
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 assigned 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.

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.
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.

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.

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 goods 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 suppliers 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.
- Health and safety of employees and contractors
- Human rights
- Energy efficiency
- GHG emissions
- Water & waste management

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. 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. 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. The Group is also exposed to risks related to climate change such as:

(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
(ii) the impact of client awareness and sensitivity to climate change and GHG emissions reduction, with a consequent shift towards low-carbon products.

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. 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.

- Implementation of the Group Code of Ethics and Organization, Management and Control Model as per Italian Legislative Decree 231/2001 (“231 Model”); - 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;
- Performing of a detailed risk analysis to eliminate and minimize the probability and the impact related to an event;
- Performing the HSE Design, from Front End Engineering Design to detailed EPC phase;
- Implementing an intensive HSE training program for workers in each construction site and in head offices;
- Policy regarding environmental compliance (there are no cases of “non-compliance” with environmental laws and regulations).

For more details, please refer to Chapter 7.
### SUSTAINABILITY AT MAIRE TECNIMONT

**2019 SUSTAINABILITY REPORT**

#### Customer relations/IT risks

Maire Tecnimont give particular attention to the reliability of its IT systems as necessary to achieve business objectives. 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.

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:

- 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.

#### Health and safety of employees and contractors/epidemics and diseased

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. The occurrence of any of the risks described below could have a material adverse effect on business operations and financial performance.

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.

- 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.