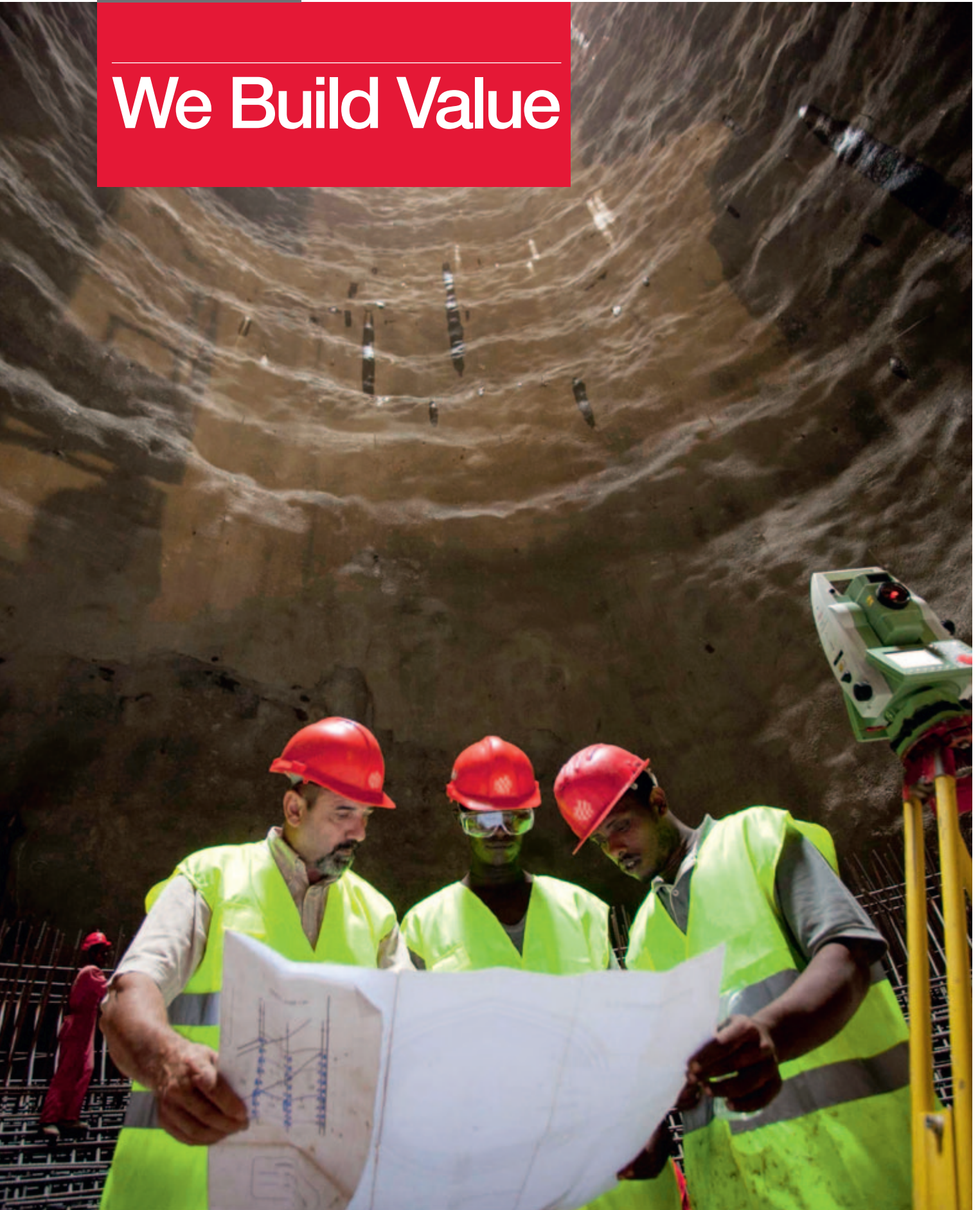


We Build Value





For this Report a “Materiality Matters” check was conducted by the Global Reporting Initiative (GRI). This check confirms that the most critical disclosures in the Report, based on the GRI G4 Sustainability Reporting Guidelines, have been correctly located at both the GRI Content Index as well as in the final Report.

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CEO introduction

Pietro Salini

Dear stakeholders,

I am delighted to present the 2013 sustainability report, sharing with you the significant successes we have achieved over this year of exciting work building real value.

Thanks to the extraordinary support of all our people around the world, Salini Impregilo today represents a clear example of Italian excellence in the global market, capable of implementing new ambitious achievements on behalf of all of our stakeholders.

As a global player in the complex infrastructure sector, we are determined to address the key challenges facing societies today, promoting the values of sustainable development in our industry and among our clients, partners, employees and communities, wherever we operate.



Our approach

Our business model is developed and updated through continuous dialogue with our main stakeholders worldwide and focuses on the creation of shared value.

In developing our projects, we are particularly focused on satisfying and exceeding the expectations of our clients while supporting the economic development of the countries where we operate. We do this through local job creation, development of local supply chains, capacity building and support for the communities where we work. In so doing, we aim to ensure the highest standards of safety and wellbeing for our people, as well as working to help advance the UN Global Compact's ten universal principles on human rights, labour practices, the environment and anti-corruption.

Our achievements

The robustness of our shared value approach is confirmed by the achievement of excellent 2013 results, on behalf of our key stakeholders:

- Our shareholders and investors benefited from the growth of our revenue (+13.6%) and backlog (+9.9% in the construction and plant sector) in terms of return on their investments and share value (+108.57%);
- Our communities continued to receive strong support for their economies, in terms of job creation (90% of total workforce hired locally), local procurement (73% of supply purchased locally) and social support initiatives (about 90 in the year);
- Our people benefited from our development and welfare programs in terms of training received (+9% to workers), investment in health and safety protection (+54%) and injury reduction (-30%);
- The environments around our projects benefited from the growth of our investment in protection programs (+82%), in reuse of raw materials such as rocks and soil (48%), recycling of waste (46%) and water (6%), as well as a reduction in GHG emissions intensity (-2%).

These important results prove the strength of our distinctive business model. They are also the outcome of the day-to-day work of an extraordinary management team and workforce who are committed to excellence and who I am very honoured to lead.

We are also proud to be among the worldwide pioneers to have adopted the new GRI-G4 Guidelines in preparing this report, choosing the "comprehensive" option to ensure the full disclosure of our material sustainability topics.

Our ambitions

2014 is an important year for Salini Impregilo Group, with the full integration of our values, cultures and procedures. We are already working to grow and develop new markets, hire new employees, ensure profitability for our shareholders and for new financing investments and create wealth for the communities in which we live and work.

We are committed to being the contractor, partner, employer and company of choice for new clients, suppliers, employees and investors worldwide, advancing the application of the principles of sustainable development across the whole construction industry and its value chain.



Pietro Salini CEO
Salini Impregilo Group

2013 was a year of significant developments and changes for our Group.



1

About the Salini Impregilo Group

Salini Impregilo is an industrial group specialising in the construction of major, complex infrastructure projects throughout the world.

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About us

Salini Impregilo is world leader for infrastructure projects in the water segment¹, and a top player in the railway and metro segment.

We deploy first-class professional resources through our highly experienced management team. We focus on developing and successfully executing innovative projects capable of enhancing communities and contributing to the economic and social improvement of nations.

Our track record

230

Dams and hydroelectric plants

1,250 km

Of underground works

6,700 km

Of railways

340 km

Of metro systems

36,000 km

Of roads and motorways

320 km

Of bridges and viaducts

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

Our Expertise



Dams, Hydroelectric Plants and Hydraulic Works

Salini Impregilo is a world leader in the construction of dams, hydroelectric plants and hydraulic engineering works, with key projects both completed and underway. The Group has constructed approximately 230 dams and hydroelectric plants, with an installed capacity of more than 36,800 MW of low-cost, clean energy: a vital prerequisite for economic development. It is involved in the development of significant projects in this sector, including the massive project involved in doubling the size of the Panama Canal and several mega hydroelectric projects in Africa.



Motorways and airports

Road infrastructure plays a decisive role in economic growth and social development. Salini Impregilo has constructed over 36,000 km of roads and motorways and approximately 320 km of bridges and viaducts across the globe. The Group is currently involved in numerous projects of various sizes and complexity around the world. These range from building roads to connect the built-up areas of Sierra Leone to the resurfacing of the Kazakh motorway – which retraces the ancient 'Silk Road', as well as important urban and extra-urban routing systems in densely populated areas such as Dubai, Milan and Long Beach.

>31,000

Staff worldwide

90%

Personnel hired from local community

42%

Employees under 30 years old

1

About the Salini Impregilo Group

Our presence



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Railways and undergrounds

Rail transport represents the most sustainable terrestrial mobility method currently available. The Group has contributed to its development through building more than 6,700 km of railway lines and approximately 340 km of metro lines as well as more than 1,250 km of underground works. Salini Impregilo is active in the propagation of high-speed railway lines and the 'rebirth' of metro urban transport throughout the world. Projects include the new AV Ankara-Istanbul line in Turkey, the Milan-Genoa line in Italy, the Sydney North West Rail Link in Australia, metro projects in Thessaloniki in Greece, San Francisco in the US, Copenhagen in Denmark, Santiago in Chile, Doha in Qatar, Riyadh in Saudi Arabia and Lima in Peru.



Civil and industrial buildings

Working in partnership with prestigious architects and designers, Salini Impregilo continues to play an important role in the construction of innovative civil buildings worldwide. Significant contracts including hospital complexes, university campuses, government buildings and other structures not only satisfy practical needs, but also play an important cultural role. The Group is currently involved in the construction of two important cultural centres. The first is in Abuja, promoted by the Federal Ministry of Culture and Tourism in Nigeria. The second is the new cultural centre in Athens, promoted by the Stavros Niarchos Foundation and designed by the firm of Renzo Piano.

Our results

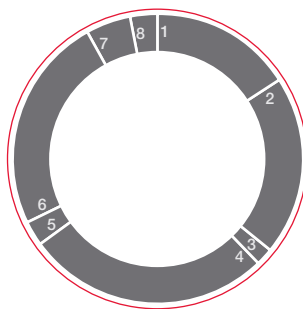
Economic performance

In 2013 Salini Impregilo realised pro forma¹ revenues of €3,970 million, +13.6% compared with the 2012 pro-forma figures.

The order backlog at the end of the period totalled €28.8 billion, of which €22.0 billion was in construction. During the period, new acquisitions reached €8,633 million, €5,903 million of which was in the core activity of construction.

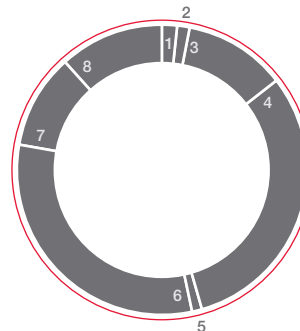
In 2013 the Group launched a bond of €400 million, with demand three times oversubscribed. The share value rose 108.57% in the year.

2013 Revenue by geography²
(%)



1. Italy	5. North America
16%	3%
2. Europe	6. Africa
20%	24%
3. CIS	7. Asia & Oceania
2%	5%
4. Lat America	8. Middle East
27%	3%

2013 Backlog by geography
(%)



1. N America	5. Oceania
1.7%	1.0%
2. C America	6. Italy
1.5%	31.1%
3. Lat America	7. Europe
11.4%	10.6%
4. Africa	8. Asia
31.1%	11.6%

Socio-environmental performance

The Group has continued to play a leading role in the markets in which it operates, particularly with regard to the creation of new employment, contribution to local economic development, investment in health, safety and the environment and community support.

At the end of 2013 Salini Impregilo employed over 31,000 staff from 88 different countries, 42% of whom were under 30 years old, plus over 16,000 sub-contractors' employees.

Over 372,000 training hours were provided to our workforce during the period, plus approximately 225,000 hours for sub-contractors' personnel on HSE issues. 90% of direct employees and 88% of sub-contractors' employees were hired from the local communities, while local procurement comprised 73% of the total.

In 2013 our HSE expenses amounted to over €55 million, with excellent results in terms of safety performance and environmental protection. In particular, we reduced our injury rates by over 30% and reduced our environmental footprint in terms of reused earthmoving materials (48%), recovered water (6%), waste diverted from landfill (46%) and restored areas (over 600,000 m² reforested).

We continued to stay in close contact with our communities, arranging about 300 local meetings and over 400 engagement activities comprising open-doors events, information campaigns and our management's participation in public events. We also directly supported our communities through about 90 social initiatives, mainly in the fields of health, basic needs, education, local development and humanitarian aid.

¹ Pro-forma Consolidated Income Statements are prepared on the basis of the Salini Group and Impregilo Group consolidated income statements for the years 2012 and 2013, respectively approved.
² Data refers to construction business only and does not include Todini.

1.1 2013 at a glance

2013 represented a turning point for the two Italian major construction companies – Salini and Impregilo – which together created a National Champion in large-scale civil engineering.

The Salini Impregilo merger took place within the context of a broader industrial and strategic plan, promoted by Salini Costruttori Group in 2011 and aimed at creating a national champion in the global infrastructure sector, with shares listed on Mercato Telematico Azionario, organised and operated by the Italian Stock Exchange 'Borsa Italiana S.p.A.'.

The merger was the outcome of a process that saw a successful outcome in one the most important proxy fight operations conducted in Europe in 2012, supported by small investors, institutional investors and activists. This was followed by the full voluntary public tender offer made by Salini for Impregilo, finally completed in April 2013.

The result is a new Group, positioned among the world's leading operators in large-scale civil engineering. Salini Impregilo is a pure global infrastructure player and, due to economies of scale and size across geographies and sectors, is capable of competing more effectively in international markets for the largest civil engineering and infrastructure projects.

Italian M&A Award 2013

The Salini Impregilo Merger was honoured with an award at the IX edition of the M&A Award 2013, organised by KPMG Italy and Fineurop Soditic.

The National Champion Project was considered by the jury panel as 'an operation that makes Salini Group the first Italian General Contractor specialising in the construction of major works and one of the foremost worldwide players in the construction of hydroelectric power plants.'

1.2 Competitive environment

Over the last decade, complex and large-scale infrastructures have continued to be a priority in the development and support of economies around the world, particularly in emerging markets. Alongside this, the slowdown in the global economy has had significant repercussions for the construction sector in the more developed economies.

These trends have pushed those construction companies operating at global level into a process of consolidation. This has been aimed at both achieving critical dimensions and acquiring the specific skills necessary for executing technologically complex and higher value-added projects ('mega projects').

In Salini Impregilo's reference market, other international companies are also active in the concession and plant segments. However, the Group has focused its business model on the core segment of construction, which has excellent growth potential, becoming the world leader in water/hydraulic works and a top player within rail/metro sector. Moreover, this strategy has enabled the Group to become the most geographically diversified player among its peers, with other companies more concentrated within their local markets of reference¹.

The Group estimates that in the period 2014–2017, the infrastructures construction sector will grow by an average of 9% per year, with global investments to 2030 equal to \$5,700 billion, mainly in the energy, transport and other civil engineering segments².

In this scenario, significant business opportunities arise from the needs of the more developed countries to replace or enlarge existing infrastructures to meet growing energy and mobility needs, as well as the needs of emerging countries involved in urbanisation and economic growth.

Indeed, the construction sector plays a decisive role in addressing the critical challenges facing society all over the world, including:

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

Energy security – Access to energy represents one of the major pillars for the development of society. Yet the current fossil fuel-based energy system leaves about 1.4 billion people around the world without access to electricity.

Transition to a low carbon economy – Investment in the energy, water, transport and building sectors has been highlighted by the United Nations Environmental Programme (UNEP) as fundamental to achieving a low-carbon and resource-efficient future.

Demonstrating compatibility of economic growth and sustainability – Under the 'green economy' paradigm, economic growth and socio-environmental sustainability are viewed not as incompatible, but as mutually reinforcing; creating jobs and sustainable

¹ For more detail, see 2014–2017 Industrial Plan, <http://www.salini-impregilo.com/en/investor-relations/presentations.html>.

² According to an analysis carried out by McKinsey for the Organisation for Economic Co-operation and Development (OECD).

growth, while avoiding risks such as the effects of climate change, water scarcity and the loss of ecosystem services¹.

Thanks to our vision, approach and track record of delivery, we have a major role to play in addressing these challenges at international level. Today, Salini Impregilo is undertaking some of the most important hydroelectric projects in the world, which will produce clean, affordable energy, allowing for river flow control and flood avoidance. The Group is also contributing to the mitigation of global warming, realising new railways and underground projects as well as 'green' buildings that will reduce greenhouse gas emissions and air pollution from transport and civil public buildings worldwide.

1.3 Strategy to 2017

The Salini Impregilo Business Plan for the period 2014–2017 is founded on four pillars and involves a considerable development of the Group's operations. The strategic guidelines are:

Creation of value – the excellent results reached in 2013 created the foundations for the Group's growth, with a strategic positioning worldwide.



Win and execute new large-scale projects – the critical success factor of the Salini Impregilo Group will be the integrated ability to acquire and execute large-scale complex infrastructures, competing with the main international players.



Technical and managerial skills to increase margins and optimise costs – the ambitious growth plans will be made possible thanks to our extraordinary professional resources and further investment in technical and managerial skills development.



Strengthen the geographical presence in certain high-growth countries considered core to the Group – the strategy involves strengthening the presence of the Group in our core areas, namely Europe, Africa and Latin America through participation in a high percentage of tenders in these regions, and diversification of the portfolio; strengthening our presence in markets with high growth potential, such as North America and Australia.



The main targets of the 2017 Business Plan are of €7 billion revenues, with EBITDA and EBIT of approximately €800 and €500 million respectively. Average annual orders during the period will exceed €7 billion, and the Net Financial Position is expected to be approximately +€500 million.

Through the growth strategy outlined in our 2014–2017 Business Plan, we aim to create shared value for all our stakeholders who will join with us in our development plans, including shareholders and new investors, employees, clients and the countries in which we operate.

1.4 Business Sustainability Model

Over 100 years of experience in the construction of roads, motorways, railways, dams, hydroelectric plants, tunnel, aqueducts and civil and industrial buildings worldwide have enabled Salini Impregilo to develop a strong business model, inspired by the principles of sustainable development, which we rigorously apply to our key processes.

We operate across the entire construction value chain, from designing and planning to building and delivering. We use the best resources available to ensure our clients are satisfied and to create value for all our stakeholders.

Our Business Sustainability Model, hereinafter depicted, comprises four key integrated elements, through which our approach to sustainability supports our business development:

- Mission
- Strategic resources
- Key value-adding sustainability activities
- Key outcomes.

Our **Mission** is at the base of the model, orienting our strategic decisions and guiding our day-to-day work. Salini Impregilo is founded upon the principle that the Company should contribute to the wellbeing and social and economic development of its areas of operation.

This principle has led us to a cosmopolitan business culture focused on the value of people, that enables us to work in numerous and diversified environments, interpreting and meeting the expectations of institutions, clients, communities, employees and technical and operating counterparties with different histories and cultures.

To live up to our mission and develop our business, we rely on four **Strategic Resources**:

First class professional resources – our people's skills are fundamental to maintaining the Group's leadership in the large-scale infrastructure industry and our day-by-day activities.

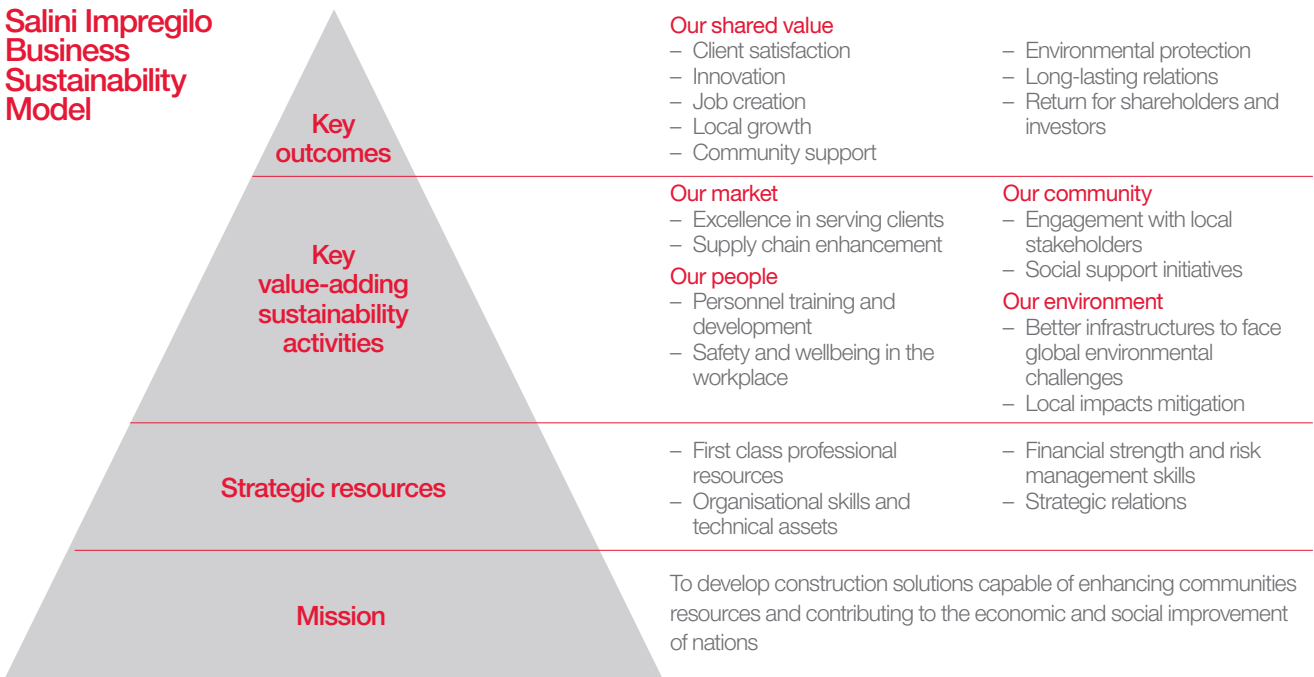
Organisational skills and technical assets – our extensive experience and skills in the planning, design and implementation of projects around the world, alongside the deployment of the most efficient plant, machinery and equipment enable us to excel and innovate the large-scale infrastructure market.

Financial strength and risk management skills – our solid financial structure is built on our commitment to contract schedules, ability to optimise time and costs, strict control of cash flows and extensive risk management know-how. These capabilities ensure we retain a competitive position in the global marketplace.

Strategic relationships – our capacity to deliver complex projects around the world is closely linked to our aptitude for building and maintaining relationships with our clients, partners, authorities, communities and other parties along the entire value chain, by sharing experience, knowledge, interests and identifying common opportunities.

¹ 'Towards a Green Economy – Pathways to Sustainable Development and Poverty Eradication', UNEP, 2011.

**Salini Impregilo
Business
Sustainability
Model**



At Salini Impregilo, sustainability is embedded into the whole organisation, representing a key element of our position in the global market and informing the way we do business. Our **key value-adding sustainability activities** relate to four main areas:

Our market – we are committed to excellence in our markets, working with our technical and financial partners and supply chain to develop bespoke project proposals, innovative solutions and deploy the latest technologies, advancing the development of the entire engineering industry.

Our people – we are committed to training our employees and promoting the culture of safety in all our workplaces, through comprehensive policies, extensive vocational training activities and welfare programmes.

Our community – we are committed to developing and maintaining good relationships with our local stakeholders and contributing to the development of our communities through investment and direct support for social initiatives.

Our environment – we are committed through our projects to generating renewable energy and developing green mobility solutions, as well as protecting the environment in our own operations and mitigating our impact at local level.

These commitments, supported by our values and fuelled by the above-mentioned strategic resources, enable us to create shared value, achieving tangible results both for the Company itself and for our stakeholder groups, in a 'win-win' scenario.

The **key outcomes** are:

- Delivering complex large-scale infrastructural projects that meet and exceed clients' expectations, in terms of contract schedules, technological innovation and sustainability performance;
- Contributing to the growth of local economies through job creation, local supplies, capacity building and communities support;
- Ensuring safe and healthy workplaces, in which relationships are based on respect and promoting skills development and equal opportunities;
- Contributing to global environmental challenges posed by climate change and growing pollution in urban areas, enabling the capacity of territories through the development of better infrastructures;
- Maintaining excellent relations with all our stakeholders, both internal and external, ensuring high-level acceptance and optimum results in each of our areas of expertise;
- Creating value for our shareholders and investors, making them part of our growth plans and sharing our future projects with them.

Integrating sustainability into the business

To ensure effective management of sustainability throughout the entire organisation, Salini Impregilo has revised its policies and procedures in recent years, establishing an integrated framework comprising specific policies, management and control systems, in line with major international standards and guidelines. A dedicated Sustainability Department oversees these activities.

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Global Compact

Participation in the



Salini Impregilo has voluntarily adopted an Integrated Management System in compliance with ISO 9001 (Quality), ISO 14001 (Environment) and OHSAS 18001 (Health and Safety) international standards. This is implemented by all Group companies and certified by an independent external body.

In March 2014 the Board of Directors appointed the General Manager Domestic Operations as the Management Representative for Quality, Environment, Health and Safety. He is supported by a Group-level QEHS Department in charge of ensuring the application of management systems, and periodically reports to the top management on these issues.

The certifications represent a guarantee of correct management and monitoring of the quality, safety and environmental aspects of the business – for all internal and external stakeholders.

The United Nations Global Compact

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

Salini Impregilo recognises the need to collaborate with governments, civil society, employees, suppliers and the United Nations to help advance the UN Global Compact priorities. The Group is also committed to an annual announcement of its progress regarding the ten principles of the Global Compact through this Sustainability Report.

1.5 Corporate governance

Salini Impregilo's governance system is based on the traditional management model and pursues international best practice standards, in order to operate at maximum efficiency and ensure high levels of transparency.

The Board of Directors comprises 15 members, 11 of whom meet the independence requirements, representing 73.3% of the Board, while four of them are women (equal to 26.7%).

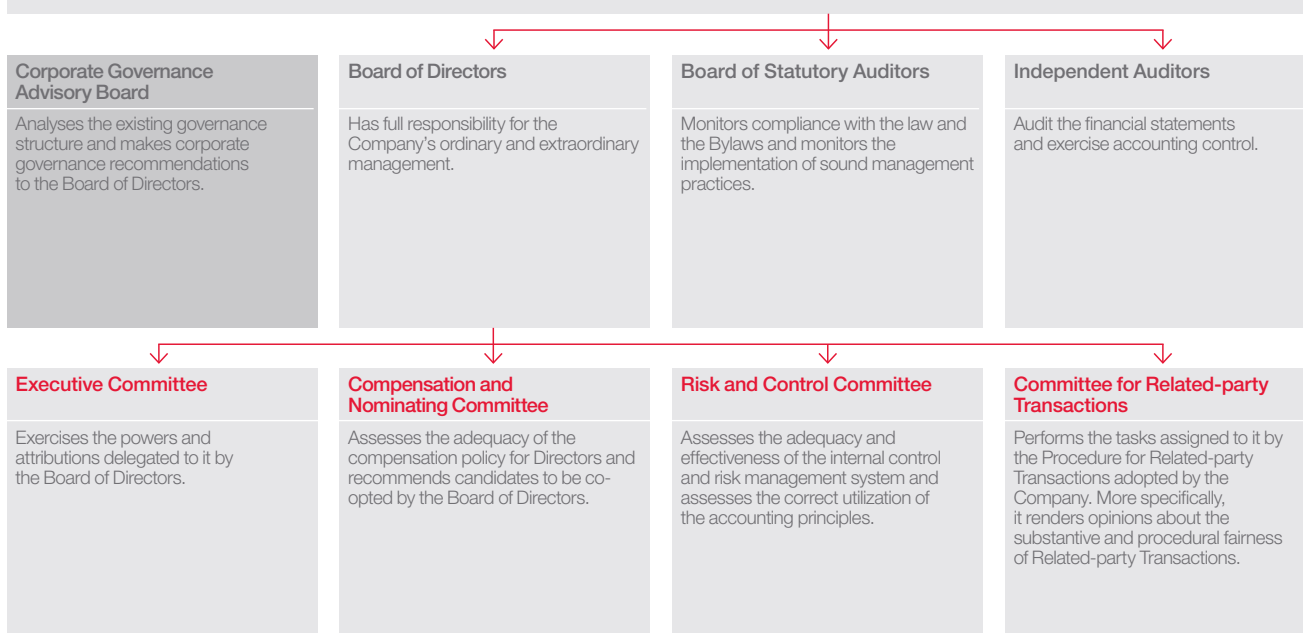
To ensure added value in the Group's governance, when selecting directors, the Group takes into account both the professional qualifications and the capability of individuals to be proposed for shareholder approval.

The Board has established four internal committees, as well as a Corporate Governance Advisory Board. It pays particular attention to the management of potential conflicts of interest and the protection of non-controlling investors.

In 2013 the Board of Directors, at the recommendation of the Compensation and Nominating Committee, approved a new Remuneration Policy aimed at attracting, motivating and retaining qualified professionals, as well as aligning the interests of the management with the medium to long-term interests of the shareholders.

Shareholders' Meeting

Approves the financial statements, elects the Board of Directors and the Board of Statutory Auditors, appoints the Independent Auditors, amends the Bylaws and performs the additional tasks assigned to it pursuant to law and the Bylaws.



1 For managers with strategic responsibilities, the Policy provides for a progressive migration to a greater influence of variable components on the total compensation. Further information can be found in the Report on Remuneration Policy, available on our website www.salini-impregilo.com

The Policy has been defined on the basis of the principles of proportionality, competitiveness, consistency, meritocracy and economic sustainability, taking into account a benchmark composed of comparable Italian and international large companies operating in the construction sector.

Based on these criteria, the remuneration package of the CEO and managers with strategic responsibilities is divided in three components: fixed payment, short-term and long-term incentives¹.

To ensure transparency and build relationships of trust with our investors and stakeholders, an Investor Relations unit maintains an ongoing dialogue with shareholders and the Market. This ensures comprehensive and timely distribution of information on which they can base their investment decisions.

1.6 Business integrity worldwide

For Salini Impregilo, combining business values with the principles of ethics and integrity represents the best way to protect the Group's wealth and reputation, as well as stakeholder expectations. For this purpose, our commitment to stakeholders in conducting business with integrity represents a milestone for the Group's employees.

Code of Ethics

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

The Code represents a reference point for those who work in the Group, for anyone involved in the pursuit of the Company's mission or who contributes to the pursuit of the Group's objectives. The stated principles guide the conduct of Directors, employees and anyone who, for whatever reason, collaborates with the Salini Impregilo Group worldwide.

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

Organisational Model

Salini Impregilo has adopted a Group Organisational, Management and Control Model aimed at:

- affirming and spreading 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 monitoring of operations with a risk of civil and penal liability for the Company and its representatives.

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

Supervision of effective implementation and compliance with the Model is entrusted to an independent control body – the Integrity Board – by means of special audits conducted by the Compliance Department.

The Group places particular emphasis on corporate processes exposed to the risk of corruption. The Internal Audit and Compliance Departments concentrate their monitoring and audit activities on these areas. In the three year period 2011–2013, all divisions exposed to such risks were subject to risk assessment and audit activities.

To further promote conformance with ethical standards and full compliance with regulations governing the prevention of corruption, as well as integrity, transparency and fairness in its activities, the Company initiated the preparation of a Group Anti-Corruption Model in 2013. This will provide a systematic reference framework of regulatory instruments and anti-corruption policies and will encompass direct or indirect, active or passive corruption, guaranteeing compliance with national and international anti-corruption laws, including Anti-Corruption Law 190 of 6 November 2012 issued in Italy, the Foreign Corrupt Practices Act (FCPA) issued in the United States and the United Kingdom Bribery Act.

Internal Control System

The Internal Control System is a central element of the Salini Impregilo's governance system. It comprises a collection of organisational rules, procedures and structures aimed at allowing the correct running of the business in line with established goals, through a process of identifying, measuring, managing and monitoring the main corporate risks. The design, monitoring and updating of the Internal Control System were implemented by the Group in line with international best practice.

In line with the 2012–2014 Audit Plan, the Internal Audit department continued to identify intervention areas to reduce the corporate risk profile, conducting over 60 audits across corporate functions and Salini Impregilo Group companies and contracts.

Enterprise Risk Management

Salini Impregilo is committed to the systematic identification and assessment of risks arising from its activities and operations, during all project life cycles.

To achieve these objectives, the Group is implementing an Enterprise Risk Management process. This includes the identification of hazards, and assessment, mitigation and monitoring of risks – providing management with an overview of project activities, enabling them to judge whether the necessary control and mitigation measures are being effectively carried out.

The most significant types of hazards the Group is exposed to are:

- managing the duration of a project, with respect to timing, costs and scope, mindful of potential variations in contractors' operations;
- potential financial losses, both direct and indirect;
- health and safety hazards, including personal injury and loss of life;
- hazards to third party properties, including buildings, structures and infrastructures;
- environmental hazards, including pollution and damage to flora and fauna.

Risk assessments have already been carried out on the principal ongoing projects, involving all site departments, including Quality, Environment, Health and Safety and technical staff.

Identified hazards are strictly monitored to achieve maximum mitigation of risks, according to the ALARP (As Low As Reasonably Practicable) principle.

1.7 Materiality analysis

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

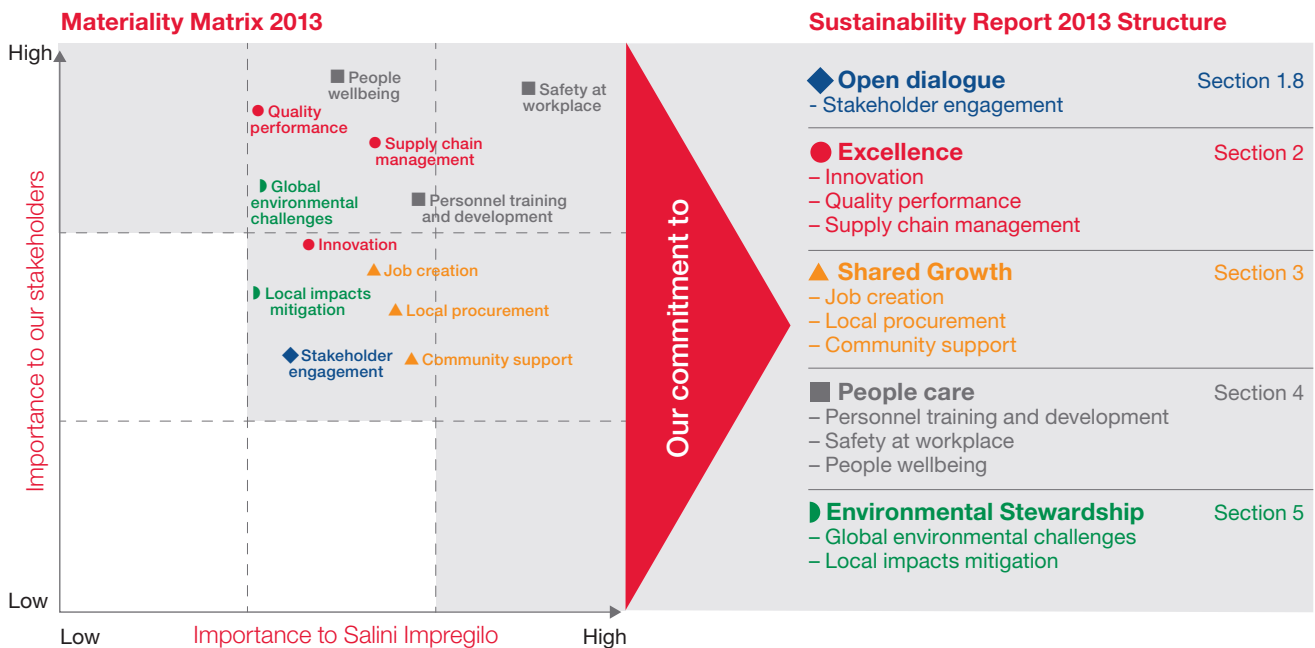
In accordance with this strong legacy of transparency and accountability, we continue to lead by example. We have prepared this Sustainability Report in accordance with the new GRI G4 Sustainability Reporting Guidelines: the most advanced reporting framework, issued in May 2013, effective from 2016 and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

Compared with the previous version, the new G4 Guidelines place a greater emphasis on materiality, requiring organisations to focus their reporting on key economic, social and environmental impacts and dialogue with stakeholders.

Defining report content

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

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



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

The 12 priority topics are reported in the materiality matrix opposite. These are aggregated in five main areas of commitment, which have been used as the basis of this report.

We have selected several stakeholder engagement projects in the following sections to illustrate how we create shared value in our day-to-day operations.

In particular, we have chosen to show the best practices adopted at Gibe III hydroelectric project, in Ethiopia, which represents the largest ongoing project in terms of employed personnel (7,620 staff at the end of 2013).

Sustainability risks and opportunities

To provide a broader view of the materiality analysis, the following table shows our main sustainability risks and opportunities, broken down by areas of commitment.

Area	Topics	Potential risks	Potential opportunities
Open dialogue	Stakeholder engagement	Possible opposition by local communities with related delay and increase in costs; personnel’s security risks in sensitive areas; loss of confidence from investors and authorities.	Licence to operate from local and global stakeholders thanks to the Group’s leadership in engaging with all parties involved in projects; climate of mutual trust and broad local approval, with reduced risks of opposition, staff security and delay; better capacity to promptly understand local needs.
Excellence	Innovation Quality performance Supply chain management	Increased competition from peers in response to clients and societal demand for innovative and sustainable construction solutions; delay and increase in costs due to misjudgements in selecting suppliers and partners; reputational risks of malpractice by suppliers.	Clients and communities served by us are able to benefit from the deployment of the best available technologies and competence; advantages over competitors thanks to a strict control of the supply chain; reduced reputational and financial risks.
Shared growth	Job creation Local procurement Community support	Inability to recruit specialised local workforce; local production system lacking; weak awareness of HSE issues; reputational risks of malpractice in community relationships.	Lower transport and customs costs through use of local suppliers; capacity building in terms of staff training and suppliers’ support; access to qualified labour and suppliers for future projects; tangible benefit at local level derived from the generation of direct and indirect employment, additional income, social initiatives for local communities.
People care	Personnel training and development Safety at workplace People wellbeing	Inability to deliver best-built projects due to failure in developing personnel; impacts on morale and productivity due to low investment in training, welfare and safety; increase in absences and personnel costs due to injuries.	Ensuring skills and expertise to deliver projects; increased productivity due to personnel’s wellbeing; minor recruitment costs due to internal development of employees and increased capacity to fill vacancies; minor absences and insurance costs; capacity to win contracts by clients who prioritise H&S in their tenders.
Environmental stewardship	Global environmental challenges Local impacts mitigation	Poor evaluation of environmental impacts; weak management and control plans; disturbance of local communities; potential damage to existing infrastructures and private properties.	Reduced environmental impacts ensured by strict assessment, management and control practices; minor risks of delay in delivery of projects due to environmental concerns of local communities; reduced litigation risks; enhanced reputation.

1.8 Our commitment to open dialogue

Dialogue is at the heart of our commitment to our stakeholders. Working closely every day with them at our sites has made us naturally open to dialogue. Transparency and engagement are at the base of our sustainability strategy and we have always been committed to developing and maintaining strong relationships with all our stakeholders.

Thanks to this approach, Salini Impregilo maintains excellent relationships with clients, institutions, employees, suppliers, communities and third parties worldwide.

Our engagement practices are diverse and flexible, reflecting the distinctive corporate and geographical nature of the Group.

At a corporate level, our key stakeholders include shareholders, investors, clients, partners, government and media. At an operating level, engagement practices relate to a project's features and key stakeholders include partners, employees, local communities, suppliers, contractors and sub-contractors, clients, local authorities and organisations such as unions and NGOs.

Engagement at operating level

Salini Impregilo places great emphasis on the legitimate expectations and needs of stakeholders. Community relations play a fundamental role in our activities and our involvement spans all levels of the organisation. The guiding principles of these activities are respect for local cultures, fairness and transparency.

The Group takes the needs of people affected by the sites into account at all stages of the realisation of an infrastructure: from preliminary environmental impact studies to the construction through the use of the best available technologies and efforts to compensate for or mitigate the effects of activities.

In conjunction with its clients, Salini Impregilo implements communication policies to inform people about projects' progress and execution methods with the aim of stimulating shared activities involving local people.

Each site, based on contractual arrangements, establishes dedicated communication channels with external stakeholders. These can be physical – i.e. offices at the site and/or adjacent to it – and 'virtual' in the form of dedicated telephone lines, websites etc. These channels allow the Group to maintain ongoing direct contact with local people, providing them with information about the activities carried out and collecting any feedback. Comments are analysed by the site management and dealt with according to specific procedures.

Salini Impregilo's excellent reputation has been confirmed by stakeholders specifically engaged in 2013 for the preparation of this report. Consultations carried out at project level highlighted the important role we play in protecting the environment, creating employment, building the capacity of the local supply chain and supporting communities.

Stakeholders also recognised the Group's leadership in communicating with all parties involved in its projects. This acknowledgement is particularly important for us, since it represents one of the keys to our success: the ability to listen to stakeholders' needs, to find viable solutions to meet their expectations and be transparent about our actions.

In 2013 some 300 meetings were held with local communities and their representatives at our operating sites. We also hosted over 160 visits to our projects from local citizens, schools, authorities etc. We ran over 150 information campaigns about our projects, visiting community groups to explain our activities and distributing information materials to thousands of people. Management participated in over 100 public events at local level, including sector exhibitions, conferences and workshops.



Engaging indigenous groups

Everywhere in the world, Salini Impregilo is committed to establishing good relations with local communities living in its projects' areas.

A significant example of this commitment is represented by the engagement programme implemented in Malaysia, where we are constructing a hydroelectric project (Ulu Jelai) in an area surrounded by 12 Orang Asli's villages housing an indigenous community.

Engagement activities include regular meetings on several issues – from updates on potential impacting activities (such as the use of local water sources), to understanding the community's needs to find appropriate solutions.

Thanks to this approach, we have implemented a development programme which consists of local road improvements, electricity supply, sport facilities construction and job opportunities.

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

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2

Our commitment to excellence

Salini Impregilo aims to play a key role in advancing the large-scale infrastructures industry worldwide, working in close collaboration with the entire value chain to ensure the best results – and continuously innovating in terms of quality, health, safety and environmental sustainability.

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2.1 Excellence in serving clients

Salini Impregilo works with a diverse range of clients worldwide; mainly public bodies, local administrations and large public service companies, as well as major private companies and industrial organisations.

Thanks to the extraordinary breadth of expertise acquired throughout the world, Salini Impregilo has a strong reputation for client satisfaction. The Group adopts a systematic approach, based on the development and deployment of innovative technologies and construction methods designed to guarantee optimum performance in terms of quality, health and safety and environmental sustainability.

These elements enable the Group to play a key role in important international tenders, where contracts are awarded based on the advantages offered by the bidder for established aspects. These include quality of work, realisation and running costs, financing schemes, environmental impact and improvements made to the projects in terms of safety for end users. In addition, depending on the projects and the type of client, other factors are also increasingly evaluated in tenders including the involvement of local operators, impact on employment and community involvement.

Quality in the construction industry plays a key role, because each project is unique and cannot be replicated. Similar works may require different solutions and processes depending, for example, on location.

The Group has developed an ISO 9001-certified Quality Management System, which encompasses the entire scope of its activities, from design stage and management of works to implementation and subsequent running. It assigns specific responsibilities and obligations to people who, at various levels, work during the different stages, from the design to the site, focusing on organisational, operational, decision-making and internal control aspects of the project.

This system is an integral part of the Quality, Safety and Environment Integrated Management System (QSE), in compliance with best practice and with a broader and more complete vision of quality for large works. The Salini Impregilo Quality Management System has had considerable success, not only in meeting client expectations, but in simplifying client audits and reducing the risks of disputes.

2.2 Innovating to succeed

Innovation is a key element for us. In recent years it has been enriched with new insight related to the technologies of materials, components and their physical behaviour – as well as the optimisation of the activities related to the production process.

In the large-scale infrastructures industry, several factors exponentially multiply the level of innovation required to achieve the end result. These include the amount of resources needed, the uniqueness of each project, different environmental contexts, the timeframe required to ensure profitability of the projects and the parameters of safety for personnel, local communities and end users.

Partnering is also crucial to maintain leadership in innovation. We are strongly committed to building and reinforcing strategic partnerships

with the world's most renowned professionals and engineering companies, as well as with the most innovative suppliers and technology developers.

Analysing clients' needs, producing high-quality project proposals and developing bespoke construction solutions involves hundreds of professionals. This drive towards excellence and continuous improvement enables us to increase our competitiveness across the globe, and directly benefits a number of our stakeholders: partners and suppliers that develop new products and services; sub-contractors that learn and practise new construction methods and develop solutions for future contracts and our workforce that acquires new expertise and know-how.

This is a typical win-win situation and represents one of the areas in which we consolidate our aspiration to be a value-sharing company.

2.3 Supply chain management

As stated previously, the supply chain is a fundamental factor in value creation, because of its contribution to a project's development and implementation.

We interact all over the world with thousands of counterparties from different cultures and backgrounds. To efficiently manage the complex processes connected with supply chain management, we have developed policies and procedures aimed at creating stable and lasting relationships with our partners.

Procurement process

To ensure consistent quality levels and performance worldwide, the Group requires its partners to conform to specific standards and rules, including ethical, social and environmental principles and respect for human rights.

In particular, the procurement system consists of three main elements: a supplier register, a vendor list and a vendor rating.

From the supplier register, which includes all potential counterparties required to be qualified, a vendor list is created, including suppliers that have successfully passed the qualification process.

During this process, the Group checks the reliability, integrity and professionalism of its counterparties, establishing whether they are capable of satisfying the technical, professional and quality requirements of the product/service to be provided, adequately serving the geographical area and meeting financial and commercial reliability requirements.

In all supply contracts, counterparties are required to sign up to the principles of the Salini Impregilo Code of Ethics. Special contract termination clauses apply if the supplier acts in direct opposition to the provisions of the Code.

During the provision of the goods or service, Salini Impregilo – in addition to administrative/accounting and quality checks – also carries out specific checks to ensure compliance with environmental and occupational health and safety requirements.

After the provision of the goods or service, the departments involved in managing the contract submit their feedback on the supplier to the Procurement Division, which updates the vendor rating, i.e. a supply chain evaluation performance system. Based on the feedback received, a supplier can be confirmed into the vendor list or blacklisted.

Supply chain in 2013

In 2013 our supplies consisted mainly of sub-contracts (33% of total), raw materials and goods (20% of total), investment in plant and equipment (17% of total), services (8%), transport and customs and rentals (7%).

We have evaluated the socio-environmental impacts of our supply chain, identifying sub-contracts as the most significant, since they can potentially impact our direct operations. For this reason, they are subject to the same worldwide rules that apply to our direct workforce and activities.

The following pages describe how this commitment is applied to our operations.

Panama Canal: quality, safety and the environment guaranteed throughout the entire supply chain



The Panama Canal expansion project represents one of the most challenging works now under construction worldwide. About 10,000 workers and hundreds of engineers and technical partners are working on an infrastructure that will contribute to the international maritime exchanges development, designed to run for a century at least.

Here, the issue of guaranteeing top quality and HSE standards is of crucial importance, and for this reason a specific method of selecting suppliers has been adopted.

All supplies of materials, services and works to be purchased throughout the project are classified according to the complexity of the activity to be carried

The procurement process for LEED projects

A special procedure is adopted to procure goods and services for the development of buildings aimed at reaching a LEED (Leadership in Energy and Environmental Design) certification.

For these projects raw materials employed must meet precise environmental criteria and performance, e.g. in terms of percentage of recycled content, VOC (volatile organic content), certified materials (as FSC certified wood), as well as distance of manufacturer location from the project's site. Design and construction activities must comply with specific criteria.

For these purchases, the qualification process includes the prior verification of the compliance of the materials with the LEED's criteria, also through special audits at manufacturers' factories.

out, the importance of the materials on the final quality of the work and the sophistication of the technology to be employed. Each category follows a specific selection route, with increasingly stringent criteria.

During the procurement stage, the heads of the Quality, Health and Safety and Environment departments take part in the selection process evaluating various aspects of potential suppliers, from management systems and experience gained to the degree of technology used.

The Quality and HSE departments conduct audits for certain categories of materials at the plants of potential suppliers in order to check the ability to comply with supply requirements and specifications. At the end of the checks, a reasoned opinion is formed about potential suppliers for inclusion in the Register of Suppliers and Sub-contractors.

The Quality and HSE departments carry out regular on-site audits and continuous monitoring of the activities conducted by suppliers and sub-contractors to guarantee that the standards at the time of selection and those agreed during the contract stages are effectively complied with in the field. In 2013 sub-contractors were involved in about 2,000 HSE meetings, over 27,000 toolbox talks, over 60 quality and HSE audits and over 34,000 training hours were provided to their workforce.

Thanks to this systematic approach, the Group ensures high quality, health and safety and environment standards, reducing compliance risks and non-conformity costs.



3

Our commitment to shared growth

Salini Impregilo aspires to build infrastructure projects that act as catalysts for the growth of territories in which it operates; through job creation, professional development, local suppliers growth, increased revenues for governments and social support for local communities.

In line with our mission, we deploy ideas, people, knowledge and investment that aim to contribute to the economic and social wellbeing of our communities.

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90%

Workforce hired locally

Our projects have the capacity to stimulate local and regional economies and our Business Sustainability Model is focused on maximising the resources available at local level, to benefit the wider community.

3.1 Job creation

The principal measure of Salini Impregilo's contribution to local economies is the number of jobs created in host countries. As far as possible, the Group adopts a strategy focused on using a local workforce in areas where projects are located. In 2013, the Group employed a total local workforce of over 47,000 people, comprising direct employees and subcontracted workers.

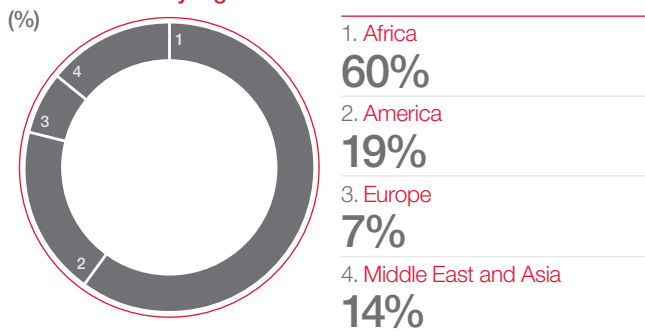
Direct recruitment of local personnel

During the year, some 90% of our 31,000 directly-employed staff consisted of local personnel, mainly employed within our African and American continent operations. The chart below shows the breakdown of Salini Impregilo's total workforce by geography.

In Ethiopia, our ongoing Gibe III project and GERDP (Grand Ethiopian Renaissance Dam Project) employ over 12,000 direct staff, 96% of whom are recruited from local communities. These projects have established important relationships with the local administrations, supporting them through social programmes such as the construction of new roads, water supply, schools, hospital, bridges, administrative offices, HIV and malaria prevention programmes and health assistance; strongly contributing to the social and economic development of these areas.

Although management roles at operational sites are primarily filled by expatriate Italian employees, the Group is involved in training talented local people, in order to create an international management team capable of transferring project capabilities around the world.

2013 workforce by region (%)



1. This value represents the Group's global average percentage; refer to the section 3.4, G4-EC5 indicator, for detailed data on our significant countries of operation.

+19%

Entry-level wages compared to local minimum ones

Indirect job creation

In addition to the direct workforce, the construction industry makes regular use of sub-contractors for certain activities, as well as other providers of services (including technicians, consultants, catering staff, etc), which contribute significantly to the number of jobs created at a local level. In 2013, 16,740 people were employed by our sub-contractors, 88% of whom were hired locally.

Developing local skills and expertise

With the provision of skills training, health surveillance and high employment standards, job creation plays an important role in enhancing the capabilities of local personnel, mainly in developing countries – in addition to salaries paid and the contribution we make to local economies.

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

For further information about these issues, refer to section 4.

Ensuring equal rights and opportunities

Through our operations around the world we aspire to promote multicultural work environments based on equal opportunities, with respect for human dignity and freedom.

In line with our Code of Ethics provisions, the Group adopts appropriate guidelines aimed at promoting the respect and safeguarding the rights of all workers, prohibiting any form of discrimination.

Moreover, in recent years the Group has developed and applied a human rights assessment tool at all its sites, aimed at evaluating the adherence of our operations to best practice in managing our personnel, sub-contractors and other third parties (such as recruitment agencies).

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

We respect national and international law at all our sites and contracts in force ensure equal rights and fair treatment. Regulatory conditions for non-EU personnel are based on, and therefore similar to, those for EU personnel, with the key differences being that leaving indemnity is not provided in all countries, and taxes and contributions are linked to the region in which an individual is employed.

Where applicable, the minimum salary levels in all countries in which Salini Impregilo operates are rigorously respected. In 2013 entry-level wages exceeded local minimum wages by an average of 19%¹.

Regardless of local rules on minimum working age, we only hire personnel worldwide over the age of eighteen years, verifying applicant documents at each site to prevent and detect any fraud.

3.2 Local procurement

In addition to job creation, we are committed to providing opportunities for economic development to the suppliers of goods and services based in host countries. In fact, the Group's supply strategy aims to satisfy project requirements as much as possible within the territories in which projects are located, according to local availability of required goods and services.

Local supply chain spend

In 2013, our links with local providers of goods and services – i.e. suppliers, contractors and sub-contractors in the countries where our projects are based – remained strong, with an average of 73% of spending placed with locally-based providers of goods and services. This peaked at nearly 90% in Europe and North America. In monetary terms, the total economic value distributed to the supply chain was €2,650 million.

From employee to entrepreneur

Ensuring development opportunities for local people is a distinctive element at Salini Impregilo. We firmly believe that is the best way to build and seize chances for mutual benefits, as happened to Belachew Solomon, who spent 15 years as our employee and is now the owner of the main sub-contractor company at Gibe III. Supported by the Group's management, he started his own business about 12 years ago.

His success story started with small jobs, employing few workers. Thanks to his experience with the Group, he now employs over 300 people, many of whom are female, and has reached a high operating standard, enabling him to work with international companies both in Ethiopia and abroad.

Today he comments: "Salini Impregilo's main strength is its commitment in helping employees to grow through important investments in training, contributing in this way to the economic and social growth of the entire Country. As an entrepreneur, I am happy of working with Salini Impregilo, because it provides a great support to our workforce, granting us access to health care services, canteens, accommodations and transportation. In addition, we have an ongoing dialogue on each issue and the Group's management is always available to us, finding the right solutions to meet our needs".



Innovating industrial relations in Ethiopia

Tesfaye Tilahun is the labour union representative and safety workers' representative at Gibe III project, Ethiopia, where the Group presently directly employs over 7,000 people.

His viewpoint confirms our excellence in engaging with unions to develop shared solutions to advance workers rights and protection in emerging countries.

"Gibe III is one of the most important ongoing infrastructure projects in Ethiopia and represents a unique opportunity for local personnel to acquire experience and professional capabilities.

We are extremely satisfied with the Salini Impregilo's commitment to people care and with the management of labour relations. The Company is paying great attention to training and developing skills of local personnel, as well as ensuring the wealth of the workforce.

The joint and proactive work by the management and the labour union has delivered excellent results. In fact, the collective bargaining agreement applied to Gibe III provides for a biannual automatic increase of remuneration linked to current inflation. This best practice was officially introduced in Ethiopia by the Group for the first time at Gilgel Gibe II project.

These achievements, along the high-quality facilities granted to the staff (health care services, accommodations, canteens, etc.), make Salini the best company to work with in Ethiopia".

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73%

Precurement from
local suppliers

Suppliers support and monitoring

As well as dealing with local enterprises, we support and monitor our suppliers and sub-contractors during and after the execution of contracts, to ensure the achievement of satisfactory performance regarding quality, health, safety and the environment.

For this reason we regularly deliver specific training activities on these issues and in 2013, we provided 225,085 training hours to our sub-contractors' personnel.

In addition, our site-based HSE departments carry out regular monitoring of sub-contractors, agreeing any improvement plans necessary to improve the protection standards and performance.

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 any concerns and suggestions to the management.

We are therefore committed to sharing our knowledge and skills with local suppliers and sub-contractors, to develop strong partnerships and promote their growth and technical development.

Learning about safety

In 2013 two of our Italian sites (Tangenziale Est and Salerno-Reggio Calabria highways) hosted students from a technical high school for experts in construction, territory and the environment for an internship on occupational health and safety and monitoring of the supply chain.

The internship, carried out on the basis of a training programme ratified by the Italian Ministry of Education and led by the Group's managers and technicians, allowed the students to have a unique experience in managing practical safety issues in the construction industry.

One of the students commented: "Thanks to this experience I had the opportunity to better understand the link between good safety performance and strict monitoring of the supply chain, because in safe worksites there are fewer incidents, there is a better control over sub-contractors and potential risks are promptly detected and eliminated".



Salini Impregilo as a partner for development

Membratu Thesome is the site manager for our client, the Ethiopian Electric Power Corporation (EEPCo), at Gibe III. He knows the Group very well because he worked on other hydroelectric projects successfully delivered by Salini Impregilo in Ethiopia.

"Salini Impregilo is one of the most appreciated and respected companies in Ethiopia, especially for its contribution to the growth of the Ethiopian people, in terms of capacity building for personnel, support to community development, care for the environment and open dialogue.

In all the hydroelectric projects developed by the Group several social support initiatives for local communities have been established, and I am sure the Ethiopian people do not forget the help received.

Here at Gibe III, before the project's start, there was a lack of roads and services. Salini Impregilo, besides other initiatives, has built about 100 km of roads to connect the site, linking 3 woredas (i.e. administrative areas) previously isolated. This has represented a big improvement in the living standards of people living in these areas and an enormous opportunity for economic development due to easier communications and exchange of goods.

During the last 50 years of its presence in the Country, the Group has realised many schools, hospitals, churches, police stations, administrative offices, etc., giving its strong support to the local authorities and communities. For this reason Salini Impregilo is not considered simply as a contractor.

We consider Salini Impregilo as a strategic partner of Ethiopia, and we hope the Company will continue to support developing countries like ours, with the same spirit of development supporter, helping us advance in producing low cost and clean energy to escape from poverty".

€1.9 million

Investments in local community initiatives

3.3 Community support

We have built a strong reputation as an organisation committed to respecting local cultures, needs and expectations; creating and strengthening development drivers of the socio-economic systems of host countries.

Local communities involvement

“The most important elements for the success of a project are the ongoing dialogue and commitment towards the community, based on a deep knowledge of the territory,” says Eugenio Zoppis, Project Manager at Gibe III, Ethiopia.

His statement mirrors the Group’s approach towards local communities, which aims to ensure full integration of our sites with the surrounding area.

We are committed to being an ‘open’ company – and our engagement practices ensure we remain in close and constant contact with our stakeholders, obtaining strong local support and the best results for all.

Our facilities in the service of communities

For us, being an open company means, first of all, allowing anyone that wishes to communicate with us to be able to do so. For this reason, our sites are equipped with various communications channels to facilitate contact with stakeholders. Depending on the context, these vary from dedicated phone lines to public relations offices and websites.

Being open means also sharing our facilities with our communities. During the execution of our projects, local communities can access some of our sites’ facilities, such as on-site clinics, training rooms, wells, roads and bridges.

These free services offer an immediate improvement in the quality of life for many communities, especially those in rural areas not served by basic amenities.

Core competencies for developing social infrastructures

Salini Impregilo demonstrates its support for communities through the design and development of a wide range of programmes and activities, based on a thorough knowledge of the territories in which we operate.

Our distinctive approach consists of deploying our core skills and competencies in the service of our communities, intervening directly to design, build and deliver infrastructures to the benefit of local inhabitants, using our workforce, equipment and sub-contractors.

This approach allows us to maintain tight control over an initiative’s implementation, ensuring economic and technical efficiency throughout the process. It also represents the best way to raise awareness on CSR initiatives among our employees, clients, partners, sub-contractors and local authorities.

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

We also seek viable solutions when reallocating a site’s facilities after a project’s completion, making access roads, offices and worker accommodation available to communities.

Our direct involvement in public infrastructures represents the main part of our investment in local communities. In the 2012–2013 period we delivered 45 initiatives (26 in 2013).

Our social programmes

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

Community support by areas of intervention		
Area	Field of activities	Main interventions in 2012–13
Basic infrastructures and services	Especially in remote areas, where people do not have access to basic infrastructures and services, we build roads, bridges, wells and pipelines, as well as providing them with potable water and electricity.	We carried out 47 interventions in this field. Of particular importance was the creation of a water supply line in Ethiopia that withdrew pure water from a fountainhead on high ground to serve a remote village and a health centre offering care to almost 200,000 people.
Health Care	Projects located far from health centres offer free healthcare assistance to people from local communities, including dedicated staff and equipment to access villages and transfer patients. We also provide healthcare facilities to benefit communities in partnership with local institutions and non-governmental organisations.	We provided support to 41 initiatives in this field. In Uganda for example, in partnership with Oncology for Africa, we established a house to welcome patients from rural villages requiring chemo/radiotherapy at Nsambya Hospital in Kampala. (For more details see the following box). Our Ethiopian site clinics also ensured over 12,000 free healthcare interventions for local communities.
Local development	A good knowledge of our local communities enables us to understand their needs, identify opportunities for improvement and help them fulfil their potential through vocational training programmes and professional education.	We supported 14 projects in this field. In Venezuela we developed a vocational training programme aimed at teaching sustainable farming techniques to people from local communities. (For more details see the following box).
Education	In some countries, particularly in Africa, where the educational infrastructures are limited in number and children and young people have difficulty accessing these, we build schools and provide assistance for their daily operation.	We supported 15 educational initiatives around the world, comprising the provision of educational materials and the realisation and rehabilitation of schools' facilities including libraries, laboratories, computer and sports facilities.
Solidarity and human rights	Being a part of our communities also means helping them in emergency situations such as natural disasters as well as supporting families and those in need.	We carried out 49 interventions in this area, principally supporting orphanages, charitable institutions and helping people in need of medical treatment and assisting communities. In Italy we helped the city of Palmi with technical and operational intervention to reconstruct and secure the access road to the city damaged by a landslide.
Culture and sport	We promote culture and sport as values that help build communities, supporting local organisations and teams with arranging events, as well as cultural and athletics programmes.	We supported 62 cultural and sporting organisations in the areas in which we operate. We began supporting the Circolo Canottieri Aniene's sailing team in Italy, with the aim of supporting young athletes aspiring to compete in the 2016 Rio de Janeiro Olympic Games.

We base our programmes on a sound knowledge of our territories, which means we can ensure we only support initiatives of real interest for our communities. Management and staff are actively involved in designing and structuring these programmes, ensuring close monitoring of all initiatives supported.

A total of 183 social programmes were carried out in the 2012–2013 period (67 in 2013).

Altogether, we supported our communities through over 220 initiatives in the period, summarised in the table above.

In 2012–2013, € 5.2 million (about 1.9 million in 2013) was invested in initiatives with local communities. This only includes direct costs and does not consider the value created for local communities or the cost sustained for infrastructures developed by the Group for project-related needs (e.g. mainly roads, bridges, water wells and basins), that also remain available to communities.



Supporting communities also after projects' completion

In Uganda, where we have delivered the Bujagali hydroelectric project in 2012, we are continuing to seek viable ways to help communities in need.

In Africa cancer has dramatically increased over the last years. Poverty, lack of knowledge and logistic difficulties are the main reasons for a too late cancer diagnosis with fatal consequences.

To help people in need of oncological treatments we have created a partnership with Oncology for Africa, a non-profit organisation that implements cancer prevention, treatment and training programmes in Africa, establishing in Kampala a house to welcome patients from rural villages that need chemo/radio therapy at Nsambya Hospital.

The "Family House for Uganda" can host 24 patients, with rotation, for the entire period of treatment totally free of charge, and represents an innovation for hospitals in the country.

This is a clear example of how business and non-profit organisations can join forces and combine their expertise, involving local institutions to introduce new and sustainable ways to help their communities.

Building the capacity of local communities in Venezuela

Among the various ongoing projects we have in Venezuela, a significant social initiative for the community has been implemented in 2013 at the hydroelectric project of Tocoma.

Our site's Environmental and Social Responsibility department has developed a vocational training programme aimed at teaching sustainable farming techniques to people from the local community.

The programme has been developed after a study of communities' needs, carried out through surveys and interviews. The initiative involved over 50 people for six months on theoretical and practical training sessions, allowing them to learn about farming techniques, land reclamation, biodiversity protection and natural resources conservation. Special practical sessions have been provided on production of organic pesticides and fertilizers, humus, seeds and resource supply (water, soil, recycled materials).

The objective of the project has been to train this first group of people in order to allow them to become experts among their communities and teach other people in turn, ensuring the continuity of learning dissemination.

The project also responded to the Millennium Development Goals 1 (eradicate poverty), 3 (promote gender equality) and 7 (ensure environmental sustainability); 1,340 total training hours were delivered and 25 of Salini Impregilo's staff were deployed, 13 of whom were volunteers.

3.4 Shared growth performance results

Performance indicator	Unit	2012	2013	GRI Reference and notes
Direct economic value generated and distributed				G4-EC1
Operating revenue	€000	1,174,185	3,333,820	
Other income	€000	327,947	207,437	
Financial income	€000	33,527	66,628	
Direct economic value generated	€000	1,535,659	3,607,885	
Operating costs	€000	944,858	2,647,811	
Employee wages and benefits	€000	138,001	459,443	
Payments to providers of capital	€000	1,832	138,186	
Payments to government	€000	28,781	43,234	
Community investments	€000	3,241	1,910	
Economic value distributed	€000	1,116,713	3,290,584	
Economic value retained	€000	418,946	317,301	
Proportion of direct and indirect workforce hired from the local community by region				
Direct employees				
Africa	%	95%	95%	
Central and South America	%	98%	96%	
North America	%	91%	95%	
Europe	%	85%	83%	
Middle East and Asia	%	52%	61%	
Total	%	88%	90%	
Sub-contractors' employees				
Africa	%	91%	97%	
Central and South America	%	97%	95%	
North America	%	100%	100%	
Europe	%	88%	80%	
Middle East and Asia	%	95%	86%	
Total	%	93%	88%	
Ratios of entry level wage compared to local minimum wage at significant locations of operation				G4-EC5
Colombia				
Women	%	na	100%	
Men	%	na	100%	
Denmark				
Women	%	na	na	(1)
Men	%	na	na	
Ethiopia				
Women	%	na	100%	
Men	%	na	100%	
Italy				
Women	%	na	105%	
Men	%	na	104%	
Malaysia				
Women	%	na	133%	
Men	%	na	133%	
Panama				
Women	%	na	123%	
Men	%	na	123%	
Venezuela				
Women	%	na	110%	
Men	%	na	110%	

Performance indicator	Unit	2012	2013	GRI Reference and notes
Proportion of senior management hired from the local community at significant locations of operation				G4-EC6
Colombia	%	na	–	
Denmark	%	na	21%	
Ethiopia	%	na	–	
Italy	%	na	100%	
Malaysia	%	na	–	
Panama	%	na	21%	
Venezuela	%	na	70%	
Development and impact of infrastructure investments and services supported				G4-EC7
Community initiatives				
Infrastructure investments	no.	19	26	
Services supported	no.	117	67	
Total	no.	136	93	
Community investments				
Pro-bono	€000	379	666	
In-kind	€000	2,862	1,243	
Total	€000	3,241	1,910	
Proportion of spending on local suppliers at significant locations of operation				G4-EC9
Colombia	%	94%	97%	
Denmark	%	76%	73%	
Ethiopia	%	46%	47%	
Italy	%	100%	100%	
Malaysia	%	50%	55%	
Panama	%	51%	31%	
Venezuela	%	92%	92%	
Grievances about impacts on society filed, addressed, and resolved through grievance mechanisms				G4-SO11
Number of grievances addressed during the reporting period	no.	na	201	
Number of grievances resolved during the reporting period	no.	na	194	
Number of grievances addressed previously and resolved in the period	no.	na	6	

na: not available for 2012 because the indicator has been introduced/modified by the GRI-G4 Guidelines.

Notes

(1) Data is not reported because a local minimum wage is absent in Denmark.



4

Our commitment to people care

People are the cornerstone of Salini Impregilo's development and success, contributing to the achievement of the Group's objectives and fuelling future growth.

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

In this section...

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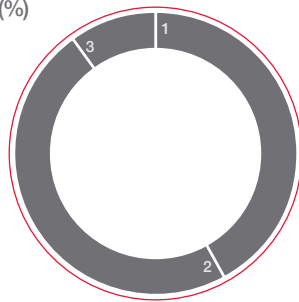
372,000

Training hours

Behind every major project in the world is the labour, passion and commitment of thousands of people: the highly skilled and professional women and men who are the keys to our success.

At the end of 2013 we employed 31,172 people worldwide, 42% of whom were under 30 years old. The majority of our workforce is based in Africa, followed by Central and South America, Middle East and Asia.

Employees Breakdown by Age (%)



- 1. <30 yrs
42%
- 2. 30/50 yrs
48%
- 3. >50 yrs
10%

4.1 Human resources development

Belonging to Salini Impregilo means participating in the construction of unique, high engineering international projects; working in a multicultural environment in which relationships are based on dialogue, respect, transparency and trust; developing competencies and professional skills in a dynamic and competitive organisation – and interacting with the best industry professionals at the global level.

Personnel recruitment and management

Salini Impregilo researches and selects candidates in several ways, including collaborative projects with major Italian and overseas universities, as well as other professional educational institutions¹.

To manage the complex processes of recruitment, management and development in an organic and structured way, the Group uses guidelines for the Management of Human Resources. These are defined at Head Office and adapted locally to meet the needs of individual organisations. Our guiding principles are equal opportunities, non-discrimination, physical and moral integrity, fairness and professional development.

To sustain the growth forecasted in the Business Plan to 2017, we need to hire and develop a large number of people. We are therefore developing new strategic guidelines to attract the best resources for our projects around the world. These include the establishment of special new agreements with major Italian universities to develop ad hoc courses and programmes to select and employ talented young people to direct towards international careers.

Moreover, we are committed to increasing the percentage of our workforce under 30 years old, employing young people from local markets through new training and development paths.

Staff training and development

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

We consider continuous training as vital for our employees and for the Group's future. For this reason, we define and implement an annual Training Plan that consolidates and develops the corporate skills system, with the aim of maintaining the continuous drive for excellence in professionalism, performance and results.

Investing in the development of professionals at an area level is an important strategic factor, since it allows us to be able to depend on qualified resources that can be deployed on projects in the same – or other geographical areas.

We foster the development of our people both through specific training and knowledge sharing. Both at our operating sites and headquarters, a balanced mix of young people and qualified staff ensures that our know-how and expertise is steadily transferred to the next generation of professionals.

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

In 2013, more than 372,000 hours of training was provided for Group personnel, equal to an average of approximately 12 hours per head.

Performance evaluation and compensation

The Group regards competencies, experience and merit as essential to growing the wealth of its human assets.

In order to guarantee equal opportunities, managerial continuity and the growth of the business, we use a performance management system. This is aimed at measuring and evaluating competencies, performance objectives, behaviours and potential for further development of our employees according to their role in a defined period.

The system consists of a regular employee evaluation process carried out at headquarters and at operating sites, with a particular focus on the individuals included in a development path, to ensure coverage of key corporate and site positions.

The Group ensures that – in addition to an individual's competencies, experience and merits – high and robust competitive standards of compensation are maintained, relative to peer group companies².

1. For example, in Italy we collaborate with the Politecnico of Milan on a Masters in Project Management that allows us to identify and select talented young students to employ.
 2. The remuneration system adopted is based on a fixed system in which, depending on specific individual and/or Company performance, a variable remuneration payment can be added in the form of a one-off bonus.

4.2 Health and safety protection

Salini Impregilo recognises the critical importance of occupational health and safety – and the protection of employees and third parties across all activities at its offices or operating sites. The Group's main objectives in this area are eliminating or reducing to a minimum the risk of accidents by adopting a prevention and protection system applicable to all operating activities, according to the principle that all accidents can be prevented.

Safety management

Effective management of safety is ensured by dedicated procedures that involve risk assessment, the planning and implementation of training activities, active involvement of personnel and operational monitoring activities.

Through the adoption of the Safety Management System, certified according to the BS OHSAS 18001 standard, Salini Impregilo has achieved good results over the years, namely:

- development of a safety culture among its employees;
- reduction in accidents at work;
- prevention of occupational diseases;
- reduction in insurance costs; and
- decrease in administrative and criminal fines.

Wherever it operates, the Group complies with the laws in force and guarantees high standards of health and safety protection in the workplace.

Each operating site establishes its own organisation to undertake daily monitoring activities in respect of safety in the workplace. Safety officers are also in charge of recommending disciplinary measures to management for those employees who violate safety rules.

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

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

HSE committee in Abu Hamour Project

The Abu Hamour Southern Outfall Tunnel Phase – 1 (AHSO) project team works on the principle of 5 Es, i.e. Evaluation, Engineering, Education, Encouragement and Enforcement.

The multi-national and multi-cultural workforce around 12 different nationalities involved in this project demands special communication skills, clear and user-friendly documentation, coupled with close monitoring and control. This is efficiently managed by our highly versatile staff.

In order to fulfill the contractual obligations towards our clients and to maintain a healthy and safe working environment for our personnel and visitors, we have the best technology and efficient and safe systems in place. Most of the HSE matters are resolved at the design and planning stage.

AHSO's HSE team exercise general control over the implementation of the HSE system and are responsible for preparing and updating HSE policies and documentation.

AHSO's policy is to encourage benchmarking and HSE improvement proposals by its personnel during periodic safety meetings, trainings and toolbox talks.

In order to evaluate the HSE performance of the project, a HSE committee has been constituted under the guidance of the Project Manager. This committee will take a tour of the site, and meet every month to address the HSE matters.

As a part of encouragement, the HSE committee identifies two workers for the award of 'HSE Man of the Month'. The award will be presented by the Senior Management representatives to the winner.

In line with the above standards we, at present, have successfully completed more than six hundred thousand Safe Manhours without any Major Incidents/Accidents.

+54%

H&S expenses compared
with 2012

Health and safety training and awareness

All personnel receive an induction on the Group's health and safety policies and procedures when they join, with additional training on specific risks in line with their assigned tasks. Before starting any new activities, special 'toolbox' meetings are held to explain safety procedures to be adopted. In 2013 over 182,000 toolbox meetings were held, in addition to approximately 8,800 HSE meetings that also involved clients and management.

Salini Impregilo requires all those working on its sites to comply with its standards. In this context, sub-contractors' employees are considered in the same way as direct employees and also participate in training and awareness activities. In 2013 sub-contractors' personnel received approximately 225,000 dedicated hours of training on HSE issues.

Safety performance

In 2013 we continued to emphasise the importance of health and safety by increasing our investment in this field. In the last two years, H&S expenditure increased from €20.5 million to €31.7 million (+54%).

During the period, we maintained our Health, Safety and Environment (HSE) monitoring activities, with 959 audits carried out by site departments, 90 by corporate departments and 347 by external control bodies – including clients, funders, local authorities and external assurance bodies.

In 2013 the Injury Rate (IR)¹ was equal to 2.28 and the Lost Day Rate (LDR)² was equal to 23.07. Both rates saw a decrease compared with 2012 of over 30%, confirming the effectiveness of our management systems and giving us confidence to advance further in reducing workplace health and safety risks.

Excellence in H&S management at Panama Canal extension project

Advanced planning, organization and control system together with a strong focus on training and raising awareness among employees make the Panama Canal's H&S management system an absolute best practice worldwide. The site's Health and Safety Policy involves the explicit target of achieving zero accidents, through the rigorous application of standards and zero tolerance for cases of non-conformity.

All newly hired personnel are informed of this policy, as well as of the entire system, before being able to access the site, through a three-day training course on health and safety.

At the start of each shift, team leaders organise tool box talks meetings to explain to the workers the specific safety risks related to the activities to carry out. In addition, they explain the causes of the accidents occurred the day before, if any, in order to discuss and share appropriate prevention measures to avoid other similar events.

The Safety Officers hold meetings with all workers every week, in which the safety performance achieved and the improvement targets are presented. Sub-contractor employees also take part in all these activities, and they are managed in the same way as direct employees.

For specific activities, such as working in confined spaces trained employees with special certification are used. These specialist workers hold monthly meetings in which problems relating to safety are discussed, sharing any mutual experiences and identifying possible improvement actions.

In addition, all work areas are subject to daily and weekly audits by the Health and Safety department, and regular external audits are conducted by the client, local authorities, financiers and the management system certification body.

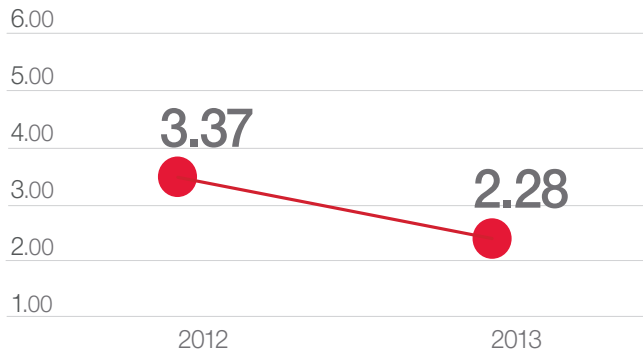
Team leaders and their managers are assessed through a KPI (Key Performance Indicators) system developed to measure the safety performance achieved at the respective areas of responsibility. The best performance are rewarded every month.

Thanks to this approach, the Panama Canal project has achieved excellent performance in terms of injury rates and the number of non-conformities detected during internal and external audits.

1. IR represents the number of injuries occurring per 100 employees and it is calculated as a rate between the total number of injuries occurring in the period (fatalities included) and the total hours worked, multiplied by 200,000. The complete formula is indicated in the Glossary (7.3).

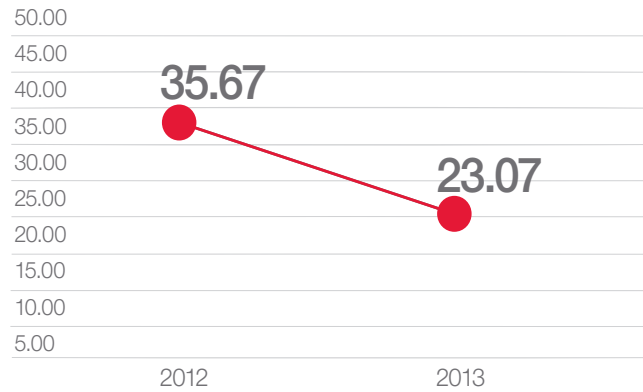
2. LDR represents the number of working days lost per 100 employees and it is calculated as a rate between the total number of lost days (only injuries with temporary disability) and total hours worked, then multiplied by 200,000. The complete formula is indicated in the Glossary (7.3).

Workforce Injury rate*



*Number of injuries/worked hours x 200,000

Workforce Lost day rate*



*Number of lost days/worked hours x 200,000



Ensuring education for our employees children in remote areas

Providing our employees with the chance to have their families at work is one of the most important challenges we face in remote areas, due to the lack of public services such as schools.

This represents a major concern to settle in order to attract and retain young people on these challenging projects.

For this reason at our camps we seek to establish site schools for our employees' children. Among these, in 2013 the Nicolas Mini School at our Gibe III project, Ethiopia, was recognised by the Italian Ministry of Education, being able to provide education accepted in Italy and the EU. The school is currently attended by children of different nationalities and lessons are taught in Italian and English by experienced teachers.

Francesca Francesconi, the principal at the school, has a long experience in teaching at construction projects' site schools, and her viewpoint is important to understand how these schools improve the life quality of personnel at site. "Site schools at projects in remote areas represent a powerful means of attracting and retaining employees, as well as a 'glue' among the employees' community. Usually a site school opens with just a few children, but their number grows rapidly as other employees move their families to the site or new staff arrives knowing about the school, and this significantly improves the workforce's morale and retention of young people".

4.3 Personnel wellbeing

Working in Salini Impregilo means being part of a Group that takes care of its people. We are committed to providing the best working conditions for all our workforce, improving their quality of life and fostering a good work-life balance.

Around the world, our workforce receive a series of benefits in addition to their compensation, including social security, financial benefits (healthcare, life and extra employment injury insurance) as well as other in-kind benefits (canteen, accommodation, company car), depending on their level.

Welfare at operating sites

We pay particular attention to the provision of good living conditions for personnel employed in remote areas and challenging socio-environmental contexts.

Our efforts involve designing and building suitable camps to accommodate workers and their families, equipped with facilities including canteens, hospitals, fitness centres and athletics fields, markets, bars and internet connections.

We aim to make these villages as comfortable as possible, and our dedicated Village Chiefs manage the camps and arrange social activities for residents and guests.

Healthcare system

Salini Impregilo has a company health service, which informs personnel about disease prevention and control procedures, carries out regular health surveillance campaigns and inspects operating sites to ensure that all health surveillance protocols are respected. During these inspections, our doctors visit local hospitals to assess their quality and accessibility, especially in areas with poor standards of public healthcare provision.

All our sites outside Italy have medical facilities that provide 24-hour medical advice, an ambulance service and a guarantee that each work shift has access to medical staff. All operating sites have a pharmacy, providing access to urgently-required medicines and those needed for the treatment of chronic diseases.

These health facilities are available to employees' family members at operating sites, as well as to local people for any acute and serious medical matters.

Doctors responsible for the operating sites regularly offer local personnel training courses and provide information to local communities on improving environmental sanitation and preventing the spread of endemic diseases (such as malaria) and sexually transmitted diseases (including HIV and hepatitis). In Ethiopia, free Voluntary Counselling and Testing (VCT) on HIV is offered to employees and people from the local communities, based on a policy of non-discrimination and confidentiality.

Early collective bargaining

In Italy the Group has always played a primary role in managing industrial relations, creating the model of so called 'early collective bargaining' that now has been adopted in the national collective bargaining system for the construction industry.

The model provides for an industrial relations system structured on different levels (national, local, site) and different issues, so that in each level the appropriate interested parties are involved. The key element of this model is represented by special Memoranda of Understandings (MoU) signed with the interested parties before the project starts.

The MoU fixes the common agreed rules to be applied to the project, mainly concerning working conditions (working hours and shifts), job market (employment of local personnel), health and safety (included training and inspections), site logistics (accommodation, canteens, transport), responsibility towards sub-contractors (monitoring of respect of agreed rules by sub-contractors).

Industrial relations

All personnel management policies and practices at our work sites are conducted in the context of our industrial relations system. This ensures compliance with the principal international codes of conduct, such as the 'Universal Declaration of Human Rights' (1984), the 'International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work' (1998), the 'ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy' (2000) and the 'Organisation for Economic Co-operation and Development (OECD) Guidelines for multinational enterprises' (2000).

We also signed an agreement with the Building and Wood Workers' International (BWI)¹, which commits us to the application of specific principles² on human rights to our workforce worldwide.

Security at operating sites

Salini Impregilo is also committed to guaranteeing the integrity and security of its assets and people wherever it operates, paying particular attention to areas with specific security risks.

We have a Corporate Security service in charge of developing, implementing and managing the Group's corporate security strategy and programmes. This provides guidance and advice to site management on security-related matters and assists security staff at our operating sites in identifying, developing, implementing and maintaining processes to reduce security risks, respond to potential security incidents and limit exposure to liability in all areas of physical and personal risk.

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

¹ BWI is the international union for workers in the construction, building, woodworking, forestry and allied industries, present in 125 countries throughout the world.

² The agreement includes the principles of work as a free choice, no discrimination at work, no child labour, freedom of association and collective bargaining, adequate working hours and remuneration that conforms to applicable regulations, working conditions that respect the dignity of people, specialist training and a guarantee of adequate welfare, specifically with regard to the health and living standards of personnel.

4.4 People care performance results

Performance indicator	Unit	2012	2013	GRI Reference and notes
Direct and indirect workforce by region				G4-10
Direct employees				(1)
Africa	no.	15,873	18,700	
Central and South America	no.	7,875	5,811	
North America	no.	160	252	
Europe	no.	1,773	2,136	
Middle East and Asia	no.	5,249	4,273	
Total	no.	30,930	31,172	
Sub-contractors' employees				
Africa	no.	3,561	3,492	
Central and South America	no.	4,893	4,284	
North America	no.	56	36	
Europe	no.	5,535	6,191	
Middle East and Asia	no.	4,741	2,737	
Total	no.	18,786	16,740	
Total workforce				
Africa	no.	19,434	22,192	
Central and South America	no.	12,768	10,094	
North America	no.	216	289	
Europe	no.	7,308	8,327	
Middle East and Asia	no.	9,990	7,010	
Total	no.	49,716	47,912	
Percentage of direct employees by category, age group and gender				G4-LA12
By category				(1)
Manager	%	1%	1%	
Staff	%	19%	20%	
Workers	%	80%	79%	
By age group				
Under 30 years old	%	38%	42%	
30-50 years old	%	51%	48%	
Over 50 years old	%	11%	10%	
By gender				
Women	%	8%	7%	
Men	%	92%	93%	
Percentage of individuals within the Board of Directors by age group and gender				G4-LA12
By age group				
30-50 years old	%	27%	27%	
Over 50 years old	%	73%	73%	
By gender				
Women	%	27%	27%	
Men	%	73%	73%	

Performance indicator	Unit	2012	2013	GRI Reference and notes
Percentage of direct employees by educational qualification				
Italian headquarters				
Compulsory education	%	1%	1%	
High school	%	50%	50%	
University	%	49%	49%	
Operating sites				
Compulsory education	%	57%	56%	
High school	%	34%	35%	
University	%	8%	8%	
Total number and rate of new employee hires at headquarters				
G4-LA1				
By age group				
Under 30 years old	no.	16	22	
30-50 years old	no.	42	28	
Over 50 years old	no.	6	6	
Under 30 years old	%	42%	49%	
30-50 years old	%	13%	8%	
Over 50 years old	%	3%	3%	
By gender				
Women	no.	42	23	
Men	no.	22	33	
Women	%	23%	12%	
Men	%	6%	9%	
Total number of new employees hired	no.	64	56	
Total rate of new employees hired	%	11%	10%	
Total number and rate of employee turnover at headquarters				
G4-LA1				
By age group				
Under 30 years old	no.	2	10	
30-50 years old	no.	11	10	
Over 50 years old	no.	9	8	
Under 30 years old	%	5%	22%	
30-50 years old	%	4%	3%	
Over 50 years old	%	4%	4%	
By gender				
Women	no.	12	6	
Men	no.	10	22	
Women	%	7%	3%	
Men	%	3%	6%	
Total number of employee turnover	no.	22	28	
Total rate of employee turnover	%	4%	5%	

Performance indicator	Unit	2012	2013	GRI Reference and notes
Total and average per capita hours of training to direct employees by category				G4-LA9
Total hours				
Manager	hours	4,945	3,998	
Staff	hours	176,798	80,021	
Workers	hours	263,373	288,420	
Total	hours	445,117	372,439	
Average per capita hours				
Manager	hours	17	13	
Staff	hours	31	13	
Workers	hours	11	12	
Average	hours	14	12	
Ratio of the remuneration of the highest-paid employee to the median one at significant countries of operations				G4-54
Colombia	times	3	4	
Denmark	times	3	3	
Ethiopia	times	5	3	
Italy	times	15	8	
Malaysia	times	3	3	
Panama	times	4	4	
Venezuela	times	18	31	
Ratio of the increase in remuneration of the highest-paid employee to the median one at significant countries of operations				G4-55
Colombia	times	na	-	
Denmark	times	na	-	
Ethiopia	times	na	-12	
Italy	times	na	-51	
Malaysia	times	na	-2	
Panama	times	na	-	
Venezuela	times	na	-	
Ratio of the remuneration of women to men at headquarters by category				G4-LA13
Manager	%	78%	87%	(2)
Staff	%	94%	83%	
Workers	%	-	-	

Performance indicator	Unit	2012	2013	GRI Reference and notes
Direct employees injury, occupational diseases, and absenteeism rates by region				G4-LA6
Global				
Injury rate	IR	3.37	2.28	
Lost day rate	LDR	35.67	23.07	
Fatalities	no.	17	15	
Occupational diseases rate	ODR	–	0.17	
Absentee rate	AR	2,684	2,577	
Africa				
Injury rate	IR	2.36	1.39	
Lost day rate	LDR	20.87	15.18	
Fatalities	no.	9	15	
Occupational diseases rate	ODR	–	0.02	
Absentee rate	AR	3,393	2,739	
Central and South America				
Injury rate	IR	5.90	3.90	
Lost day rate	LDR	60.42	36.99	
Fatalities	no.	5	–	
Occupational diseases rate	ODR	–	0.19	
Absentee rate	AR	2,261	3,508	
North America				
Injury rate	IR	1.27	–	
Lost day rate	LDR	6.24	–	
Fatalities	no.	1	–	
Occupational diseases rate	ODR	–	–	
Absentee rate	AR	62	–	
Europe				
Injury rate	IR	4.14	1.32	
Lost day rate	LDR	89.55	38.09	
Fatalities	no.	2	–	
Occupational diseases rate	ODR	–	–	
Absentee rate	AR	5,550	1,194	
Middle East and Asia				
Injury rate	IR	1.34	1.84	
Lost day rate	LDR	21.61	10.84	
Fatalities	no.	1	–	
Occupational diseases rate	ODR	–	0.76	
Absentee rate	AR	676	151	

Performance indicator	Unit	2012	2013	GRI Reference and notes
Sub-contractors' employees injury, occupational diseases, and absenteeism rates by region				G4-LA6
Global				
Injury rate	IR	2.12	2.67	
Lost day rate	LDR	15.87	26.87	
Fatalities	no.	11	9	
Occupational diseases rate	ODR	–	0.06	
Absentee rate	AR	159	761	
Africa				
Injury rate	IR	1.25	1.88	
Lost day rate	LDR	12.57	6.66	
Fatalities	no.	–	5	
Occupational diseases rate	ODR	–	–	
Absentee rate	AR	126	2,832	
Central and South America				
Injury rate	IR	3.17	3.48	
Lost day rate	LDR	17.50	24.94	
Fatalities	no.	4	1	
Occupational diseases rate	ODR	–	0.12	
Absentee rate	AR	175	136	
North America				
Injury rate	IR	2.91	–	
Lost day rate	LDR	–	–	
Fatalities	no.	–	–	
Occupational diseases rate	ODR	–	–	
Absentee rate	AR	–	–	
Europe				
Injury rate	IR	2.85	3.41	
Lost day rate	LDR	35.89	77.25	
Fatalities	no.	4	1	
Occupational diseases rate	ODR	–	–	
Absentee rate	AR	359	335	
Middle East and Asia				
Injury rate	IR	0.19	0.65	
Lost day rate	LDR	0.19	4.24	
Fatalities	no.	3	2	
Occupational diseases rate	ODR	–	0.03	
Absentee rate	AR	2	6	
Sub-contractors and service providers identified as non-compliant with labour practices and human rights rules				G4-LA15/HR11
Suppliers with which improvements were agreed	%	na	2%	
Suppliers with which relationships were terminated	%	na	–	
Grievances about labour practices and human rights filed, addressed, and resolved through formal grievance mechanisms				G4-LA16/HR12
Number of grievances addressed during the reporting period	no.	na	50	
Number of grievances resolved during the reporting period	no.	na	45	
Number of grievances addressed previously and resolved in the period	no.	na	68	

na: not available for 2012 because the indicator has been introduced/modified by the GRI-G4 Guidelines

Notes

- (1) Data refers to the entire Group's personnel, including branches and the operating sites resulting as not significant from the materiality analysis. For more details please refer to the section 7.2 Methodological note.
- (2) 2012 data does not include personnel employed at Milan offices (Italy).



5

Our commitment to environmental stewardship

Infrastructures are the foundation of the development of societies.

Through our projects worldwide we aim to contribute to the transition towards more sustainable growth, providing the infrastructures to address global environmental challenges.

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13,130 MW

Expected capacity from ongoing projects

5.1 Better infrastructures to face global environmental challenges

Large-scale infrastructures are inextricably linked to the environment in which they are located, enabling the development of territories and improvements in living conditions. Salini Impregilo's projects are mainly devoted to enhancing the accessibility and economic potential of territories – through energy and transport infrastructures, as well as improving their public utility services – through hydraulic engineering works, civil and industrial buildings such as hospitals, universities, government facilities, cultural centres, commercial and industrial areas.

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

Our role in tackling climate change

High consumption of fossil fuels is widely recognised as the primary cause of global warming, which in turn leads to increased unpredictable precipitation, rising sea levels, increased catastrophic flooding and the spread of pests and diseases once limited to the tropics.

For the construction sector, climate change poses significant challenges, from building new infrastructures that are resilient to more frequent natural disasters to developing renewable energy solutions such as hydroelectric plants that reduce greenhouse gas emissions.

Thus through our projects we play an important role in combatting climate change. Our worldwide leadership in the water segment¹ has been built on a track record of 230 hydroelectric projects completed with an installed capacity of more than 36,800 MW. We continue to play our part, with 13 ongoing hydroelectric projects in 11 countries with a new expected capacity of 13,130 MW.

Most of our projects have been in developing countries, boosting energy generation capacity, which in turn fuels the economic potential of these areas. Reliable electricity and lower energy costs are at the cornerstone of rising business opportunities, both for local and international enterprises, with direct positive impacts in terms of job creation and social well-being.

One of the best examples is the completion of the Bujagali Hydroelectric project in 2012, included into the CDM's (Clean Development Mechanism's) register, which now provides 50% of Uganda's total energy demand, significantly contributing to the reduction of the GHG emissions (858,173 certified metric tonnes of CO₂ equivalent avoided per year) and the sustainable development of the country.

The International Energy Agency (IEA) forecasts that global installed hydropower capacity will continue to grow, reaching 1,300 GW in 2017. But this level represents just a small part of the global technical potential, estimated at 3,750 GW worldwide. All regions currently have significant undeveloped potential, beginning with Africa (92%), Asia and Oceania (80%) and Latin America (74%) to North America (61%) and Europe (47%)²: all areas where Salini Impregilo has a presence and has successfully delivered significant hydropower projects.



Focus on Africa 2013

In April 2013 our Group was main venue sponsor of the AFRICA 2013 congress held in Addis Ababa (Ethiopia).

The conference took place under the auspices of the African Union, and with the patronage of the Ministry of Water and Energy of Ethiopia.

Africa, with some of the world's largest waterways, is the continent with the greatest potential for future water resources and hydropower development, and the most urgent need for accelerated development. Unlocking the vast potential of the region is the key to poverty alleviation and rapid socio-economic development. The African Union's Programme for Infrastructure Development in Africa (PIDA) is currently strongly supporting large-scale hydropower development across the African region.

AFRICA 2013, focused on four major river basins of Africa (Nile, Congo, Niger and Zambezi) to review experience of integrated river basin development, was an ideal opportunity to further international dialogue and to illustrate the two mega hydroelectric projects currently being built by our Group: Gibe III and the Grand Renaissance Dam.

Ethiopia has a vast hydropower potential, the second largest in Africa, of which only about 4% has been developed.

After the conference, two of our Group's projects were used as a study tour for delegates who were able to visit the Gibe II plant (in operation) and the Gibe III project (under construction), two major elements in the Omo River Cascade in the south of the country.

1 According to ENR 2013 Ranking.

2 Technology roadmap: hydropower, IEA, 2012

Our contribution to fight urban air pollution

It is estimated that more than one billion people are exposed to outdoor air pollution annually, with important consequences for the health of urban populations and public accounts¹.

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

Most urban area infrastructures were not designed to meet the needs of a rapidly increasing population, resulting in traffic congestion and weaker public transport services, that in turn affect quality of life and local economies.

We actively contribute to the development of solutions that address changing population needs and resolve air pollution problems in urban areas. In addition to our underground projects, which ensure the delivery of sustainable mobility solutions for millions of people by avoiding emissions and pollution from private vehicles, we also develop urban road projects aimed at decongesting highly-populated areas, directly improving traffic and environmental conditions.

One of the most recent examples of interventions in this field is the 36 Milan Motorways connection in Italy, delivered by the Group in 2013.

The project has relieved congestion in one of the most populated areas of northern Italy, with important benefits for the health of nearby inhabitants, reduced environmental pollution levels and an economic upturn.

According to independent studies², the new infrastructure has enabled citizens to reduce their travel time from 25-30 minutes to 2-5 minutes, with air pollution reduced by 70-80% and €120 million saved per year, thanks to reduced fuel consumption and vehicle use.

Local enterprises are expected to benefit indirectly from the new infrastructure by €2 billion in ten years, generating 700,000 new jobs.

The potential for similar new projects around the world is enormous; we are well positioned to compete in the global arena and continue to help territories improve their infrastructures and environmental conditions.

We are also committed to reducing the direct impacts of our construction activities to a minimum. The following pages provide an overview of our environmental management systems and protection.

Gibe III as a pilot project for environmental management

Michele Pulcini is the HSE Manager at the Gibe III project. He has been working in Ethiopia for seven years and, before this appointment, he was in charge of environmental management at Beles Multipurpose project, another Salini Impregilo hydroelectric project delivered in the country.

His day-to-day work, together with that of his environmental team is delivering excellent results, also in terms of official acknowledgements.

“Gibe III is a very big project that poses huge challenges in terms of environmental issues. Nevertheless, we are facing these challenges in the right way, building a valid and solid environmental management system.

Proofs of its effectiveness are the awards given to the project in this field. One of these came from the Ethiopian Parliament which, during its last visit of 2013, declared Gibe III as the best project in Ethiopia regarding environmental protection management. Moreover, the Ethiopian Environment Protection Authority is considering Gibe III as an illustrative project to be used as a benchmark to raise the environmental protection standards on other projects under development in the country.

We are very proud of our work here at Gibe III, sure that our commitment to advance the environmental management standards in developing countries like Ethiopia is the key to achieve better protection of environment and broad sustainability results”.

Gibe III's management system delivered an excellent performance in 2013 on all major environmental issues. In particular, we saved about 4.9 million litres of diesel both through purchasing renewable energy and recovering on-site energy by using special energy-saving devices, achieving associated reduction of GHG emissions of 13,192 tonnes of CO₂ equivalent, equal to 16% of total direct and indirect emissions. Moreover we installed a water recycling system at our batching plant recovering industrial water for reuse. In the period we also reached the record level of recycled waste, equal to 68% and we reused all the rocks and soil excavated. Furthermore, no environmental accidents occurred at the site and over 266,000 m² of land were involved in reforestation activities during the period.

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

2 Commissioned by the local citizens' committee "San Fruttuoso 2000" and by the local Chamber of Commerce.

Salini Impregilo environmental footprint

Here are reported the main 2013 environmental data and KPIs regarding our operating activities. For more details please refer to the end of this section.

Input

Main resources used	23,349,219 t
Aggregate	81%
Ready-mix concrete	9%
Cement	5%
Others	5%
Water withdrawals	14,923,438 m³
From rivers	60%
From other sources	40%
Energy use	6,217,640 GJ
Diesel	82%
Other energy sources	18%

Production	
Concrete	4,066,212 m³
Asphalt	1,838,764 t
Earth-moving	33,463,019 m³
HSE management	
Expenses	55,241 €'000
Personnel training	291,190 h
Sub-contractors' training	225,085 h
Tool-box and meetings	191,162 no.
Audits	1,393 no.
Footprint mitigation achievements	
Reused rocks and soil	48%
Recycled and reused waste	46%
Recycled water	6%
Saved energy	3%
Avoided GHG emissions	2%

Output

Waste	2,378,919 t
Non-hazardous	99.7%
Hazardous	0.3%
GHG emissions	642,919 t
Scope 1	61%
Scope 2	15%
Scope 3	24%

Environmental management

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

Impact assessment	Footprint monitoring	Supply chain evaluation	Training and awareness
<p>All potential environmental impacts deriving from our construction activities are assessed according to a standardised methodology, based on specific criteria (probability of occurrence, consequences for the environment, duration of the event, difficulty of restoration).</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 environmental components involved.</p>	<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 HSE Department at headquarters, conduct regular audits on construction sites and sub-contractors to check compliance with applicable environmental policies and procedures.</p> <p>Environmental performance is periodically reviewed by Salini Impregilo's senior management, who assigns targets to ensure ongoing performance improvements.</p>	<p>Identified environmental prevention and protection measures are applied to the supply chain involved in the execution of projects, particularly to sub-contractors and suppliers of certain materials, such as chemicals and materials used in projects aiming for LEED (Leadership in Energy and Environmental Design) certifications, that have to pass a special qualification process.</p> <p>Logistic needs are evaluated in order to reduce environmental impacts and related costs. When goods are not available in the local market, the Group uses sea shipments for equipment and materials transportation as much as possible, since this is the method with the lowest associated carbon-emissions.</p>	<p>Each site plans and carries out training activities for all staff involved in operations with potential impacts on the environment, sub-contractors' personnel included.</p> <p>In addition, all personnel receive an induction on the Group's environmental policies and procedures at hiring, while regular awareness campaigns are issued on specific topics (e.g. waste, spills, chemicals, etc.).</p>

Environmental protection

Salini Impregilo ensures that all sites have monitoring, control and mitigation measures in place to protect the environment and prevent any potential pollution. This table summarises the main activities carried out at an operating level on the principal environmental issues.

Natural resources	Energy and GHG emissions	Water	Waste	Soil
<p>We place great emphasis on rationalisation and efficiency in the use of raw materials, favouring Green Design solutions that allow:</p> <ul style="list-style-type: none"> a reduction in the consumption of natural resources, the reuse of rejects (e.g. the reuse of unpolluted excavation earth), the use of reusable/ recyclables products or items, <p>resulting in lower costs and reduced environmental impact.</p>	<p>Salini Impregilo strives to reduce energy consumption and related GHG emissions in several ways, including:</p> <ul style="list-style-type: none"> linking the site plants and facilities to local power grids, regularly maintaining vehicle fleets, replacing equipment with more efficient models, implementing energy-saving lighting systems, switching technologies used at plants (e.g. from diesel to natural gas), installing energy recovery systems, increasing awareness of employees about energy saving behaviours. 	<p>We are committed to ensuring at each site a close management of all phases of the water cycle: from the identification of water needs and supply sources to the realisation of water handling networks with related supply and discharge points, control plans and emergency response procedures.</p> <p>Closed-loop water systems are implemented where 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>Waste management plans are set up at each site to manage waste in a proper manner, complying with all applicable regulations and best practices.</p> <p>All construction waste is segregated and collected in dedicated enclosed areas, from where it is taken for reuse wherever possible, while the remainder is sent via authorised transport companies to approved waste disposal facilities.</p> <p>Particular attention is paid to the preparation of adequate deposit areas, verification of the qualifications of truckers and waste recipients, as well as to the education and training of the employees involved in waste management.</p>	<p>Salini Impregilo carefully monitors and protects its sites to prevent potential damage to the soil and subsoil.</p> <p>Special containment tanks, water collection networks and waterproofing works are carried out during the initial site development stage, while specific environmental risk assessments are carried out for all chemicals, oils, fuels and hazardous material that could be in contact with soil and groundwater.</p> <p>Environmental emergency plans are in place at our sites to manage both environmental accidents and cases of polluted soil.</p>

5.2 Local impact mitigation

In keeping with our consolidated approach to operating construction sites with respect to surrounding communities and habitats, we pay close attention to the evaluation and mitigation of any disturbance.

Reducing inconvenience for citizens

Working in densely populated urban areas poses technical and social challenges. So far as is practicable, we are committed to minimising disruption to neighbours near our sites regarding noise, traffic or road restrictions for vehicles and pedestrians.

Over the years we have gained significant experience in managing these issues, developing construction solutions and social initiatives that significantly reduce adverse impacts on communities. For example, we use tunnel-boring machines (TBMs) wherever possible to deliver our underground and hydraulic projects in urban areas without closing roads to traffic and citizens. We also establish lines of communication with our neighbours, keeping them up to date about our activities and seeking ways to reduce disturbance. In Copenhagen (Denmark), for example, we developed a web-based messaging system capable of informing thousands of citizens in advance of our activities, while local artists have decorated the worksite fences to enhance the visual environment.

Air quality management

The most significant direct impacts on the atmosphere during the construction of an infrastructure are related to the dispersion of dust caused in different construction phases: digging, soil movement, circulation of heavy vehicles on unpaved roads, crushing equipment and the demolition of existing structures and objects.

To minimise the production of dust at our sites, we implement a series of mitigating actions that include keeping unpaved roads moist, equipping crushing plants with sprinkler systems to moisten aggregates, using air filters at cement storage silos, as well as equipping sites with systems to wash vehicle wheels. In urban areas, road washing is carried out regularly by special vehicles, transport activities are conducted using covered trucks and, where possible, materials are moistened before transportation.

Another atmospheric impact derives from the exhausts of vehicles used to process and transport materials from and to construction sites. We mitigate these through particle filters installed on machines and using regularly maintained low-impact vehicles.

Noise and vibration management

Aspects relating to noise and vibration are of dual importance for Salini Impregilo: both in terms of workers' health and with regard to the impact on the environment and local communities.

As part of our integrated management system, prior to starting any activities we carry out an assessment of the potential impacts deriving from the planned activities. With this information we determine which preventive and protective 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).

Areas of greatest acoustic impact are protected by anti-noise barriers, both fixed and mobile, which are constructed either from artificial dunes or from supporting buffer panels of various materials. Anti-noise barriers can also be made from one or more rows of plants or trees capable of absorbing noise which, at the same time, improve the visual effect.

Vibrations are a particularly important issue when site works are located in densely populated areas. Because the effects of pressure waves on the ground can cause damage to buildings or other artifacts in the vicinity of the works, we study the geomorphology of the soil before starting any activities, to understand how vibrations could affect the ground and identify the best working technologies.

During all our activities, noise and vibration measurements are continuously taken to verify the effectiveness of mitigation measures and intervene in case of problems. Measurement instruments are installed close to sensitive locations (e.g. buildings, urban parks, offices, etc). In Copenhagen, where we are building an underground line, we have implemented an SMS (short message service) system that immediately informs site supervisors in case of vibration limits being exceeded, allowing prompt intervention.

Traffic and commuting management

The sites included in this report cover an area of some 1,150 km² and include over 8,200 vehicles, a workforce of about 31,000 employees and 16,700 sub-contract workers. The organisation of such a large number of people and vehicles requires considerable coordination to ensure the safety of our people and to mitigate disturbances for our communities.

For this reason, 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. 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.

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.

Biodiversity management

Every infrastructure project has an impact on the landscape and local flora and fauna. It should therefore be designed to ensure full integration with the surrounding environment and preservation of local species, such as the animal cross overpasses/underpasses that we are implementing on some motorways, for example in Poland.

During the construction phase, special protection measures are required when sites are adjacent to – or within – protected areas and/or if protected wild species are present.

Salini Impregilo consolidates its monitoring and mitigation efforts with a commitment to preserving and protecting biological diversity in the areas surrounding its operating sites.

Flora and fauna are protected by careful management of water, operating areas, quarries and areas designated for the storage of materials.

In particular, the Group strictly prohibits the removal, damage or disturbance of natural habitats in its site areas, applying to the relevant authorities for any intervention. Moreover, internal procedures forbid the hunting, capturing or disturbing of animals, including damaging nests or eggs.

Educational campaigns are arranged at project sites, so that all workers can contribute to safeguarding species, beginning with the simple reporting of sightings.

In 2013, 14 projects under the scope of this Report had an interest in protected areas. Specifically, 0.3% of total managed areas were inside protected areas and 14.7% were adjacent to protected areas.

The table opposite shows information relating to these areas. Where environmental impact assessments highlighted risks of interference with protected species and, more generally, with the biodiversity of the interested areas, technical arrangements have been implemented to mitigate the possible impact of works on the environment.

At our Lake Mead tunnel project (USA), for example, we have installed desert tortoise fencing around the site to prevent them being harmed by construction activities. No travel is allowed outside the fenced perimeter without a biologist from the Southern Nevada Water Authority (SNWA) to monitor the activities. Predator-proof rubbish bins are used to prevent predatory animals from being attracted to the site. In addition, the equipment and machinery is inspected by biologists prior to acceptance at the site to verify they do not potentially carry invasive plant materials.

The Group also pays close attention to the protection of local flora and fauna in areas not protected by law.

Reclamation of affected areas

We are committed to reclaiming all areas affected by our plants, facilities, quarries and landfills during or 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, 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.

In 2013 we reforested about 626,000 m² of land, planting over 131,000 trees. We also restored topsoil on about 2,267,000 m² of land and protected over 4,767,000 m² of soil from erosion.

Reforestation activities have been undertaken using native plants and species, also grown at special nurseries at some of our projects.

Projects related to protected areas and/or species

	Africa	Central and South America	North America	Europe	Middle East and Asia
Projects located inside protected areas	None	None	1 project: – Vegas Tunnel-Lake Mead, USA	6 projects: – CMT Copenhagen, Denmark – A4 third lane extension, Italy – Salemo-Reggio di Calabria motorways, Italy – COCIV, Italy – Metro M4, Italy – Pedemontana Lombarda motorways, Italy	None
Projects located adjacent to protected areas	4 projects: – Ingula, South Africa – Oued Zarga – Boussalem, Tunisia – Sfax-Gabes, Tunisia – Mukorsi Dam, Zimbabwe	2 projects: – Sogamoso, Colombia – Puerto Cabello – Contuy Ferrocarriles, Venezuela	None	None	1 project: – Step Deep Tunnel Sewer, Arab Emirates
Size of operational sites	92 km ² (13% of areas managed in the region)	67 km ² (18% of areas managed in the region)	0,16 km ² (33% of areas managed in the region)	12 km ² (38% of areas managed in the region)	0,23 km ² (1% of areas managed in the region)
Protected status	National or local parks	National or local parks	National park	National or local parks and Natura 2000 sites	National park
Main activities and impacts	Construction activities with short-terms reversible impacts on water basins, air and soil.	Construction activities with short-terms reversible impacts on water basins, air and soil.	Construction activities with short-terms reversible impacts on water basins, air and soil.	Construction activities with short-medium terms reversible impacts on water basins, air and soil.	Construction activities with short-terms reversible impacts on water basins.
Presence of IUCN Red List species	1 project: – Ingula, South Africa	1 project: – El Quimbo, Colombia	None	3 projects: – M5 Minsk-Gomel road, Belarus – COCIV, Italy – Pedemontana lombarda, Italy	1 project: – Step Deep Tunnel Sewer, Arab Emirates

5.3 Environmental stewardship performance results

Performance indicator	Unit	2012	2013	GRI Reference and notes
Materials used				G4-EN1
Non-renewable materials				
Aggregates	t	12,298,050	18,954,053	
Bitumen	t	119,417	87,834	
Cement	t	750,638	1,114,081	
Metallic material	t	131,083	222,152	
Precast concrete	t	498,052	295,621	
Ready-made asphalt	t	637,637	567,898	
Ready-made concrete	t	2,090,611	2,032,868	
Total non-renewable materials	t	16,525,487	23,274,507	
Renewable materials				
Fly ash	t	na	74,712	
Total renewable materials	t	na	74,712	
Percentage of materials used that are recycled input materials				G4-EN2
Rocks and soil	%	52%	48%	
Concrete	%	2%	2%	
Energy consumption within the organisation				G4-EN3
Non-renewable energy sources				
Diesel	GJ	4,652,507	5,094,436	
Gasoline	GJ	175,313	149,089	
Kerosene	GJ	5,780	2,841	
Natural gas	GJ	428,372	35,014	
Electricity	GJ	416,945	930,880	
Total non-renewable energy sources	GJ	5,678,918	6,212,259	
Renewable energy sources				
Electricity from renewable sources	GJ	–	5,381	
Total energy consumption	GJ	5,678,918	6,217,640	
Energy consumption outside of the organisation				G4-EN4
Sub-contractors' energy consumption	GJ	1,015,696	1,700,096	
Energy intensity				G4-EN5
Energy consumed within and outside/revenue	GJ/€mn	1,915	1,994	
Total water withdrawal by source				G4-EN8
Ground water	m ³	3,064,932	2,914,312	
River	m ³	7,471,852	8,959,233	
Lake	m ³	663,669	2,244,319	
Sea	m ³	12,301	6,824	
Municipal water supplies	m ³	888,319	798,750	
Total	m ³	12,101,073	14,923,438	

Performance indicator	Unit	2012	2013	GRI Reference and notes
Water sources significantly affected by withdrawal of water				G4-EN9
By source				(1)
Ground water	no.	na	10	
River	no.	na	9	
Lake	no.	na	2	
Sea	no.	na	1	
Total	no.	na	22	
By importance to local communities and biodiversity				
Used also by local communities	no.	na	9	
Located in a protected area	no.	na	1	
Interested by protected or endemic species	no.	na	3	
Percentage and total volume of water recycled and reused				G4-EN10
Water recycled and reused	m ³	na	912,705	
	%	na	6%	
Direct (Scope 1) and indirect (Scope 2 and 3) greenhouse gas (GHG) emissions				G4-EN15/16/17
Direct GHG emissions (Scope 1)	t CO ₂ e	399,169	391,607	
Energy indirect GHG emissions (Scope 2)	t CO ₂ e	34,750	94,550	
Other indirect GHG emissions (Scope 3)	t CO ₂ e	141,528	156,763	(2)
Total GHG emissions	t CO ₂ e	575,446	642,919	
Greenhouse gas (GHG) emissions intensity				G4-EN18/CRE4
Total GHG emissions/revenue	t CO ₂ e/€ mn	165	162	
Other significant air emissions from stationary sources (power stations)				G4-EN21
NOx	t	1,960	1,914	
CO	t	146	142	
HC	t	14	13	
PM	t	20	19	
Total water discharge by destination				G4-EN22
River	m ³	na	3,501,293	
Lake	m ³	na	1,125,314	
Sea	m ³	na	104,018	
Soil	m ³	na	3,316,507	
Ground water/subsoil	m ³	na	291,257	
Sewage system	m ³	na	139,608	
Total	m ³	na	8,477,997	

Performance indicator	Unit	2012	2013	GRI Reference and notes
Total weight of waste by activity, disposal method and type				G4-EN23
Non-hazardous waste by activity				
Construction and demolition waste	t	206,938	1,561,475	
Excavation waste	t	8,406,055	784,487	(3)
General and other waste	t	81,670	26,194	
Non-hazardous waste by disposal method				
On-site recovery, reuse and recycling	t	54,409	202,890	
On-site incineration	t	117	20	
On-site storage	t	8,491,342	45,673	
Off-site recovery, reuse and recycling	t	148,572	896,208	
Off-site incineration	t	223	840	
Off-site storage	t	–	1,226,525	
Total non-hazardous waste	t	8,694,663	2,372,156	
Hazardous waste by activity				
Construction and demolition waste	t	10,988	1,669	
Excavation waste	t	10,599	9	
General and other waste	t	4,222	5,085	
Hazardous waste by disposal method				
On-site recovery, reuse and recycling	t	204	188	
On-site incineration	t	0	16	
On-site storage	t	23,603	811	
Off-site recovery, reuse and recycling	t	1,458	4,597	
Off-site incineration	t	543	259	
Off-site storage	t	–	892	
Total hazardous waste	t	25,808	6,763	
Total waste	t	8,720,471	2,378,919	
Waste by type				
Solid waste	%	99%	98%	
Liquid waste	%	1%	2%	
Waste diverted from landfill	%	2%	46%	(4)
Total number and volume of significant spills				G4-EN24
Significant spills	no.	73	2	(5)
	m ³	3	0	
Water bodies and related habitats significantly affected by the organisation's discharges of water and runoff				G4-EN26
By source				
Ground water	no.	na	–	
River	no.	na	5	
Lake	no.	na	1	
Sea	no.	na	3	
Total	no.	na	9	
By importance to local communities and biodiversity				
Used also by local communities	no.	na	4	
Located in a protected area	no.	na	2	
Interested by protected or endemic species	no.	na	6	

Performance indicator	Unit	2012	2013	GRI Reference and notes
Significant fines and non-monetary sanctions for non-compliance with environmental laws and regulations				
				G4-EN29
Total monetary value of significant fines	€000	47	229	
Total number of non-monetary sanctions	no.	2	3	
Land remediated and in need of remediation				
				CRE5
Decontaminated and remediated land	m ²	–	7,123	(6)
Land assessed for remediation but not yet remediated	m ²	–	60,868	
Potentially contaminated land but not yet assessed	m ²	–	–	
Total HSE protection expenditures and investments by type				
				G4-EN31
Health and Safety protection expenses	€' 000	11,553	16,609	
Waste management, emission treatment and remediation costs	€' 000	9,202	15,735	
Health and Safety prevention and management expenses	€' 000	8,983	15,119	
Environmental prevention and management expenses	€' 000	3,692	7,778	
Total HSE expenditures and investments	€' 000	33,430	55,241	
Sub-contractors and service providers identified as non-compliant with environmental rules				
				G4-EN33
Suppliers with which improvements were agreed	%	na	3%	
Suppliers with which relationships were terminated	%	na	–	
Grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms				
				G4-EN34
Number of grievances addressed during the reporting period	no.	na	71	
Number of grievances resolved during the reporting period	no.	na	69	
Number of grievances addressed previously and resolved in the period	no.	na	15	

na: not available for 2012 because the indicator has been introduced/modified by the GRI-G4 Guidelines

Notes

- (1) For what concerns the size of the reported water sources, our withdrawals account for $\geq 5\%$ of the annual average volume or capacity of them in nine of the ten ground waters, in two of the nine rivers and in one of the two lakes/wetlands reported.
- (2) Scope 3 emissions include those deriving from energy consumption of our subcontractors, from business travel and from shipping of goods and materials.
- (3) The huge amount of excavation waste in 2012 is mainly due to the excavation activities carried out at the Ulu Jelai project (Malaysia) both to prepare the dam's foundations and to open a quarry to be used for the aggregate's production. These activities substantially affected also the data on waste diverted from landfill (see following note). 2012 data has been restated in respect to that reported in the 2012 Sustainability Report of Salini Costruttori, having applied the conversion factor provided for by the 'ENCORD Construction Waste Measurement Protocol' (Version 1.0, May 2013) to convert volume of excavation waste into tonnes.
- (4) Data includes only waste reused/recycled on-site and off-site. However, data is strongly affected by the working phases of each project, so total trends could be not representative of the adopted mitigation activities' effectiveness.
- (5) 2012 data include all spills occurred instead of significant ones, while in 2013 the reporting system has been improved to sort spills by their significance. The two reported spills occurred in Italy and Colombia, both of them under the responsibility of subcontractors. In Italy, a spill of paint occurred at Pedemontana Lombarda motorways project, that we treated according to the local law removing the contaminated soil and verifying the good status of the environment with the local environmental protection agency. In Colombia, a spill of ready-mix concrete occurred at Ruta del Sol project involved a surface water body, that we treated removing the spilled material under the supervision of the local authorities and, again, verifying the good status of the water after the intervention.
- (6) 2012 data does not include ex Impregilo projects.



6

Future commitments

The previous pages presented our commitments and day-to-day work towards sustainability, showing our management approaches, key performance and results.

In the same spirit of openness and transparency, we share our goals and ambitions for the years ahead.

We have already achieved several important goals, from joining the UN Global Compact and the threefold voluntary certification system for Quality, Environment, Health and Safety, to the accountability ensured by sustainability reporting in accordance with the latest GRI standards.

In line with our ongoing commitment to improvement, we consider these results not as 'finishing lines', but as solid foundations on which to build and achieve new sustainable development goals.

We will continue to play a key role in promoting sustainability in the large-scale infrastructures construction industry, reinforcing our distinctive approach towards our markets, people, communities and the environment.

Our efforts in the coming years will be focused on:

- Continuing to develop and deliver world-class projects based on innovative solutions, capable of creating shared value through our actions for all involved parties;
- Maintaining open dialogue with our stakeholders, to create the best conditions for their engagement and support;
- Ensuring the care of all people working with us, improving our safety performance in the workplace and the skills of our employees; and
- Protecting our environment: developing innovative, sustainable projects and mitigating our direct impact on communities.

2014 will be focused on integrating the management procedures and systems of the former Salini and Impregilo companies; from these activities we expect to identify a set of improvement goals that will be set out in our next Sustainability Report.

We are already working towards the following specific objectives:

- Signing up to international sustainability initiatives, such as the Carbon Disclosure Project (CDP) through which we will inform investors about aspects relating to the management of climate change;
- Completing the development of the Group Anti-Corruption Model, which will apply worldwide extending the protection of the Company and its staff;
- Implementing internal communications initiatives to reinforce a business culture based on ethical values and sustainable development and share the best sustainability practices adopted at our sites; and
- Improving the accounting systems adopted by our sites to monitor stakeholder engagement and community support activities, to better plan future interventions.

7

Appendix

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About the Salini Impregilo Group

Our commitment to excellence

Our commitment to shared growth

Our commitment to people care

Our commitment to environmental stewardship

Future commitments

7 Appendix

Third-party assurance report

7.1 Main memberships

- Comitato Leonardo – (Italian Quality Committee) (chairman)
- Istituto Grandi Infrastrutture (Large Infrastructure Institute) (Steering Committee member)
- Associazione Grandi Imprese (Large company Association) (member)
- Global Compact Network Italy (member)
- Italian Committee on Large Dams (member)

7.2 Methodological Note

The Sustainability Report as of 31 December 2013 (hereinafter also referred to as the '2013 Sustainability Report' or the 'Report') aims to provide reliable, complete, well-balanced, accurate and comparable information regarding Salini Impregilo's values, strategies and performances during the reporting period.

Reporting cycle

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

Adherence to best practice standards

The Salini Impregilo 2013 Sustainability Report has been prepared in accordance with the "Comprehensive" option of the new "GRI G4 Sustainability Reporting Guidelines" and with the "Construction and Real Estate Sector Disclosures", issued by Global Reporting Initiative (GRI) in 2013 and early 2014 respectively. By applying the Comprehensive option, we chose to disclose all Indicators related to the identified material aspects. The GRI content index is available on our website: www.salini-impregilo.com

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.

Materiality analysis

In order to implement the Reporting Principles for Defining Report Content provided for by GRI G4 Guidelines, the Group has defined an internal procedure aimed at identifying, prioritising, validating and reviewing material topics. A brief description of the process is available at paragraph 1.7.

Material topics identified through this process with related boundaries are listed opposite¹. A complete list of significant sites where topics are material is also available.

¹ Topics regarded as not material are: Products and Services, Customer Health and Safety, Product and Service Labelling, Marketing Communications and Customer Privacy.

Salini Impregilo priority topics	Related GRI G4 material issues	Material within the organisation	Material outside the organisation
Excellence			
Innovation and quality management	–	Headquarters and significant sites	Partners, suppliers, sub-contractors* and consultants
Supply chain management	Procurement Practices, Supplier Assessment for Impacts on Environment, Labour Practices, Human rights, Society	Headquarters and significant sites	–
Shared Growth			
Job creation	Market Presence, Child Labour, Forced or Compulsory Labour, Assessment, Grievance Mechanisms for Impacts on Labour Practices and Human Rights	Headquarters and significant sites	Sub-contractors and service providers (i.e. recruitment agencies, security providers) at significant sites*
Local procurement	Procurement Practices, 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	–
People Care			
Personnel training and development	Employment, Training and Education, Diversity and Equal Opportunity, Equal Remuneration for Women and Men	Headquarters and significant sites	–
Safety at workplace	Occupational Health and Safety, Supplier Assessment for Labour practices and Human Rights	Significant sites	Sub-contractors at significant sites*
People wellbeing	Labour/Management Relations, Non-discrimination, Freedom of Association and Collective Bargaining, Security Practices	Significant sites	Sub-contractors and service providers (i.e. recruitment agencies, security providers) at significant sites*
Environmental Stewardship			
Global environmental challenges	–	Headquarters and significant sites	–
Local impacts mitigation	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*
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*
Others			
Main results	Economic performance	Headquarters and local subsidiaries	–
Internal control and risk management	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

* We require 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, these are not always available.

Third party assurance

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

Scope of the Report

The 2013 Sustainability Report contains an overview of the initiatives and activities carried out by the Group in 2013, as well as performance data from the period 2012–2013¹ and significant events which have involved Salini Impregilo after the 2013 year end.

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

Salini Impregilo S.p.A. is the result of a merger between Salini S.p.A. and Impregilo S.p.A., achieved through a full voluntary public tender offer made by Salini S.p.A. on Impregilo S.p.A. and successfully completed in April 2013. The merger agreement was stipulated on 26 November 2013, providing for the merger of Salini S.p.A. into Impregilo S.p.A., and is effective for statutory and tax purposes from 1 January 2014. For further details, refer to the Directors' report available in the 2013 Salini S.p.A. Consolidated Financial Report.

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

- Financial data relates to the scope of the 2013 Salini S.p.A. Consolidated Financial Statements (that in 2013 was the parent company of Impregilo S.p.A.), except for the figures on local purchases (see below);
- Corporate governance data and information relates to Salini Impregilo S.p.A.;
- Environmental and social data (plus local purchases) refers to a scope established based on the materiality of the operating sites in 2013. Specifically, sites included in the report (listed opposite) have been identified on the basis of their revenues, backlog and worked hours at 30 September 2013. The sites excluded from the scope are not significant.

Environmental and social data in the previous point are included as per consolidation methods used for the Consolidated Financial Statements². They also include data related to sub-contractors, where available.

Comparative data (2012) corresponds to the sum of data reported in the 2012 Salini Costruttori Sustainability Report and those recorded by Impregilo relevant sites.

In setting the scope of environmental and social data, starting from 48 operating sites (both reported in the 2012 Salini Costruttori Sustainability Report and Impregilo relevant sites), six sites have been excluded³ because work was completed or because their 2013 revenue was not material, while 13 new projects have been included.

Any specific limitations to the scope are directly indicated in the Report, particularly in the Performance results' footnotes and in the GRI Content Index.

The Code of Ethics, Organisational Model and certifications for Quality, Environment, Health and Safety management systems at 31 December 2013 were in place both for Salini S.p.A. and for Impregilo S.p.A.. From 1 January 2014 a unique certification for Quality, Environment, Health and Safety management system is in place for Salini Impregilo S.p.A., while a new Code of Ethics and Organisational Model have been adopted in May 2014.

It should also be noted that the injury figures in this Sustainability Report refer to a scope wider than the one used for the Group Quality, Environment, Health and Safety management system, which is restricted to projects with the following characteristics:

- direct contract;
- contract managed by a consortium/JV/temporary partnership in which Salini Impregilo is the leader;
- contract where, in the shareholders' agreements or through the presence of particular decision-making roles entrusted to Salini Impregilo (e.g. PM or Head of QSE), the application is established.

Therefore certain performance indicators used by the Group to evaluate the effectiveness and efficiency of the QSE system – and disclosed through other channels – could differ from similar ones referred to in this Report.

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

¹ New performance indicators provided for by the GRI-G4 Guidelines are reported only for 2013.

² Except fatalities, which are reported in full.

³ Levan-Dames (Albania), Jenikan-Salyand (Azerbaijan), Cagliari-Capo Boi (Italy), Bujagali Hydro Power (Uganda), Transalp Tunnel (Switzerland), Gucci building (Switzerland).

Country	Project name	Area of expertise	Company
Algeria	Algeriers inter-city collector	Dams, hydroelectric plants and hydraulic works	Todini Costruzioni Generali S.p.A.
Belarus	M5 Minsk-Gomel road upgrading*	Motorways and airports	Todini Costruzioni Generali S.p.A.
Chile	Angostura	Dams, hydroelectric plants and hydraulic works	Empresa Constructora Angostura Ltda
Chile	Santiago de Chile underground	Railways and undergrounds	Empresa Constructora Metro 6 Limitada
Colombia	Ruta del Sol	Motorways and airports	Constructora Ariguani S.a.s
Colombia	El Quimbo	Dams, hydroelectric plants and hydraulic works	Consorcio Impregilo – OHL
Colombia	Sogamoso	Dams, hydroelectric plants and hydraulic works	Grupo ICT II S.a.s
Denmark	CMT Copenhagen (Cityringen)*	Railways and undergrounds	Copenhagen Metro Team
Arab Emirates	Dubai 881 3A*	Motorways and airports	Todini Costruzioni Generali S.p.A.
Arab Emirates	Dubai parallel roads R881 2C*	Motorways and airports	Salini S.p.A.
Arab Emirates	Step Deep Tunnel Sewer Contract T-02/03	Dams, hydroelectric plants and hydraulic works	Impregilo S.p.A.
Ethiopia	Gibe III Project*	Dams, hydroelectric plants and hydraulic works	Salini S.p.A.
Ethiopia	Grand Ethiopian Renaissance Dam (GERD)*	Dams, hydroelectric plants and hydraulic works	Salini S.p.A.
Georgia	Kutaisi bypass*	Motorways and airports	JV Todini Costruzioni Generali S.p.A./Takenada Engineering Construction Ltd.
Georgia	Samtredia	Motorways and airports	JV Todini Costruzioni Generali S.p.A./ Takenada Engineering Construction Ltd.
Georgia	Zestaponi	Motorways and airports	JV Todini Costruzioni Generali S.p.A./ Takenada Engineering Construction Ltd.
Greece	Stavros Niarchos Cultural Center	Civil and industrial buildings	Impregilo-Terna SNFCC Joint Venture
Italy	A4 third lane extension	Motorways and airports	La Quado S.c.a.r.l.
Italy	Salerno-Reggio di Calabria motorways Lots 5–6	Motorways and airports	Salerno-Reggio Calabria S.c.p.a. (Lot 5) Reggio Calabria – Scilla S.c.p.a. (Lot 6)
Italy	Variante di Valico*	Motorways and airports	Todini Costruzioni Generali S.p.A.
Italy	COCIV (High speed/High capacity Milano – Genova)	Railways and undergrounds	Consorzio Cociv
Italy	36 Milan motorways connection	Motorways and airports	Impregilo S.p.A.
Italy	Metro B1 (Rome underground)*	Railways and undergrounds	Metro B1 S.c.a.r.l.
Italy	Metro M4 (Milan underground)	Railways and undergrounds	Metro Blu S.c. a r.l.
Italy	Pedemontana Lombarda motorways – Lot 1	Motorways and airports	Pedelombarda S.c.p.a.
Kazakhstan	South-West Roads projects (lots 1-5and 9–14)*	Motorways and airports	Salini S.p.A. (lots 1–5) Todini Costruzioni Generali S.p.A. (lots 9–14)
Malaysia	Ulu Jelai Hydroelectric project*	Dams, hydroelectric plants and hydraulic works	Salini Malaysia SDN

* Projects already reported in the 2012 sustainability report of Salini Costruttori
G4–17
G4–18

Country	Project name	Area of expertise	Company
Nigeria	Adyan Waterworks Phase II	Dams, hydroelectric plants and hydraulic works	Salini Nigeria Ltd.
Nigeria	District 1*	Motorways and airports	Salini Nigeria Ltd.
Nigeria	Gurara Dam*	Dams, hydroelectric plants and hydraulic works	Salini Nigeria Ltd.
Nigeria	Idu Industrial Area*	Motorways and airports	Salini Nigeria Ltd.
Nigeria	Inner Southern Expressway (ISEX)*	Motorways and airports	Salini Nigeria Ltd.
Nigeria	Millennium Tower – Cultural Centre*	Civil and industrial buildings	Salini Nigeria Ltd.
Nigeria	Ogoni – Anoni – Opobo Road	Motorways and airports	Rivigo J.V. (Nigeria) Ltd
Nigeria	Suleja*	Motorways and airports	Salini Nigeria Ltd.
Panama	Extension of the Panama Canal (third sets of locks)	Dams, hydroelectric plants and hydraulic works	Grupo Unidos Por El Canal S.A.
Poland	A1 Torun – Strykow motorways	Motorways and airports	JV "Salini Polska/Salini-Impregilo SpA/Kobylarnia SA"
Qatar	Abu Hamour hydraulic project	Dams, hydroelectric plants and hydraulic works	Impregilo S.p.A.
Romania	Orastie – Sibiu motorways	Motorways and airports	Impregilo S.p.A.
Sierra Leone	Hydro Bumbuna*	Dams, hydroelectric plants and hydraulic works	Salini S.p.A.
Sierra Leone	Rehabilitation of urban roads in Makeni, Bo, Kenema and Magburaka*	Motorways and airports	Salini S.p.A.
South Africa	Ingula pumped storage scheme	Dams, hydroelectric plants and hydraulic works	CMC – Mavundla – Impregilo J.V.
Tunisia	Oued Zarga – Boussalem	Motorways and airports	Todini Costruzioni Generali S.p.A.
Tunisia	Sfax – Gabes*	Motorways and airports	Todini Costruzioni Generali S.p.A.
Turkey	Köseköy – Gebze section of high speed rail project*	Railways and undergrounds	JV Salini Impregilo/Kolin Insaat Turizm sanayi ve Ticaret A.S./G.C.F. Generale Costruzioni Ferroviarie S.p.A.
Ukraine	M03 Kiev – Karkiv	Motorways and airports	Todini Costruzioni Generali S.p.A.
Ukraine	M06 Road Contract 1–2*	Motorways and airports	JV Todini Costruzioni Generali SpA/AkkordIndustry Corporation OJSC/Salini Costruttori S.p.A.
USA	Gerald Desmond Bridge	Motorways and airports	Shimmick – FCC-IGL S.p.A. J.V.
USA	San Francisco Central Subway	Railways and undergrounds	Barnard Impregilo Healy J.V.
USA	Vegas Tunnel – Lake Mead	Dams, hydroelectric plants and hydraulic works	Vegas Tunnel Constructors
Venezuela	Chaguaramas railways	Railways and undergrounds	Impregilo S.p.A.
Venezuela	San Juan de Los Morros railways	Railways and undergrounds	Impregilo S.p.A.
Venezuela	OIV Tocoma	Dams, hydroelectric plants and hydraulic works	Consorcio OIV-TOCOMA
Venezuela	Puerto Cabello – Contuy Ferrocarriles railways and stations	Railways and undergrounds	Impregilo S.p.A.
Zimbabwe	Mukorsi Dam*	Dams, hydroelectric plants and hydraulic works	Salini S.p.A.

* Projects already reported in the 2012 sustainability report of Salini Costruttori

Calculation methods

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

Reported data is calculated in an accurate manner 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' as provided for by the GRI Guidelines.

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

In particular, the Injury rate (IR) reported in this report takes into account all work-related injuries (and fatalities) that may have affected employees temporarily or permanently, such that they are unfit to carry out their regular job for any day/shift following the occurrence of an injury. Minor injuries are not included.

Lost day rate (LDR) in this report takes into account the total number of the days that could not be worked as a consequence of injuries with temporary disability (fatalities and permanent disability not included). Lost days are calculated from the day after the occurrence of an accident and include the number of calendar days until the injured person can return to work. For specific calculation formulas, see the glossary.

Commuting injuries are not included in the calculation of the safety indicators. Any accidents occurring to independent contractors (e.g. consultants) are included in employee injury rates. Injuries occurring at the Company headquarters and at other offices are not considered as material because they do not relate to construction activities. For this reason these injuries are not included in the safety indicators.

HSE expenses

Health, Safety and the Environment expenses reported (G4-EN31) refer to:

- Health and Safety protection expenses including personal protective equipment, safety installations (e.g. firefighting equipment, grounding), emergency response equipment and services (e.g. rescue team, rescue equipment, ambulances, first aid, etc.), provisional structures (e.g. supply and erection of scaffoldings, accesses, etc.) and H&S monitoring activities (e.g. laboratories, instruments, measurements, etc.);
- Environmental protection expenses including environmental plants (e.g. wastewater treatment plants), environmental emergency equipment (e.g. spills kit, absorbent materials, anti-spillover systems, etc.) and services (e.g. those provided by third parties through framework agreements), waste management, environmental restoration and remediation, monitoring activities (e.g. laboratories, instruments, measurements, etc.);

- HSE management costs including internal personnel dedicated to running HSE management systems, external consultancy and training costs.

Ratio of salary of men to women

Data on the relationship between women's and men's salaries is calculated as the ratio between the average annual gross salary of women and men, by each employment category. In turn, the average annual gross salary of each employment category is calculated as the ratio between the total annual gross salaries paid and the number of employees placed in that category. Data relates only to the Company headquarters, where the number of women is significant.

Materials used

Where warehouse data systems cannot measure materials consumption by weight (because such data are available in number of pieces, volume, etc), estimates based on weight have been used.

Energy used

Calculations on internal and external (i.e. sub-contractors') consumption of direct energy are based on factors provided by the Intergovernmental Panel on Climate Change (2006 IPCC Guidelines for National Greenhouse Gas Inventories) to convert weight of gasoline, diesel, kerosene and natural gas to gigajoules, while consumption of indirect energy is based on the internationally recognised factor of 0.0036 to convert kWh of electricity to gigajoules.

Water withdrawal, discharge and reuse

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

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

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

Greenhouse gas emissions

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

- The emission factors provided by the Intergovernmental Panel on Climate Change (2006 IPCC Guidelines for National Greenhouse Gas Inventories) for the consumption of direct energy;
- The emission factors provided by the International Energy Agency (CO₂ Emissions from Fuel Combustion, 2012 edition, 2010 data) for the consumption of indirect energy;
- The emission factors provided by IPCC (Fourth Assessment Report AR4 100yr) to convert CH₄ and N₂O in CO₂ equivalent;
- The emission factors provided by the UK Department for Environment, Food and Rural Affairs (2011 Guidelines to Defra/ DECC's GHG Conversion Factors for Company Reporting) for the shipment of goods.

Waste

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

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

For more information

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

7.3 Glossary

Aggregate

Category of raw granular mineral particles used in construction; they may be natural, artificial or recycled materials previously used in construction. Construction aggregates are used primarily as components of composite materials such as cement, bituminous mix, coating, etc.

Emergency and evacuation plan

Operational tool by which studied and planned steps are taken for proper management of incidents, whether fire, injuries, gas leaks, spills of hazardous substances or other calamitous event that determines the need to abandon the structure (e.g. earthquakes, floods, etc.), to allow a safe and organised exodus to all occupants of buildings and operating sites.

Governance

Set of rules, at any level (such as laws and regulations) that govern the management of the Company. Corporate governance also includes the relationships among the various players involved (the stakeholders, who hold interests in the Company) and the objectives for which the Company is managed. The main players are shareholders, the management and the Board of Directors.

GRI (Global Reporting Initiative)

International initiative established in 1997 under a UNEP (United Nations Programme for the Environment) project with the common goal of achieving greater transparency, corporate responsibility and sustainable development.

Injury Rate (IR)

Index to assess the frequency of occurrence of accidents that result in casualties with loss of workdays or death of an employee. It is calculated using the formula:

$$IR = \frac{(\text{no. LTI} + \text{no. FTL}) \times 200,000}{\text{Total worked man-hours}}$$

where:

LTI = total number of accidents with temporary incapacity

FTL = total number of fatalities

200,000 = 50 working weeks per 40 hours per 100 employees

Integrated management system

Component of the management system of an organisation, including the organisational structure, planning of activities, responsibilities, practices, procedures, processes and resources used to develop and implement its quality, environmental, health and safety policy and manage its related aspects.

ISO 14001 standard

Voluntary international standard that allows organisations to implement an effective Environmental Management System, providing a framework for the analysis of significant environmental risks, and for managing and mitigating impacts. The system ensures compliance with applicable environmental legislation and continuous improvement of performance.

ISO 9001 standard

Voluntary international standard that sets out the principles and criteria for deployment and implementation of effective Quality Management Systems, which demonstrate the organisation's ability to provide products and services that meet the requirements of law, clients and the organisation itself.

Local

The term is used in the Report with the following meanings:

- Communities living near project locations and the surrounding environment;
- Employees, suppliers, contractors and sub-contractors based in the same country of the project;
- Legislation applicable to the specific context of the project (e.g. national, regional).

Lost Day Rate (LDR)

Index to assess the severity of accidents in terms of days lost as a consequence of injuries with temporary incapacity of workers. It is calculated as follows:

$$\text{LDR} = \frac{\text{gT} \times 200,000}{\text{Total worked man-hours}}$$

where:

gT = total days of temporary incapacity (LWD)

200,000 = 50 working weeks per 40 hours per 100 employees

OHSAS 18001 standard

International voluntary standard, which sets out the principles and criteria for implementing a system for managing health and safety at work, to demonstrate the organisation's commitment to the analysis, evaluation, management and control of risks faced by workers, to improve workplace safety.

Risk assessment

Overall documented assessment of all the risks to which the Group is exposed in conducting its business. This assessment aims to identify the most appropriate measures of prevention and protection and to develop the Group organisation, management and control systems.

Risk assessment document

Document drafted by the employer and related to the evaluation of any risks for the safety and health of workers, including those for groups of workers exposed to special risks such as work-related stress and pregnancy, as well as those connected to gender, age, ethnicity and type of contract.

Roller-Compacted Concrete (RCC)

Technology adopted for the construction of dams, combining a high rate of concreting production with significant economic benefits.

This technology takes advantage of the low cement content typical of the RCC method, which provides effective optimisation in terms of transportation, placing and compaction.

Safety operational plan

Document drafted by the employer before starting operations in a site and containing the countermeasures to be taken during the activities in order to safeguard the physical safety of workers.

Significant locations of operation

Countries with revenue equal or greater than 5% of the total annual revenue of the Group.

Stakeholder

The term of stakeholder identifies those 'actors having an interest' in relation to an economic initiative, be it a company or project. Relevant stakeholders include: customers, suppliers, lenders (banks and shareholders) and employees, but also external interest groups, such as residents of neighbouring areas or local interest groups.

Sustainable development

Development that meets present needs without compromising the needs of future generations. The term 'sustainable development' appeared for the first time in 1987 in a UN document, known as the Brundtland Report, named by the then Norwegian Prime Minister Gro Harlem Brundtland and President of the UN Commission on Environment and Development.

Tunnel Boring Machine (TBM)

Technology used for the excavation of tunnels, which enables the complete mechanisation of the excavation process, including finishing of tunnels and installation of safety structures. The use of TBMs enables a large increase in excavation speed, compared with the speed achieved by using the traditional Drilling and Blasting (D&B) method (excavation with the use of explosives).



8

Third party assurance report



About the Salini
Impregilo Group

Our commitment
to excellence

Our commitment
to shared growth

Our commitment
to people care

Our commitment
to environmental
stewardship

Future
commitments

Appendix



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Independent auditors' report on the limited assurance engagement of the "Sustainability Report 2013" of Salini Impregilo Group

To the Shareholders
of Salini Impregilo S.p.A. (incorporating company of Salini S.p.A.)

1. We have carried out the limited assurance engagement of the "Sustainability Report 2013" (hereinafter "Report") of Salini Impregilo S.p.A. (incorporating company of Salini S.p.A.) and its subsidiaries (hereinafter "Salini Impregilo Group" or "Group"). The Directors of Salini Impregilo S.p.A. are responsible for the preparation of the Sustainability Report in accordance with "Sustainability Reporting Guidelines G4" issued in 2013 by GRI - Global Reporting Initiative, as indicated in the paragraph "Methodological Note", as well as for determining the Group's commitments regarding the sustainability performances and the reporting of the achieved results. The Directors of Salini Impregilo S.p.A. are also responsible for the identification of stakeholders and of significant matters to report, as well as for adopting and maintaining appropriate management and internal control processes relating to data and disclosures reported in the Sustainability Report. Our responsibility is to issue this report on the basis of the work performed.
2. Our work has been conducted in accordance with the principles and guidelines established by the "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. ISAE 3000 requires the compliance with ethical requirements ("Code of Ethics for Professional Accountants" issued by the International Federation of Accountants - I.F.A.C.), including professional independence, as well as planning and executing our work in order to obtain a limited assurance, rather than a reasonable assurance, that the Sustainability Report is free from material misstatements. A limited assurance engagement consists in making inquiries, primarily with company's personnel responsible for the preparation of the information included in the Report, in the analysis of the Report and in other procedures in order to obtain evidences considered appropriate. Data and information submitted to External assurance are indicated on the "GRI Content Index" of the sustainability report, as required by the G4 Sustainability Reporting Guidelines. The performed procedures are summarized below:
 - a) comparison between the economic and financial information and data reported in the Sustainability Report with those reported in the Salini Group's consolidated financial statements as of December 31, 2013, on which we issued our Independent Auditors' Report on April 14, 2014, pursuant to art. 14 and 16 of Legislative Decree n. 39 dated January 27, 2010;



- b) analysis, through interviews, of the governance and of the management of issues related to sustainable development inherent in the strategy and operations of the Group;
- c) analysis of the process relating to the definition of material aspects included in the sustainability report, with reference to the procedures applied for the identification and prioritization of material aspects for stakeholders and to the internal validation of the process results;
- d) analysis of the processes that support the generation, recording and management of the quantitative data reported in the Sustainability Report. In particular:
- interviews and discussions with management of Salini Impregilo S.p.A., Consorzio COCIV - Consorzio Collegamenti Integrati Veloci and Salerno - Reggio Calabria S.c.p.A. to obtain an understanding about the information, accounting and reporting system in use for the preparation of the Sustainability Report as well as of the internal control processes and procedures supporting the collection, aggregation, processing and transmission of data and information to the department responsible for the preparation of the Sustainability Report;
 - on-site verifications at Grand Ethiopian Renaissance Dam (Ethiopia), Gibe III Hydroelectric Project (Ethiopia), Terzo Valico dei Giovi - Milan-Genoa high-speed/high-capacity railway line (Italy), Salerno-Reggio di Calabria Motorway Lot 5 (Italy);
 - analysis, on a sample basis, of the documentation supporting the preparation of the Sustainability Report, in order to obtain evidences of the processes in use, their adequacy and the operation of the internal control system for the correct treatment of data and information in relation to the objectives described in the Sustainability Report;
- e) analysis of the consistency of the qualitative information included in the Sustainability Report with the guidelines identified in paragraph 1. of this report and of their internal consistency, with reference to the sustainability strategy and policies;
- f) analysis of process relating to the engagement of stakeholders, with reference to the procedures applied and the completeness of the stakeholders involved, through the review of summary minutes or any other existing documentation relating to the main topics emerged from discussions with them;
- g) obtaining 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 1., as well as to the reliability and completeness of the information and data presented in the Sustainability Report.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement performed in accordance with ISAE 3000; as a 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.



We have examined data and information for 2012 presented in the Report as of December 31, 2013 for the purpose of expressing our opinion.

3. Based on our work, nothing has come to our attention that causes us to believe that the Salini Impregilo Group's Sustainability Report is not in accordance with "*Sustainability Reporting Guidelines G4*" issued in 2013 by GRI - Global Reporting Initiative, as indicated in the paragraph "Methodological Note" of the Sustainability Report.
4. We draw the attention to the following matter: the voluntary public tender offer launched by Salini S.p.A. for the acquisition of all Impregilo S.p.A. ordinary shares, was completed in the first half of 2013, resulting in the acquisition of control. On 26 November 2013, the deed of merger of Salini S.p.A. in Impregilo S.p.A. was signed. Starting from the effective date of the merger on 1 January 2014, the Company resulting from the merger was renamed into "Salini Impregilo S.p.A.". The relevant effects for civil, accounting and fiscal purposes have started as of the said date.

Rome, Italy

June 25, 2014

Reconta Ernst & Young S.p.A.

A handwritten signature in black ink, appearing to read 'M. Ottaviani', is written over the printed name.

Mauro Ottaviani

Our sincere thanks to all those that contributed to the realization of this year's report as well as those portrayed in it, particularly little Aisha Zelda featured in chapter 4.

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