

Sustainability Report

2014





Sustainability Report 2014



salini
impregilo 

Table of contents

CEO Foreword	4
1. About the Salini Impregilo Group	6
1.1 2014 in a nutshell	9
1.2 Competitive environment	10
1.3 Business Sustainability Model	11
1.4 Corporate Governance	14
1.5 KPI summary	15
2. Our Commitment to Excellence	16
2.1 Innovation and client satisfaction	18
2.2 Open dialogue	19
2.3 Business integrity	20
3. Our Commitment to Shared Growth	22
3.1 Job creation	24
3.2 Local economies support	26
3.3 Community support	27
4. Our Commitment to People Care	30
4.1 Attracting and developing talents	32
4.2 Health and Safety	33
4.3 Personnel wellbeing	35
5. Our Commitment to Environmental Stewardship	36
5.1 Our challenges	38
5.2 Our pledge to the environment	39
6. Case Histories	44
6.1 Community	47
6.2 People	51
6.3 Environment	56
7. Appendix	60
7.1 Materiality analysis	62
7.2 Performance data	64
7.3 Methodological note	69
7.4 GRI Content Index	75
7.5 Assurance report	76

CEO Foreword

Dear stakeholders,

2014 represented a real turning point for all of us. In the first year of post-merger operations, we achieved the assigned growth objectives and defined the new corporate entity and organisation, further consolidating our ability to implement complex projects in the most diverse and challenging contexts in the world, ensuring the highest levels of quality, safety and environmental sustainability.



We are endeavouring to preserve all the main assets of our legacy whilst developing a shared corporate culture for the new Salini Impregilo Group, thereby offering the delivery of long-term value in financial, environmental, social and ethic terms.

Our approach

We firmly believe that contractors are pioneers and key contributors to economic growth.

As a principled business we aim to strengthen society by pursuing strategic issues such as energy security, water scarcity, urban growth and mobility through our business activity, investments and supply chains.

Some of our ongoing projects embody this approach. The two mega hydroelectric projects under construction in Ethiopia are destined to drastically change and improve the quality of the daily lives of Ethiopia's 99 million inhabitants. The Grand Ethiopian Renaissance Dam, as the name suggests, represents the renaissance of this nation.

The same principle applies to several of the metro lines currently under construction in many major cities around the world, relieving urban traffic and shortening distances. The Cityringen new metro line in Copenhagen for example will introduce 17 new underground stations connecting key areas of the capital city since 85% of all homes, workplace and institutions of higher education will be within 600 metres of a metro station. This again represents an improvement in the daily lives of the estimated 130 million passengers per year.

Our achievements

Through our projects worldwide, we have succeeded in viewing sustainability also through a local lens thereby continuing to generate direct positive value for local stakeholders. A first example is in the employment sector and job creation: our Group has over 34,000 direct employees and about 17,000 subcontractors' employees, totalling about 51,000 people employed in our projects, not considering the jobs created in related industries. Job creation and recruitment represent key issues for our Group so much so that in 2014 we launched a recruitment programme that will create 15,000 jobs worldwide in the business plan's period.

We have maintained excellent working and living standards for our employees and we are proud to be able to assert that our commitment has become a benchmark in countries like Qatar, where local authorities and international trade unions have recognised the excellent work done. This is an example of how our actions affect others and the wider environment.

This success follows the signature of an important agreement last October with national and international unions to promote the best working practices in all countries where we operate, confirming the commitment towards our employees and our policy to treat everyone equally. We are fully aware that people are the real driving force of our Company.

Besides protecting people's rights, we have also invested increasing resources in our workforce's development. Indeed, we are aware that our work does not end in the pure construction of infrastructures but must also contribute to the social development of communities, especially considering that about two-thirds of our workforce is employed in countries with emerging economies, where access to basic services – water, energy, health, education – is not guaranteed for all.

In these areas, from Asia to Latin America and Africa, we have invested significant resources in vocational training to strengthen the technical expertise of thousands of employees. This huge effort has also enabled us to improve our global safety performance (-21% for Injury Rate and -46% for the Lost Day Rate) and to reinforce the safety culture among our people, contributing to raise the general labour standards in these areas, thanks to the creation of a pool of workers, suppliers and contractors that are increasingly aware and competent.

We have continued to stay close to our communities, supporting them both in everyday life and in extraordinary events. At our project sites located in rural and remote areas, our medical staff has continued to provide free health care to local communities, treating over 23,000 cases in Ethiopia, Colombia, Nigeria and Zimbabwe, mostly involving children, women and old people. We also supported the population in Genoa affected by the flood last October, donating to the city the project design for safety measures along the Bisagno River, which will guarantee to realise this important project in a faster way and prevent inconveniences caused by possible future natural disasters.

We have improved our environmental performance by increasing the recovered and recycled amount of raw materials, water and waste. We have continued to develop innovative solutions to reduce our energy consumption and emissions of greenhouse gases, such as tri-generation systems and the totally carbon-neutral camp under construction at the metro project of Red Line North in Doha.

Our ambitions

We are proud of all these important achievements and I hope that our example will inspire other companies, clients and institutions to align core business activities. The results reached represent an incentive for us to do even more. We want to continue to create value for our clients, investors, employees, partners and local communities, in accordance with our ethical principles and those of the Global Compact on human rights, labour, environment and anti-corruption.

In presenting the Sustainability Report 2014, I want to thank all of our 34,000 employees who, with their daily commitment around the world, made it possible to achieve these incredible results.

Pietro Salini





salini
impregilo

1. About the Salini Impregilo Group

Salini Impregilo is a world leading infrastructure Group operating in the water segment¹ and a major player in the railway and metropolitan transport sectors.

We focus on developing and successfully executing innovative projects capable of enhancing communities and contributing to the economic and social improvement of nations.

In this section

1.1 2014 in a nutshell	9
1.2 Competitive environment	10
1.3 Business Sustainability Model	11
1.4 Corporate Governance	14
1.5 KPI summary	15



¹ According to special ENR (Engineering News Records) rankings.

Our track record

230

Dams and hydroelectric plants

1,350 km

Underground works

6,730 km

Railways

375 km

Metropolitan railway systems

36,500 km

Roads and motorways

330 km

Bridges and viaducts

Our expertise

Dams, hydroelectric plants and hydraulic works

Salini Impregilo is a world leader in the construction of dams, hydroelectric plants, and hydraulic engineering works. Since its foundation, the Group has constructed approximately 230 dams and hydroelectric plants around the globe, with an installed capacity of more than 37,200 MW of low-cost, “clean” energy – now universally considered to be a vital prerequisite of economic development. The Group is presently engaged in the development of significant new projects in this sector, including the massive scheme for doubling the capacity of the Panama Canal, and several vast hydroelectric projects in Africa.

Motorways and airports

It is widely acknowledged that road infrastructure plays a decisive role in the economic growth and social development of any country. With this in mind, Salini Impregilo has constructed over 36,500 kilometres of roads and motorways, and approximately 330 kilometres of bridges and viaducts in many countries around the globe. The Group is currently involved in numerous projects of various sizes and complexity of this kind, with projects that range from building roads to connect the built-up areas of Sierra Leone, to the resurfacing of the Kazakh motorway route that retraces the ancient “Silk Road”, along with important urban and extra-urban beltway systems in densely populated areas such as Dubai, Milan, and Long Beach, California.

Railways and undergrounds

Railway systems continue to offer the most environmentally sustainable method of land transport currently available. The Group has contributed to developing this form of transport by building over 6,730 kilometres of railway lines, approximately 375 kilometres of metro lines and more than 1,350 kilometres of underground works. Among the many areas in which it applies its expertise, Salini Impregilo is actively assisting in building and extending high-speed intercity railway routes (Milan-Genoa, Italy; Sydney North West Rail Link, Australia), and in the overhaul of metropolitan transport systems in many cities around the world, including Thessaloniki, San Francisco, Copenhagen, Milan, Doha, Riyadh, and Lima.

Civil and industrial buildings

Working in partnership with architects and designers of international renown, Salini Impregilo continues to provide its experience and know-how in the construction of innovative civic buildings around the world. Many of these contracts involve urban vital facilities such as hospital complexes, university campuses, and government buildings, along with other structures that not only serve practical purposes, but also play an important cultural role, such as the two important cultural centres under construction: one in Abuja (promoted by Nigeria’s Federal Ministry of Culture and Tourism), and a second in Athens (promoted by the Stavros Niarchos Foundation, and designed by the firm of the Italian architect Renzo Piano).

Our global footprint

>50

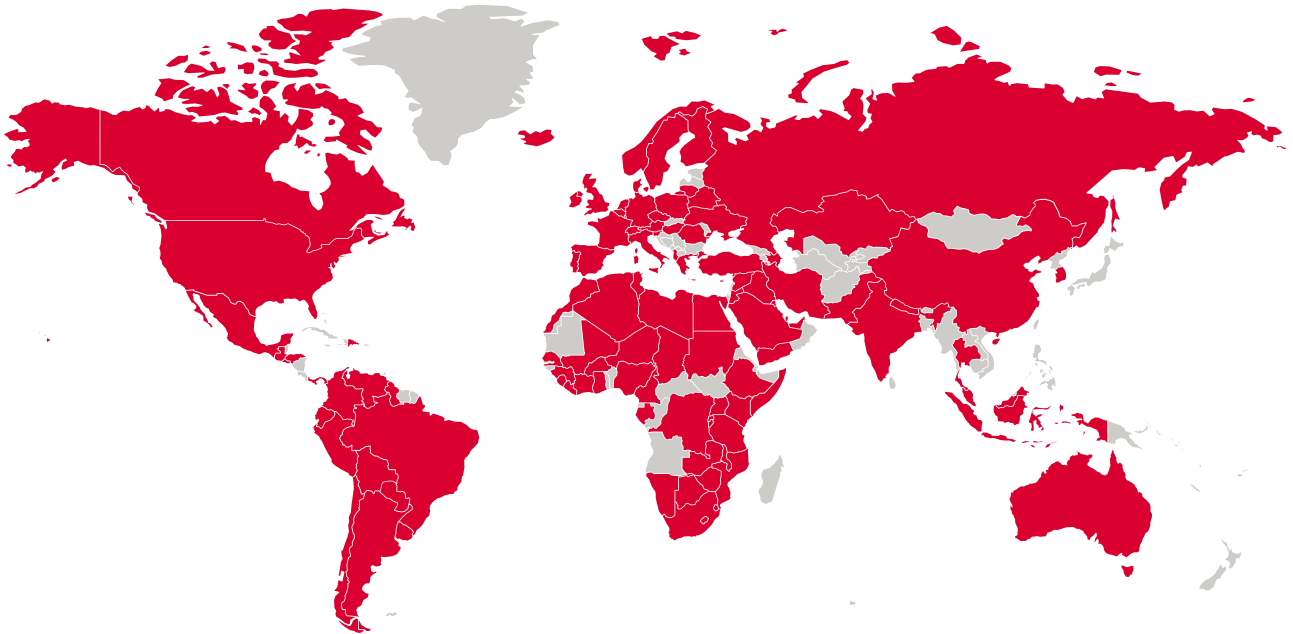
Countries

34,100

Staff worldwide

85

Nationalities



1.1 2014 in a nutshell

In its first year of post-merger operations, Salini Impregilo's achievements were consistent with the targets of its 2014-2017 Business Plan.

In 2014 the Group realised consolidated revenues of €4.2 billion, showing a 10.7% increase over the figures for 2013 restated on a comparable basis.

At the end of the period in question, the order backlog topped €32.4 billion, of which €25.3 billion was related to construction, and €7.1 billion to concession. New orders totalled €6.5 billion, comprising new contracts, variations to orders, and share increases.

In 2014 Salini Impregilo had some 34,100 employees on its own payroll (44% of whom are under 30 years old), plus another 16,700 employees working for subcontractors.

1.2 Competitive environment

Although the slowdown in the global economy during the last four to five years has affected nearly all sectors of industry and business, the demand for large-scale infrastructures has remained constant, given that public facilities of the kind the Group builds play a crucial role in the development and support of economies around the world, both in industrialised markets and in those still emerging.

Indeed, while these emerging countries are investing in infrastructures to stimulate domestic growth and urbanisation, their more developed counterparts have needed to enlarge or completely replace their existing infrastructures in order to meet the ever-growing internal demand for energy and greater mobility.

Besides contributing to national economies through the stimulation of labour demand and other related economic activities, the construction sector plays a decisive role in addressing certain critical challenges currently facing societies all over the world, including:

Poverty alleviation – Infrastructure improvement is inextricably linked to poverty alleviation, particularly in low-income countries, where better infrastructure can provide a safety net against natural disasters and economic shocks.

Energy security – Access to energy is one of the major pillars of development of any society, and yet today's fossil-fuel energy system continues to leave up to 1.4 billion people around the world without their rightful access to electricity.

Transition to a low-carbon economy – The United Nations Environmental Programme (UNEP) has stressed the urgent need for greater investment in the sectors of energy, water, transport, and building as fundamental to achieving a low-carbon and resource-efficient future.

Compatibility of economic growth and sustainability – According to the UN's "green economy" guidelines, economic growth and socio-environmental sustainability should be mutually reinforcing rather than seen as incompatible forces, whereby new job opportunities run parallel with sustainable growth that is calculated to avoid such risks as climate change, water scarcity, or any harm to the existing ecosystem².

As our track record shows, an essential part of the Group's continuing mission is to maintain a major role in addressing these challenges at the international level. Currently, Salini Impregilo is engaged in several of the most important ongoing hydroelectric projects in the world, which when completed will produce clean, affordable energy, while ensuring proper river-flow control and flood avoidance. The Group is also constantly engaged in the reduction of global warming, and recent projects worldwide include sophisticated eco-sensitive surface and underground railway systems, along with "green" buildings realised with technologies that minimise greenhouse gas emissions and other forms of pollution.

2 "Towards a Green Economy – Pathways to Sustainable Development and Poverty Eradication", UNEP, 2011.

1.3 Business Sustainability Model

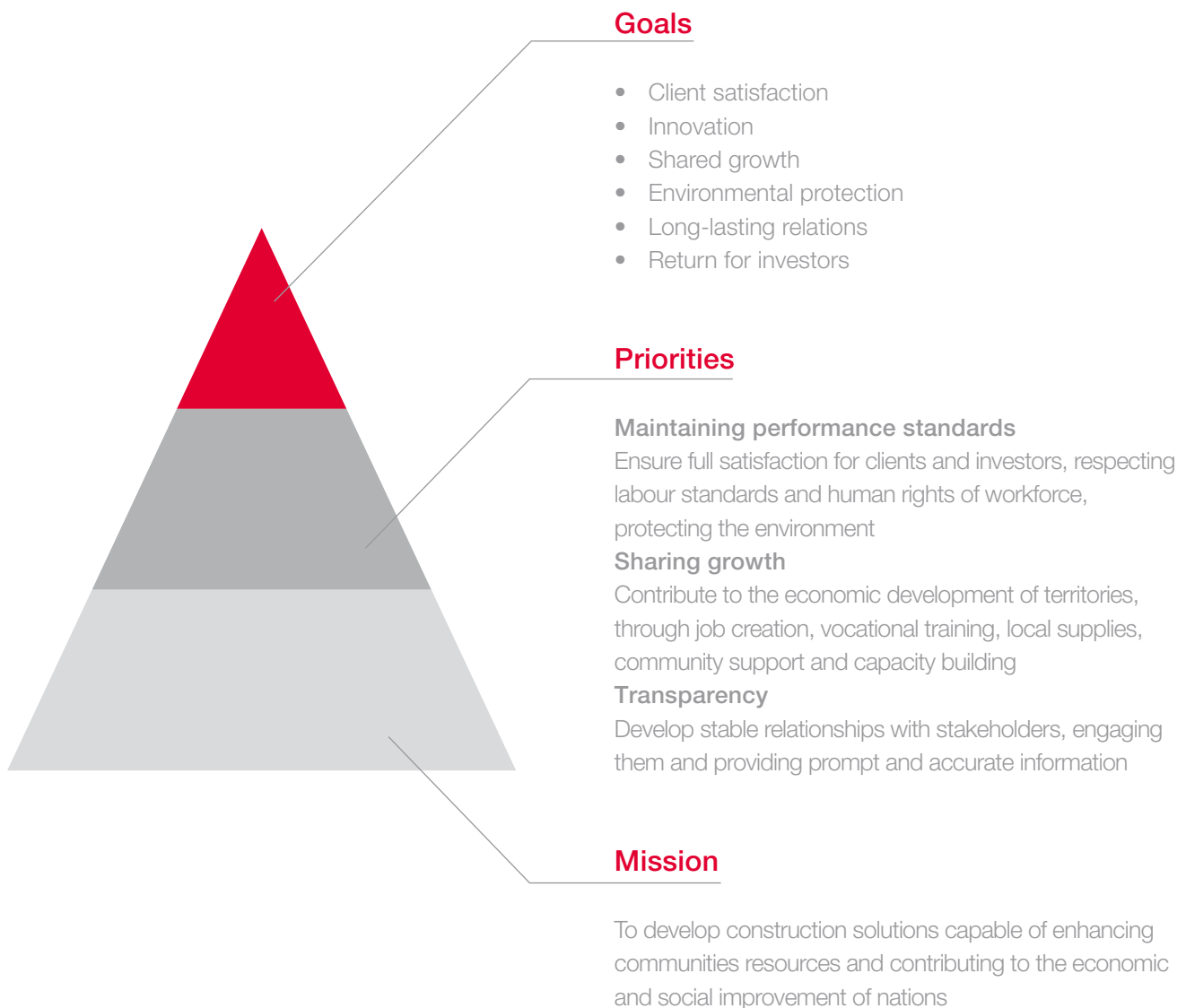
Over 100 years of experience in the construction of roads, motorways, railways, dams, hydroelectric plants, tunnels, aqueducts, and civil and industrial buildings around the world, have enabled Salini Impregilo to develop a strong business model that adheres to the principles of sustainable development, which are rigorously applied to all our key processes.

Salini Impregilo's activities span the entire sequence of construction activity, from designing and planning, to building and delivering. We use the finest resources

available to ensure our clients are satisfied, and to create value for all our stakeholders.

The Business Sustainability Model illustrated below comprises three key elements, by which our commitment to sustainability and our business development goals are mutually supportive.

Salini Impregilo Business Sustainability Model



The **Mission** at the core of our business model – and the very principle that orients our strategic decisions and day-to-day work – is that wherever it operates the Company must make every effort to contribute to local welfare, and to that area's social and economic development.

This principle has fostered a business culture focused on human values encouraging us to adapt our working processes in numerous and diversified environments, interpreting and meeting the expectations of local institutions, clients, and communities, and taking full account of the different cultural histories and backgrounds of our technical and operational counterparts in each new project.

At Salini Impregilo, the principle of sustainable growth is deeply embedded in the entire organisation, and represents a key element of our position on the global market, affecting the way we do business at all levels.

Our **Priorities** focus on three main areas of commitment:

- **Maintaining performance standards** – toward our investors and clients; toward our own workforce and collaborators; and toward the host environment of each operation;
- **Sharing growth** – by contributing to the economic and social development of the territories in which we operate, through job creation, vocational training, local supplies and community support;
- **Transparency** – at all levels in our operations to ensure mutual confidence with our stakeholders, engaging them and providing prompt and detailed information about our activities.

Implementing these commitments with due attention has enabled us to generate shared value and achieve tangible results for both the Company and our stakeholders.

Goals attained include:

- The successful completion of complex, large-scale infrastructure projects that have met and exceeded our clients' expectations in terms of contract schedules, technological innovation, and sustainability performance;
- Significant contributions to the growth of local economies;
- Ensuring strict health and safety standards in the workplace, and fostering working relationships based on mutual respect, while promoting the development of new skills for the local workforce;
- Raising the general awareness of the environmental challenges posed by climate change and growing pollution in urban areas, while fostering the empowerment of developing territories through the introduction of environmentally-sensitive infrastructure;
- Excellent relations with all our stakeholders, both internal and external, ensuring optimum results in each of our areas of expertise.

Integrating sustainability into the business

To ensure the effective implementation of these sustainability priorities at all levels of our organisation, Salini Impregilo has instituted an integrated framework of specific policies, management principles, and control systems that conform to major international standards and guidelines.

In 2014 Salini Impregilo successfully formulated a new comprehensive policy of sustainability (published in January 2015), by which all the major departments subscribe to ten core values of conduct which, along with the corporate Code of Ethics, provide a reference point for all individuals operating within the Group.

The Group is also a signatory to the UN Global Compact, the world's largest strategic policy initiative for businesses committed to aligning their operations and strategies with ten universally accepted principles relating to human rights, labour, the environment, and anti-corruption.

In addition to the policies and procedures for human resources management, Salini Impregilo endorsed its commitment to human and labour rights through an International Framework Agreement signed with the Italian and International Construction Unions in 2014.

The Group has also voluntarily adopted an Integrated Management System in compliance with the ISO standards 9001 (for quality), 14001 (environment), and the OHSAS 18001 (for health and safety). This is implemented by all Group companies, and our conformance is verified by an independent external body.

In 2014 Salini Impregilo adopted an Anti-Corruption Compliance System, reinforcing the prevention and control structure ensured by Company procedures and by Model 231, a specific compliance scheme provided for by the Italian law.

As for the Group's commitment to transparency, our accountability is conveyed by means of this Report, which has been drafted in accordance with the new Global Reporting Initiative GRI-G4 Guidelines. As part of its constant drive for transparency, wherever it has a presence the Group also routinely organises activities such as community meetings and information campaigns as a means of engaging local populations interactively.

In 2014 Salini Impregilo has also voluntarily adhered to the Carbon Disclosure Project (CDP), the global platform supported by over 800 institutional investors that allows for the measuring, comparing and sharing of environmental performance data provided by more than 2,000 companies worldwide.

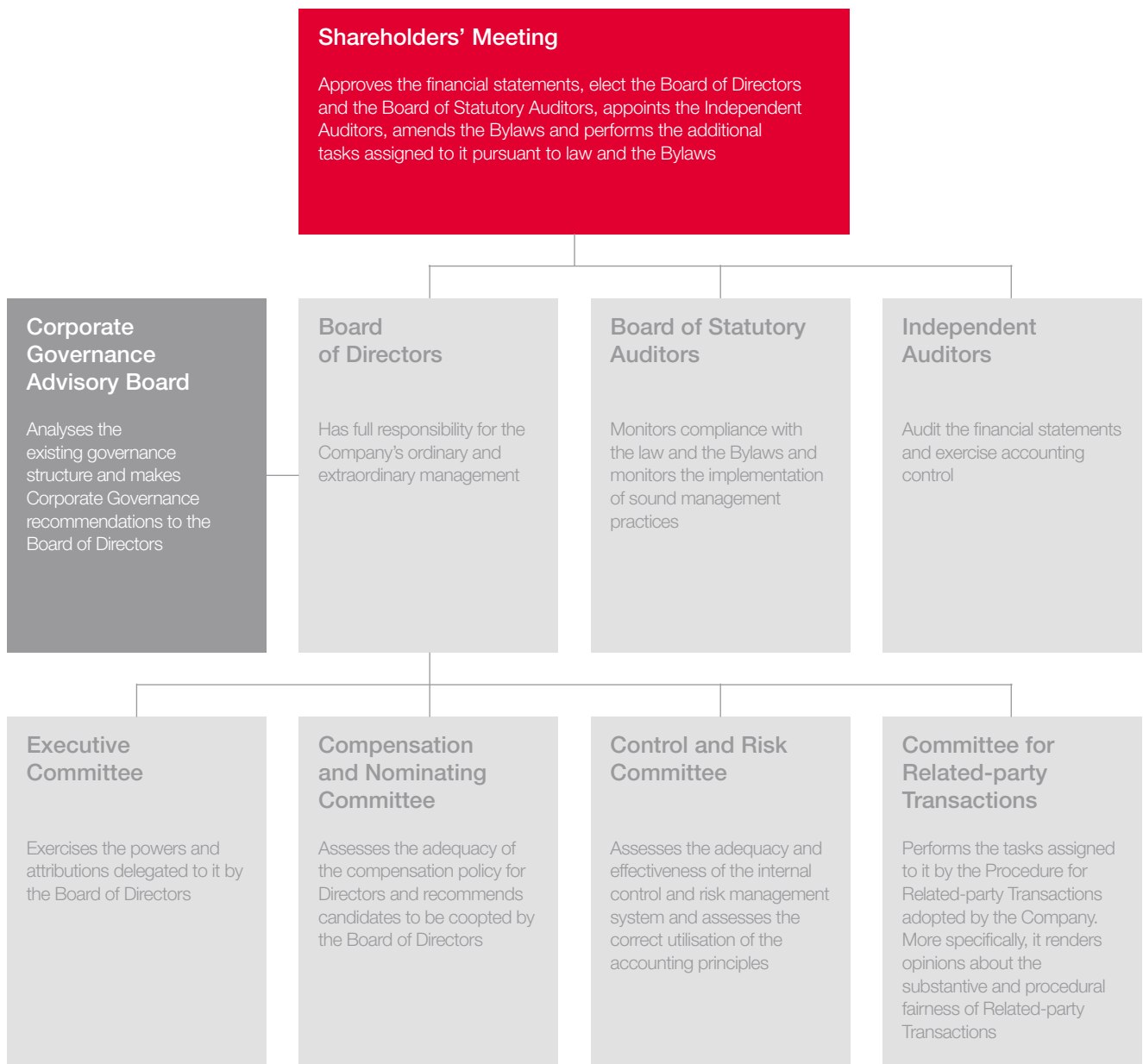
1.4 Corporate Governance

Salini Impregilo's governance system is based on the conventional management model, and adheres to the highest international standards of business practice in order to operate at maximum efficiency and ensure the highest levels of transparency.

The Group's Board of Directors comprises fourteen members (including four women), eleven of whom meet the independence requirements, representing 78.6% of the Board.

The Board has appointed four internal Committees, along with a Corporate Governance Advisory Board, that monitors against potential conflicts of interest and possible investor interference.

To ensure transparency and foster trust in our operations, an internal Investor Relations unit monitors the market, and relays comprehensive and timely information on which investors can base their decisions.



1.5 KPI summary

Economic value distributed		Local workforce employed		Employees under 30 years old	
2014	3,890 € million	2014	86 %	2014	44 %
2013	3,111 € million	2013	90 %	2013	42 %
2012	1,118 € million	2012	87 %	2012	37 %

Training provided		Injury Rate		Lost Day Rate	
2014	705,118 hours	2014	0.86	2014	15.12
2013	316,233 hours	2013	1.09	2013	28.05
2012	231,094 hours	2012	1.71	2012	31.03

Excavation materials reutilised		Energy intensity		Greenhouse gas (GHG) emissions intensity	
2014	63 %	2014	2,157 GJ/€ million	2014	163 t CO₂e/€ million
2013	54 %	2013	2,372 GJ/€ million	2013	180 t CO ₂ e/€ million
2012	52 %	2012	1,698 GJ/€ million	2012	129 t CO ₂ e/€ million



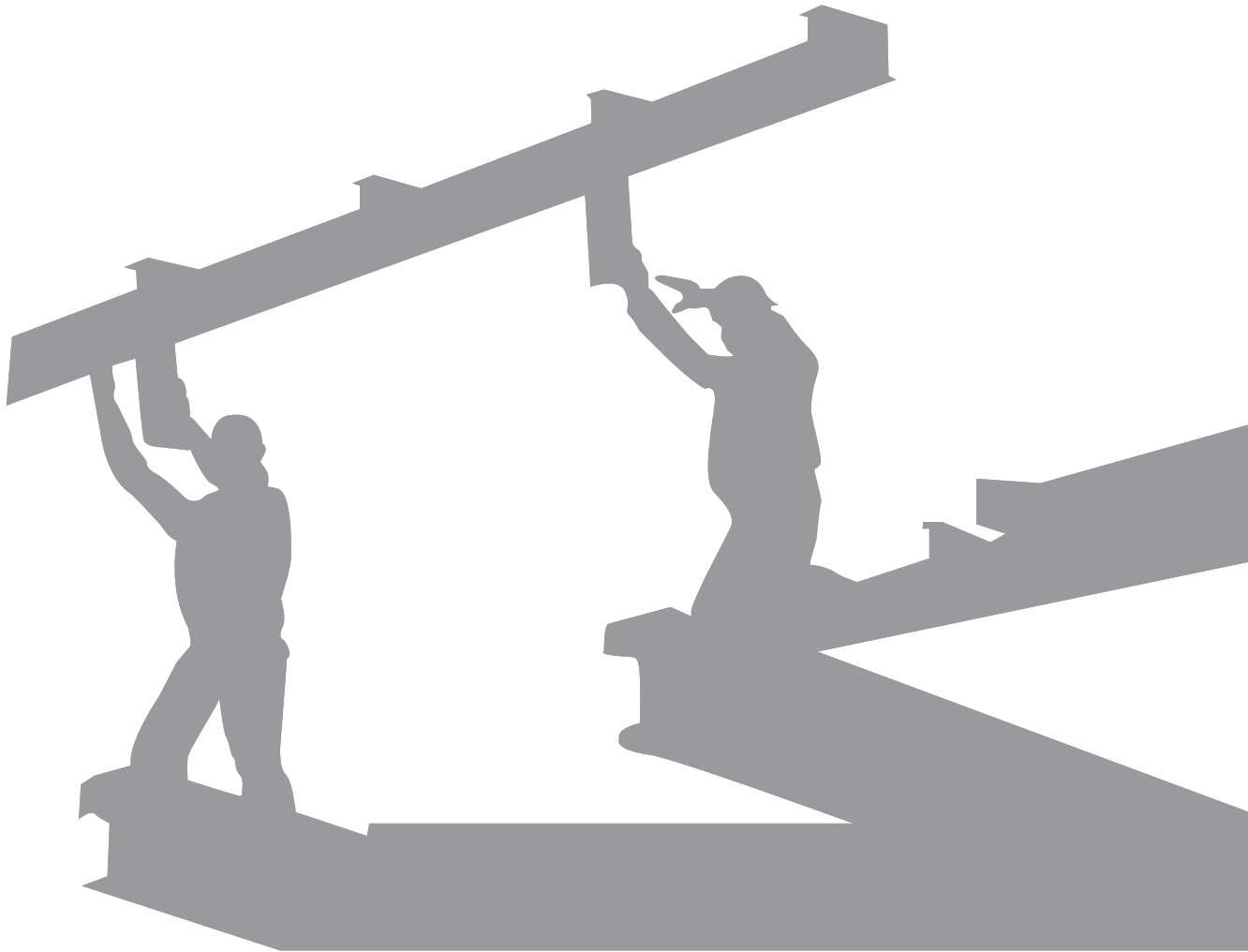


2. Our Commitment to Excellence

Salini Impregilo's ongoing mission is to play a key role in advancing large-scale infrastructure industry construction worldwide, working in close collaboration with the entire value chain to ensure continuous innovation, integrity, and transparency at all levels.

In this section

2.1 Innovation and client satisfaction	18
2.2 Open dialogue	19
2.3 Business integrity	20



23,200 m³

World record in placing RCC (Roller Compacted Concrete) in 24 hours at the Grand Ethiopian Renaissance Dam in Ethiopia

15 bar

World record in tunnelling under high-water pressure with TBM (Tunnel Boring Machine) at Lake Mead in the United States

>30,000

Local stakeholders involved in engagement activities

2014

Development of an Anti-Corruption Compliance System

2.1 Innovation and client satisfaction

Constant innovation is a vital element to success in the large-scale infrastructure sector. Besides ensuring steady advances in the technologies of materials, components, and production processes, other factors demanding a constantly innovative approach include the ability to manage the uniqueness of each project in relation with its environmental context, gauging the right timeframe to ensure the profitability of the projects, along with ensuring the safety of personnel, local communities, and end users.

For decades Salini Impregilo has proved its commitment to developing bespoke construction solutions and high-quality project proposals. This is achieved after completing a careful analysis of the clients' needs and an exacting study of the most relevant technological innovations applicable to the project in question. Salini Impregilo's leadership in innovation is also maintained through an astute choice of collaborators, which is why we have fostered lasting strategic partnerships with the world's most renowned professionals and engineering companies, as well as with the most innovative suppliers and technology developers.

These tactical elements have enabled the Group to make important tenders for international contracts awarded on the basis of strict criteria, which include not only the quality of work, realisation, running costs, and financing schemes, but also innovations introduced into the projects to improve safety and reduce environmental impact.

Thanks to the considerable range of expertise Salini Impregilo has acquired through its operations around the globe, the Group has earned a solid reputation for attaining full client satisfaction. Contributing to this success is its application of the ISO 9001-certified Quality Management System for the entire scope of the Group's activities, from the design stage and management of works to the implementation and subsequent running of construction activities. Salini Impregilo assigns specific responsibilities and duties to expert technicians who follow the project through each stage, from the drawing board to the construction site itself, carefully orchestrating the organisational, operational, decision-making, and internal control aspects of the project.

This procedure is an integral part of the Group's internal Quality, Safety and Environment Integrated Management System (QSE), and ensures that public works on this vast scale conform to the highest standards. The Group's application of this Quality Management System has had considerable success, not only in meeting client expectations, but also in simplifying client audits and reducing the risk of disputes.

>32,000

Individual quality control operations carried out

>3,500

Meetings with clients dedicated to Quality and HSE issues

2.2 Open dialogue

Working closely on-site every day with our stakeholders has shown us how fundamentally important dialogue is in ensuring the success of any project. Hence, transparency and engagement have become intrinsic features of our sustainability strategy.

Moreover, owing to the Group's distinctive corporate nature and its notable geographical extension as a worldwide operator, over time we have developed a set of highly diversified and flexible engagement practices in response to our stakeholders' greatly varying needs. At a corporate level, our key stakeholders include investors, clients, partners, governments, and media. At an operating

level, our principal engagement activities relate to a given project's features and the key stakeholders, who include partners, employees, local communities, suppliers, contractors and subcontractors, clients, local authorities, and organisations such as unions and NGOs (non-governmental organisations).

This approach has enabled Salini Impregilo to develop and maintain excellent relationships with all its stakeholders worldwide.

Stakeholders						
Employees	Clients and potential clients	Investors	Suppliers, contractors and subcontractors, business partners	Local communities and NGOs	Governments and public administrations	Trade associations and media
Communications channels in place						
Regular meetings, internal training activities, surveys, evaluation processes, trade union meetings, intranet	Stable and continuing relationship with clients, in all project's phases	Shareholders' meetings, reports and accounts, investor relations, stable relations with financial institutions and rating agencies	Selection processes, regular meetings, training activities, feedback systems, stable relationships with partner firms, in all project's phases	Meetings with community representatives, regular communications activities, sponsorships and social contributions activities	Stable relations with host countries' authorities and local institutions (often clients)	Participation in trade association activities, systematic press review activities, press releases, website, organisation of events
Issue of interest						
Working environment, health and safety, security, skills development, fair evaluations and compensations	Quality performances, technical support in planning and implementation of projects, capacity building activities	Corporate Governance system, financial performance, future development plans, investments in listed companies	Quality performances, technical enhancement, shared management of HSE	Project-related concerns, transfer of know-how, social services and facilities, local development support	Infrastructures development, project management, anti-corruption, auxiliary services	Financial performance, project-related issues, infrastructures development

Engagement at operating level

Confirming Salini Impregilo's reputation is the ensemble of stakeholders who were specifically engaged in preparing the 2014 Sustainability Report: the consultations they carried out at project level highlighted the important role the Group plays in safeguarding the environment, creating employment, enhancing the local supply chain, and empowering local communities.

The stakeholders also recognised the Group's commitment to maintaining high levels of communication with all parties involved in its projects. This acknowledgement is particularly important for us, since we consider it essential to our continued success: namely, the ability to pay careful need to stakeholders' needs, and find viable solutions to meet their expectations, while maintaining the utmost transparency at all levels of our activity.

This transparency is particularly important in handling relations with the communities living in close proximity to our sites. In fact, community relations play a fundamental role in our activities, whose guiding principles include local involvement at all levels of the organisation and respect for local cultures, along with fairness and transparency.

At all stages of the realisation of an infrastructure, the Group takes the needs of people affected by the sites into account: from preliminary environmental impact studies, to construction methods that employ the best available technologies, and efforts to compensate for – or mitigate – any of the side-effects of construction activities.

Working in league with its clients, Salini Impregilo conducts extensive communications campaigns to inform the local population about each project's progress and the execution methods employed, with the aim of stimulating shared activities with local inhabitants.

Part of the contractual agreement is to ensure that each site establishes dedicated communication channels with external stakeholders, both physical (i.e., information offices at the site and/or adjacent to it) and virtual in the form of dedicated telephone help-lines, websites, etc. These channels allow the Group to maintain direct contact with local people, providing them with information about the activities being carried out, and gathering community feedback. Comments and observations are studied by

the site management, and dealt with according to specific procedures. The resulting busy schedule of activities carried out in response is evidence of the Group's ongoing commitment:

>120

Meetings held with local communities and their representatives

>20,500

People hosted at our projects during 140 open-door events

>9,000

People engaged in over 120 information campaigns about our projects

2.3 Business integrity

For Salini Impregilo, balancing business values with a solid work ethic and maintaining integrity throughout the enterprise is the surest way to preserve the Group's investments and reputation. To this end, our commitment to business integrity represents a key value for the Group's employees.

Code of Ethics

This commitment is unequivocally stated in the Group's Code of Ethics. The Code defines the values and principles of honesty, fairness, integrity, transparency, impartiality, confidentiality, safety of physical integrity and human dignity, protection of the environment, dialogue and engagement with stakeholders, as the distinctive elements of the Group's activities.

The Code represents a reference point for those who work in the Group, for all individuals involved in the Company's mission, or who contribute to the pursuit of the Group's objectives. The principles outlined likewise provide conduct guidelines for the Group's directors, employees, and all those who for whatever reason collaborate with the Salini Impregilo Group worldwide.

The internal Control and Risk Committee and the Integrity Board are in charge of monitoring compliance with the Code of Ethics. In particular, the Integrity Board – an independent three-member committee established in accordance with the Italian Legislative Decree no. 231/2001 – ensures compliance with the Code through inspections carried out by the Compliance Department. All recipients of the Code can make use of a direct mailbox to inform the Integrity Board of any possible breaches, which are dealt with in complete confidentiality to protect those concerned.

Anti-Corruption Compliance System

To reinforce the provisions of the Code of Ethics and fully integrate the 10th principle of the Global Compact into the organisation, in 2014 Salini Impregilo developed its own Anti-Corruption Compliance System, composed of a specific policy, a management model, and detailed guidelines and procedures that assign roles and responsibilities for operations and monitoring at all levels of the organisation.

The Anti-Corruption Model is an element of the Group's internal control system aimed at strengthening certain prevention protocols, minimising the risk of active or passive corruption, and ensuring compliance with the principles introduced by the anti-corruption laws and international best practices.

A special Anti-Corruption Legal Support Unit, founded within the Compliance Department, is responsible for providing assistance and advice on anti-corruption issues, as well as for monitoring the Model's application and its effectiveness.

A key element of the Model is the whistle-blowing system, which allows individuals to anonymously report presumed or known violations, guaranteeing them protection against any form of retaliation, discrimination, or penalty.

The violation of the principles and provisions of the Anti-Corruption Model, or also the failure to report known or suspected illegal actions, represents a serious breach of contract between the Company and its employees or collaborators. In these cases, Salini Impregilo will take the appropriate measures prescribed in the legal and contractual rules, namely conservative sanctions, dismissal, termination of the contractual relationship, damages, etc.

In order to raise awareness and full understanding of the Model, Salini Impregilo provides a binding anti-corruption training programme for all employees, its level of detail adjusted to the qualifications and position of the individual employee, and to his/her degree of involvement in activities considered sensitive.

In 2014 an internal briefing programme on the Model was provided for all the members of the Board and of the Committees, along with all employees and business partners. Moreover, all contracts with third parties now include specific clauses obliging compliance with the principles contained in the Code of Ethics and the Anti-Corruption Model of the Group.

In the course of the year, all employees at headquarters and at construction projects under way in Italy received specific training on anti-corruption, through both traditional in-house courses and e-learning. In 2015 this training drive will cover all Group employees working on projects outside Italy.

>11,700

Training hours provided on ethics



3. Our Commitment to Shared Growth

Salini Impregilo aspires to build infrastructure projects that act as catalysts for growth in the territories where it operates by means of job creation, local supplier growth, increased revenues for host governments, skills and proficiency building, and social support for local communities.

Our Business Sustainability Model is focused on maximising the local resources – both human and material – and on contributing to the economic and social wellbeing of the communities concerned.

In this section

3.1 Job creation	24
3.2 Local economies support	26
3.3 Community support	27



86%

Workforce hired locally

+22%

Higher entry-level wages, compared to the local minimum

>195,000

Training hours on Quality and HSE provided to subcontractors' employees

>23,000

Free healthcare provided to local communities in remote areas

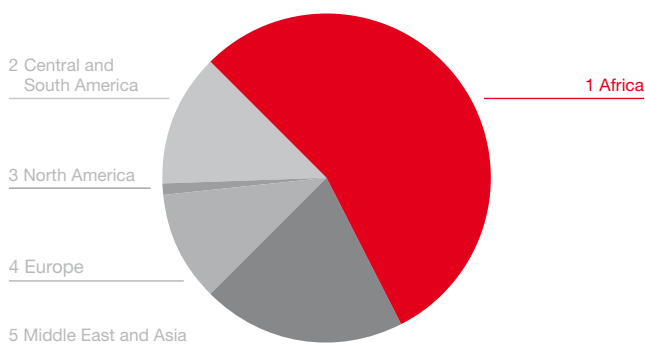
3.1 Job creation

The principal measure of Salini Impregilo's contribution to local economies is the number of jobs created in the host countries. As far as possible, the Group adopts a strategy focused on engaging a local workforce in areas where projects are located. In 2014 Salini Impregilo employed a total local workforce of about 51,000 people, comprising both direct employees and subcontracted workers.

Direct recruitment of local personnel

During the year, some 86% of our 34,100 directly-employed staff consisted of local personnel, mainly at our African operations, followed by Asia, the Middle East, Central and South America. The chart below shows the breakdown of Salini Impregilo's total workforce by geographical region.

Direct employees by region



1 55%

2 13%

3 1%

4 11%

5 20%

In Ethiopia, our Gibe III and GERD (Grand Ethiopian Renaissance Dam) projects employ over 13,000 direct staff, 96% of whom are from local communities. These projects have established important relationships with the local administrations, supporting them through social programmes such as the construction of new roads, water supply, schools, hospital, bridges, administrative offices, HIV and malaria prevention programmes, alongside general health assistance. These efforts markedly contribute to the social welfare and economic development of these areas.

The Group is committed to training and promoting talent among the local people in order to generate on-site management teams that can subsequently transfer their acquired expertise to others in the community.

+10%

Increase in the direct workforce, compared to 2013

55%

Site managers hired locally

Indirect job creation

In addition to the direct workforce, the construction industry makes regular use of subcontractors for certain activities, as well as other providers of services (including technicians, consultants, catering staff, etc.), which contribute significantly to the number of jobs created at the local level. In 2014 around 16,700 people were employed by our subcontractors, and another 2,900 by related service providers, 74% of whom were hired locally.

Developing local skills and expertise

Alongside the provision of skills training, health surveillance, and high employment standards, Salini Impregilo's job creation programme plays a crucial role in enhancing the capabilities of local personnel, mainly in developing countries – in addition to the salaries paid and the contribution we make to local economies.

Building local employment capacity is a priority if we are to benefit from a skilled workforce for present and future projects. This input is also appreciated by local authorities and governments, given the important contribution that vocational training plays in fostering local welfare and growth.

For further information about these issues, refer to the section "Attracting and developing talents".

>705,000

Training hours provided to direct employees

Ensuring equal rights and opportunities

Through our operations around the world we aspire to promote multicultural work environments based on equal opportunity, encouraging individual empowerment and freedom.

In accordance with its internal Code of Ethics, the Group advocates strict guidelines for the respect and safeguard of workers' rights, and strives to prevent any form of discrimination toward individuals or groups engaged in Salini Impregilo's projects, at all levels.

To this end, in 2014 the Group signed an International Framework Agreement with both the Italian and the International Construction Unions aimed at promoting the fundamental principles of human rights worldwide, in line with declarations ratified by the United Nations, the International Labour Organisation, and the OECD.

At all our construction sites, Salini Impregilo makes every effort to respect national and international law, ensure equal rights and fair treatment. Regulatory conditions for non-EU personnel are aligned with those for EU personnel, the key difference being that in some countries taxes and contributions are linked to the region where an individual is employed, and severance pay is not provided.

All workers at our sites have grievance mechanisms at their disposal, which enable them to communicate with management about any concerns regarding labour practices, health and safety, the environment, etc.

Regardless of local rules on minimum working age, we only hire personnel worldwide over the age of 18; to this end, each job applicant's documents are verified to prevent any fraud.

Where applicable, the minimum salary levels are rigorously respected in all countries in which Salini Impregilo operates.

+22%

Higher entry-level wages, compared to the local minimum

3.2 Local economies support

In addition to job creation, Salini Impregilo is committed to expanding the opportunities of the suppliers of goods and services in each host country. The Group's supply strategy in fact attempts to satisfy project requirements as far as possible within the territory in which each project is located, depending on local availability of the goods and services required.

Local supply-chain spending

In 2014 our links with local providers of goods and services remained robust, with an average of 58% of spending placed with locally-based suppliers. This peaked to over 95% in Europe and North America. Moreover, 2,400 new suppliers were contracted by our construction sites for the first time in 2014, and 87% of these were local.

In monetary terms, the total economic value distributed to the supply chain was €3.4 billion, consisted mainly of sub-contracts (43% of total), services (31%), raw materials, and goods (17%).

87%

New suppliers contracted in 2014 from local markets

Procurement process

The supply chain is a fundamental factor in generating value, and a vital contribution to any project's development and implementation. To ensure consistent quality levels and performance worldwide, the Group requires its partners to conform to specific standards and rules, including ethical, social and environmental principles, along with respect for human rights.

To effectively support production activities at our sites around the world, the integrated management of the supply chain is of particular relevance, mainly for what concerns the procurement of facilities, equipment, and materials. The procurement departments at headquarters and at local level ensure the correct management of the entire process, including site visits to suppliers' factories, along with shipping and customs activities.

Special attention is also paid to subcontracts, as these

can have a significant socio-environmental impact on our supply chain. For this reason, they are subject to the same rules that apply to our direct workforce and activities throughout the world.

All major and strategic suppliers are investigated and cross-checked both before and during the execution of contracts. After this, the in-house performance evaluation system leads to the suppliers being either confirmed or denied any further business with the Group.

Supplier support and monitoring

As well as dealing with local enterprises, the Group provides a range of strategic support for suppliers and subcontractors, to ensure satisfactory performance in questions of quality, health, safety, and the environment.

Sharing our knowledge and skills with local suppliers and subcontractors allows us to develop strong partnerships and promote their growth and technical development.

For this reason we regularly schedule specific training activities, especially to our subcontractors' personnel. In 2014 we provided over 195,000 training hours on issues of quality, environment, health, and safety.

In addition, our site-based Quality and HSE Departments carry out regular monitoring of subcontractors to guarantee the same standards of protection and performance that are ensured to activities carried out directly by our employees. In 2014 around 3,000 formal meetings were held with subcontractors on these issues.

The Group also periodically checks the compliance of subcontractors and service providers with regard to legal obligations related to wages, social security, and insurance for workers employed at our sites.

As with our direct workforce, subcontractors are eligible to use our on-site grievance procedures to report their concerns and suggestions to the management.

>195,000

Training hours provided to subcontractors' employees

3.3 Community support

Over the years, the communities with which we interact around the world have come to recognise and appreciate Salini Impregilo's longstanding commitment to the cultures, needs, and expectations of those communities, and acknowledge the Group's efforts to create and strengthen the socio-economic systems of each host country.

For decades now, one of the mainstays of our everyday activities is to ensure full integration of our sites with the surrounding areas, paying close attention to three key features: a deep knowledge of our territories, constant engagement practices, and commitment towards our communities. Through this threefold approach we have been able to obtain not only strong local support, but also optimum results for all concerned.

Core competencies for developing social infrastructures

Salini Impregilo consistently shows its support for communities through its promotion of a wide range of programmes and activities devised for the local population and environment.

Our strategy consists in placing the Group's core skills and expertise at the service of our communities. In this way we intervene directly to design, build, and deliver infrastructures for the benefit of local inhabitants, deploying our skilled workforce, equipment, and subcontractors.

This approach allows us to maintain rigorous control over each initiative's implementation, thereby ensuring economic and technical efficiency throughout the process. It is also an excellent way to raise awareness on CSR initiatives among our employees, clients, partners, subcontractors and local authorities.

Using this method, in recent years we have realised dozens of enhancement projects, including schools, health centres, public offices, water networks, roads, and bridges – mainly in Sub-Saharan Africa.

We also devise solutions for reassigning facilities after a project's completion, ensuring that the access roads, offices, and worker housing of the site become available to the local community.

As our track record shows, the Group's direct involvement in providing public infrastructure is the mainstay of our investment in local communities. Over the period 2012-2014 we completed 54 initiatives of this kind (8 in 2014).

€ 2.5 million

Investments in local community initiatives

Our social programmes

Besides direct intervention in construction activities, we are also committed to supporting communities through social initiatives and programmes, carried out directly and in partnership with other organisations.

Each programme is based on a sound knowledge of the territory in question and the needs of the inhabitants, to ensure that energies are directed toward initiatives of genuine interest to communities. The Group's management and staff are involved in formulating and structuring these programmes, and oversee all the initiatives supported.

In certain cases, such as in rural areas not served by basic amenities, we offer local communities free access to some of our sites' facilities, such as on-site health clinics, training rooms, water wells, roads, and bridges. This access signals an immediate improvement in the quality of life for thousands of people.

A total of 207 social programmes were carried out over the period 2012-2014 (48 in 2014).

Altogether, we contributed to the local communities through over 260 initiatives, as summarised in the table below.

Investments in initiatives for local communities for the period 2012-2014 totalled some €8.4 million (around €2.5 million in 2014). This comprises direct costs only, and not the value created for local communities, nor the costs sustained for infrastructure developed by the Group for project-related needs (e.g. mainly roads, bridges, water wells and basins), which remain available to communities after the project has been completed.

Community support initiatives by area of intervention

Area	Field of activities	Interventions carried out in the period 2012-2014	
		No.	Countries
Basic infrastructure and services	Especially in remote areas, where people do not have access to basic infrastructures and services, we build roads, bridges, wells and pipelines, as well as provide them with potable water and electricity.	62	Colombia, Ethiopia, Greece, Italy, Kazakhstan, Malaysia, Nigeria, Qatar, Uganda, Ukraine, Venezuela, Zimbabwe
Healthcare	Projects located far from health centres offer free healthcare assistance to people from local communities, including dedicated staff and equipment to access villages and transfer patients. We also provide healthcare facilities to benefit communities in partnership with local institutions and non-governmental organisations.	46	Colombia, Ethiopia, Italy, Kazakhstan, Malaysia, Ukraine, Uganda, Venezuela
Local development	A good knowledge of our local communities enables us to understand their needs, identify opportunities for improvement, and help them to fulfil their potential through vocational training programmes and professional education.	88	Albania, Colombia, Denmark, Ethiopia, Georgia, Italy, Kazakhstan, Malaysia, Nigeria, Saudi Arabia, Tunisia, Turkey, Ukraine, Uganda, Venezuela, Zimbabwe
Education	In some countries, particularly in Africa, where the schools are limited in number and children and young people have difficulty accessing these, we build schools and provide assistance for their daily operation. In other countries, we support education programmes in partnership with other organisations and local institutions.	17	Ethiopia, Italy, Kazakhstan, Malaysia, Nigeria, UAE
Solidarity and humanitarian aids	Being part of our communities also means helping them in emergency situations such as natural disasters, as well as supporting families and those in need.	48	Belarus, Colombia, Ethiopia, Georgia, Greece, Italy, Kazakhstan, Ukraine, Zimbabwe





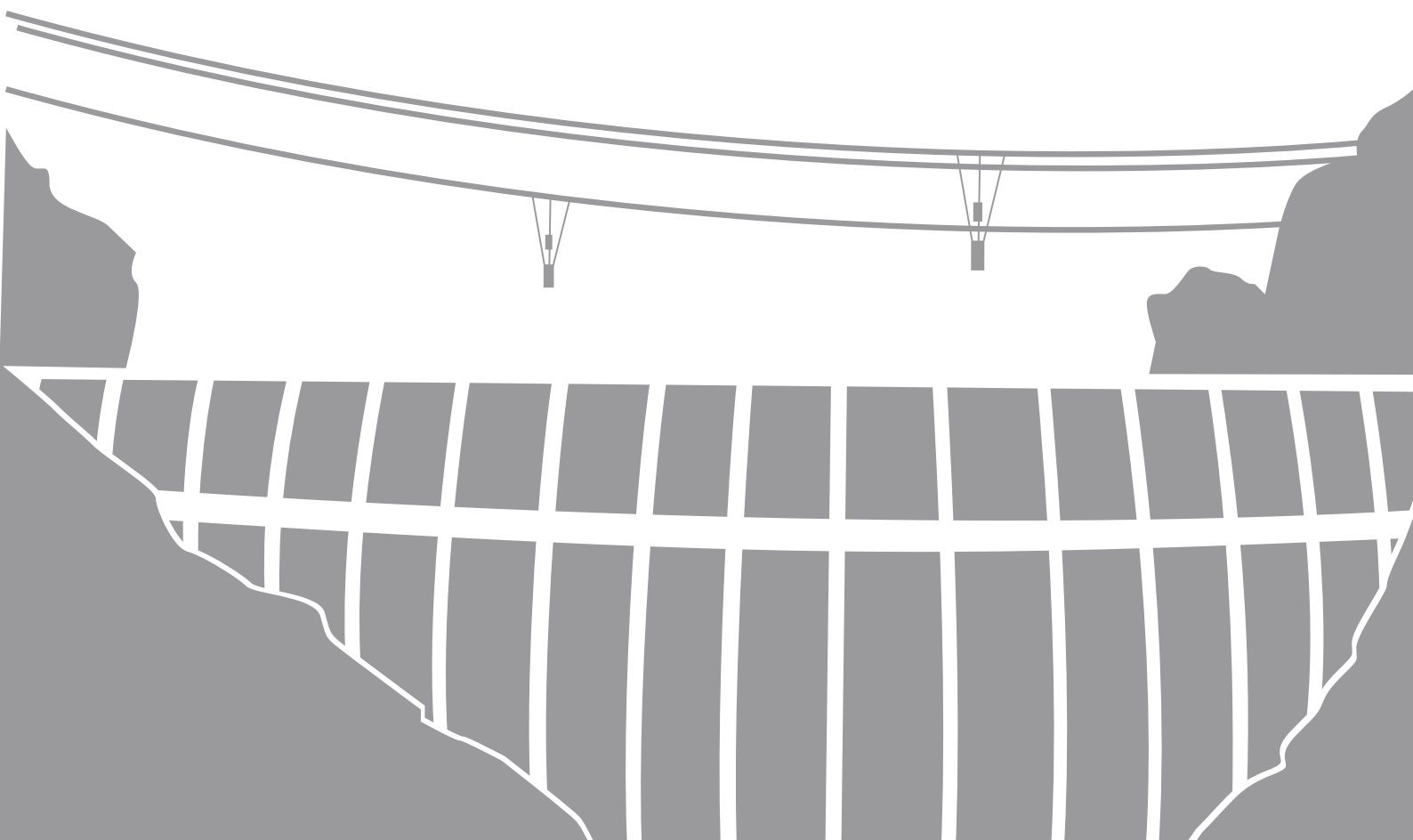
4. Our Commitment to People Care

The people we encounter and work with are the cornerstone of Salini Impregilo's development and success, and fundamental for the Group's objectives and future growth.

We are committed to enhancing the capabilities of our employees, ensuring their continuous development, health and safety protection, and providing a robust welfare system.

In this section

- 4.1 Attracting and developing talents 32
- 4.2 Health and Safety 33
- 4.3 Personnel wellbeing 35



+10%

Increase in direct workforce, compared to 2013

44%

Direct workforce under 30 years old

>705,000

Training hours provided to direct workforce

-21%

Drop in Injury Rate, compared to 2013

Behind each major project we undertake in any corner of the world lies the passion, labour, and commitment of thousands of individuals: the highly skilled and professional women and men who are the passport to our success.

4.1 Attracting and developing talents

Collaborating with us at Salini Impregilo means participating in the construction of cutting-edge international engineering projects; working in a multicultural environment in which relationships are founded on dialogue, respect, transparency, and trust; developing aptitudes and professional skills in a dynamic and competitive organisation; and not least, interacting with the finest industry professionals at global level.

By the end of 2014 Salini Impregilo employed 34,100 people worldwide, 44% of whom were under 30 years old. The majority of our workforce is based in Africa, followed by the Middle East and Asia, Central and South America.

The “**Courage at Work**” recruiting campaign

In late 2014 Salini Impregilo launched a multi-year employment programme evocatively named “**Courage at Work**”, a scheme that embodies the Group’s vision for recovery in the infrastructure industry and, in general, the economy.

The programme provides for the recruitment of 15,000 individuals worldwide in the four years covered by the business plan to 2017. Of this total, 2,500 were already hired at the end of 2014.

The programme also includes a campaign to recruit 100 young students from among the top performers in the Italian Civil, Mechanical, Environmental, Electrical, and Management Engineering Faculties, by launching inter-functional career paths towards learning the skills required for future key roles within the organisation, so that the young engineers of today may become our Project Managers of tomorrow.

The programme envisages a structured induction path for the chosen 100 that will include inter-functional training on site, as well as online learning and development initiatives.

Moreover, the programme also provides for a multi-year guidance and tutoring plan for 500 talented university students in Italy and abroad every year, through an orientation, selection, and training path at the Company.

Through the definition of strategic agreements with the most important Italian and international universities, Salini Impregilo aims to identify and recruit the most talented individuals in the local and international labour market, to foster their development and professional growth through the implementation of tutoring and/or curricular internship programmes for the top performers.

Staff training and development

We are firmly committed to creating a work environment that enhances individual capabilities and fosters the development of competencies and learning potential at the Company, so that each employee can fully realise his or her potential and contribute to the achievement of common goals.

We believe that a continuous training schedule is vital for our employees, and for the Group’s future. For this reason, we define and implement an annual Training Plan that consolidates and develops the corporate skills system, as part of the Group’s concerted drive for excellence in professional standards, performance, and results.

Another important factor of our corporate strategy is investing in the development of professionals at an area level, since this enables us to avail ourselves of dependable resources for projects either within the same geographical area, or wherever their skills are required.

Specialisation and skill upgrades are provided through specific training and knowledge-sharing courses held either at our construction sites or at headquarters, in which a balanced mix of young people and qualified staff ensure that the Company's expertise is transferred to the next generation of professionals.

>705,000

Training hours provided to direct workforce

In addition to induction training on Group policies and procedures for all new hires, each employee undergoes a training programme tailored to the tasks assigned, to develop and maximise his or her skills and abilities. In addition to traditional training systems, an e-learning programme has been launched to support personal development on specific issues of general importance, enabling us to reach out to employees around the world in a more targeted and efficient manner.

In 2014 over 705,000 hours of training were provided for Group personnel, equal to an average of approximately 21 hours per individual.

4.2 Health and Safety

Salini Impregilo recognises the critical importance of occupational health and safety, and ensures the protection and welfare of employees and third parties across all activities at its offices or construction sites. The Group's main objectives in this area are minimising or eliminating the risk of accidents through prevention protocols that are applicable to all operating activities, given that all accidents can be prevented if the due procedures are respected.

Safety management

Effective management of health and safety is ensured at each operating site by dedicated staff involved in risk assessment, planning and implementation of training activities, along with the active involvement of personnel and operational monitoring activities. Worldwide, a total of 3,300 staff are dedicated to the running of health and safety.

Through the adoption of the Safety Management System, certified according to the BS OHSAS 18001 standard, Salini Impregilo has achieved important results over the years, including the cultivation of safety awareness among its employees; a significant reduction in accidents at work; the prevention of occupational diseases; and a steep reduction of insurance costs and fines.

Wherever it operates, Salini Impregilo requires all those working on its sites to comply with its safety standards. All personnel receive an induction course on the Group's health and safety policies and procedures when they join, with additional training on specific risks in line with their assigned tasks.

The employees of subcontractors are likewise expected to participate in training and awareness activities.

The Quality, Environment, Health and Safety Department at the Group's headquarters carries out regular audits of the safety procedures adopted at Group sites and evaluates the application of Company standards on health and safety.

Each year the Company's senior management reviews the suitability, adequacy, and effectiveness of the management systems, evaluating their strengths and weaknesses, and taking the necessary corrective actions to ensure continuous improvement in performance.

Safety performance

In 2014 we continued to endorse the importance of health and safety by increasing our investment in training and awareness raising. During the period our personnel received approximately 575,000 dedicated hours of training on H&S issues, in addition to 180,000 training hours devoted to subcontractors' personnel. In the course of the year over 3,300 people were trained in first aid, as well as 7,700 in fire control and emergencies' response.

Health and safety were the main subjects of about 4,200 technical meetings, of which more than 1,300 were held with clients, and 1,900 with business partners – a clear sign of the attention the entire organisation pays to the welfare of its workers.

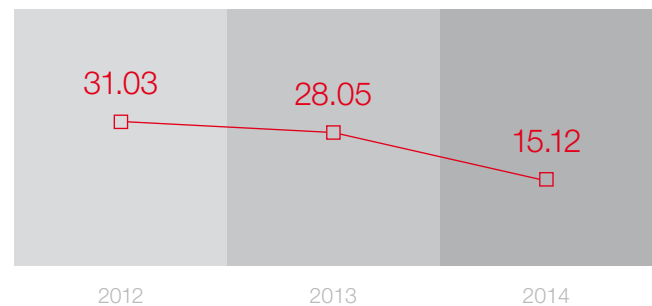
In addition, we continued to focus our attention on monitoring, carrying out over 4,800 control activities and about 250 audits, performed by site departments and external control bodies – including clients, funders, local authorities, and assurance bodies.

In 2014 the Injury Rate (IR)³ was equal to 0.86, and the Lost Day Rate (LDR)⁴ was equal to 15.12. Both rates saw a decrease compared with 2013 (-21% for IR, and -46% for LDR), confirming the effectiveness of our management systems and giving us confidence to advance further in reducing workplace health and safety risks.

Total workforce Injury Rate



Total workforce Lost Day Rate



In addition, in 2014 our sites registered an average of 136 consecutive days without any injuries lasting longer than 3 days, and a good number of sites that registered zero injuries for the entire year.

-21%

Injury Rate compared with 2013

³ IR represents the number of injuries occurring per 100 employees, and it is calculated as a rate between the total number of injuries with prognosis longer than 3 days occurring in the period (fatalities included) and the total hours worked, multiplied by 200,000. Reported IR is related to the total workforce (direct and subcontractors' employees).

⁴ LDR represents the number of working days lost per 100 employees, and it is calculated as a rate between the total number of lost days (related to injuries with prognosis longer than 3 days) and the total hours worked, multiplied by 200,000. Reported LDR is related to the total workforce (direct and subcontractors' employees).

4.3 Personnel wellbeing

Salini Impregilo is committed to providing optimal working conditions for its entire workforce, improving the quality of life, and fostering a good work/life balance.

Around the world, our workforce receives a series of benefits in addition to personal compensations, including social security, financial benefits (healthcare, life insurance, and extra-employment injury insurance) as well as other in-kind benefits, starting from healthcare facilities and canteens to accommodation, company cars, and so forth, depending on job location and position.

Healthcare system

The Group's health service is the flagship of the welfare system provided to our workforce worldwide. It comprises a special medical team at headquarters that plans and develops everything that concerns health issues, from disease prevention and control procedures to health surveillance programmes, from information campaigns to inspections at operating sites.

The team also coordinates the medical facilities at all Group's sites outside Italy, which provide 24-hour medical and ambulance services to both direct and indirect employees – as well as their family members and local people – for any acute or serious medical matters.

>232,000

Healthcare interventions provided to direct and indirect personnel

>23,000

Free-of-charge healthcare interventions provided to people from local communities

20,000

People involved in training activities on healthy lifestyle

Doctors responsible for the operating sites regularly offer local personnel training courses and provide information to local communities on improving environmental sanitation, promoting a healthy lifestyle, preventing the spread of endemic diseases (such as malaria), and sexually transmitted diseases (including HIV and hepatitis). In 2014 over 950 training sessions were provided on these issues,

involving some 20,000 individuals.

Moreover, our site clinics are in charge of regularly monitoring hygiene in the living quarters, canteens, as well as analysing drinking water, and ensuring pest-control services.

In 2014 Salini Impregilo employed around 150 medical staff worldwide. These qualified personnel carried out over 193,000 consultations, treated 174,000 cases, performed 9,000 medical check-ups, conducted 68,000 laboratory tests, and administered 3,500 vaccinations of varying kinds.

Welfare and security at operating sites

We pay particular attention to the provision of proper living conditions for all our personnel, as well as integrity and security for staff employed in remote areas or challenging socio-environmental contexts.

Our efforts involve designing and building suitable and secure camps to accommodate workers and their families, equipped with facilities that include canteens, hospitals, fitness centres and athletics fields, markets, bars, and telecommunication systems.

Our major sites are also equipped with schools for employees' children, in order to facilitate hosting families and attract young people on our most challenging projects. Lessons are carried out in a variety of languages by experienced teachers, and usually these schools receive official recognition from the local or international education authorities.

Our dedicated Village Chiefs are in charge also of arranging social activities for residents and guests, with the aim of making these villages as comfortable as possible.

Security at our operating sites is managed in agreement with clients and the local authorities, and operated by a combination of in-house personnel, specialist external companies, and – where necessary – public security authorities. Our security managers ensure that all staff involved in surveillance activities are aware of the Group's policy and ethical principles, with which they must comply when conducting their tasks.



5. Our Commitment to Environmental Stewardship

Infrastructure is the foundation of the development of societies. Through our projects we aim to contribute to the transition towards more sustainable growth, providing the infrastructure to address global environmental challenges.

In this section

- 5.1 Our challenges 38
- 5.2 Our pledge to the environment 39



>12,600 MW

Expected renewable capacity from ongoing hydroelectric projects

+9%

Increase in excavation materials recycled and reused

+19%

Increase in water recycled

+8%

Increase in waste diverted from landfills

5.1 Our challenges

Large-scale infrastructure projects are inextricably linked to the environment where they are located, their purpose being the development of the territory and the improvement of living conditions. Our projects are mainly devoted to enhancing the accessibility and economic potential of territories – through energy and transport infrastructure, as well as improving the public utility services – through hydraulic engineering works, civil buildings such as hospitals, universities, government facilities, and cultural centres.

In designing and delivering our projects, we have an important role to play in terms of environmental sustainability, ensuring a positive contribution to tackling the global challenges that face today's societies, such as climate change and increasing pollution in urban areas.

Tackling climate change

High consumption of fossil fuels is widely recognised as the primary cause of global warming, which in turn leads to a rise in anomalous weather patterns, rising sea levels, increased catastrophic flooding, and the spread of pests and diseases that were previously limited to the tropics.

For the construction sector, climate change poses significant challenges, from the requirement for infrastructure that is resilient to more frequent natural disasters, to developing renewable energy solutions such as hydroelectric plants that reduce greenhouse gas emissions.

Thus through our projects we play an important role in combatting climate change. Our worldwide leadership in the water sector rests on a track record of 230 hydroelectric projects completed with an installed capacity of more than 37,200 MW. We continue to play our part, with 12 ongoing hydroelectric projects in 11 countries with a new expected capacity of 12,660 MW.

The International Energy Agency (IEA) forecasts that global installed hydropower capacity will grow, reaching 2,000 GW by 2050 and preventing annual emissions up to 3 billion tonnes of CO₂ from fossil-fuel plants. All regions have significant undeveloped potential, beginning with Africa (92%), Asia and Oceania (80%) and Latin America (74%) to North America (61%) and Europe (47%)⁵: all areas where Salini Impregilo has a solid presence and has successfully delivered significant hydropower projects.

In early 2015 we delivered the hydroelectric power plant for the city of Sogamoso, in Colombia, one of the country's four major plants, having a generation capacity of 820 MW of power, equal to about 10% of the country's annual energy requirement.

Most of our projects have been in developing countries, boosting energy generation capacity, which in turn fuels the economic potential of these areas. Reliable electricity and lower energy costs provide a fundamental boost to rising business opportunities, for both local and international enterprises, with direct positive impacts in terms of job creation and social wellbeing.

5 Technology roadmap: hydropower, IEA, 2012.

Fighting urban air pollution

It is estimated that more than one billion people are exposed to outdoor air pollution annually, with significant consequences for the health of urban populations and public accounts⁶.

Over 90% of air pollution in cities around the world is attributed to vehicle emissions, mostly caused by the high number of older vehicles, coupled with poor vehicle maintenance, inadequate infrastructure, and low-quality fuel.

Most urban infrastructure was not designed to meet the needs of a rapidly increasing population, and the result is traffic congestion and poor public transport services, which in turn affect quality of life and local economies.

We contribute to the development of solutions that address changing population needs and resolve air-pollution problems in urban areas. In addition to our underground metro projects – which ensure sustainable mobility solutions for millions of people without generating the classic emissions and pollution created by private vehicles – we also develop urban road projects geared to reducing congestion in the more densely populated areas, directly improving traffic flow and environmental conditions.

The potential for these kinds of projects around the world is enormous, and in this particular area of activity Salini Impregilo is ideally positioned to compete in the global arena and continue to help territories improve their infrastructure and environmental conditions.

5.2 Our pledge to the environment

Salini Impregilo's track record bears evidence to the Group's commitment to minimising the environmental impact of all construction activities, and to maintaining the utmost transparency with its stakeholders on all environmental matters, mitigation activities, and performance.

In 2014 the Group adhered to the Carbon Disclosure Project (CDP), the global organisation that measures, compares, and shares information on the environmental performance of approximately 2,000 companies around the world. This represents another important step forward in terms of environmental sustainability and transparency in communication.

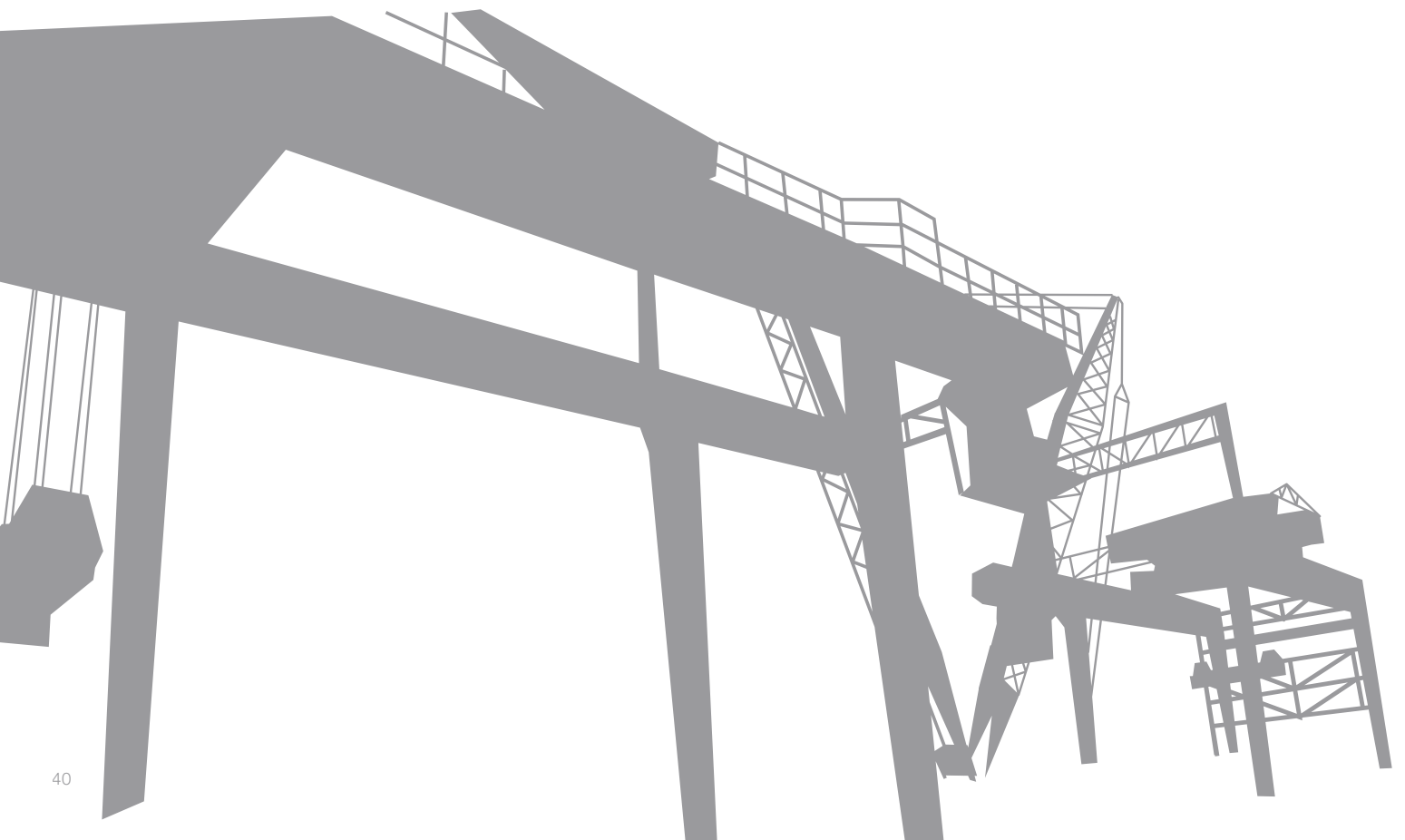
⁶ It is estimated that urban air pollution is linked to up to one million premature deaths and one million pre-natal deaths each year, while urban air pollution costs approximately 2% of GDP in developed countries and 5% in developing countries. Source: United Nations Environment Programme.

Environmental footprint

The following are the main 2014 environmental data and KPIs regarding our activities.

For more details please refer to Performance data.

INPUT	Main resources used	27,068,394 t
	Aggregates and sand	86%
	Ready-mix concrete	5%
	Cement	5%
	Other	4%
	Water withdrawals	27,053,744 m³
	From rivers	52%
	From other sources	48%
	Energy use	9,048,170 GJ
	Diesel	92%
Other energy sources	8%	
ACTIVITIES	Production	6,361,889 m³
	Concrete	1,052,837 t
	Asphalt	30,535,044 m ³
	Earth-moving	
OUTPUT	Waste	4,287,186 t
	Non-hazardous	96%
	Hazardous	4%
	GHG emissions	715,935 t
	Scope 1	66%
	Scope 2	7%
	Scope 3	27%



Environmental management

Salini Impregilo manages its worldwide activities according to a structured Environmental Management System that conforms to ISO 14001 standard

requirements. This table summarises the main activities carried out at each stage of the system, based on the Life Cycle approach.

Impact assessment	All potential environmental impacts deriving from our construction activities are assessed according to a standardised methodology, based on specific criteria (probability of occurrence, consequences for the environment, duration of the event, difficulty of restoration). Following the impact assessment, each project prepares an Environmental Management Plan, which describes the management and monitoring activities (Environmental Control Plans) for all the environmental components involved.	>6,600 Environmental control activities carried out
Footprint monitoring	Environmental Control Plans assess in detail the environmental footprint of the project in the local community, through a three-stage evaluation process (pre-construction, construction, post-construction). Our site environmental departments, supported by external agencies and the HSE Department at headquarters, conduct regular audits on construction sites and subcontractors to check compliance with applicable environmental policies and procedures. Environmental performance is periodically reviewed by Salini Impregilo's senior management, who assign targets to ensure ongoing performance improvements.	180 Audits performed 135 Environmental management reviews carried out
Supply chain evaluation	Identified environmental prevention and protection measures are applied to the supply chain involved in the execution of projects, particularly to subcontractors and suppliers of certain materials, such as chemicals and materials used in projects aiming for LEED (Leadership in Energy and Environmental Design) certifications, that have to pass a special qualification process. Logistic needs are evaluated in order to reduce environmental impacts and related costs. When goods are not available on the local market, the Group uses maritime shipments of equipment and materials transportation as much as possible, since this is the method with the lowest associated carbon-emissions.	493 New suppliers screened about environmental aspects 92% Goods shipped by sea
Training and awareness	Each site plans and carries out training activities for all staff involved in operations with potential impacts on the environment, subcontractors' personnel included. In addition, all personnel receive an induction on the Group's environmental policies and procedures at hiring, while regular awareness campaigns are issued on specific topics (e.g. waste, spills, chemicals, etc.).	>30,000 Environmental training hours provided to the workforce

Environmental protection

Salini Impregilo ensures that all its sites have monitoring, control, and mitigation measures in place to protect the environment and prevent any potential pollution.

This table summarises the main activities carried out at an operating level on the principal environmental issues.

Natural resources	<p>We place great emphasis on rationalisation and efficiency in the use of raw materials, favouring Green Design solutions that enable:</p> <ul style="list-style-type: none"> • a reduction in the consumption of natural resources; • the reuse of discarded material (e.g. unpolluted excavation earth); • the utilisation of reusable/recyclable products or items resulting in lower costs and reduced environmental impact. 	<p>63% Excavation materials reused</p>
Energy and GHG emissions	<p>Salini Impregilo strives to reduce energy consumption and related GHG emissions in several ways, including:</p> <ul style="list-style-type: none"> • linking the site plants and facilities to local power grids; • regularly maintaining vehicle fleets; • replacing equipment with more efficient models; • implementing energy-saving lighting systems; • switching technologies used at plants (e.g. from diesel to natural gas); • installing energy recovery systems; • increasing employee awareness of energy-saving behaviours. 	<p>-9% Energy intensity rate</p> <p>-10% GHG emissions intensity rate</p>
Water	<p>We are committed to ensuring at each site a close management of all phases of the water cycle: from the identification of water requirements and supply sources, to the realisation of water-handling networks with related supply and discharge points, control plans, and emergency response procedures.</p> <p>Closed-loop water systems are implemented wherever possible, with the aim of recycling and reusing industrial water, e.g. at crushing plants, batching plants, and machinery washing stations.</p> <p>Wastewater is collected in treatment plants and, before being released into the environment, its quality is carefully monitored, ensuring compliance with local laws.</p>	<p>23% Water recycled and reused</p> <p>>950 Water analysis campaigns performed</p>
Waste	<p>Waste management plans are set up at each site to manage waste in a proper manner, complying with all applicable regulations and best practices.</p> <p>All construction waste is segregated and collected in dedicated enclosed areas, from where it is taken for reuse wherever possible, while the remainder is sent via authorised transport companies to approved waste disposal facilities.</p> <p>Particular attention is paid to the preparation of adequate deposit areas, verification of the qualifications of truckers and waste recipients, as well as to the education and training of the employees involved in waste management.</p>	<p>55% Waste diverted from landfills</p>
Soil	<p>Salini Impregilo carefully monitors and safeguards its sites against any potential harm to the soil and subsoil.</p> <p>Special containment tanks, water collection networks, and waterproofing operations are carried out during the initial site-development stage, while specific environmental risk assessments are carried out for all chemicals, oils, fuels, and hazardous material that might come into contact with the soil and/or groundwater. Environmental emergency plans are imposed at our sites to manage both environmental accidents and cases of polluted soil. Specific plans are also adopted for protecting soils from erosion through the realisation of drainage and soil-consolidation systems, as well as seeding activities.</p>	<p>>2 million m² Soil interested by erosion-protection activities</p>

Local impact mitigation

In keeping with our consolidated approach to operating construction sites with respect to surrounding communities and habitats, we are committed to minimising disruption to neighbours near our sites regarding noise, traffic, and other community-related inconveniences.

Air	<p>Air pollution is mostly related to the dispersion of dust caused in different construction phases: digging, soil movement, circulation of heavy vehicles on unpaved roads, crushing equipment, and the demolition of existing structures and objects.</p> <p>To minimise the production of dust at our sites, we implement a series of mitigating actions that include keeping unpaved roads moist, equipping crushing plants with sprinkler systems to moisten aggregates, using air filters at cement storage silos, as well as equipping sites with systems to wash vehicle wheels.</p> <p>In urban areas, road washing is carried out regularly by special vehicles, transport activities are conducted using covered trucks and, where possible, materials are moistened before transportation.</p> <p>Also, the exhausts of vehicles used to process and transport materials to and from construction sites are strictly monitored for emission levels, through regular maintenance of machines, installation of particle filters, and use of low-impact vehicles.</p>	<p>>125,000 Anti-pollution controls carried out on equipment and machineries</p>
Noise and vibration	<p>Prior to starting any activities we carry out an assessment of the potential impacts deriving from noise and vibration, determining which measures to adopt to safeguard workers' health and safety (e.g. through the use of personal protective equipment) and the surrounding environment (e.g. by consolidating structures and using acoustic insulation).</p> <p>Areas of greatest acoustic impact are screened off by noise barriers, both fixed and mobile, realised either with artificial materials or from rows of trees capable of absorbing noise. Especially in densely populated areas, we carry out specific geomorphology studies of the soil before starting any activities, to understand how vibrations could affect the ground and identify the best working technologies.</p> <p>During all our activities, noise and vibration measurements are continuously taken to verify the effectiveness of mitigation measures and intervene in case of problems. Measurement instruments are installed close to sensitive locations (e.g. buildings, urban parks, offices, etc.).</p>	<p>>10,000 Noise and vibration measurement campaigns performed</p>
Traffic and commuting	<p>Each project has a dedicated Traffic Management Plan, which specifies the general circulation rules for vehicles and pedestrians within the confines of the site. Traffic is controlled by dedicated teams comprising in-house personnel and, in some cases, local police.</p> <p>Personnel who drive dumper trucks or vehicles for transporting passengers receive special training on safe driving, and are regularly tested for alcohol and drugs. At some sites, speed is monitored through GPS systems installed in our vehicle fleets.</p> <p>To reduce vehicle traffic and related emissions, sites use special personnel mobility management programmes, aimed at optimising transfers between work areas, canteens, and lodgings. These comprise collective transport vehicles for workers, and car-pooling for site office staff.</p>	<p>>8 million Hours worked by site vehicles</p> <p>349,000 Routine maintenance activities carried out on vehicles</p>
Biodiversity	<p>Salini Impregilo consolidates its monitoring and mitigation efforts with a commitment to preserving and protecting biological diversity at its operating sites. Our environmental impact assessments include also the analysis of potential risks of interference with protected species.</p> <p>Technical arrangements are implemented to mitigate any possible impact of works on the environment. Flora and fauna are protected by careful management of water, operating areas, quarries, and areas designated for the storage of materials.</p> <p>In particular, the Group strictly prohibits the removal, damage, or disturbance of natural habitats in its site areas, applying in advance to the relevant authorities for any intervention. Moreover, internal procedures forbid the hunting, capture, or disturbance of animals, including damaging nests or eggs.</p> <p>Educational campaigns are arranged at project sites so that all workers can contribute to safeguarding local species, starting with the simple reporting of sightings of wildlife.</p>	<p>0.2% Project areas located inside protected areas</p> <p>>260 Wild fauna rescued</p>
Reclamation of affected areas	<p>We are committed to reclaiming all areas affected by our plants, facilities, quarries and landfills during and after the completion of a project. The aim is to leave these areas in a condition that facilitates natural re-vegetation, prevents soil erosion, improves slope stability, thereby returning affected areas to their original state.</p> <p>Reclamation activities are agreed with our clients and planned in partnership with local authorities and communities. We aim to understand the needs of future stakeholders (e.g. farmers) and, where possible, we arrange the handover of these areas to local farmers after restoration, ensuring a direct benefit for local communities.</p> <p>Reforestation activities are usually carried out using native plants and species, also grown at special nurseries at our projects.</p>	<p>>736,000 m² Areas interested by reforestation and soil reclamation activities</p> <p>>178,000 Planted trees</p>

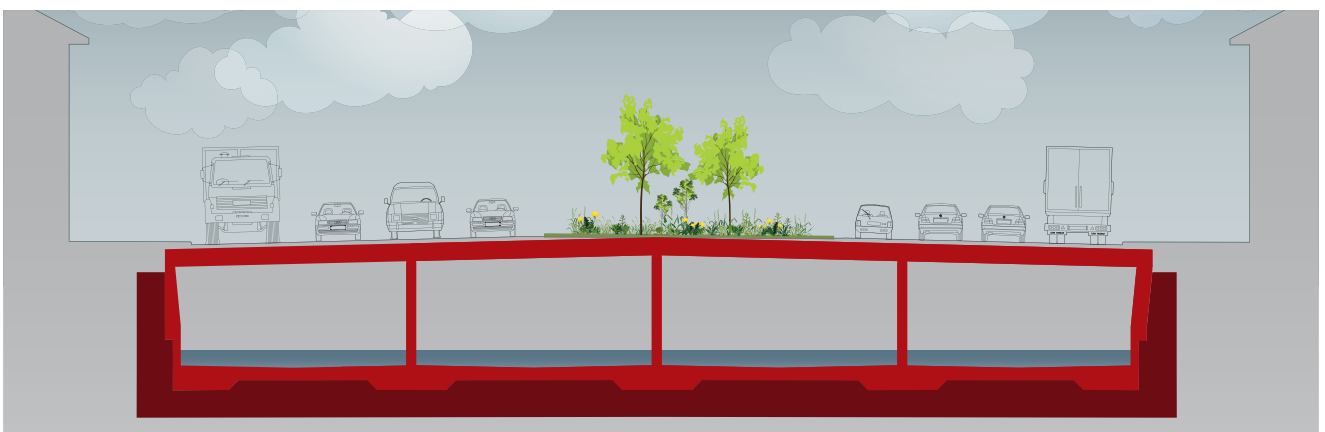
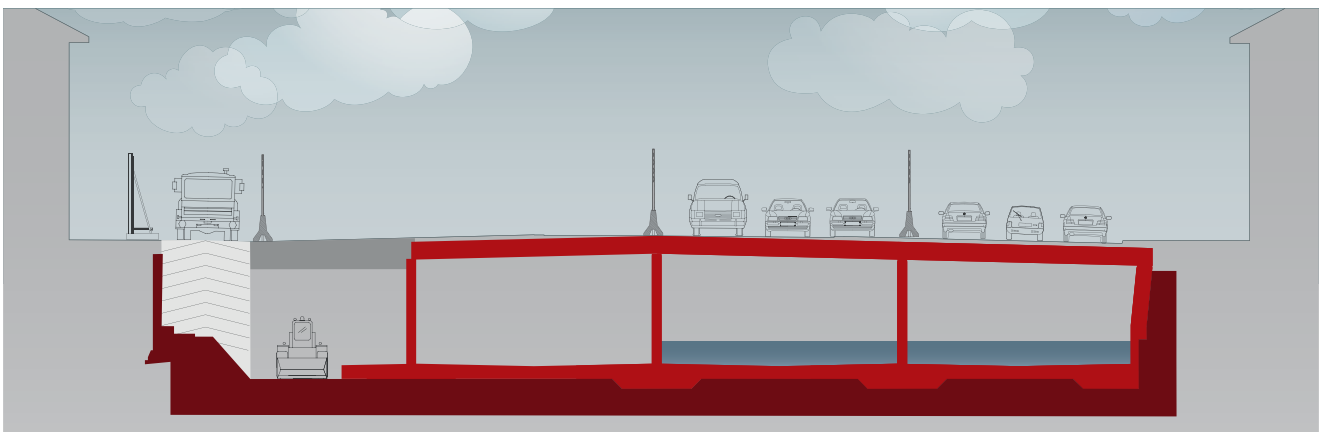
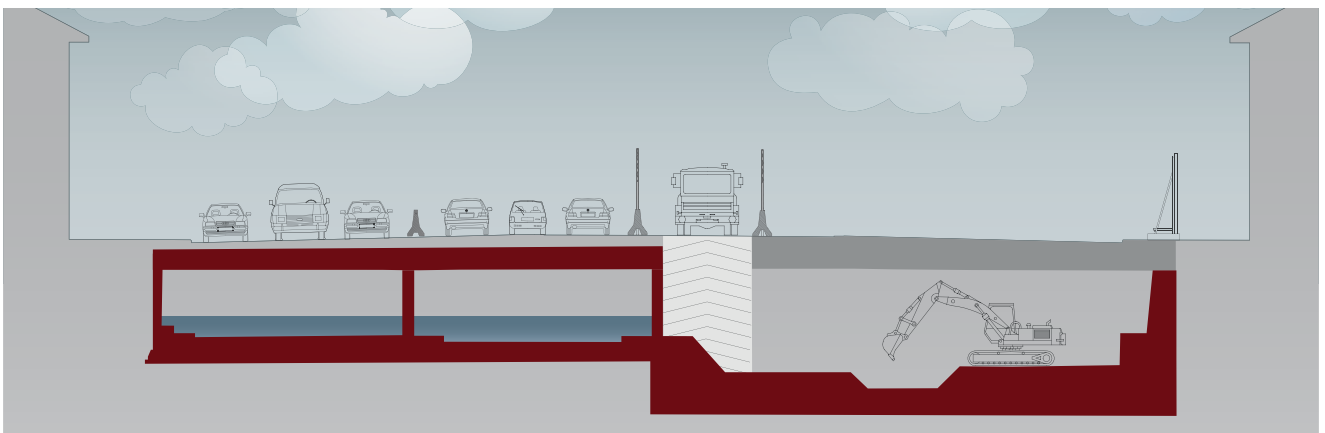
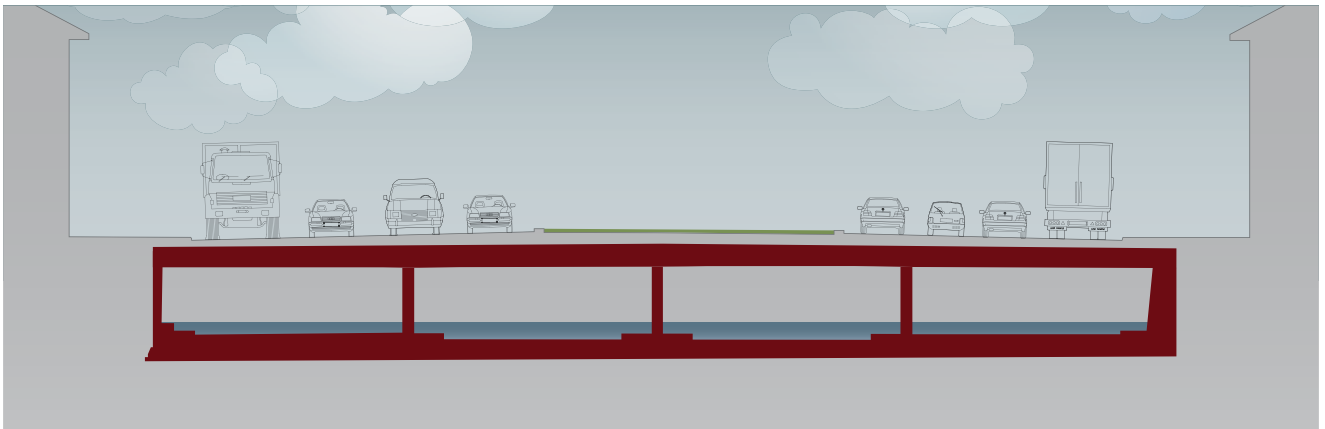


6. Case Histories

In this section

6.1 Community	47
6.2 People	51
6.3 Environment	56





6.1 Community

Providing support to communities in need in Genoa

Following the disastrous flooding that hit the city of Genoa, Italy, at the beginning of October 2014, Salini Impregilo donated a project design for improvements to the Bisagno River, the principal source of the flooding.

As on other occasions in which Salini Impregilo offers its expertise to help communities affected by natural disasters, in this case we drafted a detailed design for safety measures along the river, with a voluntary investment of €0.8 million. The project consists of upgrading the riverbed and improving the hydraulic conditions of the final section nearest the city, towards the sea. This should ensure a significant increase in the capacity of the river's outflow, especially in cases of intense precipitation and flash floods.

The work includes the demolition of existing roofed-over sections, the consolidation of the banks, the increase in the depth of the riverbed, and the reconstruction of road overpasses. The drafting of the project took four months, but its execution will take an estimated four years.

"We are a global Group, but our Italian roots compel us to provide support to the population of Genoa at this difficult time", the Group's CEO told during the press conference held to announce the project. "We also hope that this will help speed up the work that needs to be done. We think that being the main Group in the industry in Italy implies being willing to work together with our country when there are dramatic situations like the one Genoa and its residents are experiencing right now. Therefore, it is important that a Group like ours, which believes in this country and its ability to bounce back, asserts itself and demonstrates its active support in restoring the local territory, a preventive restoration to avoid tragedies like the recent one in Genoa and other parts of our Country from happening again".

Involving our community in Copenhagen

Performing large-scale construction operations in densely populated urban areas raises many challenges, many of a technical nature, but it is also paramount to avoid disrupting the lives of people living and working near the construction sites, and to keep site noise and traffic to a minimum.

The best way to enable people to understand what our work signifies – in terms of the added value implied by bespoke construction solutions and contributions to the improvement of the territory – is to open the doors of the construction sites to the public. This is what we have done in Copenhagen, where we are constructing 15 kilometres of dual tunnel and 17 underground metro stations in the city centre (Cityringen project). Here we have organised a series of information campaigns to involve local communities, inviting them on tours of the worksites, to explain the technologies applied and the work in progress.

From April to October 2014 we held a six-month period of Open Site Days, in which we invited neighbours, communities, and the general public to enter our worksites and meet the people who are actually working behind those fences, to provide a hands-on experience of what is happening at our worksites and around the city.

We also arranged a special Open Site Day in our storage area located near the harbour, to display two of our TBMs (Tunnel Boring Machine) to the public. In this occasion, over 6,000 people came to admire this massive machinery.

In addition, on October 10 during the big event of Copenhagen's annual Culture Night (KulturNatten), which heralds the autumn recess and offers children and adults hundreds of cultural events in a single night, our central worksites in the city were opened to the public.

In the course of the year we held two ad hoc neighbourhood meetings in special worksites where residents had been affected by our daily activities. Special neighbourhood meetings of this kind are usually arranged in league with the client, in order to have a better communication with the local community, and to encourage a face-to-face dialogue with those concerned.

Sustainability Report 2014

Again in tandem with clients, our worksites also welcome visits from educational and professional organisations. As main Contractor, in 2014 we hosted more than 10 visits from schools, universities, and professional delegations from different parts of Europe interested in engineering and geotechnical projects.

We also arranged a special event in December 2014 focused on Salini Impregilo as a central player in Denmark and as the leading company in the joint venture for the realisation of the Cityringen metro system in Copenhagen, an event that saw a sizeable flow of curious citizens to our information stand.

These initiatives always get an excellent response and participants are notably enthusiastic, and their success is further proof that opening our sites and allowing people to see for themselves what we do is the best way to explain all the noise and why we take up space while Cityringen is under construction.

But our communications strategy comprises other means for maintaining close contact with our communities. In Copenhagen for example we have implemented a web-based messaging system that alerts neighbours by text to their mobile phones about unexpected noise and traffic linked to our operations. In addition, citizens are provided with a specific email address for any complaints, enabling us to promptly take steps to resolve such issues.



Providing medical assistance to local communities at GERD

Helping local communities means for us also sharing with them our sites' facilities during the execution of projects. This is what happened at the Grand Ethiopian Renaissance Dam (GERD) project, located approximately 500 kilometres northwest of the capital Addis Ababa, in the region of Benishangul-Gumaz along the Blue Nile, on the border with Sudan. In this remote area not served by basic amenities, the local population has no access to primary services such as healthcare. For this reason we opened the site's clinics to the local communities, by which they may receive medical assistance and information on a healthy lifestyle.

Our on-site medical service comprises a main hospital and four satellite clinics. Completed in 2014, the hospital boasts a 20-bed in-patient capacity, along with a primary-type medical facility. It serves expatriates, local employees, subcontractors, and people from the surrounding villages.

It is equipped with state-of-the-art medical equipment sourced directly from Italy, six ambulances, and a staff of 71 qualified medical workers on rotation 24 hours a day, 7 days a week. The unit can be considered one of the best medical facilities in this remote area of the country, and has been formally recognised by the national health authorities.

A dedicated Health Officer with an expert medical staff is in charge of ensuring medical assistance to local communities, as well as providing HIV counselling and testing, TB screening and treatment, family planning, counselling and contraception, and not least vaccination campaigns in coordination with local health authorities.

In recent years thousands of people received free medical assistance: 5,400 persons in 2012 and over 6,700 in 2013. In 2014 we treated more than 8,700 patients, performed around 9,000 medical consultations, and more than 1,800 laboratory tests.

Healthcare represents one of the pillars of our sustainability strategy, as we are committed to ensure that all those who work for us – direct employees, subcontractors, partners, and even visitors – receive high-quality medical assistance. This commitment is extended also to local communities where public healthcare is lacking, as at the GERD. In Ethiopia and elsewhere, when we take care of our communities, we have observed an immediate improvement in the health and quality of life of the local inhabitants.





CONSTRUIR. CONECTAR. UNIDOS POR EL CANAL

73%	avance de la obra
7,500	colaboradores
78	millones de horas hombre trabajadas
24,500	colaboradores han recibido capacitación por parte de GUPC

**Grupo unidos por el canal
felicit a todos los panameños
por el centenario del canal**

6.2 People

Excelling in Health & Safety management in Panama

The Panama Canal expansion project represents one of the most challenging works under construction worldwide. Over 8,000 workers and hundreds of engineers and technical partners are working on an infrastructure that will contribute to international trade exchanges for at least a century.

Our guarantee of top health and safety standards in all our operations is of crucial importance to us, and for this reason we have implemented an advanced planning, organisation, and control system. Together with a strong focus on training and raising awareness among employees, this policy has earned the Panama Canal's H&S management system recognition as the foremost practice of its kind worldwide.

This particular construction site's Health and Safety Policy has a specific target of zero accidents, which is achieved through the rigorous application of standards, and zero tolerance for lapses in conformity. Before being able to access the site, all newly hired personnel are fully informed of this strict policy, as well as those applicable to the entire Salini Impregilo system, through a three-day training course on health and safety. At the start of each shift, team leaders hold a meeting with the workers to explain the specific safety risks related to the activities they will be carrying out. They detail the causes of accidents that have occurred the day before, if any, in order to discuss and share appropriate preventive measures.

Further to this, the on-site Safety Officers hold meetings with all workers every week in which they summarise the safety targets achieved, and outline possible improvements. Subcontractor employees also take part in these activities, and supervision is the same as that for direct employees. For specific activities, such as working in confined spaces, only trained technicians with special certification are employed. These workers attend monthly meetings in which problems relating to safety are discussed, sharing mutual experiences and identifying possible improvement measures. In addition, all work areas are subject to daily and weekly audits by the Health and Safety Department, and regular external audits are

conducted by the client, local authorities, financiers, and the management system certification body.

Team leaders and their managers are assessed through a KPI (Key Performance Indicators) system developed to measure the safety performance achieved at the respective areas of responsibility. The best performance are rewarded every month.

The figures related to H&S activities carried out in 2014 are self-explanatory: over 335,000 training hours provided to the direct workforce plus around 118,000 hours to the subcontractors' employees; 300 meetings on health and safety issues; 210 among audits, control and monitoring programmes carried out by about 50 dedicated staff.

Thanks to this systematic approach, the Group ensures high health and safety standards to all parties involved in the project, reducing the risk of injury, non-conformities detected during the audits and non-compliance risks.





JACOBS

RAILU

ISG

ISG

SK&C

salini
impregilo

Galfar

ISG

salini
impregilo



Committed towards migrant workers in Qatar

Currently Salini Impregilo is building the “Red Line North Underground” in Doha, Qatar, one of the new metro lines belonging to the infrastructure mobility system promoted by the National Development Plan for 2030 (the “Qatar National Vision 2030”).

These large-scale investment projects are attracting a huge number of workers from all over the world, for whom authorities and companies have to ensure proper working and living conditions.

Salini Impregilo is playing its part by leading the construction industry by example. In order to ensure suitable living conditions and a comfortable social context for workers involved in the realisation of the Red Line North Underground, the Group has built new living quarters at the gates of Doha.

At the end of 2014 the residential facility hosted 700 workers of 14 nationalities, and is eventually expected to host 2,500 workers in total. The facility is fully compliant with the International Human Rights Standards, the Qatar Labour Law, and the Qatar Foundation’s standards; as such it represents a benchmark for all companies operating in the country.

More in detail, the camp consists of 20 modern accommodation buildings composed of six apartments per building, with three bedrooms accommodating four people each. The camp is designed in full respect of health and safety standards and is provided with smoke detectors and fire-alarm systems throughout. This compact village provides workers with all the basic services and much more: a clinic, canteens, dining halls, mini-market, barber shop, laundry, a multipurpose area with gym, TV areas, internet workstations, cafeteria, in addition to a mosque and prayer area, as well as a football/hand-ball playground area.

Moreover, the camp is equipped with a Safety Training Centre, where each new enrolled worker is trained through a full induction held with theoretical and practical lessons.

From an environmental point of view, the entire camp will be totally carbon-neutral, thanks to the use of solar

panels. In fact, it will be equipped with a photovoltaic system capable of satisfying the energy needs of the entire population housed.

In November 2014 a delegation from BWI (Building and Wood Workers’ International) visited the Red Line North Underground project and the new residential camp, expressing satisfaction for the work done. The mission followed an international conference held in Geneva, Switzerland, focused on the living conditions of migrant workers in Qatar. On that occasion, Salini Impregilo was invited to present its approach towards the workforce, and explain the initiatives in force.

The camp was officially opened on 4 December 2014 with a ceremony attended by foreign diplomatic delegations, especially from countries whose workers are employed in the construction site of the Red Line North Underground.

We are proud of this important achievement, which was recognised by the Qatar Foundation with an official letter of appreciation. An increasing number of delegations from other companies and organisations, such as international unions, have been visiting the camp to witness how Salini Impregilo takes care of its people.



Promoting human rights

Salini Impregilo made another important breakthrough in its commitment to worker's rights.

In October 2014 the Group signed an International Framework Agreement with the Italian and International Construction Unions, under which the parties agreed to promote and respect, at all worksites where Salini Impregilo operates, fundamental human rights principles, as defined by the key international declarations of the United Nations, the International Labour Organisation, and the OECD.

Salini Impregilo is the only Italian company in the industry to sign such an agreement, a clear sign of our commitment towards workers' rights at all our worksites.

Indeed, the agreement acknowledges the importance of promoting and adopting open and democratic industrial relations in all countries in which the Group operates, in conjunction with transparent collective bargaining procedures with unions.

"By signing this agreement, in addition to confirming the Group's desire for transparent and constructive labour relations, also at an international level, it draws attention to and reaffirms Salini Impregilo's concern for people as a pivotal and indispensable element for creating value", points out Marco Ferrara, Head of Salini Impregilo Personnel Management and Industrial Relations.

The agreement strives to promote best practices such as non-discrimination, prohibition of child labour, adequate economic treatment, health and safety, respect for the environment, freedom of association and collective



bargaining; moreover, it aims to become a yardstick for the improvement of working conditions in the countries in which the Group operates.

The BWI (Building and Wood Workers' International) and the Italian labour unions are committed with us to monitor observance of the agreement and to verify its effectiveness, both in Italy and in all the other countries in which the Group operates.

Ensuring full healthcare assistance to our workforce in Ethiopia

Salini Impregilo is building two challenging hydroelectric projects in Ethiopia: the Gibe III and the Grand Ethiopian Renaissance Dam (GERD). With its RCC dam 240 metres high, Gibe III will be Africa's highest dam of its kind, while the GERD will be the largest one in the continent with a length of 1,800 metres, a maximum height of 175 metres, and an overall volume of 10,200,000 m³.

At the end of 2014 these two projects – both located in remote areas of the country – employed some 13,200 direct workers, and approximately 2,300 indirect ones. As is usual in these cases, the Group realised specific accommodation camps to house the entire workforce, equipped with canteens, clinics, and other amenities devised to ensure proper living conditions for all.

At both sites, the medical sections play a key role in guaranteeing the monitoring of the people's health, the prevention and treatments of diseases, as well as providing guidelines to a healthy lifestyle. The medical staff employed at the two sites comprises about 120 people: doctors, nurses, laboratory technicians, pharmacists, first responders, ambulance drivers, and assistants.

In 2014 alone the site's clinics carried out nearly 130,000 medical consultations involving direct and indirect workforce, as well as over 57,500 laboratory tests and 6,300 medical check-ups. It is important to underline that medical assistance is provided to all the workforce, including those belonging to the subcontractors and the other service providers, and it is also extended to the workers' family members.

Besides medical and emergency services, the clinics delivered last year over 200 training and awareness courses on malaria, tuberculosis, HIV and other sexually transmitted diseases, involving over 4,000 people.

At Gibe III, this awareness-raising programme included also the creation of a group of peer-to-peer trainers, adequately trained and certified, who in turn provided peer-to-peer education to selected groups of trainees from the project's working units. The peer-to-peer programme, together with the creation of a group of counsellors and the organisation of several events at the site (such as concerts and meetings), allowed for the spread of information among the resident population, reducing possible discrimination against people affected by these diseases.

This huge effort, also in financial terms, confirms our essential policy of putting people first in everything that we do. Through the daily work of our medical staff in Ethiopia, we are guaranteeing high health standards and better working conditions for all those involved in these unprecedented projects.



6.3 Environment

Developing innovative eco-solutions in Doha

Qatar is experiencing a period of great economic development with huge investments in infrastructure and rapid urban development. This makes the country among the highest per-capita greenhouse gas emitters on the planet. To combine economic growth with human, social, and environmental development, Qatar's authorities have launched the Qatar National Vision 2030, a national development plan that defines long-term objectives and provides a framework within which the country's strategies and implementation plans can be developed.

As part of this far-reaching programme, Salini Impregilo is realising the Red Line North Underground in Doha; together with three other metro lines, this project forms part of the city's new mobility system. The project applies the Global Sustainability Assessment System (GSAS), the Middle East's first integrated and performance-based sustainability assessment system for the built environment, which is recognised as the most comprehensive sustainability rating system in the world.

The GSAS measures and evaluates every project in eight key categories that have a direct impact on the environment. The system assigns incremental scores to indicate a given project's successful achievement of environmental improvements. A final certification can be obtained that ratifies both the project itself (permanent works) and the construction activities.

In realising the Red Line North Underground, we implemented a set of innovative solutions to mitigate the project's environmental impact and reduce our environmental footprint, starting from the type of cement used for the construction of the underground stations. This material is called "green concrete" and is produced by our partner AFRM (Al Falah Ready Mix), whose concrete is the only one approved for use in the realisation of Masdar City (near Abu Dhabi), the world's first carbon-neutral and zero-waste city.

The "green concrete" was developed to reduce environmental impact to a minimum at all the production phases. Starting from the design of the mix itself, the concrete is composed of by-products from other industrial processes (i.e., waste from the iron and steel industry). This partial substitution of the cement allows for a reduction of cement consumption of up to 70% (while recycling waste from other industries), and a reduction of 50% of the CO₂ contained in concrete. For the production of this type of concrete, state-of-the-art plants are used. Totally computerised, they allow significant cuts in energy consumption, the production of returned concrete (3-5%) and wash-out water (10-15%), which is also treated and stored for reuse. As for transportation equipment, 100% of the concrete transit mixers are Euro V compliant, and all the belt conveyors are shielded, reducing sand and aggregate dispersion to less than 1%.



The excavated materials produced on site are moved to storage areas through a shielded conveyor-belt system, thereby avoiding 62,000 truck trips along one of Doha's busiest thoroughfares, and reducing potential traffic and pollution in the area. The track system will be used for the excavation of the two metro stations in the heart of Doha's business district. Everything that has been dug out from the two station sites will be recycled and put toward building embankments for a long-distance railway project.

"Nothing will be wasted, nothing will be dumped. We will treat and then re-use 100 per cent of this material, which is perfect quality for what we need for the long distance rail construction. I am proud that we are recycling all of it", Qatar Rail's Logistics Director Ahmed Al Kowski added.

Finally, in 2014 we have planned to install a 42 MW tri-generation system capable of producing electricity, heat and cold to be used to power the plants and machineries used at site, which compared with traditional diesel generators, allows for the saving of about 68.8 million kWh per year.

Through these important actions, we contribute to innovate the construction industry in Qatar, fully satisfying our client's needs and reaching significant results in terms of our sustainability rating.



Adopting advanced anti-smog systems in Italy

The high concentration of contaminants in tunnels and underpasses represents a major health concern for travellers passing through these infrastructures; moreover they tend to produce lingering hydrocarbons, which ultimately spread to the surrounding environment.

For the project for the A4 motorway extension that Salini Impregilo is carrying out in Italy, we have developed a plan to reduce pollution in an underpass located near residential areas and affected by intense traffic. The project consists in applying special photo-catalytic materials on the asphalt, and on the walls and ceilings of the underpass. These materials contain special metal compounds, which when irradiated by light cause a chemical reaction that breaks down toxic substances, such as carbon monoxide, nitrogen and sulphur dioxides, benzene and particulate matter, into non-harmful ones like mineral salts and limestone.

The underpass is fitted with special UV-ray lamps to ensure the proper activation of the photo-catalytic process, which reduces the pollution from vehicle traffic to around 75-80%. In addition, as the photo-catalytic materials reflect the light up to 60% more than the traditional surfaces, we reduced the number of illumination sources used in the underpass, thereby cutting energy consumption by up to 50%.

The project is of particular relevance as it represents a useful test for materials routinely used in tunnels, and could be effectively adopted for other infrastructure projects, such as underpasses, which are very common in urban and non-urban areas.



Implementing pioneering solutions on public buildings in Greece

In partnership with the Greek company Terna, Salini Impregilo is realising the new Stavros Niarchos Foundation Cultural Centre (SNFCC). Located approximately 4.5 kilometres from Athens city centre, the project has been designed by the Renzo Piano Building Workshop (RPBW) and involves the construction of an ecologically sustainable multifunctional centre covering a total area of 232,000 m², largely devoted to a public park.

The project includes the building of the Greek National Opera, the National Library, and the Stavros Niarchos Park, one of the largest green spaces of the city, designed to take into account the latest ecological concepts. The park extends on a 32 metres high artificial hill and covers 85% of the SNFCC site, hosting more than 1,400 trees, 300,000 shrubs and native species, as well as a green roof of 21,150 m².

From an environmental point of view, the project aims to achieve the highest rating in LEED (Leadership in Energy and Environmental Design), a green building certification system developed by the United States Green Building Council (USGBC). LEED certification provides independent verification that a building's design and construction conforms to environmental friendly strategies for energy conservation, water efficiency, CO₂ emission reductions, indoor environmental quality, and resource stewardship.

The project vaunts complex design and construction solutions, and the Greek National Opera building will be a jewel from an innovative and architectural point of view. Indeed, the Opera building's roof, named Canopy, represents an unprecedented innovation in its field. It consists of two bi-planar, curved ferro-cement shells 10,000 m² wide and connected by circular hollow tube steel trusses.



The shells will be composed of 720 unique panels handmade and fitted by a sizeable team of over 1,000 labourers, technicians, and engineers. These panels are raised and assembled at a height of 40 metres above-ground by means of a structure specially designed to support the entire canopy until work is completed. The whole process will be monitored through state-of-the-art surveying instruments. This type of work requires extraordinary precision due to the technical specifications of the roof: the panel joints are just 60 cm wide, and covered with an extremely fine mortar (3 mm thick), which is worked to obtain a smooth finished surface.

Thirty steel columns will support the structure, which is braced to the ferro-cement canopy through springs and dampers that dissipate the energy caused by the wind or any seismic activity. The roof will furthermore be plated with photovoltaic panels to produce the energy required for the two buildings, significantly lowering their GHG emissions.

In Greece Salini Impregilo and its partners have once again pushed the engineering industry forward, developing new construction solutions. The best of Made in Italy has created another iconic project that will represent a new landmark for people living in Athens.





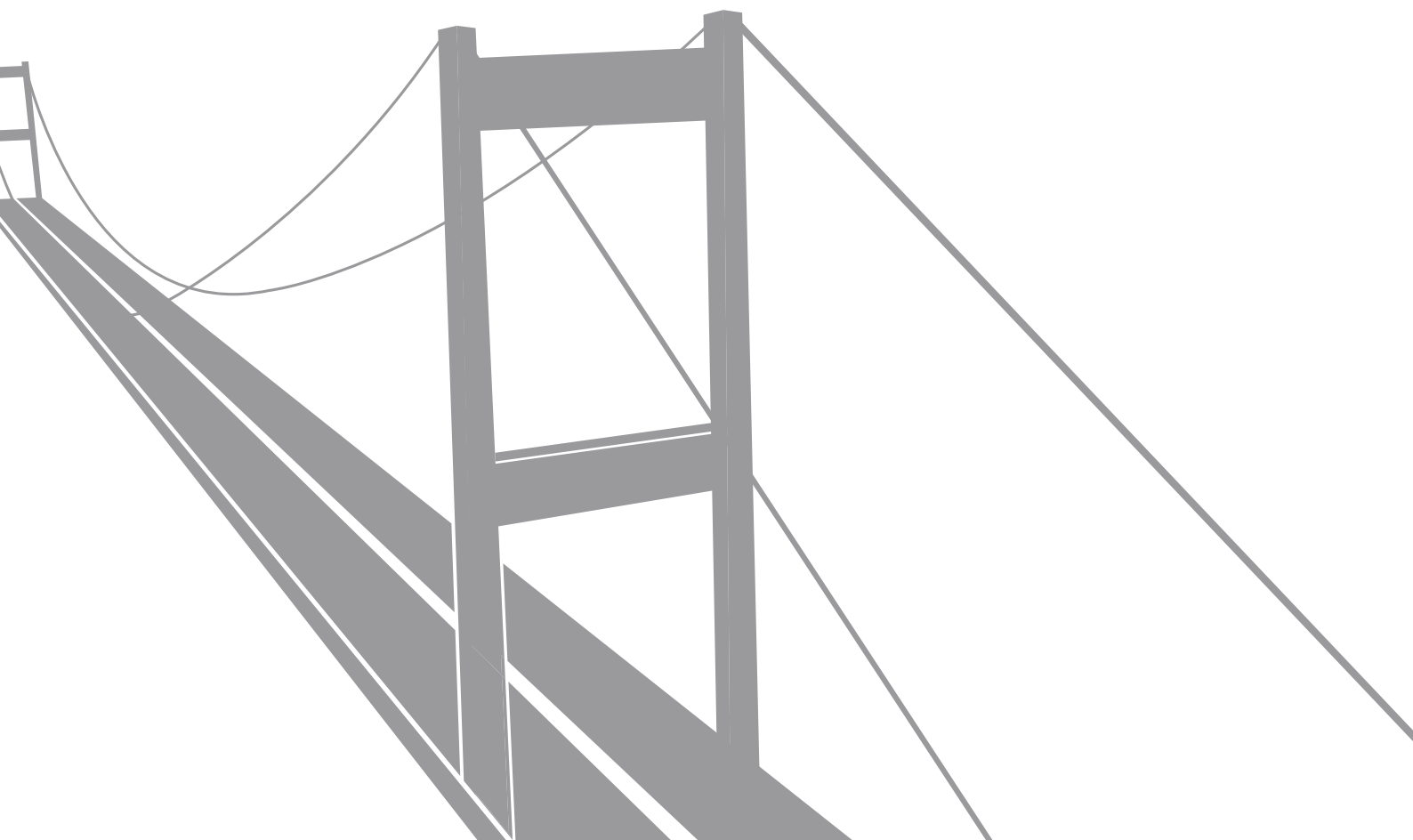
7. Appendix

Salini Impregilo has an outstanding track record in the voluntary reporting of non-financial issues, being the first Italian company in the construction industry to produce and publish an Environmental Report in 2002; it was also the first to publish a Sustainability Report, prepared in compliance with the Global Reporting Initiative (GRI) Guidelines in 2009.

In accordance with this strong legacy of transparency and accountability, we continue to lead by example. We have prepared for the second consecutive year a Sustainability Report in accordance with the new GRI G4 Sustainability Reporting Guidelines: the most advanced reporting framework, issued in May 2013, effective from 2016, and replacing the G3/G3.1 guidance.

In this section

7.1	Materiality analysis	62
7.2	Performance data	64
7.3	Methodological note	69
7.4	GRI Content Index	75
7.5	Assurance report	76



7.1 Materiality analysis

The new G4 Guidelines place considerable emphasis on materiality, whereby organisations are required to focus their reporting on key economic, social, and environmental impacts and maintain an open dialogue with their stakeholders.

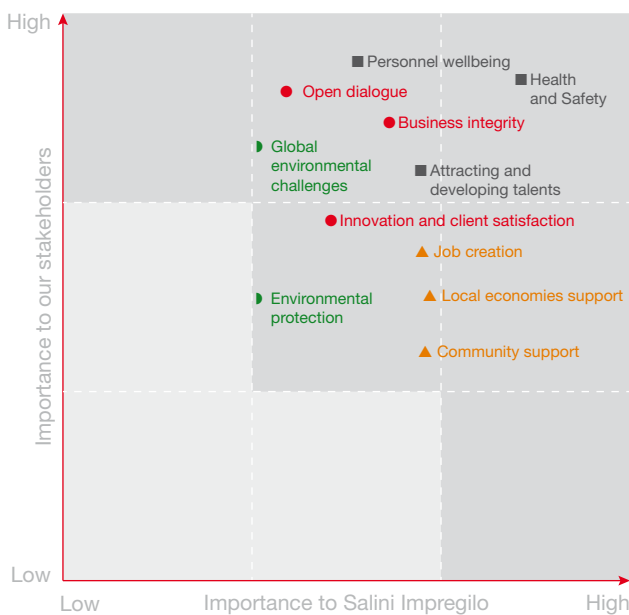
To identify topics relevant to Salini Impregilo and determine the Report's content, we have defined a specific process in accordance with the G4 Guidelines, summarised as follows:

- **Internal identification** of possible sustainability topics relevant to our industry, including an analysis of peers, sustainability rating agencies, sectorial surveys, and media;
- **Internal prioritisation** of identified topics with the Group's management, through consultation with senior leadership including human resources, Quality and HSE affairs, procurement, production, technical department, and investor relations;

- **External prioritisation** of identified topics with the main Group's stakeholders, through interviews at selected operating sites (with representatives of clients, employees, unions, and subcontractors), a survey of a cross-section of employees, as well as interviews with proxies, both at headquarters (investors and clients) and at operating sites (local communities and authorities);
- **Final approval** from Group senior management of the defined shortlist of priority topics.

By means of this process we identified 11 priority topics, as reported in the Materiality Matrix below, which form the basis of this Report and are aggregated in four main areas of commitment. For further details, please refer to the Methodological note.

Materiality Matrix 2014



Sustainability Report 2014 Structure

<ul style="list-style-type: none"> ● Excellence Innovation and client satisfaction Open dialogue Business integrity 	Section 2
<ul style="list-style-type: none"> ▲ Shared Growth Job creation Local economies support Community support 	Section 3
<ul style="list-style-type: none"> ■ People Care Attracting and developing talents Health and Safety Personnel wellbeing 	Section 4
<ul style="list-style-type: none"> ▶ Environmental Stewardship Our challenges Our devotion to the environment 	Section 5

Sustainability challenges and opportunities

To provide a broader view of the materiality analysis, the following table shows our main sustainability potential risks and opportunities, divided into areas of commitment.

Area	Topics	Potential risks	Potential opportunities
Excellence	Innovation and client satisfaction Open dialogue Business integrity	Increased competition from peers in response to clients and societal demand for innovative and sustainable construction solutions; possible opposition by local communities with related delay and increase in costs; reputational risks of malpractice; loss of confidence from investors and authorities.	Clients and communities served by us are able to benefit from the deployment of the best available technologies and know-how; licence to operate granted by local and global stakeholders thanks to the Group's leadership in engaging with all parties involved in projects; climate of mutual trust and broad local approval; reduced risks of contestation, staff security and delay; reduced reputational and financial risks thanks to the compliance system in force.
Shared growth	Job creation Local economies support Community support	Inability to recruit specialised local workforce; lack of local qualified suppliers; weak awareness of HSE issues; reputational risks of malpractice in community relationships.	Lower transport and customs costs through use of local suppliers; capacity building in terms of staff training and suppliers' support; access to qualified labour and suppliers for future projects; tangible benefit at local level derived from the generation of direct and indirect employment, additional income, social initiatives for local communities.
People care	Attracting and developing talents Health and Safety Personnel wellbeing	Inability to deliver best-built projects due to failure in developing personnel; impacts on morale and productivity due to low investment in training, welfare and safety; increase in absences and personnel costs due to injuries.	Ensuring skills and expertise to deliver projects; increased productivity due to personnel's wellbeing; minor recruitment costs due to internal development of employees and increased capacity to fill vacancies; minor absences and insurance costs; capacity to win contracts by clients who prioritise H&S in their tenders.
Environmental stewardship	Our challenges Our devotion to the environment	Poor evaluation of environmental impacts; weak management and control plans; disturbance of local communities; potential damage to existing infrastructures and private properties.	Reduced environmental impacts ensured by strict assessment, management, and control practices; minor risks of delay in delivery of projects due to environmental concerns of local communities; reduced litigation risks; enhanced reputation.

7.2 Performance data

Economic KPIs

Direct economic value generated and distributed	Unit	2012	2013	2014	G4-EC1
Direct economic value generated	€M	1,536	3,515	4,190	
Operating costs	€M	945	2,558	3,214	
Employee wages and benefits	€M	138	383	494	
Payments to providers of capital	€M	2	132	151	
Payments to government	€M	29	36	28	
Community investments	€M	4	2	2	
Economic value distributed	€M	1,118	3,111	3,890	
Economic value retained	€M	418	404	300	
Direct employees hired from the local community	Unit	2012	2013	2014	
Africa	%	96%	96%	96%	
Central and South America	%	98%	97%	96%	
North America	%	90%	96%	96%	
Europe	%	86%	85%	88%	
Middle East and Asia	%	52%	61%	46%	
Total	%	87%	90%	86%	
Subcontractors' employees hired from the local community	Unit	2012	2013	2014	
Africa	%	94%	99%	97%	
Central and South America	%	99%	100%	92%	
North America	%	100%	100%	100%	
Europe	%	88%	78%	69%	
Middle East and Asia	%	95%	86%	46%	
Total	%	92%	87%	74%	
Proportion of spending on local suppliers	Unit	2012	2013	2014	G4-EC9
Africa	%	47%	56%	40%	
Central and South America	%	91%	93%	49%	
North America	%	97%	95%	99%	
Europe	%	91%	93%	97%	
Middle East and Asia	%	85%	75%	68%	
Total	%	82%	82%	58%	

Social KPIs

Direct employees	Unit	2012	2013	2014	G4-10
Africa	no.	15,873	18,700	18,839	
Central and South America	no.	7,875	5,811	4,454	
North America	no.	160	252	299	
Europe	no.	1,773	2,136	3,634	
Middle East and Asia	no.	5,249	4,273	6,911	
Total	no.	30,930	31,172	34,137	

Subcontractors' employees	Unit	2012	2013	2014	G4-10
Africa	no.	3,007	2,737	2,108	
Central and South America	no.	3,185	3,749	5,455	
North America	no.	13	4	58	
Europe	no.	8,176	8,086	4,857	
Middle East and Asia	no.	4,741	2,737	4,270	
Total	no.	19,122	17,313	16,748	

Total workforce (direct and subcontractors' employees)	Unit	2012	2013	2014	G4-10
Africa	no.	18,880	21,437	20,947	
Central and South America	no.	11,060	9,560	9,909	
North America	no.	173	256	357	
Europe	no.	9,949	10,222	8,491	
Middle East and Asia	no.	9,990	7,010	11,181	
Total	no.	50,052	48,485	50,885	

Direct employees by category	Unit	2012	2013	2014	G4-LA12
Manager	%	1%	1%	1%	
Staff	%	16%	17%	20%	
Workers	%	83%	82%	79%	

Direct employees by age group	Unit	2012	2013	2014	G4-LA12
Under 30 years old	%	37%	42%	44%	
30-50 years old	%	50%	48%	47%	
Over 50 years old	%	12%	10%	9%	

Direct employees by gender	Unit	2012	2013	2014	G4-LA12
Women	%	7%	8%	8%	
Men	%	93%	92%	92%	

Total training hours provided to direct employees	Unit	2012	2013	2014	G4-LA9
Manager	hours	3,784	4,079	7,822	
Staff	hours	61,366	65,467	109,096	
Workers	hours	165,943	246,686	588,201	
Total	hours	231,094	316,233	705,118	

Sustainability Report 2014

Average per capita hours of training provided to direct employees	Unit	2012	2013	2014	G4-LA9
Manager	hours	14	13	18	
Staff	hours	14	15	16	
Workers	hours	7	11	22	
Average	hours	8	12	21	

Total workforce Injury Rate by region	Unit	2012	2013	2014	G4-LA6
Global	IR	1.71	1.09	0.86	
Africa	IR	1.43	0.55	0.94	
Central and South America	IR	2.70	2.11	1.06	
North America	IR	1.06	-	-	
Europe	IR	2.60	2.22	1.48	
Middle East and Asia	IR	0.77	0.41	0.16	

Total workforce Lost Day Rate by region	Unit	2012	2013	2014	G4-LA6
Global	LDR	31.03	28.05	15.12	
Africa	LDR	16.49	11.36	13.21	
Central and South America	LDR	63.18	52.17	20.28	
North America	LDR	6.35	-	-	
Europe	LDR	57.84	75.25	31.58	
Middle East and Asia	LDR	12.33	6.69	5.36	

Health and Safety expenses	Unit	2012	2013	2014	
Health and Safety protection expenses	€M	9.5	13.9	11.7	
Health and Safety prevention and management expenses	€M	6.2	11.6	10.7	
Total	€M	15.7	25.5	22.4	

Community support initiatives	Unit	2012	2013	2014	G4-EC7
Infrastructure investments	no.	19	27	8	
Social programmes	no.	102	57	48	
Total	no.	121	84	56	

Community investments	Unit	2012	2013	2014	G4-EC7
Pro-bono	€M	2.7	0.7	2.1	
In-kind	€M	1.3	1.3	0.4	
Total	€M	4.1	1.9	2.5	

Environmental KPIs

Materials used	Unit	2012	2013	2014	G4-EN1
Aggregates	t	11,248,390	16,645,970	23,219,469	
Bitumen	t	120,101	96,643	181,996	
Cement	t	503,281	925,191	1,424,483	
Reinforcing bars	t	118,488	215,252	465,760	
Precast concrete	t	623,027	335,773	351,434	
Ready-made asphalt	t	690,809	987,354	479,268	
Ready-made concrete	t	3,044,706	3,278,064	945,983	
Total non-renewable materials	t	16,348,801	22,484,247	27,068,394	

Energy consumption	Unit	2012	2013	2014	G4-EN3/EN4
Diesel	GJ	4,864,794	5,383,522	8,358,798	
Gasoline	GJ	177,861	1,339,087	112,078	
Kerosene	GJ	10,066	2,565	12,700	
Natural gas	GJ	446,215	40,460	66,655	
Electricity	GJ	428,378	961,626	496,683	
Electricity from renewable sources	GJ	-	5,381	1,256	
Total energy consumption	GJ	5,927,314	7,732,641	9,048,170	

Total water withdrawal	Unit	2012	2013	2014	G4-EN8
Ground water	m ³	3,901,284	4,006,348	1,625,909	
River	m ³	7,466,984	7,610,765	14,149,383	
Lake	m ³	8,783	91,451	10,598,380	
Sea	m ³	12,301	6,824	-	
Municipal water supplies	m ³	824,572	699,434	680,072	
Total	m ³	12,213,924	12,414,823	27,053,744	

Direct (Scope 1) and indirect (Scope 2 and 3) greenhouse gas (GHG) emissions	Unit	2012	2013	2014	G4-EN15/16/17
Direct GHG emissions (Scope 1)	t CO ₂ e	344,054	328,963	473,619	
Energy indirect GHG emissions (Scope 2)	t CO ₂ e	30,377	89,037	47,520	
Other indirect GHG emissions (Scope 3)	t CO ₂ e	138,238	203,199	194,796	
Total GHG emissions	t CO ₂ e	512,668	621,199	715,935	

Other significant air emissions from stationary sources (power stations)	Unit	2012	2013	2014	G4-EN21
NO _x	t	1,490	1,437	3,086	
CO	t	111	107	230	
HC	t	10	10	22	
PM	t	15	14	31	

Sustainability Report 2014

Total waste by activity	Unit	2012	2013	2014	G4-EN23
Construction and demolition waste	t	176,632	1,469,760	236,061	
Excavation waste	t	12,313,104	738,609	4,031,917	
General and other waste	t	112,508	19,714	19,207	
Total non-hazardous and hazardous waste	t	12,602,244	2,228,083	4,287,186	
Total waste by disposal method	Unit	2012	2013	2014	G4-EN23
Recovery, reuse and recycling	t	193,874	1,037,933	2,351,633	
Incineration	t	598	1,014	159	
Landfill	t	12,407,771	1,189,136	1,935,394	**
Total non-hazardous and hazardous waste	t	12,602,244	2,228,083	4,287,186	
Total waste by type	Unit	2012	2013	2014	G4-EN23
Non-hazardous waste	t	12,579,608	2,223,410	4,101,342	
Hazardous waste	t	22,636	4,673	185,844	
Total non-hazardous and hazardous waste	t	12,602,244	2,228,083	4,287,186	
Waste diverted from landfill	Unit	2012	2013	2014	G4-EN23
Waste recycled and reused	%	2%	47%	55%	**
Environmental expenses	Unit	2012	2013	2014	G4-EN31
Waste management, emission treatment and remediation costs	€M	8.6	16.2	4.7	
Environmental prevention and management expenses	€M	3.0	8.0	9.7	
Total	€M	11.5	24.2	14.5	

** Data on waste sent to/diverted from landfills in 2012 include also on-site permanent storage, so it is not comparable with 2013 and 2014 data.

7.3 Methodological note

As of 31 December 2014 the Sustainability Report (hereinafter also referred to as the “2014 Sustainability Report” or the “Report”) aims to provide reliable, comprehensive, balanced, accurate, and comparable information regarding Salini Impregilo’s values, strategies, and performances during the reporting period.

Reporting cycle

The Sustainability Report is published annually on the instruction of the Board of Directors of Salini Impregilo S.p.A.

Adherence to best practice standards

The Salini Impregilo 2014 Sustainability Report has been prepared in accordance with the “Comprehensive” option of the new “GRI G4 Sustainability Reporting Guidelines” and with the “Construction and Real Estate Sector Disclosures”, issued by Global Reporting Initiative (GRI) in 2013 and early 2014 respectively. By applying the Comprehensive option, we chose to disclose all indicators related to the identified material aspects.

In addition, the Report contains references to the ten principles of the Global Compact, showing the actions and systems implemented by the Group in order to integrate these principles into the corporate strategy and day-to-day activities of the Company.



Material topics

In order to implement the Reporting Principles for Defining Report Content provided for by GRI G4 Guidelines, the Group has defined an internal procedure aimed at

identifying, prioritising, validating, and reviewing material topics, as described at section 7.1. Material topics identified through this process with related boundaries are listed below⁷. A complete list of significant sites where topics are material is available hereinafter.

Salini Impregilo priority topics	Related GRI G4 material issues	Material within the organisation	Material outside the organisation
Excellence			
Innovation and client satisfaction	-	Headquarters and significant sites	Partners, suppliers, subcontractors* and consultants
Open dialogue	Local communities, Grievance Mechanisms for Impacts on Human Rights and Society	Headquarters and significant sites	Clients and subcontractors at significant sites*
Business integrity	Public Policy, Anti-Competitive Behaviour, Anti-Corruption, Compliance, Supplier Assessment for Impacts on Society	Headquarters and local subsidiaries	Third parties as per Code of Ethics and Anti-Corruption System
Shared growth			
Job creation	Market Presence, Child Labour, Forced or Compulsory Labour, Assessment, Grievance Mechanisms for Impacts on Labour Practices and Human Rights	Headquarters and significant sites	Subcontractors and service providers (i.e., recruitment agencies, security providers) at significant sites*
Local economies support	Procurement Practices, Economic Performance, Investment, Supplier Assessment for Impacts on Environment, Labour Practices, Human rights, Society	Headquarters and significant sites	Subcontractors and service providers at significant sites*
Community support	Indirect Economic Impacts, Local Communities, Indigenous Rights	Significant sites	-
People care			
Personnel training and development	Employment, Training and Education, Diversity and Equal Opportunity, Equal Remuneration for Women and Men	Headquarters and significant sites	-
Safety at workplace	Occupational Health and Safety, Supplier Assessment for Labour Practices and Human Rights	Significant sites	Subcontractors at significant sites*
People wellbeing	Labour/Management Relations, Non-discrimination, Freedom of Association and Collective Bargaining, Security Practices	Significant sites	Subcontractors and service providers (i.e., recruitment agencies, security providers) at significant sites*
Environmental stewardship			
Our challenges	-	Headquarters and significant sites	-
Our devotion to the environment	Materials, Energy, Water, Biodiversity, Emissions, Effluents and Waste, Land degradations, Contamination and Remediation, Transport, Compliance, Overall, Grievance Mechanisms for Impacts on Environment	Significant sites	Subcontractors at significant sites*
Others			
Main results	Economic performance	Headquarters and local subsidiaries	-

* We require to all our subcontractors and service providers to supply us with data on their socio-environmental performance; however, based on the geographical area of operation, these are not always available.

⁷ Topics regarded as not material are: Products and Services, Customer Health and Safety, Product and Service Labelling, Marketing Communications and Customer Privacy.

Third-party assurance

To guarantee the veracity of the information provided in the Report, and to improve the accounting procedures, Reconta Ernst & Young S.p.A. has been engaged to carry out audit activities. The independent assurance report is available at the end of this document.

Scope of the Report

The 2014 Sustainability Report contains an overview of the initiatives and activities carried out by the Group in 2014, as well as performance data from the period 2012-2014⁸ and significant events which have involved Salini Impregilo after the 2014 year end.

The information provided in the Report refers to Salini Impregilo S.p.A. and the consolidated companies.

Unless otherwise specified in the Report and/or in the GRI Content Index, the scope of the Report follows the criteria described below:

- Financial data relates to the scope of the 2014 Salini Impregilo S.p.A. Consolidated Financial Statements, except for the figures on local purchases;
- Corporate Governance data and information relates to Salini Impregilo S.p.A.;
- Environmental and social data (plus local purchases) refers to a scope established applying the control approach to the backlog at 30 September 2014. Specifically, sites included in the Report (listed below) are all the active projects with one of the following characteristics:
 - direct contract;
 - contract managed by a consortium/J.V./ temporary partnership in which Salini Impregilo is the leading partner.

The sites excluded from the scope are considered not relevant to the present document.

Comparative data (2012 and 2013) has been restated in respect to those published in the Sustainability Report 2013, in order to apply the control approach instead of the equity share approach used in the previous Report.

Any specific limitations to the scope are directly indicated in the Report, particularly in the GRI Content Index.

It should also be noted that the injury figures in this Report refer to a scope wider than the one used for the Group Quality, Environment, Health and Safety Management System, which applies to contract where decision-making roles (e.g. Head of QSE) are entrusted to Salini Impregilo.

Below is a list of operating sites included under the reporting scope of the Sustainability Report. For more information about the projects, visit our website www.salini-impregilo.com.

⁸ New performance indicators provided for by the GRI-G4 Guidelines are reported only for 2013 and 2014.

Sustainability Report 2014

Country	Project name
Colombia	Ruta del Sol*
Colombia	El Quimbo*
Colombia	Sogamoso*
Denmark	CMT Copenhagen (Cityringen)*
Ethiopia	Gibe III Project*
Ethiopia	Grand Ethiopian Renaissance Dam (GERD)*
Georgia	New Kutaisi Bypass-Kutaisi lot*
Georgia	New Kutaisi Bypass-Samtredia lot*
Georgia	New Kutaisi Bypass-Zestaponi lot*
Greece	Stavros Niarchos Cultural Centre*
Italy	A4 third lane extension*
Italy	Salerno-Reggio Calabria motorways Lots 5-6*
Italy	COCIV (High speed/High capacity Milano-Genova)*
Italy	Metro M4 (Milan underground)*
Kazakhstan	South-West Roads projects (Kizylorda)*
Kazakhstan	Almaty-Khorgos
Malaysia	Ulu Jelai Hydroelectric project*
Namibia	Neckartal Dam
Nigeria	Adyan Waterworks Phase II*
Nigeria	District 1*
Nigeria	Gurara Dam*
Nigeria	Idu Industrial Area*
Nigeria	Inner Southern Expressway (ISEX)*
Nigeria	Millennium Tower - Cultural Centre*
Nigeria	Ogoni-Anoni-Opobo Road*
Nigeria	Suleja-Minna*
Panama	Extension of the Panama Canal (third sets of locks)*
Qatar	Abu Hamour hydraulic project*
Qatar	Red Line North - Doha
Romania	Orastie-Sibiu motorways*
Romania	Lugoi Deva motorways
Saudi Arabia	Metro Riyadh
Tunisia	Oued Zarga-Boussalem*
Tunisia	Sfax-Gabes*
Ukraine	M03 Kiev-Karkiv*
USA	Anacostia
USA	Vegas Tunnel - Lake Mead*
Venezuela	Chaguaramas railways*
Venezuela	San Juan de Los Morros railways*
Venezuela	Puerto Cabello - Contuy Ferrocarriles railways and stations*
Zimbabwe	Mukorsi Dam*

* Projects already included in the 2013 Sustainability Report.

Area of expertise	Company
Motorways and airports	Constructora Ariguani S.a.s.
Dams, hydroelectric plants and hydraulic works	Consorcio Impregilo-OHL
Dams, hydroelectric plants and hydraulic works	Grupo ICT II S.a.s.
Railways and undergrounds	Copenhagen Metro Team
Dams, hydroelectric plants and hydraulic works	Salini Impregilo S.p.A.
Dams, hydroelectric plants and hydraulic works	Salini Impregilo S.p.A.
Motorways and airports	J.V. Todini Costruzioni Generali S.p.A./ Takenada Engineering Construction Ltd.
Motorways and airports	J.V. Todini Costruzioni Generali S.p.A./ Takenada Engineering Construction Ltd.
Motorways and airports	J.V. Todini Costruzioni Generali S.p.A./ Takenada Engineering Construction Ltd.
Civil and industrial buildings	Impregilo-Terna SNFCC J.V.
Motorways and airports	La Quado S.c.a.r.l.
Motorways and airports	Salerno-Reggio Calabria S.c.p.a. (Lot 5) Reggio Calabria-Scilla S.c.p.a. (Lot 6)
Railways and undergrounds	Consorzio Cociv
Railways and undergrounds	Consorzio MM4
Motorways and airports	Salini Impregilo S.p.A.
Motorways and airports	Todini Costruzioni Generali S.p.A.
Dams, hydroelectric plants and hydraulic works	Salini Malaysia Sdn. Bhd
Dams, hydroelectric plants and hydraulic works	Salini Impregilo S.p.A.
Dams, hydroelectric plants and hydraulic works	Salini Nigeria Ltd.
Motorways and airports	Salini Nigeria Ltd.
Dams, hydroelectric plants and hydraulic works	Salini Nigeria Ltd.
Motorways and airports	Salini Nigeria Ltd.
Motorways and airports	Salini Nigeria Ltd.
Civil and industrial buildings	Salini Nigeria Ltd.
Motorways and airports	Rivigo J.V. (Nigeria) Ltd.
Motorways and airports	Salini Nigeria Ltd.
Dams, hydroelectric plants and hydraulic works	Grupo Unidos Por El Canal S.A.
Dams, hydroelectric plants and hydraulic works	Salini Impregilo S.p.A.
Railways and undergrounds	ISG J.V.
Motorways and airports	Salini Impregilo S.p.A.
Motorways and airports	Salini Impregilo S.p.A.
Railways and undergrounds	Civil Works J.V.
Motorways and airports	Todini Costruzioni Generali S.p.A.
Motorways and airports	Todini Costruzioni Generali S.p.A.
Motorways and airports	Todini Costruzioni Generali S.p.A.
Dams, hydroelectric plants and hydraulic works	Impregilo-Healy-Parsons J.V.
Dams, hydroelectric plants and hydraulic works	Vegas Tunnel Constructors
Railways and undergrounds	Salini Impregilo S.p.A.
Railways and undergrounds	Salini Impregilo S.p.A.
Railways and undergrounds	Salini Impregilo S.p.A.
Dams, hydroelectric plants and hydraulic works	Salini Impregilo S.p.A.

Calculation methods

Data and information included in the Report are taken from the information systems used for the general management and accounting of the Group's operations, along with data from a specific sustainability reporting system established in accordance with the GRI requirements. Some data and information is drawn from public sources.

Reported data is calculated with due accuracy and, where specified, by means of estimates. The methodologies applied to determine the main indicators are shown below.

Safety indicators

Safety indicators are calculated in accordance with the "ILO Code of Practice on Recording and Notification of Occupational Accidents and Diseases" provided in the GRI Guidelines.

Rates reported are expressed as the number of injuries occurred (IR) and the related lost days (LDR) for each 100 employees.

In particular, the IR is calculated as a rate between the total number of injuries with prognosis longer than 3 days occurred in the period (fatalities included) and the total hours worked, multiplied by 200,000. LDR is calculated as a rate between the total number of lost days (related to injuries with prognosis longer than 3 days) and total hours worked, then multiplied by 200,000. Lost days are calculated taking into account the calendar days.

Both IR and LDR are related to the total workforce, comprising both direct and subcontractors' employees.

Although injuries incurred while commuting are not included in the calculation of the safety indicators, any accidents occurring to independent contractors (e.g. consultants) are included in employee Injury Rates. Injuries occurring at the Company headquarters and at other offices are not considered as material, as they do not relate to construction activities. For this reason these injuries, if occurred, are not included in the safety indicators.

HSE expenses

HSE expenses reported refer to:

- Health and Safety protection expenses including personal protective equipment, safety installations (e.g. fire-fighting equipment, grounding), emergency response equipment and services (e.g. rescue team, rescue equipment, ambulances, first aid, etc.), H&S monitoring activities (e.g. laboratories, instruments, measurements, etc.) and healthcare expenses (e.g. running of clinics, medical staff, medicines);
- Environmental protection expenses including environmental plants (e.g. wastewater treatment plants), environmental emergency equipment (e.g. spills kit, absorbent materials, anti-spillover systems, etc.) and services (e.g. those provided by third parties through framework agreements), waste management, environmental restoration and remediation, monitoring activities (e.g. laboratories, instruments, measurements, etc.);
- H&S and Environmental management costs including internal personnel dedicated to running HSE management systems, external consultancy and training costs.

Energy used

Calculations on internal and external (i.e., subcontractors) consumption of direct energy are based on conversion factors provided by the Intergovernmental Panel on Climate Change (2006 IPCC Guidelines for National Greenhouse Gas Inventories).

Water withdrawal, discharge, and reuse

Water not withdrawn from aqueducts, bought from other sources (i.e., via tanks), or measured by counter (included those discharged and reused), is estimated on the working hours of the draining pumps used and the capacity of these pumps.

Wastewater is estimated as a percentage of total water withdrawn, depending on the specific use of the water (production or domestic).

Rainwater, although collected and stored, is not reported because it is not considered material. The Group does not use wastewater from other organisations.

Greenhouse gas emissions

Calculation of the Group's greenhouse gas emissions is based on:

- The emission factors provided by the Intergovernmental Panel on Climate Change (2006 IPCC Guidelines for National Greenhouse Gas Inventories) for the consumption of direct energy;
- The emission factors provided by the International Energy Agency (CO₂ Emissions from Fuel Combustion, 2012 edition, 2010 data) for the consumption of indirect energy;

- The emission factors provided by IPCC (Fourth Assessment Report AR4 100yr) to convert CH₄ and N₂O in CO₂ equivalent;
- The emission factors provided by the UK Department for Environment, Food and Rural Affairs (2011 Guidelines to Defra/DECC's GHG Conversion Factors for Company Reporting) for the shipment of goods.

Waste

Data on waste production are gathered in accordance with the Construction Waste Measurement Protocol issued by ENCORD (European Network of Construction Companies for Research and Development) in May 2013.

For operations within the EU, disposal methods have been determined according to the classification provided by law of each waste category. For those outside the EU, methods have been determined according to the specific contracts stipulated with external waste contractors.

For more information

To discover more about our approach to sustainability or to suggest how we can improve our sustainability reporting, please email: sustainability@salini-impregilo.com.

7.4 GRI Content Index

The GRI content index is available as a distinct document on our website www.salini-impregilo.com.

7.5 Assurance report



Reconta Ernst & Young S.p.A.
Via Po, 32
00198 Roma
Tel: +39 06 324751
Fax: +39 06 32475504
ey.com

Independent auditors' report on the "Sustainability Report 2014"

To the Shareholders of Salini Impregilo S.p.A.

We have carried out a limited assurance engagement of the "Sustainability Report 2014" (hereinafter "Sustainability Report") of Salini Impregilo S.p.A. and its subsidiaries (hereinafter "Salini Impregilo Group" or "Group") as of December 31, 2014.

Management's responsibility on Sustainability Report

The Management is responsible for the preparation of the Sustainability Report in accordance with the "G4 Sustainability Reporting Guidelines", issued in 2013 by GRI - Global Reporting Initiative, that are detailed in the paragraph "Methodological note" of the Sustainability Report, as well as for that part of internal control that they consider necessary in order to allow the preparation of a Sustainability Report that is free from material misstatements, even caused by frauds or not-intentional behaviors or events. The Management is also responsible for defining the Salini Impregilo Group's commitments regarding the sustainability performance and for the reporting of the achieved results, as well as for the identification of the stakeholders and of the significant matters to report.

Auditors' responsibility

It is our responsibility the preparation of this report on the basis of the procedures carried out. Our work has been conducted in accordance with the criteria established by the principle "International Standard on Assurance Engagements 3000 - Assurance Engagements other than Audits or Reviews of Historical Financial Information" ("ISAE 3000"), issued by the International Auditing and Assurance Standards Board for the engagements that consist in a limited assurance. This principle requires the respect of relevant ethical principles, including those related to independence, as well as the planning and the execution

Reconta Ernst & Young S.p.A.
Sede Legale: 00198 Roma - Via Po, 32
Capitale Sociale € 1.402.500,00 i.v.
Iscritta alla S.O. del Registro delle Imprese presso la C.C.I.A.A. di Roma
Codice fiscale e numero di iscrizione 00434000584
P.IVA 00891231003
Iscritta all'Albo Revisori Contabili al n. 70945 Pubblicato sulla G.U. Suppl. 13 - IV Serie Speciale del 17/2/1998
Iscritta all'Albo Speciale delle società di revisione
Consob al progressivo n. 2 delibera n.10831 del 16/7/1997

A member firm of Ernst & Young Global Limited



of our work in order to obtain a limited assurance that the Sustainability Report is free from material misstatements. These procedures included inquiries, primarily with company's personnel responsible for the preparation of the information included in the Sustainability Report, documents analysis, recalculations and in other procedures in order to obtain evidences considered appropriate.

The procedures performed on the Sustainability Report were related to the compliance with the principles for defining report content and quality, as articulated in the "G4 Sustainability Reporting Guidelines", and are summarized below:

- a. Comparison of the economic and financial data and information included in the Sustainability Report with those included in the Salini Impregilo Group's consolidated financial statements as of December 31, 2014, on which other auditor issued the auditors' report, pursuant to art. 14 and 16 of Legislative Decree n. 39 dated April 8, 2015;
- b. Analysis, through interviews, of the governance system and of the process to manage the issues related to sustainable development regarding Group's strategy and operations;
- c. Analysis of the process relating to the definition of material aspects included in the Sustainability Report, with respect to the criteria applied to identify priorities for the different stakeholders' categories and to the internal validation of the process outcome;
- d. Analysis of the operating mode of the processes supporting the initiation, recording and management of the quantitative data reported in the Sustainability Report. In particular, we have carried out the following procedures:
 - interviews and discussions with personnel of the Management of Salini Impregilo S.p.A. and of its subsidiaries Consorzio MM4, Impregilo-SK E&C-Galfar Al Misnad JV and Impregilo - Terna SNFCC JV, to obtain an understanding about the information, accounting and reporting system in use for the preparation of the Sustainability Report, as well as about the internal control processes and procedures supporting the collection, aggregation, data processing and transmission of data and information to the department responsible for preparation of the Sustainability Report;
 - on-site verifications at Red Line North Underground - Doha (Qatar), Abu Hamour Hydraulic Project - Doha (Qatar), Stavros Niarchos Foundation Cultural Centre - Athens (Greece), Milan Metro System - Line 4 (Italy);



- analysis on a sample basis of the documentation supporting the compilation of the Sustainability Report, in order to confirm the processes in use, their adequacy and the operation of the internal control for the correct processing of data and information referred to the objectives described in the Sustainability Report;
- e. Analysis of the compliance and internal consistency of the qualitative information included in the Sustainability Report to the guidelines identified in paragraph "Management's responsibility on Sustainability Report" of the present report;
- f. Analysis of the process relating to the stakeholders engagement, with reference to the procedures applied, through the review of minutes or any other existing documentation relating to the main topics arisen from discussions with them;
- g. Obtaining of the representation letter, signed by the legal representative of Salini Impregilo S.p.A., relating to the compliance of the Sustainability Report with the guidelines indicated in paragraph "Management's responsibility on Sustainability Report", as well as to the reliability and completeness of the information and data presented in the Sustainability Report.

The data and information which are subject to the limited assurance are reported, in compliance with "G4 Sustainability Reporting Guidelines", in the table "GRI-G4 Content Index" of the Sustainability Report.

Our engagement is less in scope than reasonable assurance engagement in accordance with ISAE 3000 and, as consequence, we may not have become aware of all the significant events and circumstances which we could have identified had we performed a reasonable assurance engagement.

Conclusion

Based on our work, nothing has come to our attention that causes us to believe that the "Sustainability Report 2014" of Salini Impregilo Group as of December 31, 2014 is not in compliance, in all material aspects, with the guidelines "G4 Sustainability Reporting Guidelines" issued in 2013 by the GRI - Global Reporting Initiative, as stated in the paragraph "Methodological note" of the Sustainability Report.



Other aspects

The Management restated certain comparative data related to the prior year with respect to the data previously reported and subject to our limited assurance, on which we issued our auditor report on June 25, 2014. We have examined the method used to restate the comparative data and the related information, for the purpose of issuing this report.

Rome, June 10, 2015

Reconta Ernst & Young S.p.A.


Mauro Ottaviani
(Partner)

Salini Impregilo S.p.A.

Via dei Missaglia, 97
20142 Milan
Italy
T: +39 02 44422111
F: +39 02 44422293

Via della Dataria 22
00187 Rome
Italy
T: +39 06 67761
F: +39 06 677626288

info@salini-impregilo.com

www.salini-impregilo.com

