

Sustainability Report 2015



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impregilo 

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Welcome from our CEO

2015 was a year of progressive evolution for Salini Impregilo. We grew as a global company, united by a common set of values, and stepped up our focus on creating resilient, high quality, sustainable infrastructure in a rapidly evolving world.

Infrastructure has always been fundamental to developing thriving economies and societies. Now, with two thirds of the global population expected to be living in cities by 2050, it is more crucial than ever. Indeed, the United Nation's new Sustainable Development Goals, launched in 2015, highlight the growing importance of our industry's role in achieving sustainable development. We intend to help lead our industry in embracing that responsibility and contributing to building a better world.



Above all, we aim to improve people's lives, whether it is by supporting the renewable energy transition with major hydro-electric plants or developing sustainable mobility solutions for 21st century cities. We believe that large-scale, high quality infrastructure should be accessible to all, and we are making it happen.

Salini Impregilo completed some highly challenging projects in 2015. For example, the Lake Mead Intake No.3 and hydraulic tunnel, which will help supply water to Las Vegas for many generations, was nominated Global Tunnelling Project of the Year by New Civil Engineer. Some of our ongoing projects also obtained important accolades such as the Sydney Metro Northwest, designed to withstand the challenges posed by an evolving climate and the risk of extreme weather, which was recognised by the Infrastructure Sustainability Council of Australia (ISCA) as world-class best practice.

Through every project, we aim to create economic, social and environmental value for our stakeholders. We call this our Shared Value approach. This builds on 110 years of putting respect for people at the heart of our business, and represents our firm commitment to integrating our values and sustainability ambitions with our core business strategy. Creating a holistic, consistent sustainability culture is vital as we continue to expand.

In particular, we aim to exceed our clients' expectations, ensure a healthy return for investors, and develop infrastructure that addresses pressing social and environmental challenges. This is particularly relevant in developing countries, where resilient infrastructure can empower local communities and boost economies.

Wherever we do business, we seek to be transparent with our stakeholders, inviting their views, building trust, sharing our plans and progress, and promoting a culture of accountability.

In 2015, we maintained our commitment to supporting local communities economically and socially. We spent 75% of our purchasing budget with local suppliers, and created employment for more than 10,700 people through sub-contractors and service providers. Additionally, we provided more than 17,000 free healthcare sessions to communities in remote, rural areas across Africa. We also launched the E4Impact Foundation, a landmark initiative to help inspire and support social entrepreneurship in Africa.

Importantly, we stepped up our efforts to reduce impact on the environment, lowering our energy intensity rate by 13% and cutting our greenhouse gas emissions rate by 14%, year on year. Salini Impregilo has obtained a 100/100 rating in the CDP's climate change programme, and in 2015, we were recognised by the CDP's Italian Climate Disclosure Leadership Index (CDLI).

We adhere to rigorous environmental standards throughout the lifecycle of each project, continuously innovating to reduce waste, conserve natural resources, reduce emissions and protect soil and local biodiversity. We have raised the reuse rate of excavation materials by 19%, compared to 2014, for example. And in Panama, we have collaborated with the country's national parks to rescue and relocate more than 4,100 animals from the area surrounding our works.

The ongoing success of our business sits firmly in the hands of our 30,600 employees. Their health, safety and well-being are top priorities at each and every construction site. In 2015, we introduced a new initiative to strengthen our health and safety practices, creating health and safety leaders, in order to help all employees and sub-contractors take an active role in ensuring a safe workplace. Overall, we reduced our injury rate by 14%, year on year, invested €34.8m in protection and prevention, and delivered more than 637,000 hours of training to employees.

We have taken definitive steps to create a strong future for our business and our industry, including the recruitment of 100 of Italy's top engineering graduates through our 'Tomorrow's Builders' campaign, and collaborating with Milan's Polytechnic to launch a new Master's in International Construction Management. By equipping both current and future employees with the skills and knowledge required to succeed in the construction industry, we are reinforcing our commitment to support sustainable development through high quality, resilient infrastructure.

In 2016, our 110th anniversary, we will retain our keen focus on maintaining high performance standards, improving people's lives through large scale infrastructure projects, supporting local communities and protecting the environment, in line with the UN Global Compact's principles. In addition to completing the expansion of the Panama Canal, we will also inaugurate the Gibe III hydroelectric project in Ethiopia and the Stavros Niarchos Cultural Centre in Athens, which has achieved the Leadership in Energy and Environmental Design (LEED) Platinum certification, the highest possible sustainable building ranking.

Finally, I would like to thank all our employees, whose hard work and dedication has allowed us to achieve these results, as well as our wider group of stakeholders for their continued support. I welcome your feedback and views on our progress, as we move forward together on our journey to build a better world for current and future generations.

Yours sincerely,

Pietro Salini

A handwritten signature in black ink, appearing to be 'P. Salini', written in a cursive style.



**OUR GROUP IS WORLD LEADER
IN THE WATER SEGMENT
INFRASTRUCTURE AND
A GLOBAL PLAYER SPECIALIZED
IN THE CONSTRUCTION
OF RAILWAYS, METROS AND
TRANSPORT SYSTEMS**

1. About Salini Impregilo

Salini Impregilo is a leading global constructor of major infrastructures, specialising in hydroelectric plants and dams, railways, metro systems, motorways and roads.

The Group has been active for more than 110 years. Today, we operate in more than 50 countries, across five continents, with more than 30,000 employees. At the end of 2015, our turnover was approx. €4.7 billion with a backlog of more than €33 billion.

Our business areas

Salini Impregilo operates in all sectors requiring complex large-scale infrastructures, such as renewable energy, water, transport and urban infrastructure, offering both design and construction services. We develop bespoke, innovative proposals for every project, analysing the client's needs in depth and researching the most effective technological solutions. We collaborate with our designers, engineers and suppliers to prioritise environmental, social and health and safety issues throughout. Once a project is in motion, our collaborative approach continues, as we transform drawings into reality, engage with local stakeholders, and recruit, train and care for large workforces.

Dams, hydroelectric plants

Hydraulic engineering, including dams and hydroelectric plants, is a key strength of the Salini Impregilo Group. We are currently recognised by Engineering News Record (ENR) as world leader in the construction of infrastructure projects in the water segment, and act as a strategic partner for our clients, helping to develop projects from their inception. We have built some 257 dams and hydroelectric plants across five different continents, with an installed capacity of more than 37,500 MW of low-cost, clean energy. In this way, we contribute directly to the renewable energy transition and sustainable development in multiple countries.

The Group is currently engaged on the Expansion of the Panama Canal, and the Grand Ethiopian Renaissance Dam in Ethiopia, which will be the largest dam in Africa. In December 2015 we successfully completed South Nevada Water Authority's new intake pipeline, created to draw water from Lake Mead (one of the largest man-made lakes in the US). This project's construction has made tunnelling history, due to the hydrostatic pressures encountered.

Motorways, roads and bridges

Transport infrastructure, particularly road networks, play a fundamental role in supporting socio-economic growth, and can help to accelerate industrialisation, as well as enhance accessibility and communication. Salini Impregilo has constructed over 51,660 km of roads and motorways and 350 km of bridges and viaducts. The Group is currently involved in numerous projects of varying size and complexity. These span from the A1 motorway in Poland to the Gerald Desmond Bridge in California, which is set to significantly improve traffic congestion in this busy port area. The new bridge will be one of the tallest of its kind in the United States.

Railways and metros

We strive to meet citizens' needs for greater mobility while supporting the development of lower-carbon transport alternatives. To date, we have built some 6,830 km of railway lines, 400 km of metro lines and 1,450 km of underground infrastructure, focusing on technical efficiency, safety and environmental sustainability. Salini Impregilo has installed innovative technologies such as the ERTMS Level 2 (European Rail Traffic Management System) in some sections of the Italian High Speed Railway Network. Together with system suppliers, we are also building some UTO Metros (automated, driverless trains) using a computer-based train control (CBTC) system.

Additionally, the Group constructs high-speed railway lines such as the High Speed Ankara-Istanbul line in Turkey, and the Milan Genoa High Speed line in Italy, part of the Rhine-Alpine Corridor. The latter is one of the Trans-European network corridors, and is helping to promote a "rebirth" of metro urban transport throughout the world. Projects in progress include the new Cityringen metro in Copenhagen, Denmark, the Red Line in Doha, Qatar, one of the largest infrastructure developments in the Middle East, as well as Line 3, the longest line of the new Riyadh metro in Saudi Arabia, two lines of the Lima Metro in Peru and line 4 of Milan's metro in Italy.

Civil and industrial buildings, airports

Working in partnership with respected architects and designers, we continue to participate in the construction of iconic buildings such as the Great Mosque in Abu Dhabi, the Kingdom Centre in Riyadh, and the European Parliament in Strasbourg. The Group's experience includes hospital complexes, university campuses and government buildings, as well as cultural buildings such as the Nigeria Cultural Centre and the Millennium Tower in Abuja. We also contributed to the development of the Stavros Niarchos Cultural Centre in Athens, which was designed by world-famous architect Renzo Piano. The project, currently under construction, has obtained the Leadership in Energy and Environmental Design (LEED) Platinum certification.

Salini Impregilo both constructs and modernises airports in Italy and internationally. We have built runways and taxiways, terminals, office buildings,

control towers (Rome's Leonardo da Vinci international airport and Milan Malpensa 2000 control tower, for example) as well as large-scale hangars.

Our track record

Our global footprint

257
dams and
hydroelectric plants

37,500 MW
of installed capacity

1,450 km
of underground works

6,830 km
of railways

400 km
of metro systems

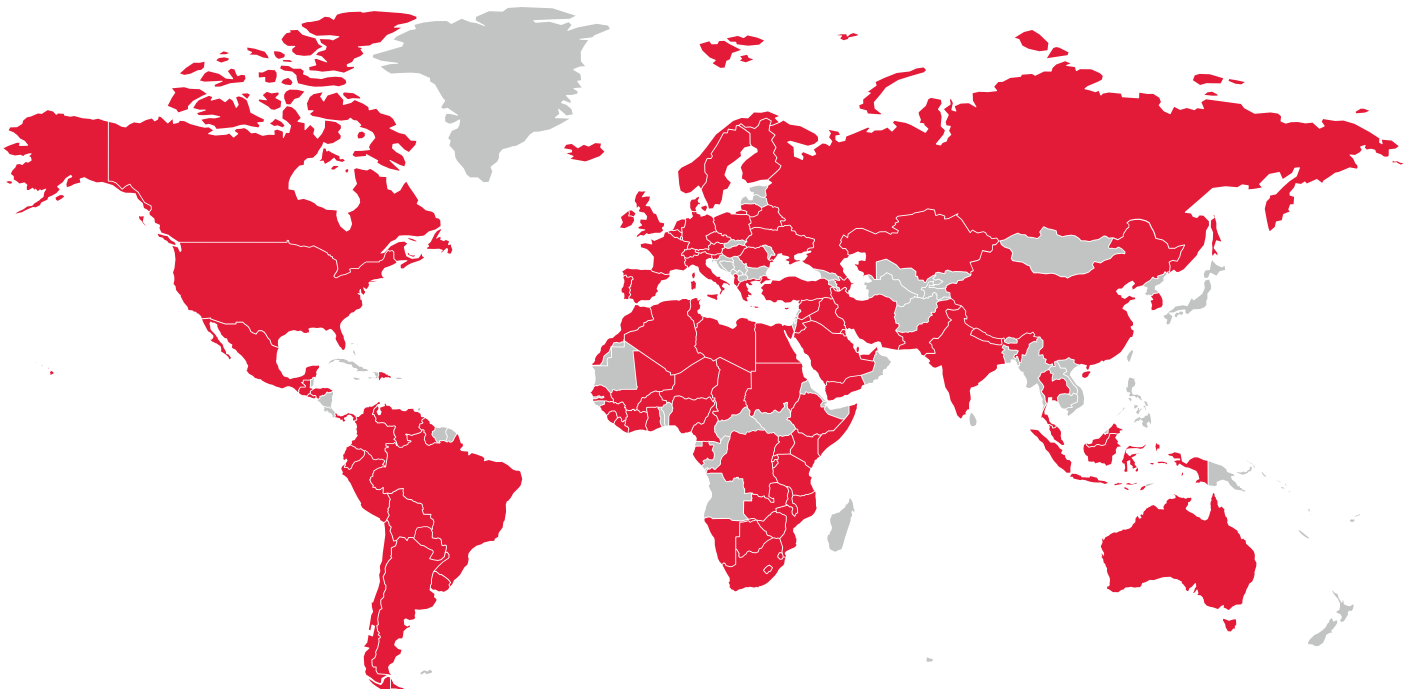
51,660 km
of roads and motorways

350 km
of bridges and viaducts

>50
Countries

>30,000
Staff worldwide

>100
Nationalities



KPI summary

Distributed economic value

2015	4,356 € million
2014	3,950 € million
2013	3,111 € million

Spending on local suppliers

2015	75 %
2014	58 %
2013	82 %

Employees under 30 years of age

2015	41 %
2014	44 %
2013	42 %

Training hours provided

2015	1,022,475 hours
2014	705,118 hours
2013	316,233 hours

Injury rate

2015	0.74
2014	0.86
2013	1.09

HSE expenses

2015	68.3 € million
2014	36.9 € million
2013	49.7 € million

Reused excavation materials

2015	82 %
2014	63 %
2013	54 %

Energy intensity

2015	1,882 GJ/€ million
2014	2,157 GJ/€ million
2013	2,372 GJ/€ million

Greenhouse gas (GHG) emissions intensity

2015	140 t CO₂e/€ million
2014	163 t CO ₂ e/€ million
2013	180 t CO ₂ e/€ million



1.1 Our sustainability model

As an established company with 110 years' experience, we have developed a strong business model based on delivering both economic growth for

investors and clients, and social and environmental value for the communities where we operate.

Salini Impregilo's Sustainability Model



Our shared value approach

Operating in diverse cultures and environments across the world, we have fostered a robust business culture focused on human value. We continuously seek to meet the expectations of local institutions, clients, and communities, and collaborate effectively with suppliers and technical partners.

Building on this experience, we have developed a **shared value approach** that fully integrates our values and sustainability strategy with our corporate strategy. This approach will contribute directly to our ongoing commercial success, and create:

- **Economic value** - completing infrastructure projects that meet or exceed our clients' expectations and ensuring a return for our investors;
- **Social and environmental value** - contributing to the sustainable development of the countries where we work by improving infrastructure in a way that addresses evolving environmental challenges and supports local communities and economies.

In pursuing these ambitions, the Group contributes to:

- Addressing the growing **infrastructure needs** of the countries in which we operate;
- Achieving the **Sustainable Development Goals** (SDGs) endorsed by the United Nations, which recognise the role of infrastructure in supporting sustainable development.

For further information on sustainable development and infrastructure please refer to sections 2.1 and 3.1.

Our stakeholders

Through our global operations, we interact with many stakeholders interested in our business and activities. Identifying and engaging with our key stakeholders is a top priority. By building robust stakeholder relationships, we aim to gain new perspectives and opportunities to create shared value.

Stakeholders	Typical interaction level		Typical interest areas					Typical duration of relations			
	International	Local	Economic	Governance	Social	Environmental	Community	Long-term	Medium-term	Project life	Ad-hoc
Employees & Unions	✓	✓	✓		✓	✓		✓		✓	✓
Shareholders & Investors	✓		✓	✓	✓	✓		✓	✓		✓
Clients & Potential clients	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓
Suppliers, Contractors, Subcontractors & Business partners	✓	✓	✓		✓	✓		✓	✓	✓	✓
Local communities & NGOs	✓	✓	✓		✓	✓	✓	✓		✓	✓
Governments & Public Administrations		✓	✓	✓	✓	✓	✓	✓		✓	
Trade associations & media	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Our priorities

We have identified three key priorities through our materiality analysis process (described in the appendix):

<p>High performance standards</p>	<p>for our investors and clients; our workforce and partners (including health and safety and attracting talent); local communities; and the environment</p>	
<p>Local development</p>	<p>in the countries where we operate, by supporting socio-economic growth through job creation, vocational training, local sourcing in our supply chain, and community support</p>	
<p>Accountability</p>	<p>to our key stakeholders to ensure mutual confidence, fairness and transparency.</p>	

Our policies and guidelines

To implement our sustainability approach and priorities effectively throughout our organisation, Salini Impregilo has created an integrated framework of policies and management and control systems that respect major international standards and guidelines.



In 2015, we developed a comprehensive new **Sustainability Policy** outlining ten core principles to guide the behaviour of all our employees. We require our operating divisions to commit to adopting these principles, along with our **Code of Ethics**.

We are also a signatory to the **UN Global Compact (UNGC)**, the world's largest voluntary corporate sustainability initiative, and have thereby committed to align our operations and strategies with the UNGC's ten principles relating to human rights, labour, the environment, and anti-corruption.

Salini Impregilo further reinforced our commitment to human and labour rights through an **International Framework Agreement** signed by 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 (for the environment), and the OHSAS 18001 (for health and safety). All Group companies have implemented this system, and our conformance is verified by an independent external body.

Finally, Salini Impregilo has adopted an **Anti-Corruption Compliance System**, reinforcing the prevention and control structure defined by company procedures and by Model 231, a compliance scheme provided for by Italian law.

Our results and ambitions

Here, we share the results we have achieved across our different sustainability areas together with our future targets.

Area	2015 Results	Ambitions
Developing employees and attracting talent	<ul style="list-style-type: none"> - Provided more than 1 million training hours to employees - Recruited 100 young engineers through our "Tomorrow's Builders" campaign - Launched the Salini Impregilo Learning Academy for employees 	<ul style="list-style-type: none"> - Continue investing in training, in order to guarantee our employees' professional development - Deliver the first edition of the "International Construction Management" 1st and 2nd Level Master's jointly with Milan's Polytechnic - Launch a new e-learning platform for the Group's employees
Health and safety	<ul style="list-style-type: none"> - Reduced injury rate (IR) by 14%, compared to 2014 - Invested 34.8 € million in H&S protection and prevention - Delivered more than 637,000 hours of training to employees on H&S issues 	<ul style="list-style-type: none"> - Introduce a structured leadership plan on health and safety aimed at improving injury rates by at least 3% in 2016
Environmental protection	<ul style="list-style-type: none"> - Reduced our energy intensity rate by 13%, compared to 2014 - Lowered our GHG emissions intensity rate by 14%, compared to 2014 - Increased the excavation materials sent for reuse by 19%, compared to 2014 	<ul style="list-style-type: none"> - Continue improving environmental performance; develop resource efficiency programmes to reduce scrap by 5% in three years; optimize energy consumption and waste recycling
Supply chain	<ul style="list-style-type: none"> - Spent 75% of purchasing budget with local suppliers - Created employment for more than 10,000 people through subcontractors and service providers - Provided more than 90,000 training hours to subcontractors' employees 	<ul style="list-style-type: none"> - Continue supporting our local value chain, with a focus on strengthening support and training activities
Stakeholder engagement and community support	<ul style="list-style-type: none"> - Founded the E4Impact Foundation to promote social entrepreneurship in Africa - Provided more than 17,000 free healthcare interventions from our clinics to local communities in remote, rural areas - Hosted more than 29,000 people at our projects during open-doors events - Engaged over 1 million people through our digital platforms 	<ul style="list-style-type: none"> - Continue engaging with local stakeholders - Increase our dialogue with global stakeholders - Continue supporting our communities, through direct interventions and social programmes

1.2 Accolades and awards

Salini Impregilo is regularly assessed by independent organisations on our business practices, programmes and achievements. We are honoured to highlight here some of the awards and recognitions that we have recently received.



Salini Impregilo was named among the "Top 20" in Italy's "Best Employer of Choice" ranking (a survey of more than 2,500 recent graduates), winning the **"Best New Entry 2016"** title.



We entered the CDP's **Italian Climate Disclosure Leadership Index (CDLI) 2015**, composed by the top 10 performers, having obtained a 100/100 rating in the CDP's climate change programme, which is supported by 827 investors with \$100 trillion in assets under management.



Our website was awarded **Best Improver 2015** in the annual Webranking award of listed companies' online communications, climbing 25 positions.

The website also won the NC Digital Awards for **"Best storytelling"** and received the bronze medal, being classified among the top three institutional websites.



Salini Impregilo's intranet "@work" has achieved multiple accolades:

- **Nielsen Intranet Design Award;** "@work" was recognised in early 2016 as one of the world's ten best intranets due to its usability, multilingual format and user involvement
- **European Excellence Awards 2015,** selected from more than 1,600 companies to win a place among the top five intranet sites in Europe
- **Ragan's Employee Communications Award 2014;** honorary mention in the **Best Design** section of the "Intranet" category
- **Intra.NET Award 2015;** won third place in **User Experience Design & Content Management** category.



Salini Impregilo was acknowledged at the **Online Talent Communication 2016** awards, held by Swedish research firm, Potential Park. We joined the best Italian companies in the "Social Media" and "Mobile" categories, ranking 20th and 25th respectively.



We were named **Contractor of the year** by the International Tunnelling and Underground Space Association (ITA) from a shortlist of Chinese, American and European competitors.



Salini Impregilo's Sydney Metro Northwest project in 2015 earned the **"Leading" Infrastructure Sustainability Design rating** from the Infrastructure Sustainability Council of Australia (ISCA).



Salini Impregilo's Lake Mead project won the **Global Tunnelling Project of the Year** (over \$500 million) at the NCE Tunnelling & Underground Space Awards 2015.



salini
impregilo 

**AS PIONEERS WE
MANAGE UNIMAGINABLE CHALLENGES
EVERY DAY ADOPTING
INNOVATIVE AND TECHNOLOGICALLY
ADVANCED SOLUTIONS
IN THE CONSTRUCTION
OF LARGE SCALE
COMPLEX INFRASTRUCTURE**

2. Solidity

We build resilient, durable infrastructures, helping to promote sustainable economic growth and development for the world's rapidly growing urban population.

>12,600 MW
**Expected renewable capacity
from ongoing hydroelectric projects**

> 3 million
**Daily passenger capacity expected
from ongoing metro projects**

2.1 Building a sustainable future

Robust infrastructure is the lifeblood of strong economies and societies, playing a major role in industrial, agricultural, rural and urban development. In particular, with two thirds of the world's population expected to be living in cities by 2050, there is a pressing need to improve urban infrastructure across the globe. This is reflected in the United Nation's Sustainable Development Goals (SDGs), adopted in 2015. SDG 9 recognises the role of resilient infrastructure

sector in achieving sustainable development, empowering communities and ultimately, improving lives.

We aim to help fulfil this role at an international level by developing high quality, reliable and durable infrastructure, with a focus on affordable and equitable access for all. This also includes upgrading infrastructure and retrofitting industries, in line with the UN's 2030 target, and facilitating sustainable and resilient infrastructure development in developing countries.

Our projects help to enhance accessibility and raise countries' economic potential through energy and transport infrastructure. We also seek to improve public utility services via hydraulic engineering works, as well as civil and industrial buildings.

In designing and delivering our projects, we aim to minimise the environmental impacts of both the initial construction and the structure's lifecycle over the long term, thereby helping to reduce carbon emissions and pollution. In addition, in the construction phase we adhere to environmental management systems certified to ISO 14001 standards. This helps us to address all the relevant issues (such as resource use, energy, emissions, water, waste, soil, noise and vibrations, biodiversity, traffic, restoration of projects' areas) in an efficient, structured way.

CASE STUDY 1

Designing Australia's largest public transport project to withstand a changing climate

The Sydney Metro Northwest is Australia's largest public transport project and a priority infrastructure investment for the New South Wales Government. We integrated sustainability principles throughout the project and collaborated with multiple stakeholders – clients, public authorities and communities – to minimise the metro's carbon footprint.

We developed the project and the overall Business Management System based on the outcomes of a Life-Cycle Assessment (LCA) and a project-specific Climate Change Risk Assessment and Adaptation study. Additionally, we introduced a holistic approach to sustainability on site, ensuring that decision-making included environmental, social and economic perspectives at every step: design, procurement and construction.

In particular, in the design phase, we considered the climate change risks related to more frequent and extreme heat waves, higher annual temperatures, increased rainfall intensity, flooding, wind, storms, lightning and hail. For each risk, we identified design solutions to help make the project more resilient.

For example, we designed the foundations of the viaducts and bridge to withstand to a 2000 years flood event, and specified the size of culverts and catch drains to account for a 10% increase in rainfall intensity. Additionally, given the projected increase in mean wind of 10% by 2100 in the area, we designed the viaducts and bridge to withstand extreme gusts of wind of 173km/hr. That is 47% greater than the maximum recorded wind speed in Sydney.

Using the LCA results, our project team identified a set of focus areas with related sustainability targets to be included in the design phase and then integrated with procurement, workforce and construction processes. These include: Climate Change; Carbon Management and Energy Efficiency; Community; Water Efficiency; Waste and Materials; Land Use and Biodiversity; Pollution Control;

Workforce Development; Sustainable Procurement; Temporary Site Facilities; Innovations.

The targets range from energy saving (-5% of diesel and electricity consumption in comparison with the standard design) to water (minimum 50% replacement of drinking water with non-drinking water), waste recycling (90% of construction waste to be reused or recycled), low-carbon steel (60% of reinforcing bars and meshes produced through recognised energy reduction processes) and carbon reduction (-2.5% of GHG emissions). Modelling demonstrates a reduction in materials lifecycle impacts of 44%.

Social targets include a minimum value of supplies to be drawn from local businesses (at least 160), employees to be hired from the local community (minimum 20%), development and diversity targets (at least 15% of trainees and minimum 2% of employees from disadvantaged groups).

To engage our supply chain, we integrated key sustainability criteria in our procurement checklists, asking potential suppliers to respond to a sustainability questionnaire in the tender process and arranging workshops to explain our requirements.

Finally, we monitored day-to-day construction activities to review performance against our sustainability policies and requirements, tracking results in real time.

We sought independent verification of our progress via the ISCA IS Rating Tool. This is an Infrastructure Sustainability (IS) scheme developed by the Infrastructure Sustainability Council of Australia (ISCA). It verifies and validates the successful delivery of environmental and social sustainability initiatives throughout the project lifecycle.

The IS Rating is determined by a score out of 100 and has three rating levels: “Commended” indicates that a project is achieving better than ‘business as usual’; “Excellent” recognises Australian best practice; and the “Leading” rating indicates “World-Class Best Practice in Sustainability”.

In October 2015, Salini Impregilo was awarded the “Leading” IS Design rating in recognition of the collaborative efforts of our project team in Sydney and our design partner SMEC to integrate sustainability at the heart of the project.



CASE STUDY 2

Developing hydropower projects with a low environmental footprint in Malaysia

In Malaysia, Salini Impregilo is completing the 382 MW Ulu Jelai hydropower project, a plant that will help meet the growing demand for electricity at peak times and reduce carbon emissions.

The project, located in the hills of a tropical rainforest with about 4,000 mm of rainwater per year, is set to reduce CO₂ equivalent emissions by some 250,387 tonnes annually by substituting conventional fossil fuel-powered generators with hydroelectric power during peak periods.

In addition to supporting the growth of renewable energy in Malaysia, we have also focused on improving the site's environmental footprint and

helping to make the area more resilient to climate change and extreme weather.

Our designers kept environmental issues front of mind, developing solutions to optimise the project's environmental footprint, both during the construction phase and on an ongoing basis. For example, we have created and built an underground powerhouse, eliminating any landscape impacts and avoiding land degradation.

Additionally, through the project layout, we have improved the overall efficiency of electricity generation, making it among the most efficient in the country. According to a report by the United Nations, Ulu Jelai allows "high power output with a small reservoir size".



The project is also unique in Malaysia due to the roller-compacted concrete (RCC) we used for the dam. This progressive engineering method means:

- faster, large RCC dams can be completed up to two years more quickly than regular mass concrete dams;
- project costs are lower, as RCC is 25 to 50% less expensive than conventional concrete;
- less cement is consumed because leaner concrete mixtures can be used, helping to reduce environmental impacts upstream in the supply chain.

Finally, given that the area is exposed to soil stability risks due to tropical rainfall, we have taken action to prevent soil erosion and control sediments, drawing on comprehensive risk assessments to model impacts before, during and after construction.

In addition to paving all site roads with draining materials to ensure safe access in all weather, we have also focused on slope-cutting activities. Slopes are installed with a network of drainage channels that carry the rainwater in silt traps and control weirs. This prevents sediments from being dispersed in the river basin.

Another example of innovation at Ulu Jelai is the use of 'fibromat', a biodegradable coconut sheet placed on the slope immediately after cutting and seeding activities. This technique protects the slope and safeguards the seed from water run-off. It also encourages the environment and local biodiversity to recover more rapidly. These measures allowed us to reduce soil erosion rates by 93% compared to the worst scenario, and by 97% in comparison with a pre-development scenario for the access road and the upstream control weir.



Creating resilient, sustainable infrastructure

Creating infrastructure allows to secure an ongoing supply of natural resources such as water. However, sourcing these resources in a way that respects the environment is a major challenge. We continuously seek to propose solutions that address this challenge, while still ensuring the same high quality.

Additionally, as the global climate changes and extreme weather events become more frequent, the construction sector has a major role to play in ensuring infrastructure is resilient and durable, and developing renewable energy solutions that reduce greenhouse gas emissions. For example, the International Energy Agency (IEA) forecasts that global installed hydropower capacity will continue to grow, reaching 2,000 GW by 2050 and preventing annual emissions up to 3 billion tonnes of CO₂ from fossil-fuel plants¹.

In the hydroelectric sector, we seek to secure reliable electricity and lower energy costs, which in turn help to boost economies, generating positive impacts in terms of business opportunities, job creation and social well-being. In 2015, we contributed to 12 hydroelectric projects in 11 countries on four continents. Once these projects are completed, their combined installed capacity will be 12,600 megawatts (MW) with an annual production of 39,000 gigawatt-hours (GWh). This would be enough to meet the energy demand of 58 million people², which is equivalent to the population of Denmark, Finland, Ireland, Norway, Sweden, Belgium and Holland combined.

These projects will also help to avoid the emission of five million tonnes of greenhouse gases annually, which is equivalent to the emissions of one million cars.

Promoting low-carbon urban mobility

Cities are undergoing great expansion as more people migrate to urban areas, particularly in Africa and Asia. This rapid growth requires continuous investment in urban infrastructure – mobility in particular – in order to fight the escalating air pollution caused by traffic congestion. Indeed, more than 90% of air pollution in cities is attributed to vehicle emissions, mostly caused by the high proportion of older vehicles, coupled with poor vehicle maintenance, inadequate infrastructure, and low-quality fuel. It is estimated that more than one billion people are exposed to urban air pollution annually, with significant health consequences³. Mobility infrastructure both facilitates the movement of goods and people, and gives underprivileged or developing communities, often located on the urban periphery, access to education, jobs and social services.

We contribute to the development of solutions that address evolving population needs and resolve air pollution challenges in urban areas. We are building eight underground metro projects on four continents, designed to ensure sustainable mobility solutions for more than three million people daily, thereby reducing the use of private vehicles and pollution. In addition to metro projects, we are also developing urban road projects geared to reducing congestion in more densely populated areas, directly improving traffic flow and environmental conditions.

¹ Technology roadmap: hydropower, IEA, 2012

² Data is an internal estimation based on project documents.

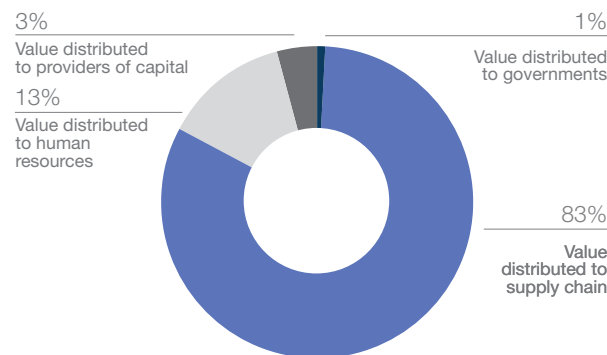
³ It is estimated that urban air pollution is linked to up to one million premature deaths and one million pre-natal deaths each year, while urban air pollution costs approximately 2% of the GDP in developed countries and 5% in developing countries. Source: United Nations Environment Programme

2.2 Building shared growth

Salini Impregilo aims to develop infrastructure projects that act as catalysts for growth in the countries where we operate. We seek to support local suppliers, create jobs, promote skills and capacity building, boost national economies and enhance the well-being of local communities, while creating value for shareholders and investors.

We create value for all our key stakeholders: our supply chain (in terms of purchasing of goods and services), human resources (in terms of direct and indirect remuneration), lenders (interest rate), shareholders (dividends) and other investors, as well as public administration (in terms of total taxes paid). The majority of the value we generated in 2015 relates to our contribution to local economies and employment.

2015 Economic value distributed



Boosting local economies

The Group is committed to expanding opportunities for suppliers of goods and services in every host country by prioritising local sourcing, wherever possible.

In 2015, we maintained good relationships with local suppliers, spending 75% of our procurement budget (on average) locally. Additionally, our construction sites contracted 3,500 new suppliers in 2015, of which 89% were local.

In financial terms, the total economic value distributed to the supply chain was €3.6 billion, and consisted mainly of services (41%), sub-contracts (33%), raw materials, and goods (22%).

75%
Procurement from local suppliers

Creating employment

We focus on engaging a local workforce in areas where projects are located, whenever possible. In 2015, Salini Impregilo employed some 41,300 people, comprising both direct employees and indirect⁵ workers. Some 71% of our 30,598 directly-employed staff⁶ consisted of local personnel, mainly in our African operations, followed by Asia, the Middle East and Europe.

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. Our approach is welcomed by local authorities and governments, who value the contribution of vocational training in supporting local welfare and economic growth. Importantly, creating

⁴ It includes community initiatives' expense.

⁵ Indirect employees include subcontractors' personnel and workers of other service providers employed at Group's sites.

⁶ In 2015 direct employees decreased in comparison with 2014, due to the physiologic lag between the demobilization of some large projects and the mobilization of personnel in new-awarded projects, as well as due to the retirement of employees from some projects located in unstable areas. However, beyond the headcount at 31st December 2015 (equal to 30,598 employees), it should be noted that in 2015 the FTEs calculated based on the worked man-hours at sites included in this report were equal to about 43,000 (+7% compared with 2014).

local employment is also fundamental to fostering a skilled workforce for current and future projects.

More information on people development is reported in the “Excellence” section.

In addition, sub-contractors and other service providers (including technicians, consultants, catering staff, etc.) contribute significantly to local job creation. In 2015, some 10,700 people were employed by our sub-contractors and service providers, 82% of whom were hired locally.

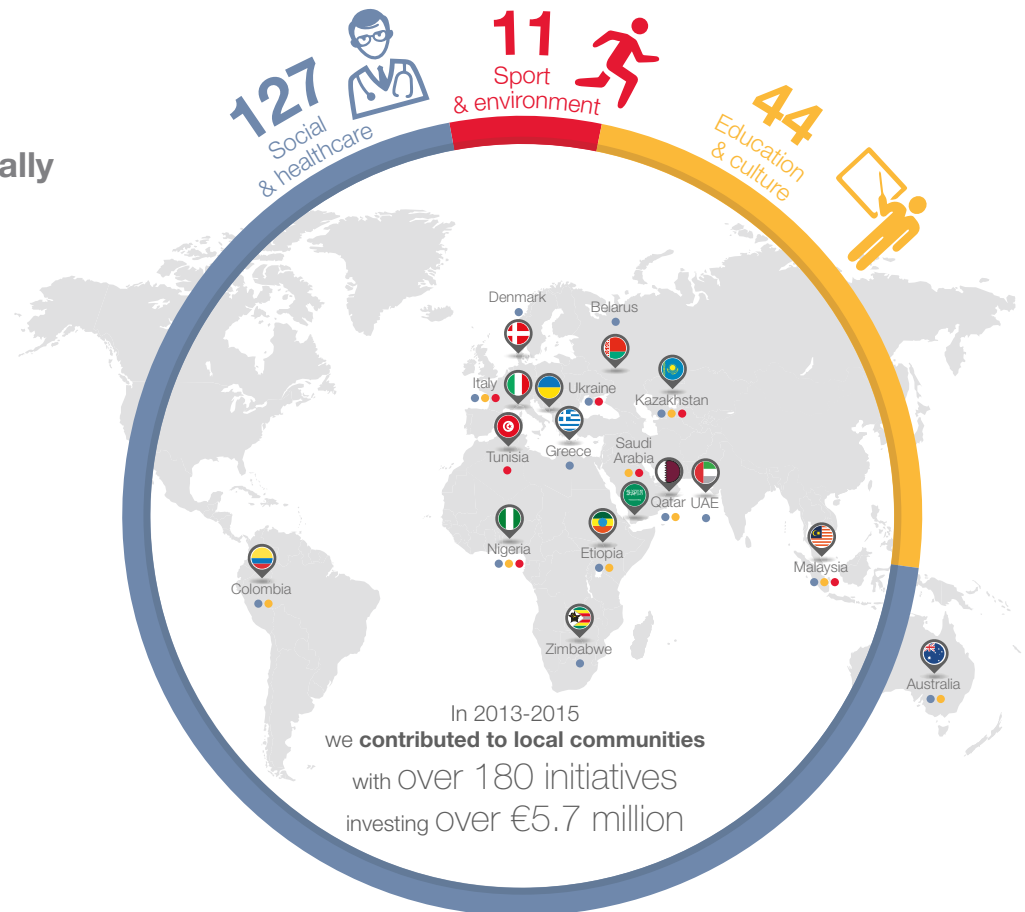
74%
Total workforce
(direct and indirect)
hired locally

58%
Managers hired locally

Supporting communities

For Salini Impregilo, building shared growth also means interacting with and supporting the communities that live near our sites. We have a longstanding commitment to understanding the cultures, needs, and expectations of those communities. For example, we seek to integrate our sites with the surrounding areas by deepening our knowledge of the country and local area, and regularly engaging with communities. In 2015 we did it engaging over 86,700 local stakeholders through meetings, information campaigns and open-doors events.

In 2013-2015, we contributed to local communities with over 180 initiatives as reported in the table below, investing €5.7 million (around €1.3 million in 2015)⁷.



⁷ This amount 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.

Salini Impregilo consistently shows its support for communities by promoting a wide range of programmes and activities designed to contribute positively to local communities and environment, including:

- Direct interventions for building and delivering infrastructures for the benefit of local residents (schools, health centres, public offices, water networks, roads, and bridges);

- Community initiatives and programmes conducted directly and in partnership with other organisations (related to social, cultural, sportive, artistic, educational and humanitarian topics);
- Free access to some of our sites' facilities (on-site health clinics, training rooms, water wells, roads) for communities living in rural areas not served by basic amenities.

In 2015, we offered more than 17,700 free healthcare sessions to our communities, in order to help improve their quality of life.



CASE STUDY 3 Supporting Africa's economic growth by investing in social entrepreneurs

At Salini Impregilo, we believe that human capital is central to unlocking economic potential, particularly in developing countries.

In 2015, we contributed to founding the E4Impact Foundation to promote social entrepreneurship in Africa, where we have been present for 60 years.

"We strongly believe in the value offered by young people, and most of all in the importance of creating future leaders, capable of contributing to long-term structural growth. That is why we have such great enthusiasm for this initiative," commented Group CEO, Pietro Salini. "By helping to empower local entrepreneurs, we will also be able to count on high quality local suppliers for future projects. This will create employment while allowing us to source high quality materials and services locally."

We founded E4Impact Foundation together with Italian companies Securfin and Mapei, the Università Cattolica del Sacro Cuore of Milan (Europe's largest private university), and the Always Africa association. Our collective effort builds on a previous programme launched in 2010 by the ALTIS Graduate School Business and Society at the Università Cattolica. The Foundation's flagship initiative is the Global MBA in Impact Entrepreneurship, offered in partnership with the Università Cattolica and local African Universities.

E4Impact has an ambitious vision: offering social entrepreneurship programmes in at least 15 African countries by 2020, training over 3,000 social entrepreneurs, creating 500 new enterprises and thousands of new jobs in the formal economy.

To address this challenge, the Foundation will pursue four key goals:

- To develop a new generation of social entrepreneurs capable of combining economic success with positive social impact;



- To foster the replication of successful Italian and European social enterprises in the African countries where the MBA is offered;
- To strengthen the capacity of African universities to offer effective and action-oriented entrepreneurship education programmes;
- To build a community of universities, incubators, investors and corporations dedicated to social entrepreneurship.

The Executive MBA provides potential, early stage and high growth entrepreneurs with results-oriented education, coaching and interaction with the local business community and potential investors. Participants acquire knowledge and skills that could help them start or scale a business, while contributing to the sustainable development of their countries.

In particular, the E4impact MBA supports participants in transforming a business idea into a business plan, improving existing businesses, creating partnerships with investors, suppliers and customers.

The Foundation is currently offering the E4impact MBA to over 200 people in Kenya, Ghana, Sierra Leone, Uganda and Ivory Coast, helping to create an inspiring environment for entrepreneurs. Some 180 MBA Alumni were involved in the pilot phase (2011-2014), with 60% of participants starting a new business and 37% advancing their careers.

The Foundation also launched another programme, called First-Step Africa, aimed at supporting the expansion of foreign small-to-medium sized businesses (SMEs) in Sub-Saharan Africa through the E4Impact MBA. Through the MBA programme, an SME can engage African professionals to study the feasibility of its business in a particular African country. The local professionals attend the MBA and develop a business plan for helping the SME to establish itself in the local market, building a network with local suppliers, customers and institutions to support the start-up of the project.





salini
impregilo



OUR EXCELLENCE IN PERFORMANCE
AND DELIVERY IS THE RESULT
OF MORE THAN 110 YEARS
OF EXPERIENCE IN BUILDING
HIGHLY COMPLEX INFRASTRUCTURE
PROJECTS, A LEGACY
OF UNIQUE EXPERTISE
AND COMPETENCE

3. Excellence

We believe in competence and skill, in work that is well done and capable of exceeding client's expectations.

>10

**Accolades and awards
related to 2015⁸**

>1 million

**Training hours provided
to direct employees**

3.1 Innovating to meet evolving needs

We aim to advance large-scale infrastructure construction worldwide, working in close collaboration with the entire value chain to ensure continuous innovation and client satisfaction.

Supporting continuous innovation

Continuous innovation is vital to achieving success in the large-scale infrastructure sector. In addition

8 For details, please refer to Section 1.2

to making technological advances in materials, components, and production processes, we also design each project with respect for its environmental context, the safety of personnel, local communities, and end users, as well as commercial profitability.

In order to develop bespoke construction solutions and high-quality project proposals, we conduct a comprehensive analysis of the client's needs, together with a rigorous study of the most relevant technological innovations. We also foster long-term strategic partnerships with experienced professionals and engineering companies, as well as with the most innovative suppliers and technology developers.

Overall, this enables us to win important international contracts on the basis of strict criteria, which include not only the quality of work, realisation, running costs, and financing schemes, but also innovations to improve safety and reduce environmental impact.

We apply 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 running of construction activities. Salini Impregilo assigns specific responsibilities and duties to expert technicians, who follow the project throughout, from the design phase to the construction site itself, carefully managing the organisational, operational, decision-making, and internal control aspects of the project.

This procedure is an integral part of the Group's Project Management System and ensures that large-scale public works conform to the highest standards.

> **92,000**
Individual quality control operations completed

> **4,000**
Meetings with clients dedicated to Quality and HSE issues

Innovating for sustainable design

Being a resource intensive industry, the infrastructure sector has a wide margin to save natural resources and reduce the environmental impacts associated with its activities.

Salini Impregilo has adopted sustainable design and construction schemes in multiple projects worldwide. These schemes allow us to integrate environmental considerations into project development, improving performance throughout the infrastructure's lifecycle. This approach encompasses three key stages:



Currently, the Group is adopting the following eco-design and construction schemes for a number of its projects:



Leadership in Energy and Environmental Design (LEED), an initiative of the US Green Buildings Council, is one of the most important voluntary programmes providing third-party verification of green buildings. It is based on a framework for implementing measurable green design, construction, operations and maintenance solutions across the supply chain. It comprises four rating levels: Certified, Silver, Gold and Platinum.



Global Sustainability Assessment System (GSAS) is the Middle East's first integrated and performance-based sustainability assessment system for the built environment, also covering social issues throughout the entire project lifecycle. It comprises a certification system based on scoring levels from one to six stars.



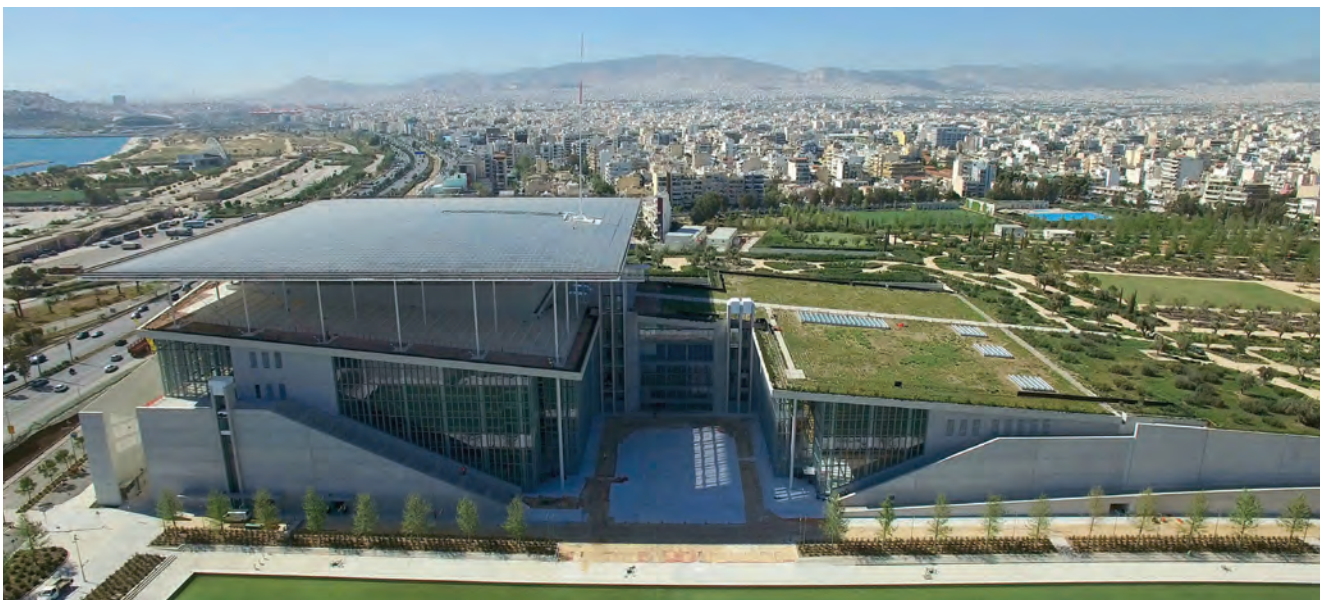
Infrastructure Sustainability (IS) is Australia's only comprehensive rating system for evaluating sustainability across the design, construction and operation of infrastructure. IS evaluates the sustainability (including environmental, social, economic and governance aspects) of infrastructure projects and assets over their lifecycle, assigning a third-party certification that comprises three rating levels: Commended, Excellent, Leading.

Some of our projects under development have achieved or are expected to achieve high ratings under these schemes, such as:

- the Stavros Niarchos Cultural Centre project in Athens (Greece), which has obtained LEED Platinum certification;
- the Red Line North project in Doha (Qatar), which aims to reach the GSAS 4 stars certification;
- the Sydney Metro Northwest (Australia), which in 2015 was awarded with the Leading IS rating.



Importantly, the GSAS and IS schemes include both environmental and socio-economic issues, covering all sustainability aspects of infrastructure projects. In addition to these schemes, Salini Impregilo is adopting Building Information Modelling (BIM) on several projects. Using BIM, we generate and manage digital representations of buildings, in order to help plan, design, construct, operate and maintain physical infrastructures. The technology also helps us to integrate green design and construction techniques, providing immediate projections on how design decisions affect infrastructure performance over its entire lifecycle.



3.2 Developing people for growth

Our people are fundamental to our development and ongoing success. Their technical and managerial skills, as well as the expertise they gain on diverse projects worldwide are crucial to ensuring excellence in our operations and achieving the Group's objectives.

Our priorities are:

- Enhancing our people's skills and competencies, through development and training programmes for consolidating and transferring skills among our employees;
- Attracting and nurturing talented people, with a focus on graduates and young professionals through employer branding programmes and partnerships with educational institutions. In this way, we are fostering a strong future workforce and ensuring business continuity.

By the end of 2015, Salini Impregilo employed 30,598 direct employees worldwide⁹, 41% of whom were under 30 and 10% were women. The majority of our workforce is based in Africa, followed by the Middle East and Europe.

Enhancing our people's skills and competencies

We are firmly committed to creating a work environment that enhances individual capabilities and helps our employees to fulfil their potential, while developing the competencies we need to succeed. In this way, we empower our people to contribute to achieving our collective goals.

We believe that an ongoing training schedule is vital for our employees, and for the Group's future. For this reason, we develop and implement annual training activities with a view to consolidating



and developing the key skills we need to excel in professional standards, performance, and results.

We also invest in the development of professionals in the areas where we work, in order to build strong, skilled workforces for local projects and other future initiatives.

In 2015, we provided more than 147,000 hours of training for the Group's managers and staff, both at our head office and on site, equal to an average of approximately 21 hours per individual (16 hours in 2014).

Fostering a strong global learning culture

In 2015, we launched the Salini Impregilo Learning Academy, with the aim of promoting a new training model capable of strengthening existing skills and expertise, and sharing knowledge throughout the organisation.

Carefully selected internal trainers are running "Train the trainers" workshops to help improve the consistency of our educational methods and training materials, creating the academy's first faculty team.

During the year, the Learning Academy conducted its first international training programme on Administration, Finance and Control issues. Some 200 financial and non-financial Group managers attended, gaining practical tools to participate proactively in the business.

The Learning Academy complements our existing training programmes, which include induction training on Group policies and procedures for all new employees; courses on legal and regulatory compliance; training and knowledge-sharing courses tailored to employees' assigned tasks; and institutional and language learning programmes. We hold all these activities either at our construction sites or head office, through face-to-face lessons, e-learning platforms and blended training methods.

We will launch a new e-learning platform in 2016, empowering our employees to learn regardless of geographical or logistical barriers. The platform will cover diverse themes, including an orientation section aimed at supporting new employees, teaching them strategic corporate processes and procedures, and providing information on our organisation.

Developing local skills and expertise

Ensuring excellence in all our operations requires that our entire workforce, including unskilled workers, is well trained to perform in compliance with our stringent technical, quality, environmental, health and safety standards.

In addition to maintaining high employment standards and running health initiatives, our sites provide extensive skills training programmes for the local workforce. In 2015, we provided nearly 874,600 training hours to our workers globally, which is equal to an average of approximately 37 hours per individual (22 hours in 2014).

Our commitment to building local employment capacity has been officially rewarded by local authorities and governments, given the important contribution that vocational training plays in fostering local welfare and growth, particularly in developing countries such as Ethiopia, where we regularly receive encouragement by authorities to continue building the capacity of local people.

Combined with managers and staff training, the total hours provided in 2015 amounted to over 1 million hours, 45% more than in 2014.

CASE STUDY 4 **Enhancing local skills while improving safety performance in Ethiopia**

Creating large-scale projects such as hydropower plants in developing countries poses significant challenges. These range from reaching remote, rural areas with support for production activities and services such as accommodation, food and basic amenities, to ensuring that the workforce has adequate skills for the work in hand.

In Ethiopia, Salini Impregilo is involved in the construction of two major hydroelectric projects that are set to transform Ethiopia into the renewable energy hub of the African continent. Gibe III will have an outgoing power of 1,870 MW and a generation capacity of 6,500 GWh per year, while GERD (Grand Ethiopian Renaissance Dam) will have a power of 6,000 MW with a production of 15,700 GWh per year.

We engaged nearly 15,000 people to participate in the projects at the end of 2015, 97% of whom come from rural communities nearby.

While this represents an important contribution to the local economy, it also presented substantial training challenges. Health and safety training was a key priority, particularly for all those who would be using complex machinery and large vehicles. In this way, we sought to keep both our new recruits and existing colleagues safe on site.

We have therefore opened two Driving Training Schools at our Ethiopian sites to provide theoretical and practical courses for local drivers and machinery operators. At the GERD site, in 2015 we delivered safety training totalling 29,149 hours to 445 employees, an average of 65 hours per trainee. Drivers' safety performance improved significantly as a result, with the number of vehicle and machinery-related incidents decreasing by 61% (compared to 2014), despite a 10% increase in the number of vehicles and machines in use.

By improving safety conditions at our sites and helping local people gain new skills, together with our other efforts to support the local economy - by spending on local suppliers and develop community initiatives, we aim to pave the way for further sustainable development in Ethiopia.



Attracting and nurturing talented people

We continuously invest in developing people, attracting the best talent and offering our employees well-defined development paths. In 2015, we launched a campaign to recruit, train and develop 100 young students from among the top performers in the Italian Engineering Faculties, creating a pool of “Tomorrow’s Builders”. In this way, the combination or existing technical expertise with new energy brought by talented young people will continue to be one of the driving forces of our growth worldwide.

Collaborating to help graduates forge a career in construction

We believe in helping young people fulfil their potential. For this reason, in collaboration with leading universities, we promote specialised programmes connected to the key activities of our business.

In 2015, we began collaborating with Milan’s Polytechnic, an outstanding academic partner for specialist training and integrating recent graduates into the professional world. We helped to adapt an existing Masters degree course, inaugurating the first edition of the “International Construction Management” first and second Level Masters in early 2016. The course is designed to attract international students interested in starting careers in the infrastructure sector. It also enables graduates to gain practical knowledge of both the industry and our business, through training provided by our employees and ‘on the job’ activities.

The new Masters courses also presents an important opportunity for internal knowledge- sharing, while our employees will have access all the Master’s materials through our new e-learning platform.

Attracting world-class students

By attracting talented students, we are able to build and grow stable relations with potential employees. Salini Impregilo defines strategic agreements with the most respected Italian and international universities, in order to identify and recruit the most talented individuals in the local and international labour market. We foster their development and professional growth through tutoring and/or curricular internship programmes for top performers.

In 2015, the Group conducted some focused employer branding and talent attraction activities both in Italy and in other strategic countries. Through several career fairs, recruiting days, thematic workshops and site visits, we met thousands of students and recent graduates. We offered them tutoring and information about the construction sector, and selected the most talented people.

We also forged a new partnership with the Board of European Students of Technology (BEST), Europe’s leading student engineering association, through which we held various recruiting and tutoring initiatives.

In addition, we are attracting young people through digital and social communication, implementing an integrated online talent communication system in order to engage positively with potential new recruits.

In 2016, Salini Impregilo was named among the “Top 20” in Italy’s “Best Employer of Choice” ranking (a survey of more than 2,500 recent graduates), winning the “Best New Entry 2016” title. Please refer to section 1.2 for further information on our awards.

CASE STUDY 5

Developing tomorrow's engineering professionals

Transferring skills and knowledge to future generations is vital to our company's ongoing success. In the infrastructure industry, this represents a significant challenge, due to the skills gap between experienced industry professionals and young graduates.

To help bridge this gap, Salini Impregilo launched the "100 Young Engineers – Tomorrow's Builders" campaign in late 2014. We sought to recruit 100 of Italy's most talented civil, mechanical, environmental and management engineering graduates, offering them the opportunity to learn diverse, cross-functional skills. In this way, we aim to equip today's young engineers with the skills and knowledge required for key roles within our organisation, helping them to become tomorrow's project managers.

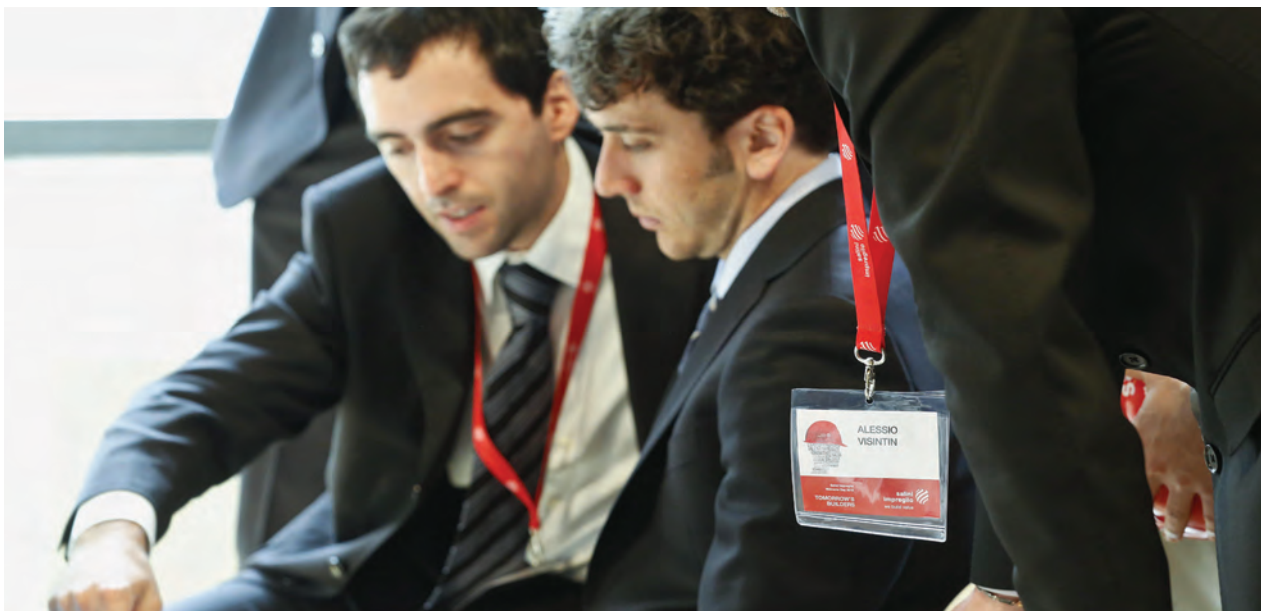
In early 2015, we recruited 100 top engineering graduates, selected from some 1,800 applicants. The new recruits comprise 20% women and have an average age of 26. We have since offered them the opportunity to gain experience in projects in Italy and abroad, so that they can develop the same skills as engineering professionals already working at our construction sites.

The Group's senior managers welcomed the 100 graduate engineers at a dedicated "Tomorrow's Builders" event in March 2015. Over three days, we held interactive sessions designed to welcome them to the company and kick-start the induction process. Our senior people presented the company's strategy and business, while project managers explained how we work, including at construction sites. We also ran comprehensive working groups to help our new recruits become more familiar with the company, and understand our values and culture.

We then assigned the new engineers to diverse Group projects around the world, where they began a cross-functional training on site, supported by an e-learning platform and other structured development initiatives.

In the first year of the programme, we delivered more than 100,000 on-the-job training and tutoring hours, and over 1,000 e-learning training hours to our 100 engineering graduates. By the end of 2015, they had also participated in a project management course, focusing on managing complex, large-scale projects and working effectively in teams.

In 2016 the "100 Young Engineers – Tomorrow's Builders" program will continue with further training and development activities, comprising job rotation at sites and at the headquarters.



3.3 Fostering a strong supply chain

Building a strong supply chain is vital to the overall success of our projects.

Promoting responsible purchasing

To ensure consistent quality levels and performance worldwide, we require our partners to conform to rigorous standards and rules, including ethical, social and environmental principles, along with respect for human rights.

We support production activities at our global sites by placing a keen focus on supply chain management, particularly in terms of procuring facilities, equipment, and materials. Our central and local procurement teams manage the entire process, including site visits to suppliers' factories, and shipping and customs activities. In selecting and evaluating suppliers, our buyers check a number of issues, both linked to the Group's general policies (technical requirements, ethics, quality and HSE certifications) and any specific requirements (e.g. prior verification of the compliance of the materials to be used in LEED projects).

We also pay special attention to sub-contracts, as these can have significant social and environmental impacts 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.

In all supply contracts, we require suppliers and sub-contractors to comply with the principles of Salini Impregilo's Code of Ethics and Anti-Corruption Model. Special contract termination clauses apply if the supplier acts in direct opposition to the provisions of the Code and of the Model.

We assess all major and strategic suppliers, both before and during the execution of contracts. Through our in-house performance evaluation

system, we then determine whether suppliers will be confirmed or denied any further business with the Group.

Supporting and monitoring suppliers

The Group provides a range of strategic support for suppliers and sub-contractors, to help ensure satisfactory performance in quality, health, safety, and environmental matters.

Sharing our knowledge and skills with local suppliers and sub-contractors allows us to develop strong partnerships and to support their growth and their technical development. We regularly provide tailored training activities, particularly for sub-contractors' personnel. In 2015, we delivered over 91,000 training hours on quality, environment, health, and safety issues.

In addition, our site-based Quality and HSE departments regularly monitor sub-contractors to help ensure that they adopt the same quality and health and safety standards that we expect from our employees. In 2015, over 4,000 formal meetings were held with subcontractors on these issues and, also thanks to this awareness raising activities, their Injury Rate (IR)¹⁰ improved of about 33%, passing from 0.89 in 2014 to 0.60 in 2015.

The Group also periodically checks the compliance of sub-contractors 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, sub-contractors are eligible to use our on-site grievance procedures to report their concerns and suggestions to the management.

> 91,000
Training hours provided to subcontractors' employees

¹⁰ 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.



salini
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WE MAINTAIN OPEN DIALOGUE WITH OUR STAKEHOLDERS, TO CREATE THE BEST CONDITIONS FOR THEIR ENGAGEMENT AND ACTIVATE PROPER SUPPORT INITIATIVES FOR OUR COMMUNITIES

4. Transparency

We promote an ethical, open and transparent conduct with all our stakeholders.

> **86,700**
**People engaged
at project level**

> **1 million**
**Global stakeholders engaged
through digital platforms**

4.1 Ensuring transparent governance

Throughout all our activities, we aim to achieve optimum efficiency and the highest levels of transparency towards stakeholders. This begins with our governance system, which adheres to respected international standards of business practice.

At the end of 2015, the Group's Board of Directors comprised 14 members (including four women), 11 of whom meet the independence requirements, representing 78.6% of the Board.

The Board appointed the following four internal committees:

- Executive Committee;
- Control and Risk Committee;
- Compensation and Nominating Committee;
- Committee for Related-Party Transaction.

The Board of Directors also appointed an Integrity Board to help ensure that we apply and comply with Model 231 (required by Italian law) effectively.

An internal Sustainability Unit oversees social and environmental issues under the Compliance Director, who reports directly to the CEO and regularly meets the Control and Risk Committee, comprised of five independent Directors, to discuss results and new plans.

We communicate our sustainability strategy and results to analysts and stakeholders through this report and our corporate website. Similarly, our Investor Relations and Sustainability Units are in regular contact with investors and sustainability ratings agencies.

In 2015, Salini Impregilo launched a Performance Management pilot programme for approximately 120 senior employees, with the aim of reinforcing our results-driven culture. We structured the programme into two phases: defining objectives and evaluating performance.

The system comprised three objectives categories (company performance, department/unit performance, organisational behaviours) aligned with those of senior management. Each department and unit must strive to meet specific objectives, including sustainability ones.

4.2 Conducting business with integrity

For Salini Impregilo, balancing commercial goals with a solid work ethic and maintaining integrity is integral to the way we do business. To help guide our employees' behaviour, we have implemented a Compliance System composed of policies, procedures, models, organisational structures and control activities.

The System is also structured to ensure that we respect applicable competition laws preventing anti-competitive practices and corrupt behaviours, and maintain high levels of integrity in all our interactions with public authorities.

A whistleblowing system completes the Compliance System, allowing individuals to anonymously report presumed or known violations, and giving them protection against any form of retaliation, discrimination, or penalty.

Our Code of Ethics

The Group's commitment to business ethics is stated in our Code of Ethics, which defines for each corporate value the principles that guide our behaviours. These include honesty, fairness, integrity, impartiality, confidentiality, physical integrity protection, respect for human dignity, environmental protection, and the respect of local communities. The Code represents a reference point for our employees and everyone who contributes to our mission and objectives. Similarly, the principles provide conduct guidelines for the Group's directors, employees, and all those who collaborate with the Salini Impregilo Group.

We require all new employees to sign up to the Code of Ethics, and all contracts with Group's partners, suppliers, providers of services, consultants, etc. include an obligation to comply with the rules of the Code.

‘Organisational, Management and Control’ model

Salini Impregilo has adopted a Group Organisational, Management and Control model (also called Model 231) aimed at:

- Defining and embedding a corporate culture based on compliance and transparency;
- Raising awareness among employees and stakeholders.

The Model operates under the scope of the Internal Control System and is aimed at preventing offences under Italian Law 231/2001, through the monitoring of operations with a risk of civil and penal liability for the company and our representatives.

The Model contains measures that guarantee activities are conducted in compliance with the law and that promptly detect and eliminate potential risks.

An independent control body – the Integrity Board – oversees the effective implementation of and compliance with the Model by means of audits conducted by the Compliance Department.

Anti-corruption compliance system

To reinforce the provisions of the Code of Ethics and fully integrate the tenth principle of the Global Compact into the organisation, Salini Impregilo developed its own Anti-Corruption Compliance System. This comprises 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. By following this model, we aim to strengthen certain prevention protocols, minimise the risk of active or passive corruption, and ensure compliance with the principles introduced by 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.

The violation of the principles and provisions of the Anti-Corruption Model, or 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 would take the appropriate measures, as prescribed by legal and contractual requirements (such as conservative sanctions, dismissal, termination of the contractual relationship, damages, etc).

In order to promote awareness and understanding of the Model, Salini Impregilo provides a mandatory anti-corruption training programme for all employees. The course is adapted to the qualifications and position of the individual employee, and to the extent of his/her involvement in potentially sensitive activities.

Additionally, all contracts with third parties now include specific clauses obliging compliance with the principles contained in the Group’s Code of Ethics and the Anti-Corruption Model.

All employees at our corporate head office, as well as those working on construction projects in Italy, receive dedicated training on anti-corruption, through both traditional in-house courses and e-learning. In 2016 this training drive will cover all Group employees working on projects outside Italy and people hired in 2015.



4.3 Promoting fair relations

Working with our on-site stakeholders closely every day has shown us the importance of dialogue in the success of any project. Transparency and engagement are therefore intrinsic features of our sustainability strategy.

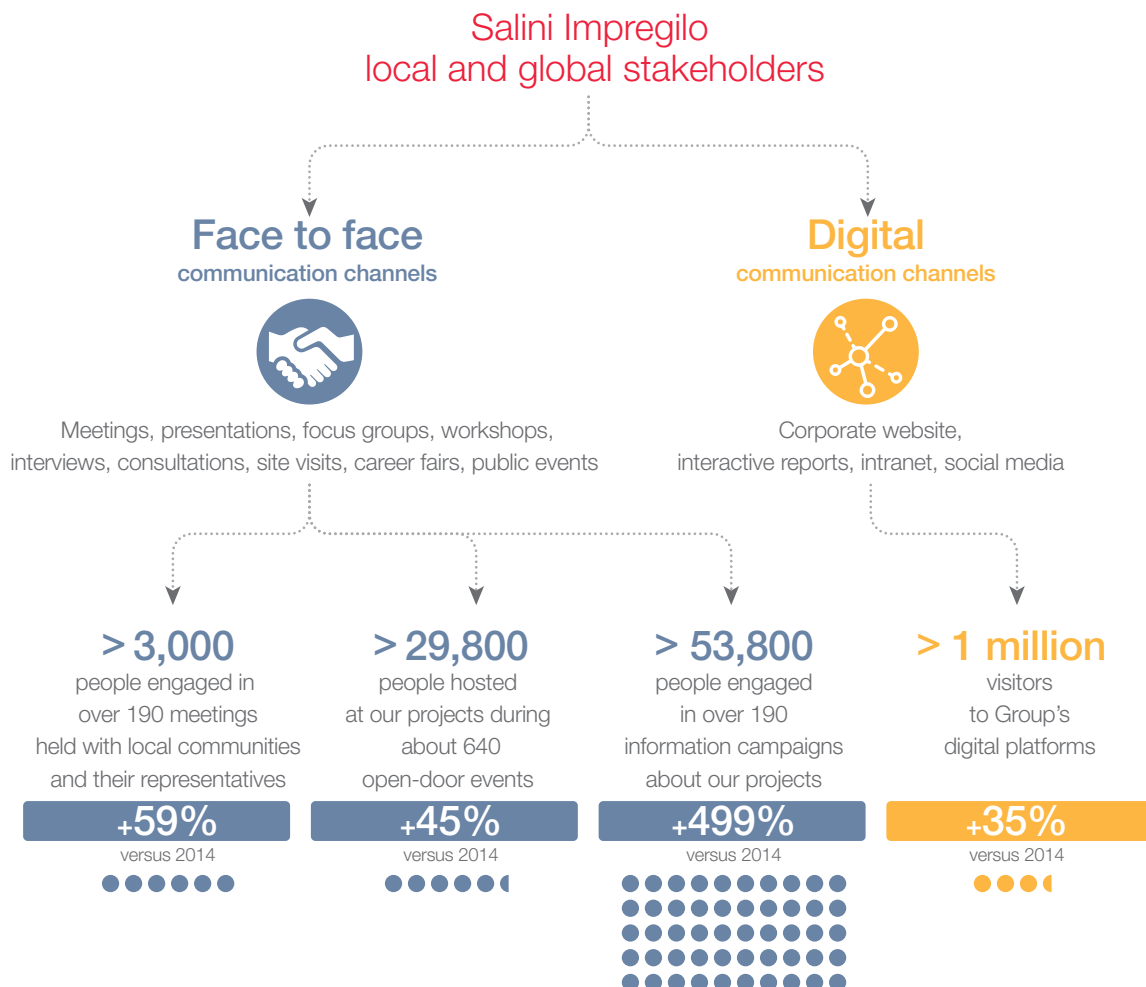
Additionally, as a leading global infrastructure company, we have developed specialist, flexible engagement practices to respond to our stakeholders' diverse needs. At a corporate level, our key stakeholders include investors, clients, current and potential employees, partners, governments, media and the public. We engage with them mainly on general issues

Our engagement efforts were recognised with various awards and accolades in 2015 (reported in the section 1.2).

such as the Group's strategies, values, sustainability and development plans.

At an operating level, our principal engagement activities relate to the features of a particular project. Our key stakeholders in this context include partners, employees, local communities, suppliers, contractors and sub-contractors, clients, local authorities, and organisations such as unions and NGOs (non-governmental organisations).

In 2015, we held the below stakeholder activities, as part of our ongoing commitment to open dialogue:



CASE STUDY 6

Communicating with global stakeholders in a digital world

Technological innovation is central to communicating effectively with our stakeholders, from connecting employees in remote locations to updating investors on our financial results or providing transparent information on our sustainability performance.

We have therefore adopted an integrated digital communication strategy, based on a multi-channel and multi-stakeholder communication system, in order to respond to stakeholders' needs effectively, convey information clearly and reach audiences within seconds.

For example, in 2015, we listened to our employees and optimised our global intranet tool, known as “@work” (launched in 2014), in line with their needs. We published multiple news updates, together with all our internal procedures and processes, as well as interactive organograms. We also made the “@work” platform more “social”, creating an online networking facility to help foster a more collaborative work environment. Additionally, we launched a video storytelling section called “Symphony of Values”, through which we aim to illustrate Salini Impregilo's corporate values through real employee stories.

We are enabling our global employees to communicate and share information in real time via a new “virtual office”. In this way, we aim to help new joiners feel part of the company more quickly, create a consistent corporate culture worldwide, and share updates on our business strategy, as well as increasing efficiency. We also aim to engage and motivate employees, encouraging them to become “ambassadors” for the company, catalyse more interactive discussions and knowledge-sharing, and better understand employees' needs.

We aim for our corporate website to be an authoritative source of information for our

stakeholders and the industry. In 2015, we experienced more than 93,500 downloads and some 600,000 unique users from 200 countries. In order to respond to stakeholder needs more efficiently, our website features dedicated micro-sites and other digital platforms, developed to address the needs of specific stakeholder groups. These platforms include, for example, an Investor Relations App that provides financial news and updates to analysts and investors in a simple direct way, interactive financial and sustainability reporting and a dedicated Panama Canal website. In 2015, all our web-based platforms received more than one million visits, with an increase of 35% year on year.

In October 2015, we launched an online news magazine, “We Build Value”, focusing on global economic trends, with a particular focus on the infrastructure industry. Additionally, we have stepped up our social media communications with stakeholders to promote further interaction and discussion. We have seen an increasing number of followers, with peaks of over 30% on LinkedIn and Twitter in comparison with 2014.

We have won multiple awards for our internal communications, and for our global intranet “@work”, in particular, including recognition as one of Europe's “Top Five Intranet sites” at the European Excellence Awards 2015. Our Group website was also named the “Best Improver 2015” award in Comprehend's 2015 Webranking (gaining 25 places compared to 2014), which measures how Italy's largest listed companies are meeting stakeholders' expectations on terms of transparency and dialogue through digital channels.

Finally, we were also recognised among Italy's Online Talent Communication 2016 rankings for our efforts to communicate with millennials online and via social media. For more information on our awards, please see 1.3 Recognition and Awards.

In 2016 we will continue to seek new ways to communicate our activities and performance using digital channels, also through the development of only-social projects, as well as through improving integration of financial and non-financial disclosure.

Engaging with local communities

Transparency is fundamental in managing relationships with the communities living near our sites. Our engagement with communities is guided by fairness and respect for local cultures.

Working in partnership with our clients, we conduct communications campaigns to keep local people informed about how we are executing our projects and our progress to date.

We require our sites to establish dedicated communication channels with external stakeholders, both face-to-face (such as information offices at the site and/or next to it) and virtual, in the form of dedicated telephone help-lines and websites, for example. These channels allow us and our clients to maintain direct contact with local people, both providing information and gathering community feedback. Our site managers review their comments and observations, responding to any queries in line with specific procedures.



salini
impregilo



WE VALUE DIVERSITY
AS ONE OF OUR KEY STRENGTHS
THE EXPRESSION OF
100 DIFFERENT NATIONALITIES
AND CULTURES,
A COLLECTIVE PORTFOLIO
OF SKILLS AND EXPERIENCES

5. Respect

We respect people, diversity and the environment.

- 14%
Injury Rate
compared with 2014

- 14%
GHG emissions
intensity rate

5.1 Promoting health and safety

Salini Impregilo recognises the critical importance of occupational health and safety in ensuring the protection and welfare of employees and third parties across all activities at its offices or construction sites. We aim to minimise or eliminate the risk of accidents through rigorous prevention protocols.

Managing safety effectively

We seek to manage health and safety effectively at each operating site by employing dedicated staff

to oversee risk assessment, planning and training programmes, as well as engage our employees and sub-contractors, and monitor operational activities. By adopting the Safety Management System, certified according to the BS OHSAS 18001 standard, Salini Impregilo has raised awareness of health and safety issues among our employees; reduced accidents at work; taken action to prevent occupational illness; and lowered insurance costs and fines.

We require everyone working on our sites to comply with our safety standards. We provide an induction course to all new employees and sub-contractors on the Group's health and safety policies and procedures, along with any additional training on specific risks associated with particular tasks. Our central Quality, Environment, Health and Safety Department conducts regular audits of our on-site safety procedures and evaluates how well our teams are upholding company health and safety standards. Senior managers review the suitability and effectiveness of our management systems annually,

reviewing their strengths and weaknesses, and taking corrective measures to ensure continuous improvement.

Strengthening our safety performance

In 2015, we invested further in health and safety training and communications. We delivered some 637,500 hours of training to our employees on health and safety issues, as well as 82,800 training hours to sub-contractors' personnel. Additionally, we trained 4,500 people in first aid, and 7,900 in fire control and emergency response.

SEE ALSO
CASE HISTORY



Health and safety was the key focus of some 4,900 technical meetings, of which nearly 1,300 were held with clients, and 2,900 with business partners. In addition, on-site teams and external control bodies (including clients, funders, local authorities, and assurance bodies) completed more than 4,500 control activities and some 160 audits.

CASE STUDY 7

Evolving our safety culture by engaging employees and creating safety champions

While health and safety standards have improved significantly in the construction industry, influencing workers' behaviour is still a key focus for improvement, with some 90% of injuries connected to behaviour.

Salini Impregilo has recently launched a programme aimed at creating a strong organisational health and safety culture, supported by our senior managers. Firstly, we aim to engage all employees at every site – managers, supervisors and workers, helping them to improve their attitude, behaviour and way of thinking. Additionally, to reach everyone in the organisation, we are creating credible, respected safety leaders.

Overall, we aim to improve safety through our leaders' ability to influence workers' behaviours, thereby moving from a compliance approach to

encouraging employees to put safety at the heart of their daily work. We will first target managers, who will be responsible for sharing our health and safety values with their teams.

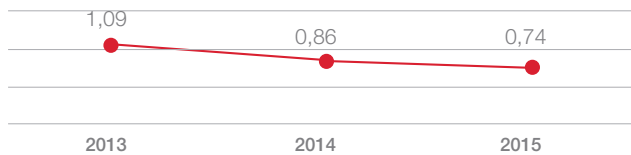
In order to set the initiative in motion, we will hold interactive workshops for managers to raise awareness of our safety vision and the theoretical and practical tools needed to implement it. We will also hold events to help share the key concepts of our safety vision with the entire workforce, and offer training courses for on-site personnel on the use of innovative safety tools. These allow anyone to intervene effectively in the event of unsafe situations, reinforcing good safety behaviours.

We launched the project in late 2015 in two pilot sites: the Cityringen Metro project in Copenhagen (Denmark), where we are building a new circular line in the city centre with 34 km of tunnels and 17 new stations, and the Sydney Metro Northwest project (Australia), where we are developing the "Skytrain" bridge and other civil works.

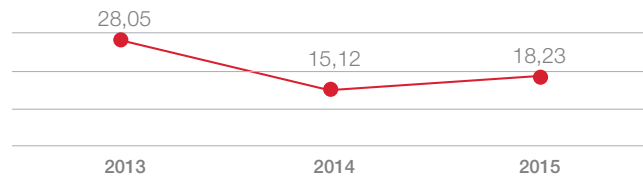
In 2015, our Injury Rate (IR)¹¹ was 0.74, a decrease of 14% compared with 2014, while the Lost Day Rate (LDR)¹² was 18.23, slightly more than in 2014, mainly

due to the performance registered by our motorways and railways projects in Europe, where we will focus our attention in 2016.

Total workforce Injury Rate



Total workforce Lost Day Rate



- 14%
Injury Rate compared
with 2014

5.2 Promoting employee well-being

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

Equal rights and opportunities

We aspire to promote multicultural work environments based on equal opportunity, and respecting and empowering individuals. In line with our Code of Ethics, we advocate strict guidelines for protecting workers' rights, and strive to prevent any form of discrimination toward individuals or groups engaged in Salini Impregilo's projects.

In late 2014, the Group became the only Italian company in the infrastructure construction industry to have signed an International Framework Agreement with both the Italian and the International Construction Unions aimed at promoting the fundamental principles of human rights worldwide.

The tenets of the agreement are in line with declarations ratified by the United Nations, the International Labour Organisation, and the OECD. Overall, the agreement acknowledges the importance of promoting a positive approach to union activities and an open attitude towards unionisation in all countries in which the Group operates, in conjunction with fair collective bargaining procedures.

It promotes the implementation of best practices such as non-discrimination, prohibition of child and forced labour, fair pay, health and safety, respect for the environment, freedom of association and collective bargaining.

Additionally, through this agreement, we aim to help improve working conditions in the countries where we operate.

We will monitor our performance jointly with the BWI (Building and Wood Workers' International) and Italian labour unions. Workers at our sites will also have grievance mechanisms at their disposal, enabling them to communicate any concerns to managers.

Where applicable, minimum legal wages are rigorously respected in all countries in which Salini Impregilo operates.

¹¹ 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).

¹² 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 total hours worked, then multiplied by 200,000. Reported LDR is related to the total workforce (direct and subcontractors' employees).

CASE STUDY 8

Creating a blueprint for improving pay and labour conditions for foreign workers

In Denmark, some 1,300 workers on the Copenhagen Cityringen Metro construction will benefit from a new landmark agreement that combines respect for Danish laws and traditions with better wages and working conditions for foreign workers. The agreement took effect from January 2016, and is designed to help Denmark meet the needs of an international workforce on large scale building projects. It could serve as a model for future construction initiatives in the region. The main contractor, Copenhagen Metro Team (CMT), led by Salini Impregilo, and the trade union BJMF/3F, forged the unprecedented agreement in late 2015. Workers from 24 countries are involved in the project, employed by some 250 companies. When completed in 2019, the Metro Cityringen will comprise 17 new stations and 34 km of tunnel, substantially improving Copenhagen's urban transport system.

With both Danish and international companies participating in the project, people have had to adapt and understand foreign cultures, in order to identify suitable solutions. This has covered

everything from nutrition, health and communication issues, to more work-specific questions on wages, tax, work time regulations etc.

Additionally, we are participating in a pilot scheme, along with three subcontractors, whereby employees covered by the overall agreement can work 37 hours per week. They can opt to work eight hours overtime, which would total 45 working hours across a six-day week. Workers have also received an extra Metro supplement of DKK 10 per hour as well as increased hourly supplements for evening and night shifts of DKK 25 and 70 respectively.

Workers can work flexibly on three different shifts, day, evening and night, as long as there is an approved and signed plan. The agreement contains clear rules about notice periods and switching between shifts, and trade union representatives are involved in workload planning. They approve any updates to working schedules when workers are moving to another shift, for example.

We took a pragmatic, open-minded approach to the negotiations, striving for improved understanding and dialogue throughout. With the agreement now in place, we hope that it will set an example of positive engagement with local stakeholders and help the construction industry to make progress on respecting local culture and social needs.

Our healthcare system

The Group's health service comprises a dedicated medical team at headquarters that plans and develops all activities related to health, including disease prevention and control procedures and health monitoring programmes. It also carries out information campaigns and inspections at our operating sites, in order to review workplaces and check compliance with occupational health regulations.

The team also coordinates the medical facilities at all our 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.

Doctors responsible for the operating sites

regularly offer local employees training courses and provide information to local communities. Topics include improving hygiene and sanitation, promoting a healthy lifestyle, preventing the spread of endemic diseases (such as malaria), and sexually transmitted diseases (including HIV and hepatitis). In 2015, medical professionals delivered some 440 training sessions to more than 5,300 individuals.

Our site clinics are also in charge of monitoring hygiene in workers' accommodation and canteens, as well as analysing drinking water, and providing pest-control services.

In 2015, Salini Impregilo employed some 220 medical staff worldwide. They completed more than 155,000 consultations, treated 148,000 cases, performed 6,600 medical check-ups and conducted 50,000 laboratory tests.

>188,500
Healthcare interventions provided to direct and indirect employees

>17,700
Free consultations, check-ups and medical treatments provided to local people

Caring for our employees on site

We pay particular attention to the provision of adequate living conditions for all our employees, as well as 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. The camps are equipped with facilities including canteens, hospitals, fitness centres and

athletics fields, markets, bars and telecommunication systems.

We also provide schools for employees' children on major sites, in order to support their childcare needs and attract young people to our most challenging projects. Experienced teachers deliver lessons in a variety of languages, and these schools also typically receive official recognition from the local or international education authorities.

Our Village Chiefs, specifically hired to manage sites' camps, are also in charge of arranging social activities for residents and guests, such as sportive, cultural and recreational events.

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 are responsible for ensuring that all employees involved in surveillance activities are aware of and comply with the Group's policy and ethical principles.



5.3 Protecting the environment

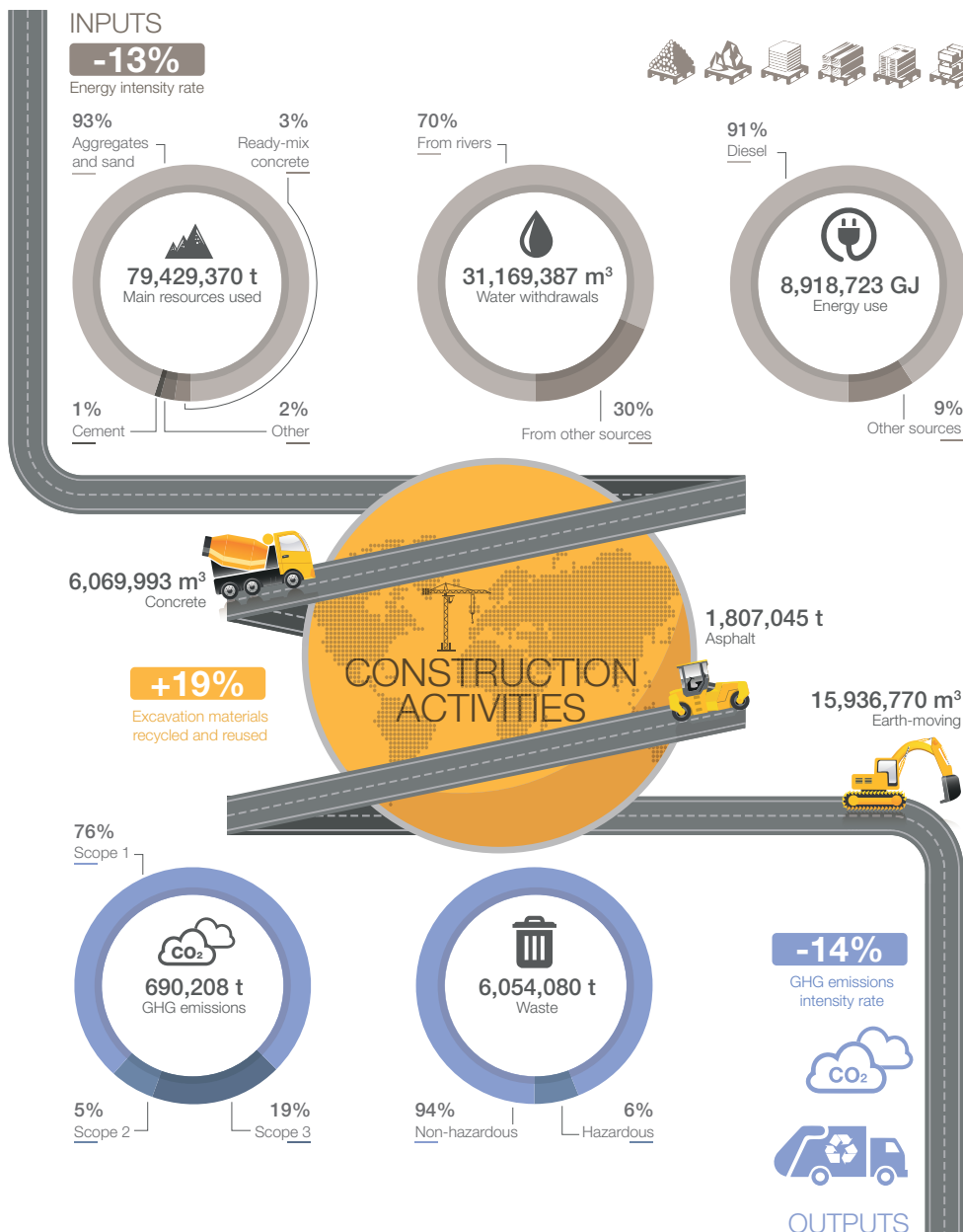
Salini Impregilo has a longstanding commitment to lowering the environmental impact of our construction activities. We aim to be transparent with our stakeholders on all environmental issues, mitigation activities, and performance.

In 2015, the Group entered the Italian Climate Disclosure Leadership Index (CDLI) that comprises the top 10 companies involved in the CDP's climate

change programme. Salini Impregilo has obtained a 100/100 rating in that programme, having full disclosed on our strategy and governance, risk and opportunity management, as well as on management and verification of emissions.

Our environmental footprint

Here, we share our 2015 environmental performance data and progress against our KPIs. For more details, please refer to the Performance data section.



Managing our impact on the environment

Environmental considerations are an important focus in the development of every infrastructure project, given the close link between the project and its environment. For this reason, almost all legislations worldwide provide for the carrying out of Environmental (and recently also Social) Impact Assessments for infrastructure projects, through which projects' proponents (typically our clients), environmental protection authorities, affected communities and funding agencies (if any) determine whether and under what conditions projects will proceed.

Once the project is approved, contractors are then responsible for preparing Environmental and Social Management Plans to address the impacts identified in the Environmental and Social Impact Assessments.

Salini Impregilo manages our worldwide activities according to a structured Environmental Management system that conforms to the ISO 14001 standard requirements. This table summarises the main activities completed at each stage of the system, based on the Life Cycle approach.

SEE ALSO
CASE HISTORY



Planning activities	<p>We assess all potential environmental impacts deriving from our construction activities according to a standardised methodology, based on specific criteria (probability of occurrence, consequences for the environment, duration of the event, mitigation challenges).</p> <p>Following the impact assessment, each project prepares an Environmental Management Plan, which describes the management and monitoring activities (Environmental Control Plans) for all the relevant environmental issues.</p>	<p>>10,500 Environmental control activities completed</p>
Footprint monitoring	<p>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).</p> <p>Our site environmental departments, supported by external agencies and the HSE Department at headquarters, conduct regular audits of construction sites and sub-contractors to check compliance with relevant environmental policies and procedures.</p> <p>Environmental performance is reviewed by Salini Impregilo's senior managers, who assign targets to ensure ongoing performance improvements.</p>	<p>133 Audits performed</p> <p>28 Environmental management reviews completed</p>
Supply chain evaluation	<p>We implement environmental prevention and protection measures in the supply chain involved in the execution of projects. This particularly applies to sub-contractors and suppliers of certain materials - they have to pass a qualification process based on the projects' requirements.</p> <p>We evaluate logistics needs in order to reduce environmental impacts and related costs. When goods are not available on the local market, the Group ships equipment and materials by sea as much as possible, in order to minimise carbon emissions.</p>	<p>>570 New suppliers screened about environmental aspects</p> <p>99% Goods shipped by sea</p>
Training and awareness	<p>Each site plans and delivers training activities for all employees involved in operations with potential impacts on the environment, sub-contractors' personnel included.</p> <p>In addition, all new employees receive an induction session on the Group's environmental policies and procedures, and we develop regular awareness campaigns on specific topics (e.g. waste, spills, chemicals, etc.).</p>	<p>220,700 Environmental training hours provided to the workforce</p>

Protecting the environment

We have monitoring, control, and mitigation measures in place at all our sites to help protect the environment and prevent pollution. This table summarises the main activities completed at an operating level on key environmental issues.



<p>Natural resources</p>	<p>We prioritise 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 use of reusable/recyclable products or items resulting in lower costs and reduced environmental impact. 	<p>82% Excavation materials reused</p>
<p>Energy and GHG emissions</p>	<p>Salini Impregilo strives to reduce energy consumption and related GHG emissions in multiple 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 to renewable energy technologies at plants (e.g. from diesel to natural gas); • installing energy recovery systems; • increasing employee awareness of energy-saving behaviours. 	<p>-13% Energy intensity rate</p> <p>-14% GHG emissions intensity rate</p>
<p>Water</p>	<p>We are committed to managing water responsibly at all phases of the water cycle: from identifying water requirements and supply sources, to developing water-handling networks with related supply and discharge points, control plans, and emergency response procedures.</p> <p>We implement closed-loop water systems 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>9% Water recycled and reused</p> <p>>2,800 Water analysis campaigns performed</p>
<p>Waste</p>	<p>We establish waste management plans at each site, and comply with all applicable regulations and best practices.</p> <p>All construction waste is segregated and collected in dedicated enclosed areas. We reuse as much of it as possible, while the remainder is sent via authorised transport companies to approved waste disposal facilities.</p> <p>In particular, we focus on preparing adequate deposit areas, verifying the qualifications of truckers and waste companies, and providing training to all employees involved in waste management.</p>	<p>49% Waste diverted from landfills</p>
<p>Soil</p>	<p>Salini Impregilo carefully monitors the effect of our activities on the soil and subsoil, in order to avoid any potential pollution or damage.</p> <p>Containment tanks, water collection networks, and waterproofing operations are installed or implemented during the initial site-development stage, while specific environmental risk assessments are completed for all chemicals, oils, fuels, and hazardous material that might come into contact with the soil and/or groundwater. We have environmental emergency plans in place at our sites to manage both environmental accidents and cases of polluted soil.</p> <p>Specific plans are also in place for preventing soil erosion through drainage and soil-consolidation systems, as well as seeding activities.</p>	<p>2 million m² Soil interested by erosion-protection activities</p>

Respecting local people and wildlife

We seek to operate construction sites with respect for surrounding communities and wildlife habitats,

and are committed to minimising disruption to our neighbours (in the form of noise, traffic, and other community-related inconveniences).

<p>Air</p>	<p>Air pollution in the construction industry is mostly related to the dispersion of dust caused in different 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 preventative actions that include keeping unpaved roads moist, equipping crushing plants with sprinkler systems to moisten aggregates, and using air filters at cement storage silos.</p> <p>In urban areas, road washing is carried out regularly by dedicated vehicles. We transport materials using covered trucks and, where possible, materials are moistened prior to transportation.</p> <p>We also monitor the emissions of vehicles used to process and transport materials to and from construction sites, through regular maintenance of machines, installation of particle filters, and the use of low-impact vehicles.</p>	<p>>426,000 Anti-pollution controls carried out on equipment and machines</p>
<p>Noise and vibration</p>	<p>Before starting any activities, we conduct 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, and made either with artificial materials or from rows of trees capable of absorbing noise. In densely populated areas in particular, we complete studies before starting any activities to understand how vibrations could affect the surrounding ground and identify the optimum technologies.</p> <p>We take noise and vibration measurements throughout in order to verify the effectiveness of preventative measures and intervene in the case of any incidents. Measurement instruments are installed close to sensitive locations (e.g. buildings, urban parks, offices, etc.).</p>	<p>>42,000 Noise and vibration measurement campaigns performed</p>
<p>Traffic and commuting</p>	<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>>390,000 Routine maintenance activities carried out on vehicles</p>
<p>Biodiversity</p>	<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 also include an analysis of the 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>0.1% Project areas located inside protected areas</p> <p>>320 Wild fauna rescued</p>
<p>Reclamation of affected areas</p>	<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. 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>>3.7 million m² Areas interested by reforestation and soil reclamation activities</p> <p>>280,000 Planted trees</p>

CASE STUDY 9

Protecting biodiversity in Panama

Protecting the environment and minimising the impacts of our construction activities is vital throughout the project life cycle. When developing the Panama Canal expansion project, we created a structured plan to protect biodiversity, right from the initial construction stages. Indeed, the Consortium Grupo Unidos Por El Canal (GUPC) (of which we are a member), has defined a wide-ranging Rescue and Relocation Plan for Wildlife, in line with the local authorities and bodies responsible for managing Panama's National Parks.

The Plan has two key objectives. Firstly, we aim to protect, conserve, rescue and relocate wildlife inhabiting the areas affected by forest harvesting, grubbing and movement of earth. Secondly, we aim to help field workers understand the importance of conserving local wildlife in a structured way, while developing the country.

In order to develop the plan, we conducted an in-depth study of the area, analysing the local climate and habitats on both sites of the canal (Atlantic and Pacific), and comparing them with those in Panamanian parks and protected areas. Having identified parks with the same biodiversity of the working area, we agreed that they would host rescued wildlife from the area surrounding the site.

Through the first field stage, specialised researchers monitored the area for a week to identify the species present and the number of animals to relocate (including the nests and beehives on the trees). In particular, they focused on species that may move slowly, those injured or in imminent danger, as well as young animals.

The researchers classified the species identified during the observation activities, including the endangered and endemic species, in line with the Panamanian Wildlife Laws, the Convention on International Trade in Endangered Species of



Wild Life and Flora (CITES), and the IUCN Red List.
 The real rescue operation could then take place. On the Pacific side of the project, camera traps were installed in strategic places a week prior to the works, for example, to help locate the animals as efficiently as possible. The monitoring and rescue activities will continue both during and at the end of the works.

Experienced vets examine the rescued animals and determine if they are well enough to be released into a new habitat, or if they require recovery and rehabilitation (in places such as the Shelter Temporary Metropolitan Park). Finally, the animals are released in the agreed parks, with the collaboration of the park guards or other ANAM (Autoridad Nacional del Ambiente) officers.

With worker collaboration essential to rescuing any wildlife still in the working area, we strive to make the process as proactive as possible by engaging them through dedicated and continuous training on conserving biodiversity.

We deliver weekly training talks, helping workers remember the rescue plan and the procedures to follow if they see any animals during the construction activities. Additionally, we display murals and brochures relating to the protection of wildlife throughout the site, as well as installing signs showing crossing fauna and speed limits.

From the beginning of the project in 2009 until the end of 2015, we have helped to rescue more than 4,100 animals, mainly reptiles, mammals and amphibians (of which about 4% were found injured) and relocate them to protected parks.





Appendix

Salini Impregilo was 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.

With a strong commitment to transparency and accountability, we continue to lead by example. This, our 2015 Sustainability Report, is the third consecutive report we have produced in line with GRI G4 Sustainability Reporting Guidelines.

Materiality analysis

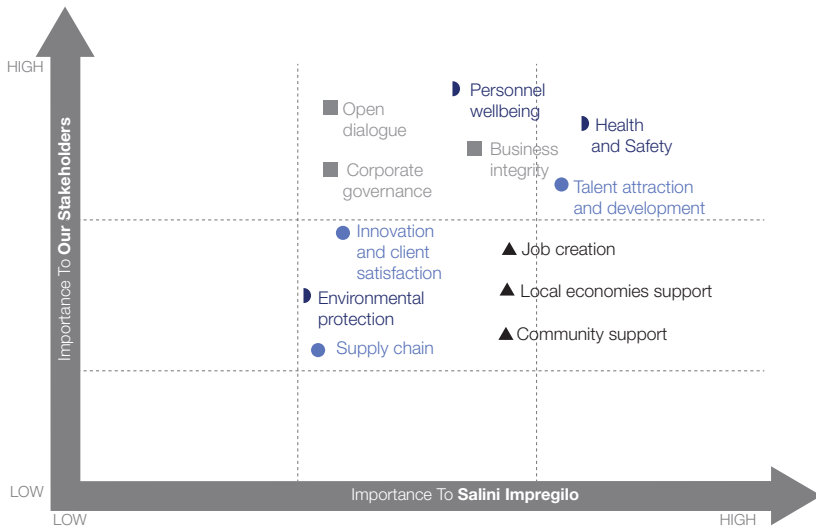
The G4 Guidelines place considerable emphasis on materiality, whereby organisations are required to focus their reporting the key economic, social, and environmental issues that are most important to their business and stakeholders. In defining these issues, companies must also maintain an open dialogue with both internal and external stakeholders.

To identify topics relevant to Salini Impregilo and determine the report's content, we have developed a dedicated process in line with the G4 Guidelines:

- **Internal identification** of possible sustainability topics relevant to our industry, including an analysis of peers, sustainability ratings agencies, industry 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 sub-contractors), a survey of a cross-section of employees, as well as interviews with external stakeholders, 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.

Through this process, we identified 12 priority topics, as reported in the materiality matrix below, which form the basis of this report. We have grouped these topics under four key areas of commitment that reflect our corporate values. For further details, please refer to the Methodological Note.

MATERIALITY MATRIX 2015



SUSTAINABILITY REPORT 2015 STRUCTURE

OUR VALUES

- Section 2
 - ▲ **Solidity**
 - Building a sustainable future
 - Building shared growth
- Section 3
 - **Excellence**
 - Innovating to satisfy emerging needs
 - Attracting and developing talent
 - Fostering strong supply chain
- Section 4
 - **Transparency**
 - Ensuring a transparent governance
 - Conducting business with integrity
 - Promoting an open dialogue
- Section 5
 - ▶ **Respect**
 - Protecting health and safety
 - Ensuring personnel well-being
 - Protecting the environment

Sustainability challenges and opportunities

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

Area	Topics	Potential risks	Potential opportunities
Solidity	Job creation Local economies support Community support	Not being able to recruit specialised local workforce; lack of local qualified suppliers; low awareness of HSE issues; reputational risks linked to perceptions of malpractice in community relationships.	Lower transport and customs costs through use of local suppliers; capacity building in terms of staff training and support for suppliers; access to qualified labour and suppliers for future projects; tangible benefits at a local level derived from the generation of direct and indirect employment, additional income; social initiatives for local communities.
Excellence	Innovation and client satisfaction Talent attraction and development Supply chain	Increased competition from peers in response to clients and societal demand for innovative and sustainable construction solutions; not being able to deliver high quality projects due to difficulties in developing personnel; impacts on morale and productivity due to low investment in training; operational and reputational risks of perceived malpractice in supply chain management.	Clients and communities served by us are able to benefit from the deployment of the best available technologies and know-how; low recruitment costs due to internal training of employees and increased capacity to fill vacancies; ability to involve suppliers and partners in project development.
Transparency	Corporate governance Business integrity Open dialogue	Reputational risks of perceived malpractice; loss of confidence from investors and authorities; possible opposition by local communities, incurring delays and increased costs.	Reduced reputational and financial risks due to the compliance system in place; licence to operate granted by local and global stakeholders due to the Group's engagement with all parties involved in projects; climate of mutual trust and broad local approval; reduced risks of opposition to projects; improved staff safety and fewer delays.
Respect	Health and Safety Employee wellbeing Environmental protection	Increased absence rate and personnel costs due to injuries and perceived labour malpractice; poor evaluation of environmental impacts; poor management and control plans; causing disruption among local communities; potential damage to existing infrastructure and private properties.	Increased productivity due to employee wellbeing; lower absence rate and insurance costs; capacity to win contracts from clients who prioritise H&S in their tenders; reduced environmental impacts ensured by strict assessment, management and control practices; low risks of delay in the delivery of projects due to local communities' environmental concerns; reduced litigation risks; improved reputation.

Performance data

Economic KPIs

Direct economic value generated and distributed	Unit	2013	2014*	2015	G4-EC1
Direct economic value generated	€ M	3.515	4.244	4.757	
Operating costs ¹	€ M	2.560	3.253	3.626	
Employee wages and benefits	€ M	383	512	538	
Payments to providers of capital	€ M	132	158	141	
Payments to government	€ M	36	27	51	
Economic value distributed	€ M	3.111	3.950	4.356	
Economic value retained	€ M	404	294	402	
Direct employees hired from the local community	Unit	2013	2014	2015	
Africa	%	96%	96%	93%	
Central and South America	%	97%	96%	91%	
North America	%	96%	96%	77%	
Europe	%	85%	88%	76%	
Middle East, Asia and Oceania	%	61%	46%	21%	
Total	%	90%	86%	71%	
Indirect employees hired from the local community²	Unit	2013	2014	2015	
Africa	%	99%	97%	96%	
Central and South America	%	100%	92%	87%	
North America	%	100%	100%	-	
Europe	%	78%	69%	58%	
Middle East, Asia and Oceania	%	86%	46%	95%	
Total	%	87%	74%	82%	
Proportion of spending on local suppliers	Unit	2013	2014	2015	G4-EC9
Africa	%	56%	40%	56%	
Central and South America	%	93%	49%	64%	
North America	%	95%	99%	100%	
Europe	%	93%	97%	84%	
Middle East, Asia and Oceania	%	75%	68%	86%	
Total	%	82%	58%	75%	

Social KPIs

Direct employees³	Unit	2013	2014	2015	G4-10
Africa	no.	18.700	18.839	15.242	
Central and South America	no.	5.811	4.454	2.927	
North America	no.	252	299	71	
Europe	no.	2.136	3.634	4.025	
Middle East, Asia and Oceania	no.	4.273	6.911	8.333	
Total	no.	31.172	34.137	30.598	
Indirect employees²	Unit	2013	2014	2015	G4-10
Africa	no.	2.737	2.108	2.493	
Central and South America	no.	3.749	5.455	3.453	
North America	no.	4	58	-	
Europe	no.	8.086	4.857	3.129	
Middle East, Asia and Oceania	no.	2.737	4.270	1.628	
Total	no.	17.313	16.748	10.703	
Total workforce (direct and indirect employees)²	Unit	2013	2014	2015	G4-10
Africa	no.	21.437	20.947	17.735	
Central and South America	no.	9.560	9.909	6.380	
North America	no.	256	357	71	
Europe	no.	10.222	8.491	7.154	
Middle East, Asia and Oceania	no.	7.010	11.181	9.961	
Total	no.	48.485	50.885	41.301	
Direct employees by category	Unit	2013	2014	2015	G4-LA12
Manager	%	1%	1%	1%	
Staff	%	17%	20%	22%	
Workers	%	82%	79%	77%	
Direct employees by age group	Unit	2013	2014	2015	G4-LA12
Under 30 years old	%	42%	44%	41%	
30-50 years old	%	48%	47%	49%	
Over 50 years old	%	10%	9%	10%	
Direct employees by gender	Unit	2013	2014	2015	G4-LA12
Women	%	8%	8%	10%	
Men	%	92%	92%	90%	
Total training hours provided to direct employees	Unit	2013	2014	2015	G4-LA9
Manager	hours	4.079	7.822	31.783	
Staff	hours	65.467	109.096	116.076	
Workers	hours	246.686	588.201	874.616	
Total	hours	316.233	705.118	1.022.475	

Average per capita hours of training provided to direct employees					
	Unit	2013	2014	2015	G4-LA9
Manager	hours	13	18	111	
Staff	hours	15	16	17	
Workers	hours	11	22	37	
Average	hours	12	21	33	
Total workforce injury rate by region					
	Unit	2013	2014	2015	G4-LA6
Global	IR	1,09	0,86	0,74	
Africa	IR	0,55	0,94	0,93	
Central and South America	IR	2,11	1,06	0,61	
North America	IR	-	-	-	
Europe	IR	2,22	1,48	2,05	
Middle East, Asia and Oceania	IR	0,41	0,16	0,19	
Total workforce lost day rate by region					
	Unit	2013	2014	2015	G4-LA6
Global	LDR	28,05	15,12	18,23	
Africa	LDR	11,36	13,21	18,85	
Central and South America	LDR	52,17	20,28	7,51	
North America	LDR	-	-	-	
Europe	LDR	75,25	31,58	76,69	
Middle East, Asia and Oceania	LDR	6,69	5,36	5,67	
Health and Safety expenses					
	Unit	2013	2014	2015	
Health and Safety protection expenses	€ M	13,9	11,7	18,9	
Health and Safety prevention and management expenses	€ M	11,6	10,7	15,8	
Total	€ M	25,5	22,4	34,8	
Community support initiatives					
	Unit	2013	2014	2015	G4-EC7
Infrastructure investments	no.	27	8	3	
Social programmes	no.	57	48	41	
Total	no.	84	56	44	
Community investments					
	Unit	2013	2014	2015	G4-EC7
Pro-bono	€ M	0,7	2,1	1,3	
In-kind	€ M	1,3	0,4	0,0	
Total	€ M	1,9	2,5	1,3	

Environmental KPIs

Materials used	Unit	2013	2014	2015	G4-EN1
Aggregates	t	16.645.970	23.219.469	74.139.346	
Bitumen	t	96.643	181.996	34.638	
Cement	t	925.191	1.424.483	1.099.083	
Reinforcing bars	t	215.252	465.760	1.300.379	
Precast concrete	t	335.773	351.434	320.694	
Ready-made asphalt	t	987.354	479.268	537.609	
Ready-made concrete**	t	3.278.064	1.891.966	1.997.621	
Total non-renewable materials	t	22.484.247	28.014.377	79.429.370	
Materials intensity (aggregates excluded)	t/€ M	1.790	1.143	1.116	
Energy consumption	Unit	2013	2014	2015	G4-EN3/ EN4
Diesel	GJ	5.383.522	8.358.798	8.122.721	
Gasoline	GJ	1.339.087	112.078	213.530	
Kerosene	GJ	2.565	12.700	3.474	
Natural gas	GJ	40.460	66.655	89.849	
Electricity	GJ	961.626	496.683	413.566	
Electricity from renewable sources	GJ	5.381	1.256	75.584	
Total energy consumption	GJ	7.732.641	9.048.170	8.918.723	
Energy intensity	GJ/€ M	2.372	2.157	1.882	
Total water withdrawal	Unit	2013	2014	2015	G4-EN8
Ground water	m ³	4.006.348	1.625.909	2.789.941	
River	m ³	7.610.765	14.149.383	21.931.473	
Lake	m ³	91.451	10.598.380	5.694.071	
Sea	m ³	6.824	-	339	
Municipal water supplies	m ³	699.434	680.072	753.563	
Total	m³	12.414.823	27.053.744	31.169.387	
Water intensity	m ³ /€ M	3.805	6.450	6.577	
Direct (Scope 1) and indirect (Scope 2 and 3) greenhouse gas (GHG) emissions	Unit	2013	2014	2015	G4- EN15/16/17
Direct GHG emissions (Scope 1)	t CO ₂ e	328.963	473.619	526.032	
Energy indirect GHG emissions (Scope 2)	t CO ₂ e	89.037	47.520	34.509	
Other indirect GHG emissions (Scope 3)	t CO ₂ e	203.199	194.796	129.667	
Total GHG emissions	t CO₂e	621.199	715.935	690.208	
GHG emissions intensity	t CO ₂ e/€ M	180	163	140	
Other significant air emissions from stationary sources (power stations)	Unit	2013	2014	2015	G4-EN21
NOx	t	1.437	3.086	3.162	
CO	t	107	230	235	
HC	t	10	22	22	
PM	t	14	31	32	
Total waste by activity	Unit	2013	2014	2015	G4-EN23
Construction and demolition waste	t	1.469.760	236.061	229.268	
Excavation waste	t	738.609	4.031.917	5.775.752	
General and other waste	t	19.714	19.207	49.060	
Total non-hazardous and hazardous waste	t	2.228.083	4.287.186	6.054.080	
Waste intensity (excavation waste excluded)	t/€ M	457	61	59	

Total waste by disposal method	Unit	2013	2014	2015	G4-EN23
Recovery, reuse and recycling	t	1.037.933	2.351.633	2.982.962	
Incineration	t	1.014	159	1.784	
Landfill	t	1.189.136	1.935.394	3.069.334	
Total non-hazardous and hazardous waste	t	2.228.083	4.287.186	6.054.080	
Total waste by type	Unit	2013	2014	2015	G4-EN23
Non-hazardous waste	t	2.223.410	4.101.342	5.694.885	
Hazardous waste	t	4.673	185.844	359.195	
Total non-hazardous and hazardous waste	t	2.228.083	4.287.186	6.054.080	
Waste diverted from landfill	Unit	2013	2014	2015	G4-EN23
Waste recycled and reused	%	47%	55%	49%	
Environmental expenses	Unit	2013	2014	2015	G4-EN31
Waste management, emission treatment and remediation costs	€ M	16,2	4,7	18,9	
Environmental prevention and management expenses	€ M	8,0	9,7	14,6	
Total	€ M	24,2	14,5	33,5	

1. The figure includes community investments. For further details please refer to G4-EC7

2. Indirect employees include subcontractors' personnel and workers of other service providers employed at Group's sites

3. The decrease of direct employees in comparison with 2014 is due to the physiologic lag between the demobilization of some large projects and the mobilization of personnel in new-awarded projects, as well as due to the retirement of employees from projects located in unstable areas. However, beyond the headcount at 31st December 2015 (equal to 30,600 employees), it should be noted that in 2015 the FTEs calculated based on the worked man-hours at sites included in this report were equal to 43,000 (+7% compared with 2014)

* 2014 economic data has been restated in compliance with IFRS 5 based on the new boundary following the selling of the Todini Costruzioni Generali's Group

** 2014 data has been restated due to a more accurate recalculation

Methodological note

As of 31st December 2015, the Sustainability Report (hereinafter also referred to as the "2015 Sustainability Report" or the "Report") aims to provide reliable, comprehensive, balanced, accurate, and comparable information regarding Salini Impregilo's values, strategies and performance during the reporting period.

Reporting cycle

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

Adherence to best practice standards

The Salini Impregilo 2015 Sustainability Report has been prepared in line with the "Comprehensive" option of the "GRI G4 Sustainability Reporting Guidelines" and the "Construction and Real Estate Sector Disclosures", issued by the Global Reporting

Initiative (GRI) in 2013 and early 2014 respectively. By applying the Comprehensive option, we have opted to disclose all indicators relating to our 12 material topics.

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 the GRI G4 Guidelines, the Group has defined an internal procedure aimed at identifying, prioritising, validating, and reviewing material topics, as described at paragraph Materiality analysis. Material topics identified through this process with related boundaries are listed below. A complete list of significant sites where topics are material is available hereinafter.

Salini Impregilo material topics	Related GRI G4 material issues	Material within the organisation	Material outside the organisation
Solidity			
Job creation	Market Presence	Headquarters and significant sites	Sub-contractors and service providers at significant sites*
Local economies support	Economic Performance, Investment	Headquarters and significant sites	Sub-contractors and service providers at significant sites*
Community support	Indirect Economic Impacts, Local Communities, Indigenous Rights	Significant sites	-
Excellence			
Innovation and client satisfaction	-	Headquarters and significant sites	Partners, suppliers, sub-contractors* and consultants
Talent attraction and development	Employment, Training and Education, Diversity and Equal Opportunity, Equal Remuneration for Women and Men	Headquarters and significant sites	-
Supply chain	Procurement Practices, Supplier Assessment for Impacts on Environment, Labour Practices, Human rights, Society	Headquarters and significant sites	Suppliers and sub-contractors at significant sites*
Transparency			
Corporate governance	Governance	Headquarters	-
Business integrity	Ethics and 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
Open dialogue	Stakeholder engagement, Local communities, Grievance Mechanisms for Impacts on Human Rights and Society	Headquarters and significant sites	Clients and sub-contractors at significant sites*
Respect			
Health and safety	Occupational Health and Safety, Supplier Assessment for Labour practices and Human Rights	Significant sites	Sub-contractors at significant sites*
Personnel wellbeing	Labour/Management Relations, Non-discrimination, Freedom of Association and Collective Bargaining, Security Practices, Child Labour, Forced or Compulsory Labour, Assessment, Grievance Mechanisms for Impacts on Labour Practices and Human Rights	Significant sites	Sub-contractors and service providers (i.e. recruitment agencies, security providers) at significant sites*
Environmental protection	Materials, Energy, Water, Biodiversity, Emissions, Effluents and Waste, Land degradations, Contamination and Remediation, Transport, Compliance, Overall, Grievance Mechanisms for Impacts on Environment	Significant sites	Sub-contractors at significant sites*

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

Third-party assurance

To verify the information provided in the Report, and to improve our reporting processes, we engaged Reconta Ernst & Young S.p.A. to audit the activities and results reported. The independent assurance report is available at the end of this document.

Scope of the Report

The 2015 Sustainability Report contains an overview of the initiatives and activities carried out by the Group in 2015, as well as performance data from the period 2013–2015 and important developments in early 2016.

The information provided in the Report refers to Salini Impregilo S.p.A. and its subsidiary 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 (except for the figures on local purchases) and workforce data relates to the scope of the 2015 Salini Impregilo S.p.A. Consolidated Financial Statements;
- Corporate governance data and information relates to Salini Impregilo S.p.A.;
- Environmental and social data (excluding workforce and including local purchases) refers to a scope of significant sites (listed below) established applying the following two criteria:

- The “Control approach” criterion, through which we identify all the active projects with one of the following characteristics:
 - direct contract;
 - contract managed by a consortium/joint venture/temporary partnership in which Salini Impregilo is the leading partner;
- The “Significance” criterion, through which we determine which of the projects identified via the above criterion have been involved in significant production activities during the reporting period, in terms of revenues and man-hours worked.

The sites excluded from the scope are therefore considered not relevant to this report.

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

The injury figures in this report refer to a scope wider than that used for the Group Quality, Environment, Health and Safety management system, which applies to contracts where decision-making roles (e.g. Head of QSE) are entrusted to Salini Impregilo.

A list of operating sites included under the reporting scope of the Sustainability Report can be seen on pages 66-67. For more information about these projects, visit our website, www.salini-impregilo.com.



Country	Project name	Area of expertise	Company
Argentina	Riachuelo environmental restoration project	Dams, hydroelectric plants	Impregilo S.p.A. - S.A. HEALY Company UTE
Australia	NW Rail Link Project	Railways and metros	Impregilo Salini Joint Venture
Colombia	Ruta del Sol*	Motorways, roads and bridges	Constructora Ariguani S.a.s
Colombia	El Quimbo*	Dams, hydroelectric plants	Consorcio Impregilo – OHL
Colombia	Sogamoso*	Dams, hydroelectric plants	Grupo ICT II S.a.s
Denmark	CMT Copenhagen (Cityringen)*	Railways and metros	Copenhagen Metro Team
Ethiopia	Gibe III Project*	Dams, hydroelectric plants	Salini Impregilo S.p.A.
Ethiopia	Grand Ethiopian Renaissance Dam (GERD)*	Dams, hydroelectric plants	Salini Impregilo S.p.A.
Georgia	New Kutaisi Bypass – Kutaisi lot*	Motorways, roads and bridges	JV Todini Costruzioni Generali S.p.A./ Takenada Engineering Construction Ltd.
Georgia	New Kutaisi Bypass – Samtredia lot*	Motorways, roads and bridges	JV Todini Costruzioni Generali S.p.A./ Takenada Engineering Construction Ltd.
Georgia	New Kutaisi Bypass – Zestaponi lot*	Motorways, roads and bridges	JV Todini Costruzioni Generali S.p.A./ Takenada Engineering Construction Ltd.
Greece	Stavros Niarchos Cultural Center*	Civil and industrial buildings, airports	Impregilo-Terna SNFCC Joint Venture
Italy	Salerno-Reggio di Calabria motorways Lots 5-6*	Motorways, roads and bridges	Salerno-Reggio Calabria S.c.p.a. (Lot 5) Reggio Calabria - Scilla S.c.p.a. (Lot 6)
Italy	COCIV (High speed/High capacity Milano - Genova)*	Railways and metros	Consorzio Cociv
Italy	Pedemontana Lombarda - Lot 1	Motorways, roads and bridges	Pedelombarda S.c.p.a
Kazakhstan	Almaty-Khorgos*	Motorways, roads and bridges	Todini Costruzioni Generali S.p.A.
Malaysia	Ulu Jelai Hydroelectric project*	Dams, hydroelectric plants	TM Salini Consortium
Namibia	Neckartal Dam*	Dams, hydroelectric plants	Salini Impregilo S.p.A.
Nigeria	Adyan Waterworks Phase II*	Dams, hydroelectric plants	Salini Nigeria Ltd.
Nigeria	District 1*	Motorways, roads and bridges	Salini Nigeria Ltd.
Nigeria	Gurara Dam*	Dams, hydroelectric plants	Salini Nigeria Ltd.
Nigeria	Idu Industrial Area*	Motorways, roads and bridges	Salini Nigeria Ltd.
Nigeria	Inner Southern Expressway (ISEX)*	Motorways, roads and bridges	Salini Nigeria Ltd.
Nigeria	Millennium Tower - Cultural Centre*	Civil and industrial buildings, airports	Salini Nigeria Ltd.
Nigeria	Ogoni-Anoni-Opobo Road*	Motorways, roads and bridges	Rivigo J.V. (Nigeria) Ltd
Nigeria	Suleja-Minna*	Motorways, roads and bridges	Salini Nigeria Ltd.
Panama	Extension of the Panama Canal (third sets of locks)*	Dams, hydroelectric plants	Grupo Unidos Por El Canal S.A.
Qatar	Abu Hamour hydraulic project*	Dams, hydroelectric plants	Salini Impregilo S.p.A.
Qatar	Red Line North – Doha*	Railways and metros	ISG J.V.

Country	Project name	Area of expertise	Company
Romania	Orastie-Sibiu motorways*	Motorways, roads and bridges	Salini Impregilo S.p.A.
Romania	Lugoi Deva motorways*	Motorways, roads and bridges	Salini Impregilo S.p.A.
Saudi Arabia	Metro Riyadh*	Railways and metros	Civil Works J.V.
Slovakia	Lietavska Lucka-Visnove-Dubna Skala	Motorways, roads and bridges	Salini Impregilo - Duha Joint Venture
Tunisia	Oued Zarga-Boussalem*	Motorways, roads and bridges	Todini Costruzioni Generali S.p.A.
Tunisia	Sfax-Gabes*	Motorways, roads and bridges	Todini Costruzioni Generali S.p.A.
Ukraine	M03 Kiev – Karkiv*	Motorways, roads and bridges	Todini Costruzioni Generali S.p.A.
USA	Anacostia*	Dams, hydroelectric plants	Impregilo-Healy-Parsons JV
Venezuela	Chaguaramas railways*	Railways and metros	Salini Impregilo S.p.A.
Venezuela	San Juan de Los Morros railways*	Railways and metros	Salini Impregilo S.p.A.
Venezuela	Puerto Cabello - Contuy Ferrocarriles railways and stations*	Railways and metros	Salini Impregilo S.p.A.

*Projects already included in the 2014 Sustainability Report

Calculation methods

Data and information included in the Report are taken from the information systems used for the general management and reporting of the Group's operations, along with data from a specific sustainability reporting system established in accordance with 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 (IR) and the related lost days (LDR) for every 100 employees.

In particular, the IR is calculated as a rate that takes account of the total number of injuries within the period with a predicted recovery time of more than three days (including fatalities) and the total hours worked, multiplied by 200,000. The LDR is

calculated as a rate that takes account of the total number of lost calendar days (relating to injuries with a predicted recovery time of more than three days) and the total hours worked, multiplied by 200,000. Both the IR and LDR rates relate 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 injury rates. Injuries sustained at operating sites by service providers' personnel (e.g. at the canteen), or at the company headquarters and other offices are not considered as material, as they do not relate to construction activities. For this reason, any such injuries are not included in the safety indicators.

HSE expenses

The Health, Safety and the Environment expenses reported refer to:

- Health and Safety protection expenses include 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 include environmental plants (e.g. wastewater treatment plants), environmental emergency equipment (e.g. spills kit, absorbent materials, anti-spill-over 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 include internal personnel dedicated to running HSE management systems, external consultancy and training costs.

Energy consumption

Calculations on internal and external (i.e. sub-contractors') 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 a meter (including those discharged and reused), is estimated in terms of 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 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, 2013 edition, 2011 data) for the consumption of indirect energy;
- The emission factors provided by IPCC (Fourth Assessment Report AR4 100yr) to convert CH₄ and N₂O into 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 is gathered in line 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.

GRI Content Index

General Standard Disclosure, DMA and Indicators	Page Number (or Link) Page numbers refer to the paragraph that includes information required by the indicator	Omissions	External Assurance page 81
General Standard Disclosures			
Strategy and Analysis			
G4-1	p. 2	Not applicable	✓
G4-2	p. 58	Not applicable	✓
Organizational Profile			
G4-3	Salini Impregilo S.p.A.	Not applicable	✓
G4-4	p. 6	Not applicable	✓
G4-5	Milan, Italy	Not applicable	✓
G4-6	p. 7 (countries where the organisation operates), p. 66 (list of significant operations covered in the report)	Not applicable	✓
G4-7	Salini Impregilo S.p.A. is a joint-stock company, with shares listed on the Italian Stock Exchange, subject to direction and coordination of Salini Costruttori S.p.A..	Not applicable	✓
G4-8	p. 6 (geographic breakdown and sectors served). Salini Impregilo works with a diverse range of clients: mainly public bodies, local administrations and large public service companies, as well as major private companies and industrial organisations.	Not applicable	✓
G4-9	p. 5, 7. For net revenues and total capitalisation broken down in terms of debt and equity please refer to the 2015 Consolidated Income Statements, p. 96 (http://www.salini-impregilo.com/en/investor-relations/results/financial-reports.html)	Not applicable	✓
G4-10	p. 60. With respect to the employment contracts, 81% of personnel had permanent contracts, while the remaining 19% had temporary ones. With respect to employment types, part-time contracts are not material within the Company as almost all personnel have full-time contracts.	Not applicable	✓
G4-11	All personnel have contractual recourse to a form of collective agreement. 79% of direct workforce is covered by site-specific collective agreements.	Not applicable	✓
G4-12	p. 35	Not applicable	✓
G4-13	For these information please refer to the 2015 Corporate Governance Report (http://www.salini-impregilo.com/en/governance/corporate-governance-report.html)	Not applicable	✓
G4-14	p. 50	Not applicable	✓
G4-15	p. 11 (UN Global Compact)	Not applicable	✓
G4-16	The Group participates to the following associations: Assonime, IGI-Istituto Grandi Infrastrutture, Assafrica e Mediterraneo, ITCOLD, Unindustria.	Not applicable	✓
Identified Material Aspects and Boundaries			
G4-17	For the list of entities included in the 2015 Consolidated Income Statements please refer to that document, p. 240 (http://www.salini-impregilo.com/en/investor-relations/results/financial-reports.html). For the entities covered by this report please refer to p. 66	Not applicable	✓
G4-18	p. 57 (process for defining the report content), p. 64 (aspect boundaries)	Not applicable	✓
G4-19	p. 64 (Salini Impregilo material topics and related GRI G4 material issues)	Not applicable	✓
G4-20	p. 64	Not applicable	✓
G4-21	p. 64	Not applicable	✓
G4-22	p. 63 (restated data)	Not applicable	✓

General Standard Disclosure, DMA and Indicators	Page Number (or Link) Page numbers refer to the paragraph that includes information required by the indicator	Omissions	External Assurance page 81
G4-23	p. 65	Not applicable	✓
Stakeholder Engagement			
G4-24	p. 10	Not applicable	✓
G4-25	p. 10	Not applicable	✓
G4-26	p. 10	Not applicable	✓
G4-27	p. 10, 41, 43	Not applicable	✓
Report Profile			
G4-28	2015 calendar year	Not applicable	✓
G4-29	July 2015	Not applicable	✓
G4-30	Annual	Not applicable	✓
G4-31	sustainability@salini-impregilo.com	Not applicable	✓
G4-32	Salini Impregilo has chosen the "Comprehensive" option for this report. p. 70 (GRI Content Index). p. 81 (external assurance report)	Not applicable	✓
G4-33	p. 63	Not applicable	✓
Governance			
G4-34	p. 37	Not applicable	✓
G4-35	p. 11 (Our policies and guidelines)		✓
G4-36	For HSE, compliance and anti-corruption issues executive positions have been appointed. They periodically report to the Board of Directors and/or its committees.		✓
G4-37	The Integrity Board collects information through the surveillance activities carried out by the Compliance department, as well as recommendations and grievances directly received by internal and external stakeholders, periodically informing the Board of Directors.		✓
G4-38	p. 37. For more information please refer to our website (http://www.salini-impregilo.com/en/governance/board-committees/board-of-directors.html)		✓
G4-39	The Chair of the Board of Directors is not executive.		✓
G4-40	p. 37. For more information please refer to the 2015 Corporate Governance Report, p. 18-22 (http://www.salini-impregilo.com/en/governance/corporate-governance-report.html)		✓
G4-41			
G4-42	Mission statements, strategies, policies and goals are approved by the Board of Directors, usually based on proposals of the Top management.		✓
G4-43	p. 38		✓
G4-44	Refer to the Report on Remuneration Policy (http://www.salini-impregilo.com/en/governance/corporate-governance-report.html)		✓
G4-45	Risks management activities are supervised by the Control and Risk Committee, which periodically reports to the Board of Directors. For more information, refer to the 2015 Corporate Governance Report, p. 30 (http://www.salini-impregilo.com/en/governance/corporate-governance-report.html)		✓
G4-46			
G4-47			
G4-48	The sustainability report is reviewed and approved by the CEO, and presented to the Board of Directors. Material Aspect coverage is checked by the senior management, as explained at p. 57.		✓
G4-49	See G4-37 and G4-50.		✓

General Standard Disclosure, DMA and Indicators	Page Number (or Link) Page numbers refer to the paragraph that includes information required by the indicator	Omissions	External Assurance page 81
G4-50	Potential critical concerns are periodically communicated to the Board of Directors by the Integrity Board. Significant ones are reported in the 2015 Consolidated Income Statements, p. 50 (http://www.salini-impregilo.com/en/investor-relations/results/financial-reports.html).		✓
G4-51			✓
G4-52	Refer to the Report on Remuneration Policy (http://www.salini-impregilo.com/en/governance/corporate-governance-report.html)		✓
G4-53			✓
G4-54	In 2015 the ratio of the remunerations of the highest-paid employees to the median ones in the significant countries of operation were the following: 2.9 times in Denmark, 5.1 in Ethiopia, 12.1 in Italy, 2.9 in Qatar, 2.7 in Saudi Arabia and 3.1 in Venezuela.		✓
G4-55	In 2015 the ratio of percentage increase or decrease in salaries of the highest paid employees compared to median employees in major countries of operation were: +13% in Denmark, +46% in Ethiopia, -3% in Italy, +16% in Qatar, - 29% in Saudi Arabia, +4% in Venezuela.		✓
Ethics and Integrity			
G4-56	p. 38	Not applicable	✓
G4-57	p. 38		✓
G4-58	p. 38		✓
SPECIFIC STANDARD DISCLOSURES			
CATEGORY: ECONOMIC			
Material Aspect: Economic Performance			
G4-DMA	p. 57 (materiality analysis). Refer to the 2015 Consolidated Income Statements (http://www.salini-impregilo.com/en/investor-relations/results/financial-reports.html).		
G4-EC1	p. 59		✓
G4-EC2	p. 58		✓
G4-EC3	Refer to the 2015 Consolidated Income Statements, p. 189, p. 165 (http://www.salini-impregilo.com/en/investor-relations/results/financial-reports.html).		
G4-EC4			
Material Aspect: Market Presence			
G4-DMA	p. 21, p. 57 (materiality analysis)		✓
G4-EC5	On average the entry level wages compared to local minimum ones are equal to +7% at the Group level, +6% at Central and South American operations, +5% at European operations and +11% at Middle East and Asian operations.		✓
G4-EC6	p. 21. On average, the management hired from the local community is equal to 85% in Europe, 33% in North America, while in Central and South America, Africa, Middle East and Asia is 0%.		✓
Material Aspect: Indirect Economic Impacts			
G4-DMA	p. 22, p. 57 (materiality analysis)		✓
G4-EC7	p. 22		✓
G4-EC8	p. 21 (local economies support and job creation), p. 22 (community support)		✓
Material Aspect: Procurement Practices			
G4-DMA	p. 21, p. 57 (materiality analysis)		✓
G4-EC9	p. 59		✓
CATEGORY: ENVIRONMENTAL			

General Standard Disclosure, DMA and Indicators	Page Number (or Link) Page numbers refer to the paragraph that includes information required by the indicator	Omissions	External Assurance page 81
Material Aspect: Materials			
G4-DMA	p. 15, 20 (challenges), p. 50 (environmental management), p. 63 (materiality analysis)		✓
G4-EN1	p. 62		✓
G4-EN2	p. 50		✓
Material Aspect: Energy			
G4-DMA	p. 52, p. 57 (materiality analysis)		✓
G4-EN3	p. 62. Methodologies and conversion factors used are reported at the Methodological		✓
G4-EN4	Note, p. 69		✓
CRE1	Building energy intensity is not reported, because this Standard Disclosure is not applicable to Salini Impregilo as it operates only in the construction sector, while the indicator refers to real estate activities (i.e. management and occupation of buildings)		
G4-EN5	p. 62. The energy intensity ratio is calculated considering the total energy consumed both inside and outside the Group (numerator) and the operating revenues (denominator).		✓
G4-EN6	p. 52. The energy source reduced is mainly diesel, while the total reduction was equal to 72,425 GJ.		✓
G4-EN7	p. 52		✓
Material Aspect: Water			
G4-DMA	p. 52, p. 57 (materiality analysis)		✓
G4-EN8	p. 62		✓
G4-EN9	Five water sources were significantly affected by the Group's withdrawal in the period, all of which were ground waters. None of them are located in protected areas, used by local communities nor interested by endemic or protected species.		✓
G4-EN10	p. 52		✓
CRE2	Building water intensity is not reported because this Standard Disclosure is not applicable to Salini Impregilo, as it operates only in the construction sector, while the indicator refers to real estate activities (i.e. management and occupation of buildings)		
Material Aspect: Biodiversity			
G4-DMA	p. 53, p. 57 (materiality analysis)		✓
G4-EN11	In 2015 the projects' areas managed were equal to 606.7 million m ² , 0.1% of whom is located inside protected areas, 1.1% is adjacent to protected areas and the remaining 98.8% is not interested by protected areas.		✓
G4-EN12	p. 53		✓
G4-EN13	p. 53		✓
G4-EN14	33% of the sites included in the report are interested by the presence of endemic and protected species. In managing our operations at these sites, we take care of 30 species included into the IUCN red list and 6 species included in other national or international conservation lists.		✓
Material Aspect: Emissions			
G4-DMA	p. 52, p. 57 (materiality analysis)		✓
G4-EN15			✓
G4-EN16	p. 62. Methodologies and emission factors used are reported at the Methodological		✓
G4-EN17	Note, p. 69.		✓

General Standard Disclosure, DMA and Indicators	Page Number (or Link) Page numbers refer to the paragraph that includes information required by the indicator	Omissions	External Assurance page 81
CRE3	Greenhouse gas emissions intensity from buildings is not reported because this Standard Disclosure is not applicable to Salini Impregilo, as it operates only in the construction sector, while the indicator refers to real estate activities (i.e. management and occupation of buildings)		
CRE4	p. 62. GHG emission intensity ratio is calculated considering the total GHG emission deriving from fuels, electricity and subcontractors' activities (Scope 1, 2 and part of 3 -		✓
G4-EN18	numerator) and the operating revenues (denominator).		✓
G4-EN19	p. 52		✓
G4-EN20	Emissions of ozone-depleting substances (ODS) are not reported because this Standard Disclosure is not applicable to Salini Impregilo, as it does not use ODS in its main processes, but only for ancillary services (not material) such as some cooling systems at offices and accommodation.		✓
G4-EN21	p. 62. Air emissions are calculated based on the diesel consumptions for electricity generation and the specific emission factors of the generators mainly used at our sites.		✓
Material Aspect: Effluents and Waste			
G4-DMA	p. 52, p. 57 (materiality analysis)		✓
G4-EN22	In 2015 were discharged 27.7 million m3 of wastewater, 70% of which were sent to rivers, 18% to lakes, 9% to soil/subsoil and 3% in sewage systems.		✓
G4-EN23	p. 62		✓
G4-EN24	In 2015 we had no spills.		✓
G4-EN25	3 tonnes of hazardous waste were shipped internationally in 2015, all of them departed from Greece.		✓
G4-EN26	Four water sources were significantly affected by the Group's discharges in the period, three of which were a river and one was sea. Three of them are located in protected areas, none is used by local communities and three of them are interested by endemic or protected species.		✓
CRE5	In 2015 we remediated 6,700 m3 of land, assessed for remediation 455 m3 (not yet remediated) and identified 72 m3 of land potentially contaminated (not yet assessed).		✓
Material Aspect: Compliance			
G4-DMA	p. 51, p. 57 (materiality analysis)		✓
G4-EN29	In 2014 we received 7 non-monetary sanctions for environmental matters and 17,000 € of fines.		✓
Material Aspect: Transport			
G4-DMA	p. 51, p. 57 (materiality analysis)		✓
G4-EN30	p. 53. GHG emissions from transport were equal to 446,580 tonnes of CO2 eq., of which 324,207 tonnes were from direct fleets (Scope 1) and 122,373 tonnes from subcontractors' fleets, business travel and goods shipping (Scope 3).		✓
MATERIAL ASPECT: OVERALL			
G4-DMA	p. 51, p. 57 (materiality analysis)		✓
G4-EN31	p. 63		✓
Material Aspect: Supplier Environmental Assessment			
G4-DMA	p. 51, p. 57 (materiality analysis)		✓
G4-EN32	16% of the new suppliers were screened against environmental criteria.		✓
G4-EN33	In the period 32% of subcontractors monitored for environmental issues received non-conformities and related improvement programmes, while 1% of contracts were terminated. Apart from impacts deriving from sub-contractors, other less significant environmental impacts result from the production of the cement we purchase. We do not have any opportunities to intervene, due to its manufacturing process.		✓

General Standard Disclosure, DMA and Indicators	Page Number (or Link) Page numbers refer to the paragraph that includes information required by the indicator	Omissions	External Assurance page 81
Material Aspect: Environmental Grievance Mechanisms			
G4-DMA	p. 51, p. 57 (materiality analysis)		
G4-EN34	57 environmental grievances were addressed in the period, 48 of which were resolved in the year. In addition, 10 grievances received in previous years were resolved in 2015.		✓
CATEGORY: SOCIAL			
SUB-CATEGORY: LABOR PRACTICES AND DECENT WORK			
Material Aspect: Employment			
G4-DMA	p. 30, p. 57 (materiality analysis)		✓
G4-LA1	In 2015 9,729 new employees were hired (32% of total employees), of which 4,921 were under 30 years old, 4,210 between 30 and 50 years old and 598 over 50 years old (801 women and 8,928 men) distributed as follows by region: 40% in Africa, 35% in Middle East & Asia, 17% in Europe and 1% in Oceania. In the period, 11,983 employees left the company (39% of total employees). Nevertheless this data has not been considered material as at operating sites people vary during the year according to the projects' stages. A most balanced view is given by the people that left the company for resignations. In 2015 they were 2,009 (7% of the total employees), of which 895 were under 30 years old, 955 between 30 and 50 years old and 159 over 50 years old (144 women and 1,865 men). They were distributed as follows by region: 39% in Africa, 25% in Central & South America, 18% in Middle East & Asia, 17% in Europe and 2% in Oceania.		✓
G4-LA2	At Salini Impregilo part-time and temporary employees are present only at headquarters; they receive the same benefits as full-time and permanent employees.		✓
G4-LA3	Since personnel at operating sites are almost exclusively men, parental leave is material only at headquarters. All personnel at headquarters are entitled to parental leave (584 employees, of which 207 are women and 377 men). Of these, eleven women took parental leave in 2015, seven women returned to work after parental leave ended and four women were still employed twelve months after their return to work.		✓
Material Aspect: Labour/Management Relations			
G4-DMA	p. 47, p. 57 (materiality analysis)		
G4-LA4	The minimum notice period for communicating significant changes in Salini Impregilo's activities is a legally fixed period, recognised in the collective contracts and local laws of reference. It varies from two to 32 weeks for managers, from one to 12 for staff and workers.		✓
Material Aspect: Occupational Health And Safety			
G4-DMA	p. 45, p. 57 (materiality analysis)		✓
G4-LA5	64% of direct employees are represented in formal joint management-worker health and safety or HSE committees.		✓
G4-LA6	p. 47, 61. In 2015 the main types of injuries occurred were wounds, contusions, and fractures. The main body parts affected were hands, head and trunk. The main agents that caused injuries were materials and other substances, working environment and equipment. Despite rigorous risk analyses and management procedures, in the period five casualties occurred. The absentee rate was equal to 0.9% (1.3% in Africa, 0.6% in South America, 0% in North America, 1.6% in Europe and 0.3% in Middle East and Asia). The Occupational disease rate was equal to 0.12.		✓
CRE6	The organisation operates an internally and externally verified health and safety management system compliant with OHSAS 18001 standard.		✓
G4-LA7	Activities carried out by Salini Impregilo expose personnel to the common health risks present in the construction industry, namely back pain and musculoskeletal disorders, deafness and diseases related to breathing apparatus.		✓

General Standard Disclosure, DMA and Indicators	Page Number (or Link) Page numbers refer to the paragraph that includes information required by the indicator	Omissions	External Assurance page 81
G4-LA8	The International Framework Agreement with the Italian and International Construction Unions signed in 2014 cover also health and safety for the entire workforce worldwide. In addition, 30% of direct workforce is also covered by site-specific H&S agreements with local unions. They cover issues such as personal protective equipment and training (100% of them), the right to refuse unsafe work (100% of them), training and education and periodic inspection (78% of them), complaint mechanisms (56% of them), KPIs (44% of them).		✓
Material Aspect: Training and Education			
G4-DMA	p. 30, p. 57 (materiality analysis)		✓
G4-LA9	p. 60. Since personnel at operating sites are almost exclusively men, the breakdown of training hours by gender is not material.		✓
G4-LA10	p. 30, 47		✓
G4-LA11	In the period the personnel operating at the headquarters did not received a performance evaluation. Nevertheless, in 2015, Salini Impregilo launched a Performance Management pilot programme for approximately 120 key people that will receive a performance evaluation during 2016.		✓
Material Aspect: Diversity and Equal Opportunity			
G4-DMA	p. 47, p. 57 (materiality analysis)		
G4-LA12	p. 37 (composition of Governance bodies). For further information please refer to the 2015 Corporate Governance Report, section 4.2 (http://www.salini-impregilo.com/en/governance/corporate-governance-report.html). p. 60 (breakdown of employees)		✓
Material Aspect: Equal Remuneration for Women and Men			
G4-DMA	p. 47, p. 57 (materiality analysis)		
G4-LA13	In 2015 at headquarters the ratio of remunerations of women to men were equal to 81% for managers and 83% for staff. No workers were employed at headquarters.		✓
Material Aspect: Supplier Assessment for Labor Practices			
G4-DMA	p. 35, p. 57 (materiality analysis)		✓
G4-LA14	31% of new suppliers were screened against labour practices and human rights criteria (health and safety mainly).		✓
G4-LA15	In the period, 12% of subcontractors monitored for labour practices and human rights issues received non-conformities and related improvement programmes, while 0.04% of contracts were terminated.		✓
Material Aspect: Labour Practices Grievance Mechanisms			
G4-DMA	p. 47, p. 57 (materiality analysis)		
G4-LA16	6,278 labour practice (including health and safety and human rights, if any) grievances were addressed in the period, 6,216 of which were resolved in the year. The great majority of them were received by the consortium involved in the realization of new Panama Canal from workers for a problem occurred to the payroll system, successfully resolved in the period. In addition, 74 grievances received in previous years were resolved in 2015.		✓
SUB-CATEGORY: HUMAN RIGHTS			
Material Aspect: Investment			
G4-DMA	p. 35, 47, p. 57 (materiality analysis)		✓
G4-HR1	At Salini Impregilo, significant contracts with sub-contractors include human rights clauses. We require our sub-contractors to respect the same standards we apply to our direct workforce, through special clauses included in their contracts.		✓
G4-HR2	The entire workforce receives induction training on ethics at hiring, including human rights. In 2015, about 7,900 training hours were provided to the workforce on these issues.		✓

General Standard Disclosure, DMA and Indicators	Page Number (or Link) Page numbers refer to the paragraph that includes information required by the indicator	Omissions	External Assurance page 81
Material Aspect: Non-Discrimination			
G4-DMA	p. 47, p. 57 (materiality analysis)		✓
G4-HR3	In 2015, no cases of harassment were reported.		✓
Material Aspect: Freedom of Association and Collective Bargaining			
G4-DMA	p. 47, p. 57 (materiality analysis)		✓
G4-HR4	There are two countries of operation (Qatar and Saudi Arabia) where freedom of association and collective bargaining rights are restricted by local laws and no alternative legal means to consult and engage personnel exist. In these circumstances, we adopt an approach aimed at allowing employees to feel free to contact HR representatives for any problem, query or questions.		
Material Aspect: Child Labour			
G4-DMA	p. 47, p. 57 (materiality analysis)		✓
G4-HR5	We do not have any risk factors regarding child labour because, worldwide – and regardless of local rules on minimum working age – we only hire personnel over the age of eighteen years.		✓
Material Aspect: Forced or Compulsory Labour			
G4-DMA	p. 47, p. 57 (materiality analysis)		✓
G4-HR6	We do not use forced or compulsory labour in our operations and require all our sub-contractors to apply the same rule.		✓
Material Aspect: Security Practices			
G4-DMA	p. 47, p. 57 (materiality analysis)		✓
G4-HR7	p. 47. All our internal security personnel receive induction training on ethics (including human rights) at hiring, while training for security personnel provided by local authorities and external providers is the responsibility of their employers. However, our security managers strictly collaborate with them to arrange procedures and practices to be applied on site.		
Material Aspect: Indigenous Rights			
G4-DMA	p. 22, p. 57 (materiality analysis)		✓
G4-HR8	No incidents of violations involving the rights of indigenous peoples were reported in the period.		✓
Material Aspect: Assessment			
G4-DMA	p. 47, p. 57 (materiality analysis)		✓
G4-HR9	All the operating sites covered by this report carried out a human rights impact assessment in the period.		✓
Material Aspect: Supplier Human Rights Assessment			
G4-DMA	p. 35, p. 57 (materiality analysis)		✓
G4-HR10	31% of new suppliers were screened against labour practices and human rights criteria (health and safety mainly).		✓
G4-HR11	In the period, 12% of subcontractors monitored for labour practices and human rights issues received non-conformities and related improvement programmes, while 0.04% of contracts were terminated.		✓
Material Aspect: Human Rights Grievance Mechanisms			
G4-DMA	p. 47, p. 57 (materiality analysis)		
G4-HR12	For grievances received by workers and clients please refer to G4-LA16, while for those received by communities please refer to G4-SO11.		✓
SUB-CATEGORY: SOCIETY			

General Standard Disclosure, DMA and Indicators	Page Number (or Link) Page numbers refer to the paragraph that includes information required by the indicator	Omissions	External Assurance page 81
Material Aspect: Local Communities			
G4-DMA	p. 22, p. 57 (materiality analysis)		✓
G4-SO1	In carrying out our operations, we take care of our local communities, being committed to minimizing any adverse impacts on them. For 24% of our projects social impact assessments is part of contractual requirements while for the remaining ones it is a client's responsibility. Moreover, 31% of our projects have formal local community grievance systems in place, 24% of them have formal community consultation processes in place, 14% have formalised stakeholder engagement plans and 12% have community development programmes in place. However, all our projects have systems in place (in the form of public relations offices, dedicated phone lines, e-mail addresses and mail boxes managed by the Group, by its clients or jointly) to receive and deal with grievances and concerns raised from external stakeholders.		✓
G4-SO2	Our main impacts on local communities are related to noise, dust and traffic, use of natural resources potentially used also by communities (e.g. water) and land degradation during the work activities.		✓
CRE7	At two of our operating sites, there were displacement plans in place and at none of them Salini Impregilo was involved in the activities. For this reason, the Company does not know the total number of people displaced and/or resettled.		✓
Material Aspect: Anti-Corruption			
G4-DMA	p. 38, p. 57 (materiality analysis)		✓
G4-SO3	p. 38		✓
G4-SO4	p. 38		✓
G4-SO5	No confirmed incidents of corruption occurred in the reporting period.		✓
Material Aspect: Public Policy			
G4-DMA	p. 57 (materiality analysis). As stated in our Code of Ethics, the Group makes no direct or indirect contributions to political parties, movements, committees, trade union or political organisations, or to their representatives.		✓
G4-SO6	The Code of Ethics approved by the Board of Directors on 14 May 2014 provides for the prohibition of any contributions towards political parties and union organisations, both direct and indirect.		✓
Material Aspect: Anti-Competitive Behaviour			
G4-DMA	p. 38, p. 57 (materiality analysis)		✓
G4-SO7	Refer to the 2015 Consolidated Income Statements, p. 50 (http://www.salini-impregilo.com/en/investor-relations/results/financial-reports.html)		✓
Material Aspect: Compliance			
G4-DMA	p. 38, p. 57 (materiality analysis)		✓
G4-SO8	In the period the Group received fines for non-compliance with laws and regulations for a total amount of 73,004 euro.		✓
Material Aspect: Supplier Assessment for Impacts on Society			
G4-DMA	p. 38, p. 57 (materiality analysis)		✓
G4-SO9	All our sites screen new suppliers with reference to their reputation and business solidity. In addition, according to the risk analyses performed, 28% of new suppliers were also specifically screened about potential presence in black lists.		✓
G4-SO10	All suppliers are subject to assessments for impacts on society during the qualification process. Our main potential impacts in the supply chain derive from our sub-contractors. For this reason, they are subject to the same rules applied worldwide to our direct workforce and activities. In the period, no suppliers were identified as not meeting social compliance requirements; so, no improvements have been agreed nor terminations of agreements occurred.		✓

General Standard Disclosure, DMA and Indicators	Page Number (or Link) Page numbers refer to the paragraph that includes information required by the indicator	Omissions	External Assurance page 81
Material Aspect: Grievance Mechanisms for Impacts on Society			
G4-DMA	p. 38, p. 57 (materiality analysis)		
G4-SO11	278 grievances about potential impacts on society were addressed in the period, 146 of which were resolved in the year. In addition, 178 grievances received in previous years were resolved in 2015. The great majority of these grievance were related to complaints received by our client in Colombia (Ruta del Sol project) from local inhabitants for disturbances linked to the realization of the motorway (e.g. access restrictions, presence of construction materials, damages to private property). Within 3 days from the complaint, we have met the complainant and agreed due remediation activities.		✓
SUB-CATEGORY: PRODUCT RESPONSIBILITY			
Material Aspect: Compliance			
G4-DMA	p. 27, p. 57 (materiality analysis)		
G4-PR9	In the period the Group did not receive any significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.		✓





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 2015"

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

We have carried out a limited assurance engagement of the "Sustainability Report 2015" (hereinafter "Sustainability Report") of Salini Impregilo S.p.A. and its subsidiaries (hereinafter "Salini Impregilo Group" or "Group") as of December 31, 2015.

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 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:

Reconta Ernst & Young S.p.A.
Via Po, 32 - 00198 Roma
Tel: +39 06 324751 - Fax: +39 06 32475504
ey.com
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- 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, 2015, on which other auditor issued the auditors' report, pursuant to art. 14 and 16 of Legislative Decree n. 39 dated April 6, 2016;
- 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 TM Salini Consortium, Copenhagen Metro Team I/S and Impregilo-Salini Joint Venture, 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 Ulu Jelai Hydroelectric Project (Malaysia) Sydney Metro Northwest (Australia), Copenhagen Cityringen Metro (Denmark);
 - 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 2015" of Salini Impregilo Group as of December 31, 2015 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 10, 2015. We have examined the method used to restate the comparative data and the related information, for the purpose of issuing this report.

Rome, April 20, 2016

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
sustainability@salini-impregilo.com

salini-impregilo.com