



CREATING VALUE



2019



EXECUTIVE
SUMMARY

WE ARE A TECHNOLOGY-DRIVEN PLAYER



**“THE
EXTRAORDINARY
TIMES WE ARE
LIVING THROUGH
PUSH US EVERY
DAY TO FIND NEW
WAYS TO REPOSITION
OURSELVES IN A
GLOBAL ECONOMY
FOCUSED ON
SUSTAINABILITY.”**

Fabrizio Di Amato
Maire Tecnimont Chairman
and Major Shareholder



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

Pierroberto Folgiero
Maire Tecnimont CEO
and COO



45
COUNTRIES



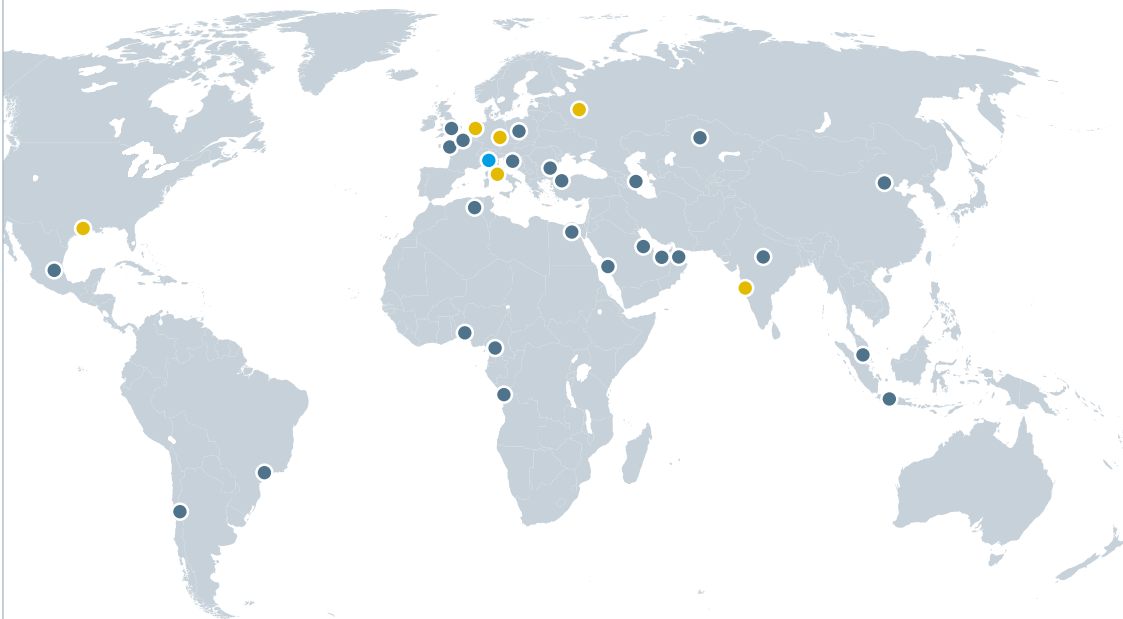
50+
COMPANIES



~58
MAIN
PROJECTS¹



~9,300
EMPLOYEES &
PROFESSIONALS²



● Headquarters

● Main offices
and engineering centres

● Subsidiaries, branch
and representative offices

We work to convert natural resources into energy, innovative and sustainable materials. Agility, flexibility and internationality are the attributes of the business model with which we face the energy transition every day.


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

² Including ~3,000 professionals in electrical and instrumental division.

OUR VISION

We are convinced that 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. From a grounded vision – our one is inspired by the **Sustainable Development Goals (SDGs)** and the **UN Global Compact Ten Principles** – derives equally concrete goals and feeling the need for a faster energy transition, we have decided to set ourselves the following:

- 1 minimize the **carbon footprint** for oil&gas processing;
- 2 strengthen the **circular economy**;
- 3 develop **new products** and **processes** for non-fossil raw materials.



BY 2030
CUT EMISSIONS
IN HALF

BY 2050
CARBON
NEUTRALITY

ENERGY TRANSITION ENABLERS



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

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

Our **2020-2024 Industrial Plan** include ESG sustainability indicators (environmental, social and governance) linked to the **Sustainable Development Goals** set out in the United Nations 2030 Agenda. We have implemented a systemic approach to pursue **efficiency, resilience and growth** integrating sustainability in every aspect of our operations, with the long-term goal of driving **energy transition** and contributing to the **sustainable**

and inclusive development of the communities where we operate.

In this way, we intend to overcome obstacles along a transition path towards a **low-carbon global economy**, not forgetting the importance of guaranteeing long-term economic development of the countries where we are present and attention to local communities and their instances.



NextChem
Maire Tecnimont for Energy Transition

NEXTCHEM: THE 2019 MILESTONES TOWARDS THE ENERGY TRANSITION

Reducing the impact of our business, contributing to a sustainable economy and guiding our clients towards the carbon footprint reduction is the goal of **NextChem**, through which we want to manage the energy transition.

During 2019, NextChem set up several initiatives:
1. the launch of the **first Upcycling plant** in Italy with our **MyReplast** technology's unique

capability to produce high quality recycled polymers from plastic waste;
2. the **agreement with ENI** to build **waste-to-hydrogen** and **waste-to-methanol** plants in the refineries of Venice and Livorno;
3. agreements to build the first plant for the production of a bio-chemical intermediate for bio-lubricants and the licensing a **new Renewable Diesel technology**.

GOVERNANCE OF SUSTAINABILITY

Our **Corporate Governance** is aligned with **international best practices** in transparency, fairness and sustainability, starting from our top management.

15%

OF THE GOALS ASSIGNED TO THE CEO
WERE LINKED TO
ENVIRONMENTAL SUSTAINABILITY

10%

OF THE OBJECTIVES OF THE 2019-2021
LONG TERM INCENTIVE PLAN
ASSOCIATED TO ESG TARGETS



7 WOMEN

IN OUR CORPORATE
GOVERNANCE BODY
OUT OF 15 PEOPLE



100%

GOVERNANCE BODY
MEMBERS TRAINED
ON ANTI-CORRUPTION

ETHICS AND COMPLIANCE

WE ACT IN COMPLIANCE WITH STANDARDS

Ethics and compliance are a distinctive component of our Group conduct as key factors for maintaining and strengthening stakeholder confidence. Business ethics and compliance are indeed the principles that guide the

construction of an integrated Internal Control and Risk Management System that is appropriate to the size, complexity and operational structures of our Group, as well as to the sustainability challenges related to the exercise of business activities and the dynamics of interaction with stakeholders.

MAIRE TECNIMONT COMMITMENT TO THE SDGs

A further **commitment** dictated by the desire to increasingly direct our sustainability goals, action plan and reporting towards a **concrete integration of sustainability in operations**. A paradigm shift through which we can approach, day after day, the achievement of the goals set in **2030 Agenda by the UN**, with the shared effort paving the way

towards more equal societies and protection of our planet.

In particular, we set ourselves the twelve **Sustainable Development Goals (SDGs)** - from the 17 - in which we can contribute the most as a business player and corporate citizen.

- 2011
WE JOINED
THE UN
GLOBAL COMPACT
- 2015
WE JOINED THE
GLOBAL COMPACT
NETWORK ITALIA
AS FOUNDING
MEMBERS
- 2019
WE BECAME
A PARTICIPANT
OF THE UN
GLOBAL COMPACT
AND JOINED THE
BOARD OF
GLOBAL COMPACT
NETWORK ITALIA



PEOPLE

MORE THAN 6,300 PEOPLE, ONE GROUP

Passion, sense of belonging and competences: the starting point on which to build goals, recognize merits, generate value.

In our Group, each **person** must be and feel **valued** for her/his **peculiarities**, **unique skills** and **professionalism**,

regardless of age, gender, ethnicity and cultural background.

Inclusion and **equal opportunities** are indeed **key values** of our identity, always present in our Group Code of Ethics and expressly and forcefully confirmed in the “*Human Resources*” Policy and through the establishment of a Group “*Diversity and inclusion*” committee.

A UNIQUE
IDENTITY

79
DIFFERENT
NATIONALITIES

FOCUS ON LOCAL COMMUNITIES

The consolidated approach to **local content as a distinctive operating method in the Group’s host Countries** and the ever-increasing **development**

of local workforce have made it possible to record the further **decrease in Italian and non-Italian staff posted abroad** during the projects construction phase, in favour of the **employment of local workforce in the geographical areas** where we operate.

+14% MIDDLE MANAGEMENT POSITIONS OCCUPIED BY WOMEN VS 2018

We continue to guarantee gender balance with concrete measures and programs, safeguarding the **gender diversity** in our Group also through constant alignment with the relevant legislation.

Indeed, for us it is fundamental to ensure **equal opportunities** of growth and

development for all those who works and cooperates with our Group. Despite the **incidence of women** on the entire Group’s workforce (equal to 20%) is already **in line with the industry average** (European O&G Services), we aim to further **increase** the number of women working as **Middle Managers** and **Executives** – which already increased of 14% and 2% respectively, in 2019. *The decision to establish a Group “Diversity and inclusion” committee is also attributable to this purpose.*

66,000+ TRAINING HOURS

For us, supporting **professional growth** is fundamental in order to maintain a high competency level of our People: the launch of **MET Academy** has been a milestone in the digitalization and **capitalization**

process of the company expertise heritage.

MET Academy, the Group’s new digital window on Group **training offer**, facilitating the fruition of the company expertise heritage and promoting its continuous updating, represents a unique tool for professional growth for our



~9,300
EMPLOYEES AND
PROFESSIONALS



6,340
EMPLOYEES



3,154
ENGINEERING
DEGREES



1,249
WOMEN
REPRESENTING 20%
OF THE GROUP’S
WORKFORCE



100%
EMPLOYEES
RETURNED TO WORK
AFTER PARENTAL
LEAVE ENDED



93%
AVERAGE
SALARY GAP

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

200+
TRAINING CONTENTS

1 SECTION
DEDICATED TO
NEW EMPLOYEES

People. This innovative platform constitutes, especially with regard to new employees, an important vehicle for spreading the **culture** and **values** of our organization, the principles of our **Code of Ethics**, and the awareness of our origins and the goals we aim to achieve.

In **2019**, we provided over **66,000 training hours** (+24% from 2018), relating to:

- 1 specialized-technical knowledge;
- 2 Code of Ethics, the Italian Legislative Decree 231/2001 and anti-corruption topics;
- 3 development of behaviours and effective communication styles capable of supporting and ease the business.

TRAINING: WHAT'S NEW IN 2019 AND THE EMPLOYER BRANDING

Some of the most innovative development initiatives launched in 2019 were:

1. the **"Every Single Decision Counts"** training course dedicated to strengthening decision making skills in complex scenarios, in partnership with **LUISS Business School**;
2. the **Competences Development Program (CDP)** involved **over 300 people from Procurement Departments** at Group level, which offers training courses focused on Supply Chain Management & Economics, Vendor Management and Negotiation Techniques for Procurement;
3. e-learning courses on **Cyber Security** aimed at strengthening awareness of potential IT risks.

We also confirmed ourselves as promoters of contact and interaction opportunities with various **academic institutions**, thus consolidating the extensive **network** of players with whom we have

activated important research and development projects. The most important initiatives carried out in 2019 were:

1. the establishment of a scholarship to allow brilliant young employees to undergo a prestigious development path, an **Executive Master in Project Management** at **MIP – Milan Polytechnic**;
2. sponsorship, at the **Milan Polytechnic**, of a chair in **Chemical Projects Engineering and Management** and participation in career days and other company presentation to students;
3. the confirmation, at the **Baku Higher Oil School** in Azerbaijan, of the **development program**, offering the most deserving students a training course within our Group;
4. the inauguration of a chair in **Open Innovation** at **LUISS Guido Carli** in University in Rome, a new and significant opportunity to open up and support the academic world.

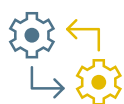
R&D AND INNOVATION

INNOVATION: PART OF OUR DNA FOR MORE THAN 50 YEARS

We have always converted new concepts and insights into successful market applications. Today our goal is to be "industrializers of sustainability". Investments in **innovation projects, start-ups** and **partnerships**: in the last five years we have built a technology portfolio to best address the new needs of our companies and our stakeholders and customers. Thanks to **NextChem** and our efficient **R&D** structure, we continue to make innovation one of the Group's **main competitive advantages** and to be at the forefront by industrializing **new green solutions**:

- 1 creating of new products from **renewable feedstock**;
- 2 entering new **markets with a non-fossil footprint**;
- 3 **reducing carbon emissions** of traditional plants;
- 4 **improving circularity** through Upcycling and waste-to-chemicals.

Delivering innovative products, supporting operational improvements, boosting productivity: this is the Focus of our Group.



€ 56 MN
R&D EXPENDITURE
IN THE LAST
FIVE YEARS

MYREPLAST: IMPROVING WASTE RECYCLING THROUGH A CIRCULAR ECONOMY, WITH AN INTEGRATED PLASTIC RECYCLING APPROACH

In June 2019 – through **MyReplast Industries**, a subsidiary of NextChem – we opened the **first advanced plastic waste Upcycling plant** in Brescia, Italy: one of the most efficient and economically

sustainable in the EU, supported by **Intesa Sanpaolo**, through the new fund dedicated to the Circular Economy, in partnership with the **Ellen MacArthur Foundation**.

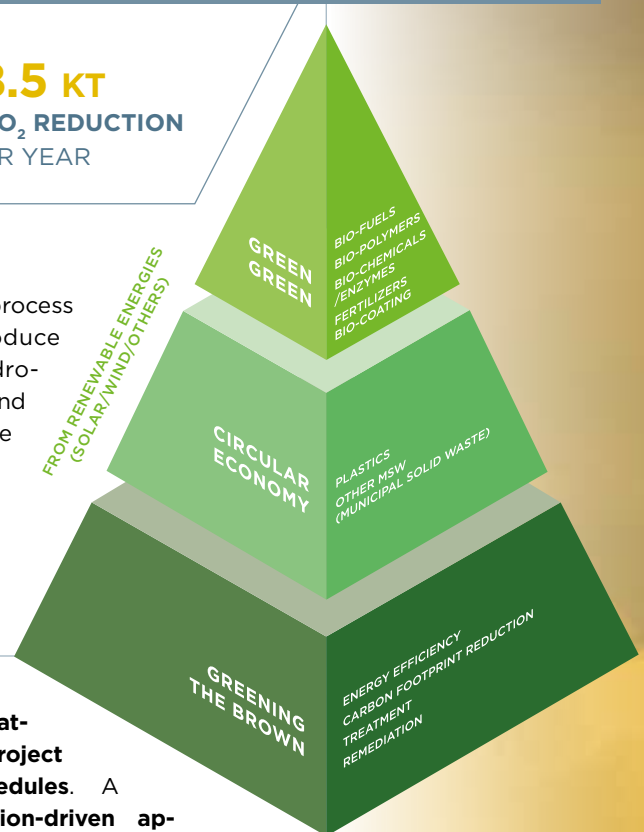
40 KT
OVERALL CAPACITY
PER YEAR

95%
EFFICIENCY

8.5 KT
TOTAL CO₂ REDUCTION
PER YEAR

Our approach to the circular economy is based on the concept of applying the **best available technology** according to the **recyclability grade** of the plastic waste input. From **highly recyclable plastics**, new raw material can be obtained for substituting virgin polymers in producing plastic goods. **Non-recyclable plastics** may find their best use

in a chemical process that can produce “circular” hydrogen, methanol and other valuable chemicals.



Our aim is to become the **Contractor of the future**, catalyzing the digitalization applied to **Engineering Procurement & Construction (EPC)**, strengthening our role as a “**digital orchestrator**” of the over 6,000 companies in our supply chain and growing in ability to **anticipate and manage the disruptions** caused by technologies, customers and markets in which we operate. Our Digital Transformation strategy is acting on two different levels:

1 digitalizing the core processes: since 2015 we have been reviewing and simplifying internal processes and now we have reached a **leading position** in the improvement of EPC core processes which allows for a **reduction of**

costs and a **greater control of project execution schedules**. A truly **construction-driven approach** to **improve productivity** and HSSE Key Performances;

2 offer digital products to customers: we want to create a wider range of **digital services** for customers, in a win-win strategy marked by the identification of **new Value streams** enabled by Technology that **reduce the total cost of investment** and lead to an improvement of **Clients’ experience**. These solutions also open up to the evaluation of new opportunities to enhance the generation of **in-country value (ICV)**.



57
INNOVATION
PROJECTS

~1,500
PATENTS

BEYOND DIGITAL, MILAN, ITALY - NOVEMBER 19, 2019

**BEYOND
DIGITAL**

“We interpret digitalization not as ‘dreamers’ but as ‘doers’, i.e. with the pragmatic approach of the engineering contractor used to compete in the field with complexity”

Pierroberto Folgiero
Maire Tecnimont Group CEO

20+ COLLABORATIONS WITH UNIVERSITIES AND RESEARCH CENTERS

Collaboration with major **universities**, **research centers**, **technology suppliers** and **commercial partners** is a fundamental part of our **history** and **identity**: we have always wanted to create a strong **bridge** between the academic and industrial world. Today, more than ever, we want to step up the wide **network** of Italian and foreign universities and centers with which we develop **research projects** and create exchanges of views and ideas.



ECONOMIC DEVELOPMENT, LOCAL COMMUNITIES AND SUPPLY CHAIN

WE BELIEVE IN BUSINESS SUSTAINABILITY

Our commitment to long-term value creation is an integral part of our strategy, based on open dialogue and shared objectives.

As a **multinational Group**, we intend to act as a **catalyst** for a virtuous circle of **sustainable development**: maximizing **local content** is one of the cornerstones to enhance the **host Countries** as well as a response to those resource-rich

countries – in the Middle East, the North Africa region and the Gulf countries – which want to derive more benefits from their wealth of resources.

The approach adopted in all Group's regions is adapted each time to the **specificities** of the territory and to the **variety** of projects undertaken. In this respect, in **2020** we launched the multi-year strategic **In-Country Value (ICV)**. In particular, we aim to contribute to the **social and economic well-being** of local areas through:



20

**REPRESENTATIVE
PROJECTS**

FOR REVENUES,
TYPOLOGY AND
GEOGRAPHY

52%

LOCAL COST

FOR PURCHASING
OF GOODS AND
SERVICES

€5 BN

**GOODS AND
SERVICES**

SPENT LOCALLY

99%

LOCAL WORKFORCE

EMPLOYED IN THE
INDIA REGION

62%

LOCAL WORKFORCE

EMPLOYED IN THE RUSSIA
& CASPIAN REGION

The In-Country Value project not only is a pillar of our **long-term presence** in the host Countries, but also is the basis of a **lasting and sustainable contribution** which:

1 maximizes opportunities for higher levels of **reliability** and **quality** through proximity to local suppliers;

2 optimizes opportunities for **lower costs** on some locally procured goods and services;

3 **reduces the risks** associated with projects;

4 helps develop a **trusting relationship** with the local communities.

**100% NEW SUPPLIERS
SCREENED ON
ENVIRONMENTAL AND
SOCIAL CRITERIA**

We have set two main objectives in relation to our supply chain: a reduction of environmental, social, and governance (ESG) non-conformities and an improvement in relative performances. In this regard, in 2019 we decided to adopt a Supply Chain Policy, which intends to represent the corporate

guidelines for a responsible and sustainable management to ensure the application of ethical, economic, environmental and social principles along the value chain. The Group's Code of Ethics accompanies it, a de facto guide and code of conduct for our suppliers to respect for human rights, equal opportunities and environmental protection.



SUSTAINABLE SUPPLY CHAIN PLATFORM

In 2019 we took part in the international joint industry program (JIP) for the creation of industry-shared guidelines on metrics for assessing the environmental, social and (ESG) sustainability of supply chains in the plant engineering industries. Together with leading international EPC contractors and key players in the Italian Association of Plant

Engineering (ANIMP), we intend to common define the metrics for the creation of Sustainability Scores, shared through an innovative digital vendor management platform for each vendor, as well as linked as much as possible to existing standards, norms and programs.

**6 MAIN
PHILANTHROPY INITIATIVES**

In line with our **values**, we have embraced the vision that **philanthropy** is one of the tools helping the pursuit of achieving the **Sustainable Development Goals**, but with the unique capacity to be **closer to the beneficiaries** and have a more direct relationship with problems to be remedied. Within this framework of reference, we put in place actions in terms of **CSR, charity, advocacy** and **partnerships** for social development, in a two-level strategy:

1 operational level: working closely with local communities and meeting their needs;

2 corporate level: carrying out wider action by cooperating with and supporting for **NGOs** to create a synergy between corporate resources and skills of the third sector professionals, the only way to ensure a real impact and create positive change.

There are six of our main **corporate giving** projects around the world.



WOMEN'S EMPOWERMENT - MUMBAI, INDIA

Cooperating with the local NGO CORP, we **promote the empowerment of disadvantaged women**: we offer them **basic working training** they can easily use to enter the **job market**, become financially

independent and play an **active role** in their communities. **Women's rights** awareness sessions, medical check-ups and childcare services contribute to this virtuous circle with wide-ranging social falls.

HEALTH, SAFETY, ENVIRONMENT & SOCIAL ACCOUNTABILITY

OUR HSE&SA MANAGEMENT SYSTEM

We are daily committed to promote and guarantee the health and welfare of our people, the safety of our industrial plants and the protection of the environment.

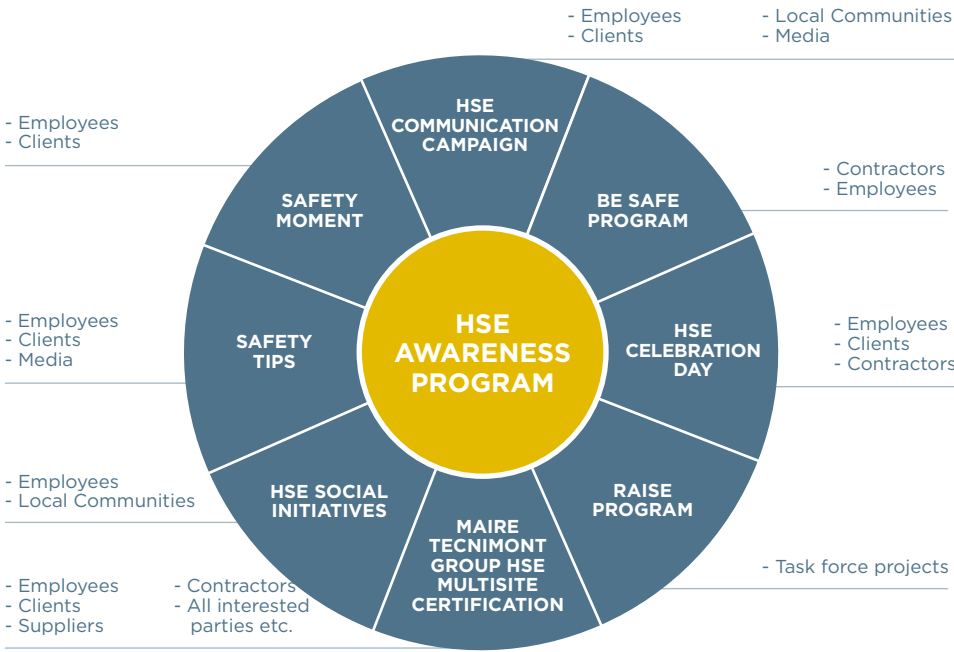


SAFETHINK HSE AWARENESS PROGRAM

The health and **welfare** of the individual, the **safety** of industrial plants and the protection of the **environment** are essential values of our Group on which we are daily committed. We put them into practice through our **Health, Safety & Environment (HSE) Management System** multisite, certified according to the OHSAS 18001:2007 and ISO 14001:2015 standards, which includes Maire Tecnimont Group and its main subsidiaries.

Spending our efforts into increasing the engagement of our colleagues, our clients and subcontractors, because HSE is a value which everyone believes in and identifies with. The challenge of our journey is to humanize HSE and move towards an **HSE culture**.

Launched in 2018, the **HSE Awareness Program** aims to convey this culture to our entire Group and stakeholders with whom we interact every day, thus ensuring an increase in **awareness** on these issues.



SAFETHINK

To maximize our safety culture we have launched an innovative brand: **Safethink**, a neologism that represents the basis of every single behavior and to always keep in mind ‘make the right choice’ in our work.

5 engagement events, about **4,500 attendants**: with Safethink campaigns we aim to make each of us increasingly aware of “actively thinking about safety” before acting and reinforcing a shared HSE identity.

2.6 MN TRAINING HOURS ON HSE AND SOCIAL ACCOUNTABILITY

The **safety** and **protection** of **people** is not only a priority but a fundamental value that all of us put into practice in all our activities day after day. We are committed to increase the **engagement** of our colleagues, our clients and subcontractors, because HSE and Social Accountability are a value which everyone believes in and identify with. **Training** is essential to the creation of value for our stakeholders and to ensure the long-term health of our business.

Continuously developing the **professional competences** and skills of our employees is a strategic activity for the Group. We foresee an intense training program with ad hoc sessions to improve knowledge on **health, safety** and **environment issues**, tailored according to the role and tasks of each employee. In terms of activities performed on site,

training is a key element of **incident prevention**.

In order to ensure **ethical** and **responsible management**, the Group's certified companies, with a similar process to that used for the HSE matters, are committed to maintain a **voluntary Social Responsibility certification** in accordance with the SA8000 management system.

A central aspect of our vision is to **listen** and **give voice** to the various internal and external stakeholders. We have therefore created **dedicated channels to send/receive reports**, as a direct way of receiving complaints and suggestions to improve daily working life or concerning company policies and/or SA8000 standard requirements, ensuring the anonymity of the complainant. Indeed, a special section of the corporate website allows both internal and external stakeholder to report any such alleged breaches.

"B" RATING BY CARBON DISCLOSURE PROJECT

We are increasingly committed to a green economy, firmly believing in respect and protection of the environment. In **February 2019**, our **environmental sustainability** policies and

actions against climate change made us obtain the rating **"B"** by the **Carbon Disclosure Project**, the international non-profit organization specialized in the assessment and measurement of performance and strategies of the major international players.

0.096 LTIF INDICATOR ON CONSTRUCTION SITES

Our **Management System** also complies with the **OHSAS 18001:2007** standard for occupational **health** and **safety**: the health and welfare of the individual and the safety of industrial plants are essential corporate values.

We support a **preventive approach** for reducing the risk of accidents and their associated effects, safeguarding the health and safety of both employees and personnel under our responsibility, and minimizing negative impacts at the headquarters and construction sites.

10,253 KJ
ENERGY
CONSUPTION
AT HOME OFFICES

ZERO
LOCAL EMISSIONS
AT MILAN OFFICES

1.30
EMISSION INTENSITY
AT HOME OFFICES
[KgCO₂/HOURS WORKED]

1.98
EMISSION INTENSITY
AT CONSTRUCTION
SITES
[KgCO₂/HOURS WORKED]

349 MN
MAN-HOURS
WORKED
AT HOME OFFICES
AND CONSTRUCTION
SITES WORLDWIDE
OVER THE PAST
THREE YEARS

ZERO
OCCUPATIONAL
DISEASE RATE

0.099
LTIF⁴ INDICATOR
ACCORDING TO OHSAS⁵
FOR THE
HYDROCARBONS
BUSINESS UNIT

0.317
TRIR⁶ INDICATOR
FOR THE
HYDROCARBONS
BUSINESS UNIT
CONSTRUCTION SITES

4 Lost Time Injury Frequency.
5 US Occupational Safety and Health Administration.
6 Total Recordable Injury Rate.

GROUP HIGHLIGHTS 2019

FINANCIALS



€3.3 BN
REVENUES



€6.4 BN
BACKLOG



€3.2 BN
ORDER INTAKE

SUPPLY CHAIN



€2.1 BN
TOT GOODS
AND SERVICES
ORDERED IN THE YEAR



26,000+
SUPPLIERS



52%
GOODS AND SERVICES
PURCHASED LOCALLY⁷

TECHNOLOGY



1,492
PATENTS



5
INNOVATION
CENTERS



57
INNOVATION
PROJECTS

HSE



B RATING CDP
(CARBON DISCLOSURE
PROJECT)



218,933 T
EMISSIONS CO₂EQ
(SCOPE 1 + SCOPE 2)



0.096
LTIF ON SITE⁹
(LOST TIME
INJURY FREQ.)

PEOPLE



~9,300
EMPLOYEES AND
PROFESSIONALS⁸

OUT OF WHICH



6,347
EMPLOYEES



1,249
WOMEN



79
NATIONALITIES



3,154
ENGINEERING DEGREE

TRAINING



2.7 MN
HRS OF TRAINING
(INCL. HSE AND SUB-CONTRACTORS)



105 MN
HRS WORKED
ON SITE



~45
COUNTRIES
WHERE MAIRE
TECNIMONT OPERATES



2011
OFFICIALLY JOINED THE
"UNITED NATIONS
GLOBAL COMPACT"

⁷ Referred to 20 projects that best represent the business of the Group both in terms of progress and as a type of product and technology.

⁸ Including ~3,000 professionals in electrical and instrumental division.

⁹ Referred to Hydrocarbons Business Unit.



Scan the QR code
to read the digital version
of the full Report.

This document is an Executive Summary of "Creating Value - 2019 Sustainability Report".
For any feedback about this publication, please send an e-mail to: sustainability@mairetecnimont.it



MSCI



ISS QualityScore



SUSTAINALYTICS



INTEGRATED
GOVERNANCE
INDEX

Edited by Maire Tecnimont Sustainability Reporting Department and Institutional Relations &
Communication Department - **Graphic Design** Visualmade