



Your Sustainable Choice

ROSETTI MARINO GROUP OF COMPANIES – SUSTAINABILITY REPORT 2019-2020

SUSTAINABILITY MEETS REALITY



ROSETTI MARINO
Group of Companies

LETTER FROM THE CEO

Ravenna, 30th June, 2021

Dear Stakeholders,

the Year 2020 was a real challenge for the whole world, the Covid-19 pandemic with its consequences burst dramatically into global economy and our livelihood and we were obliged to stop and quickly understand how to react and adapt to the new reality, boosting our Companies in terms of resilience, competitiveness, flexibility and technology.

Despite the Rosetti Marino Group has been constantly committed to integrating sustainability principles into its own processes, it was particularly complex in the last times pursuing the economic objective - which is the fundamental prerequisite for conducting the business - and thus continuing our commitment in respecting the environment and optimizing the use of energy and material. In parallel, we have been striving to maintain our jobs and involving our human resources in a responsible and respectful way, in accordance with the sustainable goals we have decided to follow.

The Rosetti Marino Group strongly believes that Sustainability is a Business Value, our Sustainability Policy acknowledges the development and spreading of the Sustainability Culture as a strategic decision for carrying out our activities, for each and every product, community, country we operate in, focussing on the following areas of commitment:

PEOPLE

ENVIRONMENT

BUSINESS ETHICS AND ECONOMIC DEVELOPMENT

SOCIAL WELLBEING



Moreover we have identified the following strategic opportunities as far as sustainability is concerned:

- The strengthening of our sustainable KPI's, whose implementation makes it possible for us to measure our performance, understand the relevant trend and identify opportunities for a continual improvement;*
- An increasing involvement of stakeholders and in particular the cross and extended participation to our business supply chain: from our Clients' expectations, to standards/certifications requirements of our products, to agreements with various associations and organizations to the involvement of our Supply Chain;*

- *The strengthening of the internationalization process to be developed according to the principle “Many People, Many Countries, the Same Values”, and in particular:*
 - a.** *By sharing the sustainability model with all the Group subsidiaries, branches and participated companies abroad, by keeping into due account the specific features of every workplace and community we operate in;*
 - b.** *By ensuring the technological transfer needed for preserving the business and enhancing local content, keeping the know-how leadership and the “culture of doing”, which is one of our noteworthy and distinguishing features;*
 - c.** *By supporting, wherever possible, initiatives aimed at developing local communities.*

We are therefore very proud to share with you our second Sustainability Report, covering the two-year period 2019-2020, related to the following companies of our Group: Rosetti Marino, Fores, Tecon, Rosetti Superyachts and KCOI.

In this Sustainability Report you will see how the commitments of these Companies of the Rosetti Marino Group have been translated into practice, with tangible actions and goals consistent with our context.

This report is part of our sustainability model; it allows us to monitor the achievement of our goals, to identify areas for improvement and to increase our relationship and communication with all the stakeholders.

Enjoy reading.



Oscar Guerra
Chief Executive Officer

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BEING A GROUP

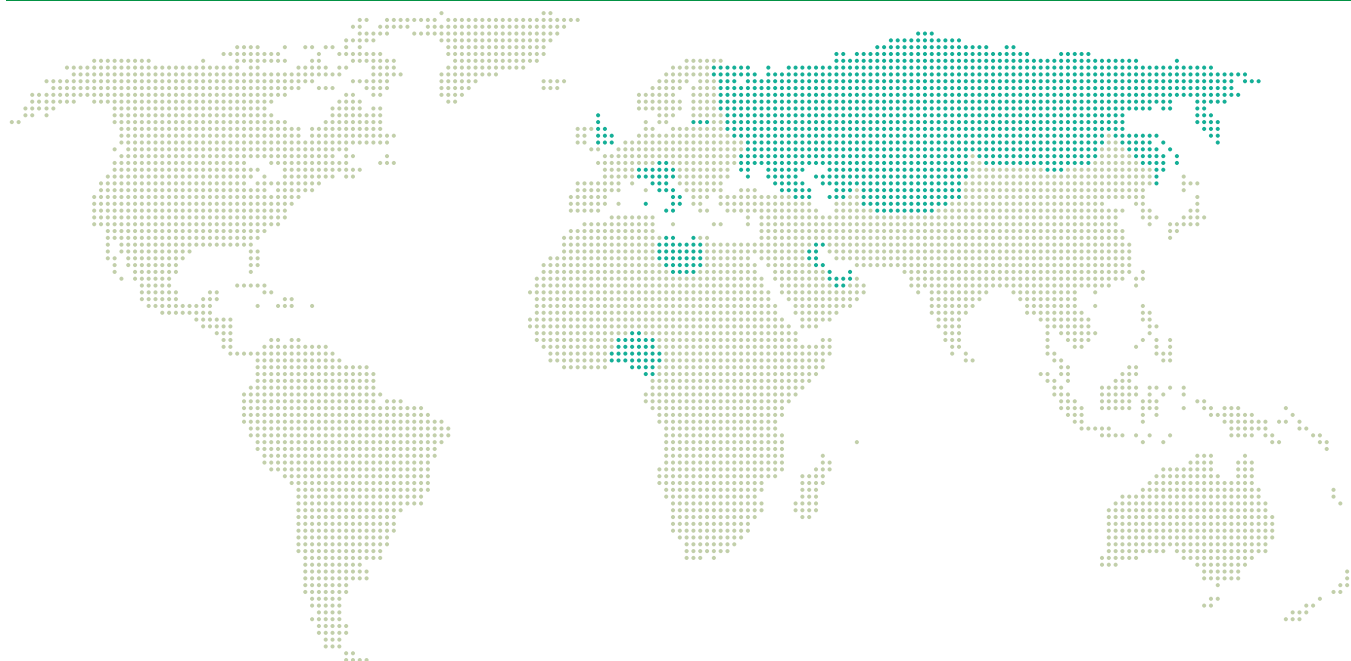
2019-20 Highlights

Rosetti Marino Group of Companies

Covid-19 - managing the risk

Sustainable steps achieved in the last period (2019-2020)

BEING A GROUP



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OUR ITALIAN SUBSIDIARIES



SUBSIDIARIES OR PARTECIPATED COMPANIES

- Rosetti Kazakhstan LLP (Kazakhstan)
- KCOI – Kazakhstan Caspian Offshore Industries LLP (Kazakhstan)
- Rosetti Pivot LTD (Nigeria)
- Rosetti Marino UK LTD (United Kingdom)
- Rosetti Libya JSC (Libya)
- Rosetti Marino Project OOO (Russia)
- RAS – Rosetti Ali & Sons LLC (UAE)

BRANCHES

- Kazakhstan
- United Arab Emirates
- Libya
- Qatar

2020 HIGHLIGHTS*

95

YEARS OF HISTORY

612

NUMBER OF EMPLOYEES

196 mln €

GROSS INTERNAL
PRODUCT (REVENUES)

0,75 mln €

INVESTMENT AND
EXPENDITURES IN R&D

1,7 mln €

INVESTMENT AND
EXPENDITURES IN HSE

5.18%

EMPLOYMENT RAMP

25%

WOMEN

1,080

QUALIFIED VENDORS

2,625,121

WORKED MANHOURS

14

COUNTRIES
OF OPERATION

0.38

LOST TIME INJURY
FREQUENCY (LTIF)

1.52

TOTAL RECORDABLE INJURY
RATE (TRIR)

86%

WASTE SEGREGATION
EFFICIENCY

97%

EMPLOYEES WITH
PERMANENT CONTRACT

70%

PURCHASES OF PROJECTS'
GOODS AND SERVICES

* Data referred to Rosetti Marino, Fores Engineering, Tecon, RSY- Rosetti Superyachts



SUSTAINABILITY
REPORT
2019-2020

1. ROSETTI MARINO GROUP OF COMPANIES

Rosetti Marino Group of Companies provides **engineering and construction services** to miscellaneous industrial sectors including Oil&Gas, Wind, Petrochemical, Chemical Power, Shipbuilding and Superyachts.

The advantage of **synergic capabilities** made available by different companies is a key factor, which has contributed to the success of the Group and has enabled it to face a wide range of high complexity projects challenges. Each of the above mentioned companies either operate jointly or provide their services individually.

ROSETTI MARINO



Rosetti Marino provides **integrated services** to several industrial sectors including Oil&Gas, Renewables, Chemical, Power Generation, Shipbuilding and Superyachts.

Founded in 1925 and based in Ravenna (Italy), thanks to its Group structure, Rosetti Marino can operate both locally and internationally.

In 2020 Rosetti Marino merged with Basis Engineering, an engineering service Company in the Energy and Oil&Gas industries, founded in 1981 and already part of Rosetti Marino Group since 1993.

FORES ENGINEERING



Based in Forlì (Italy), Fores Engineering is specialized in the **multidisciplinary engineering, integration, construction and installation of systems** for the oil & gas, petrochemical, chemical and power plant fields.

Since its establishment in 1992, Fores Engineering has reached 23 years of significant experience in the supply of Skid Mounted Package Units; Well head Control Panels; Process Analyzers Systems; Shelters; Control, Safety, Security and Telecommunication Systems.

Moreover, Fores Engineering provides **technical supervision** and **after-sale technical assistance** services.

Thanks to the working skills of its managers, engineers and qualified technicians, the deep knowledge of the market and the ability to work in international teams, Fores Engineering has acquired strong reliability, over the years, among the major Oil Companies.

Furthermore, Fores Engineering realizes its business by taking into account the local content of countries it operates in.

TECON



TECON is an **engineering consulting company** specialized in the Offshore/Marine field. It supplies tailored and effective projects starting from feasibility to follow up on site for demanding International Clients, including major oil and gas companies, fabricators and installation contractors.

RSY - ROSETTI SUPERYACHTS



Located in Ravenna, Rosetti Superyachts offers a wide range of **luxury superyachts, supply, support vessels and explorer yachts from 35 to 140 meters**, fully customizable and built according to the highest safety and quality standards of Rosetti Marino Group. Its San Vitale shipyard located in the Italian port of Ravenna covers a total area of 257,000 sq/m.

KCOI - KAZAKHSTAN CASPIAN OFFSHORE INDUSTRIES LLP



KCOI is an industrial complex focused on rendering EPCI services both offshore and onshore.

From the very start, KCOI LLP activities focused on Oil & Gas, with intensive and extensive involvement in the development campaigns of the giant Kashagan offshore field. Operations expand within the Caspian region, providing services to a vast range of clients including ship-owners, engineering companies and oil majors.

MEMBERSHIP OF TRADE ASSOCIATIONS OR ORGANIZATIONS

CONFINDUSTRIA ROMAGNA



RAVENNA OFFSHORE CONTRACTORS ASSOCIATION



ASSOCIAZIONE MINERARIA ITALIANA



ASSOCIAZIONE NAZIONALE DI IMPIANTISTICA INDUSTRIALE



ASSOCIAZIONE NAZIONALE DELL'INDUSTRIA NAVALMECCANICA



For more info about governance and investor relations, refer to <https://www.Rosetti.lt/>

COVID-19 - MANAGING THE RISK

A new virus that has caught the world unprepared

Coronaviruses are a family of viruses known to cause diseases ranging from influenza syndrome to more serious respiratory diseases. The term Covid-19 (short for Coronavirus Disease 19) has been used to define the infectious disease caused by a new coronavirus discovered in December 2019 in Wuhan, China.

This is not the first time in recent years that such viruses have appeared and spread: just think of SARS (which appeared in 2002 in the Guangdong Province, China) or MERS (which appeared on the Arabian Peninsula in 2012).

However, unlike the past – when health authorities managed to coordinate, limit and extinguish the various coronavirus outbreaks in a few months – it took just a few weeks for Covid-19 to spread into a pandemic with significant global impact: on 11th March 2020 the World Health Organization declared Covid-19 a pandemic.

The “professional” risk presented by COVID-19

Covid-19 is a biological pathogen able to generate respiratory diseases. In its guidelines, INAIL (Italian National Institute for Job related incidents and insurance) assessed Covid-19 on the basis of three factors (Exposure, Proximity, Aggregation) and, for the various professional categories, it attributed manufacturing/industrial activities (our business case) with low risk of infection.

With the exception of some categories of workers who are intrinsically exposed (doctors, nurses, healthcare and social welfare personnel, those exposed to the public, etc.), the risk posed by COVID-19 is general and indirect; in our line of work, exposure is comparable to that of other non-working activities that we normally engage in.

Evolution of COVID-19 and Risk Management Protocols

By its very nature, Covid-19 presents a risk that cannot be reset: it must be managed with appropriate prevention and protection measures that can reduce its level to "ALARP" (As Low As Reasonably Practicable).

Adoption of these measures has developed in parallel with the evolution and spread of the virus, in proportion with the many legal provisions (protocols) issued by Government and health authorities.

In Rosetti Marino, "Human Health and Safety" is a pillar of our corporate culture.

For this reason, since the critical situation first emerged, in compliance with (and sometimes in advance of) the requirements and indications in above mentioned decrees, we have been active and committed to implementing the measures needed to counter the risk of Covid-19 and to guarantee that our work activities are performed in full safety.

For the most part, all measures adopted to counter, prevent, and protect against the risk of Covid-19 are based on the following principles:

- **Communication, Information and Training;**
- **Distancing between people;**
- **Availability and correct use of Protective Devices;**
- **Hygienic Behaviour;**
- **Cleaning and Sanitization of Environments.**

The most meaningful measures taken to manage the emergency, are summarized below:

- Establishment of an internal emergency coordination committee and creation of the emergenzacovid19@rosetti.it mailbox to receive comments or reports on Covid-19;
- Verification and redefinition of the layout of workstations (offices, production areas and common areas) to maximize the distance between people and redefine room capacity to prevent crowding;
- Controlled procurement and distribution of Personal Protective Equipment (surgical masks, FFP2 filtering face masks or equivalent) and mandatory use in common areas and in all areas where the minimum inter-personal distance of one meter is not guaranteed;
- Daily cleaning and weekly sanitization of working environments;
- Equipping service vehicles with sanitization and cleaning kits;
- Placement of hydroalcoholic hand hygiene gel in the busiest areas (corridors, changing rooms, refreshment areas, printers, etc.);
- Arrangement of shifts and flow regulation to the canteens at the three corporate sites to ensure that fewer people are grouped together and that greater distance remains between them as they eat;
- Recommending that meetings be held remotely through conference calls;
- Providing all employees and outside personnel working at our sites (suppliers, subcontractors, clients) information and training on Covid-19 and related company protocol;
- Definition of emergency management plans (for suspected or confirmed cases of infection).

In order to formalize and divulge the method for Covid-19 risk management, a procedure (summarizing all measures adopted to counter the virus) has been prepared in addition to the Corporate Risk Assessment Document and to the Interference Risk Assessment Document, adopted both internally for Rosetti employees and externally for subcontractors, suppliers, clients, visitors.

Effective Corporate Synergies

Working together with the Qualified Physician, the HSE function and Prevention and Protection Service play a primary role in implementing and monitoring the measures laid out in the corporate anti Covid-19 protocol.

However, the effectiveness of the fight against the Virus is necessarily linked to the synergies existing between many different corporate functions – starting from those holding responsibility and designated by the employer to define the protocol, and continuing to those personally involved in implementing and ensuring compliance with the measures set.

The global dimension of our “Group of Companies” has also prompted us to update and share our risk management methods with both Italian subsidiaries and branches or subsidiaries abroad (Qatar, Kazakhstan, Nigeria, Congo, United Arab Emirates, etc.), in particular monitoring the spread of infection, labor regulations in force in the countries of interest and restrictions on travel and mobility. The Foreign HR Office (which has paid particular attention to the most critical situations), General Managers, PMs and colleagues involved in foreign initiatives play a fundamental role in this. The Travel Office has also produced specific reports to check the status of employee travel.

Last but not least, all of us faced a new set of rules and safety measures, even highly restrictive ones, which have significantly changed some working and behavioral practices. Despite this, our workers are reacting very well, in a responsible, understanding manner and with a cooperative attitude.

“Lesson Learnt”: what we can learn from this experience

Covid-19 will represent a sort of historical divide, an event which will prompt us to remember how life was like before it occurred and how it changed after, the impact it had in the workplace, in our personal lives and emotions.

Among the lessons we can learn from this experience, the first one, which comes from the past, is to be prepared and never let our guard down. At least not until the epidemic has been completely eradicated and we have certain treatments and long-term effective vaccination. We must continue to behave responsibly, safeguarding our health and safety and that of our loved ones and those most exposed. We must help fight the spread of the virus, avoiding a return to drastic measures having economically unsustainable consequences for many companies, production supply chains and entire countries.

The second is to have the right attitude to face both crises of this magnitude and a reality that increasingly presents “VUCA” (Volatility, Uncertainty, Complexity and Ambiguity) aspects; it is essential for us to be able to adapt, to know how to quickly transform our conduct, our way of working and being together. Likewise, it is important to think positively, to have confidence and deal with situations by managing such emotions as fear and anxiety that we know are naturally incoming in such cases.

Finally, we need a “community” approach in which institutions, enterprises, the entire population are united and work together. The examples of corporate synergies that we have effectively implemented to manage the emergency and Covid-19 risk demonstrate a simple but fundamental concept: together we win.

SUSTAINABILITY STEPS ACHIEVED IN THE LAST PERIOD (2019-2020)

Completion of “YOUR SUSTAINABLE CHOICE” project

Rosetti Marino Group’s “**Sustainability Project**” started at the end of 2016.

We involved our youngest employees (under 35 years old) interested in sustainability issues, providing them with a thematic training course and a budget to develop proposals and design a campaign aimed at promoting the Sustainability Culture within our Group of Companies.

During our first “**Sustainability Day**” on October 19, 2018, they presented the first Group Sustainability Policy and launched the communication campaign “Your Sustainable Choice”, which includes a logo, a statement, a poster, some pills.

Energy Diagnosis

Energy diagnosis is a systematic, documented, and periodic assessment of the efficiency of the organization’s energy management system. Diagnosis also identifies and quantifies opportunities for energy savings, measures to reduce energy expenditures and to improve buildings and equipment energy efficiency. We started the energy diagnosis process in the year 2015, in compliance with the Italian Legislative Decree 102/2014.

In 2019 we conducted a detailed **energy diagnosis** on the Ravenna sites to provide Corporate Management with a current energy assessment and the main action items for energy efficiency improvements.

The diagnosis results make it possible to focus choices and plan effective measures in the medium and long term, as well as to identify possible investments to improve energy management.

Continuous Improvement of Corporate Sustainability Culture

We promoted internal initiatives to monitor and achieve energy efficiency, rationalization in the **use of resources and raw materials**, waste sorting and collection, with particular attention to reducing plastic consumption/waste.

According to the GR4 guidelines of the **Global Reporting Initiative**, we identified our Sustainability KPIs and defined Sustainability Goals, since the issue of the first Sustainability Report 2018 and continually tracking our sustainability performance to manage deviations from the target.

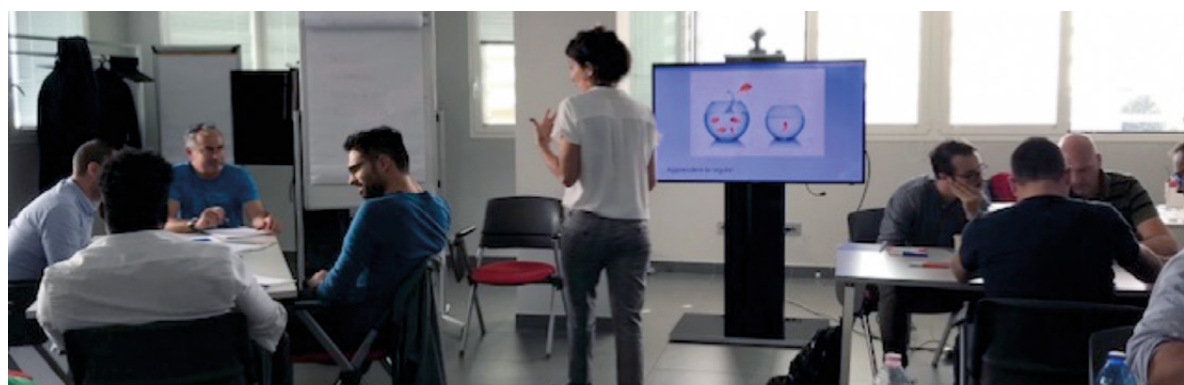
Over the years, we have established links with the **local community** by sponsoring and participating in sporting and cultural events, in Solidarity initiatives and collaboration with **universities and educational institutions** for development programs, internships and the integration of young people into the world of work.

We strongly believe that the bottom-up approach creates a “value chain”, making our collaborators active in increasing economic and moral values, the ethical reputation and internal impact value to Rosetti Marino Group and in reference areas.

Each experience that involved heterogeneous work groups (in terms of roles and belonging to different companies) favored the integration, knowledge management, transversal development of the culture of sustainability and the dissemination of values.

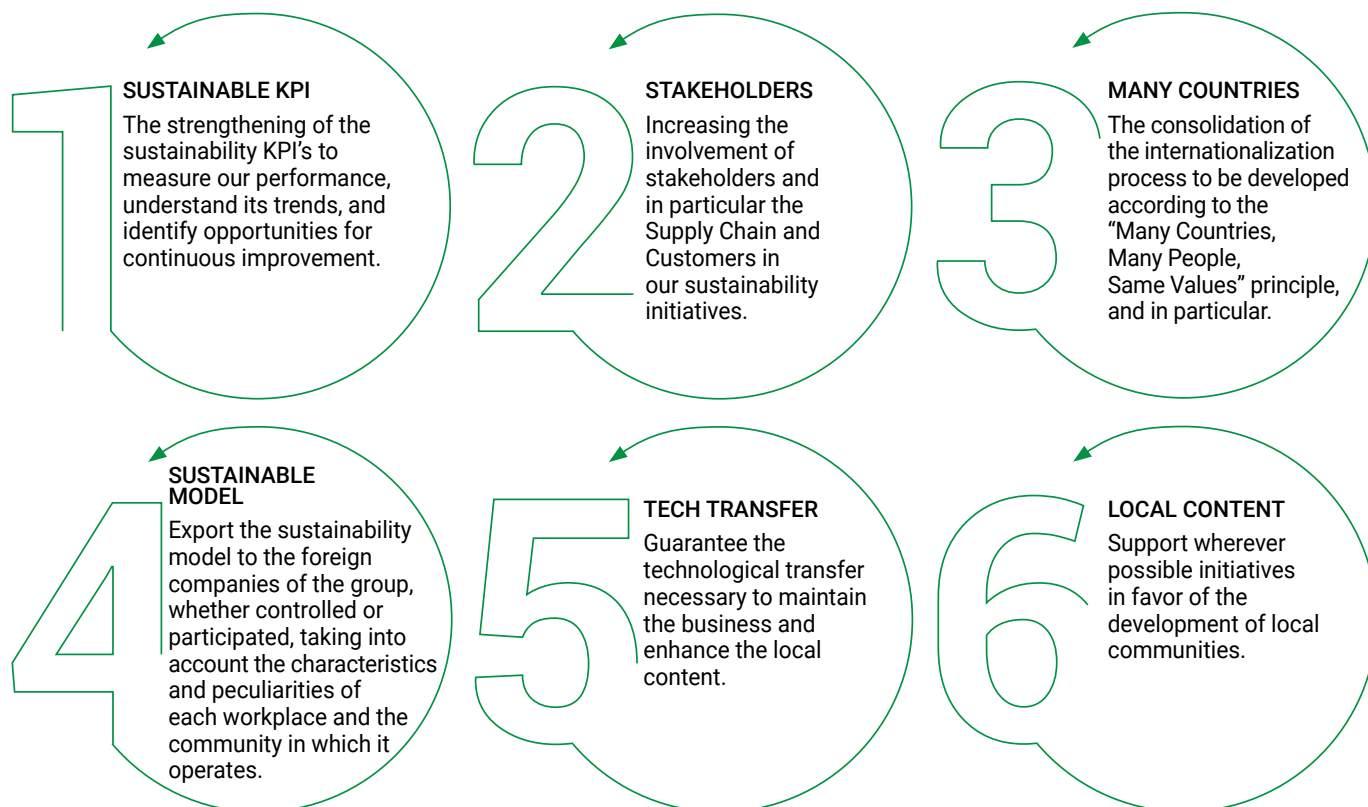
Many People, Many Countries, The Same Values

In 2019, the “Multicultural Development Program” Pilot Project was launched, involving 12 expatriate employees, with the aim of supporting the development of a “multicultural” mindset appropriate to the role responsibilities they are called upon to play in an international business context and aligned with the Company’s commitment to position itself as a culturally responsible entity.



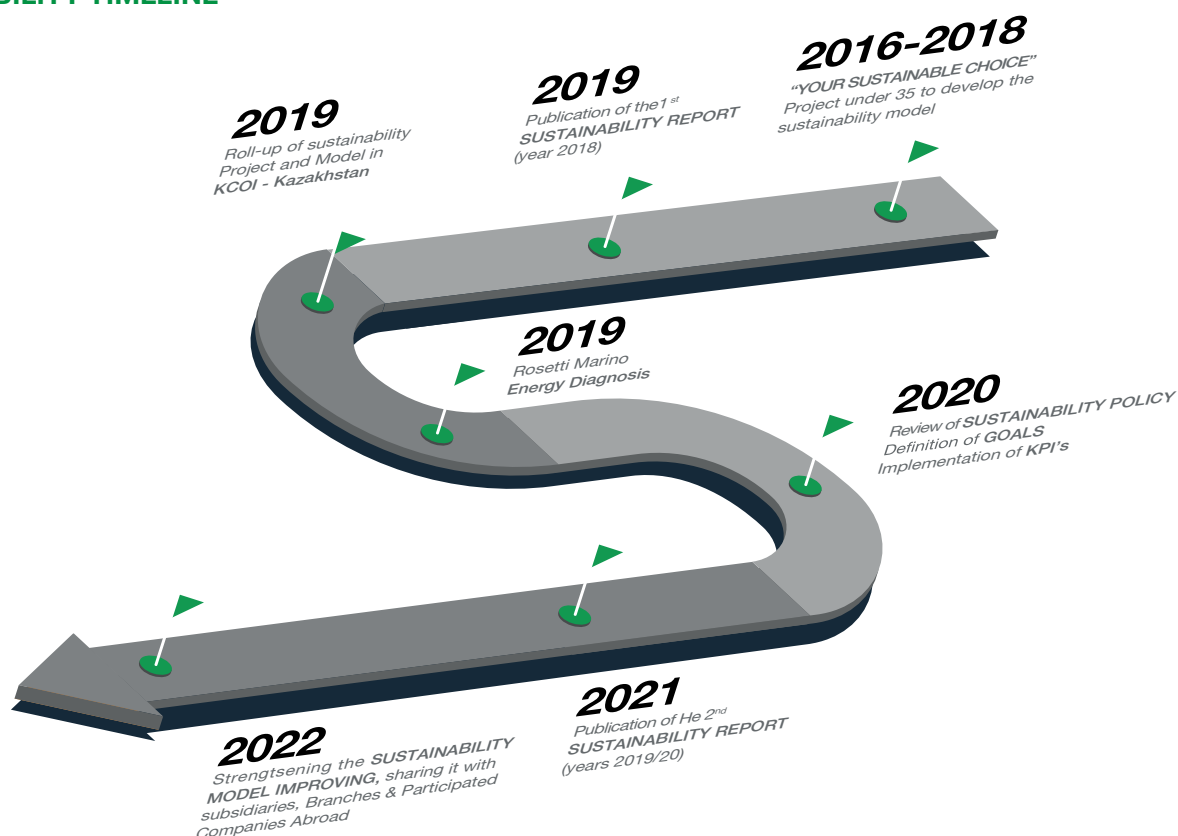
NEXT STEPS

We have identified in the following steps the opportunities to be seized as Rosetti Marino Group with regards to sustainability:



Important challenges await us that require effort, commitment and attention. They will allow us to innovate and increase the economic, social and environmental sustainability derived from our products and services.

SUSTAINABILITY TIMELINE





BEING KNOWLEDGEABLE

Material aspects

Stakeholders engagement

Inspired by UNGC

2. MATERIAL ASPECTS: OUR SUSTAINABILITY PRIORITIES

In 2019 and 2020, Rosetti Marino Group adopted the **materiality analysis principles**, for a consistent sustainability strategy. In particular, those considered important for reflecting the organization's economic, environmental and social impacts, or influencing the decisions of stakeholders were selected.

Materiality is the threshold at which aspects become relevant and consistent for Rosetti Marino Group and its stakeholders, and Rosetti Marino Group plots the issues that may result in an action that significantly influences its performance, or addresses key topics that stakeholders are concerned about.

The materiality analysis process at Rosetti Marino Group:



Rosetti Marino Group sustainability areas, subject to the analysis of relevance by the Group and its stakeholders, are the following:

SOCIETY	CORPORATE GOVERNANCE, ETHICS AND INTEGRITY
Local communities	Business Ethic and Integrity Governance
ECONOMIC	Risk Management
Customer satisfaction and product quality	
Technological development	
PEOPLE	ENVIRONMENT
Health and Safety Training and Education Talent attraction	Environmental Management System
Labor/Management relations	Energy efficiency
Multiculturalism, diversity and equal opportunities	Water
Supplier assessment for labor practices	Biodiversity Emissions
Human rights & labor practices	Effluents and waste Compliance
Security Practices	Supplier Environmental Assessment
Ethical supply chain	

Within the above areas, the SUSTAINABILITY ISSUES considered to be a priority for 2019-2020 biennium:



For a more accurate overview of the sustainability context, the support of external sources has been used (sustainability report of other industrial groups, miscellaneous guidelines on sustainability, international press). More details on the boundaries of materiality analysis are described in Appendix.

3. STAKEHOLDERS ENGAGEMENT

As we have reached a level of maturity in our responsible stewardship, we are engaging with key stakeholders to align our sustainability strategy and approach with theirs. We have built **strong relationships** and improved our **understanding of the** external factors **and trends** that could affect us in the future by engaging with our stakeholders and sharing information with peers.

We seek to better understand the material issues that affect our stakeholders, which is why we are constantly working to improve our engagement processes. It is by engaging with our stakeholders that we can help them while **creating and sharing value**.

Our stakeholders groups include:



We have identified a sub-group of stakeholders that have the greatest impact on our business. Our engagement with this group is important for our success and we are shaping our strategy based on what is material to them.



4. INSPIRED BY THE UNITED NATIONS' SUSTAINABILITY INITIATIVES

Rosetti Marino Group's sustainability approach is **inspired by the United Nations Global Compact (UNGC)**.

The UNGC is the world's largest corporate sustainability initiative that calls companies to align strategies and operations with **universal principles on human rights, labor, environment and anti-corruption**, and take actions towards achieving societal goals.

AREA	PRINCIPLES	SUSTAINABILITY ISSUE
Human Rights	<ol style="list-style-type: none"> 1. Businesses should support and respect the protection of internationally proclaimed human rights; and 2. Make sure that they are not complicit in human rights abuses. 	HEALTH AND SAFETY HUMAN RIGHTS AND LABOR PRACTICES TRAINING AND DEVELOPMENT SUPPLY CHAIN
Labor	<ol style="list-style-type: none"> 3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining. 4. The elimination of all forms of forced and compulsory labor; 5. The effective abolition of child labor; and 6. The elimination of discrimination in respect of employment and occupation. 	HUMAN RIGHTS AND LABOR PRACTICES SUPPLY CHAIN TRAINING AND DEVELOPMENT
Environment	<ol style="list-style-type: none"> 7. Businesses should support a precautionary approach to environmental challenges; 8. Undertake initiatives to promote greater environmental responsibility; and 9. Encourage the development and diffusion of environmentally-friendly technologies. 	TECHNOLOGICAL DEVELOPMENT SUPPLY CHAIN MINIMIZATION OF ENVIRONMENTAL IMPACT
Anti-Corruption	<ol style="list-style-type: none"> 10. Businesses should work against corruption in all its forms, including extortion and bribery. 	BUSINESS ETHICS AND INTEGRITY SUPPLY CHAIN

Following the UNGC principles is also a way to contribute to the **Sustainable Development Goals (SDGs)**. These Goals are the blueprint to achieve a better and more sustainable future for all. They address the global challenges, including those related to poverty, inequality, climate, environmental degradation, prosperity, and peace and justice. The Goals interconnect and, in order to leave no one behind, it is important to achieve them **by 2030**.

The Energy sector with its related industrial activities is **crucial to the global economy**. This sector is also central to overall sustainable development, as fossil fuels are the key pillars of the global energy system and, as such, are drivers of economic and social development.

As an EPC contractor for the Energy industry, our challenge is to identify the **links between our model of business and the relevant SDGs**, understanding how to pursue the applicable ones in our operations to make important contributions to Sustainable Development.

Taking action on the selected SDGs is an important opportunity for our companies, leading to **greater** efficiency, **costs saving and competitiveness**, and enhancing our reputation and relationship with Stakeholders.

BEING SUSTAINABLE

Sustainability issues



5. SUSTAINABILITY ISSUES

5.1 HEALTH AND SAFETY

UNGC PRINCIPLE AREA	SUSTAINABLE DEVELOPMENT GOAL
Human Rights	<div>3 GOOD HEALTH AND WELL-BEING</div> <div>8 DECENT WORK AND ECONOMIC GROWTH</div>

Rosetti Marino Group is committed to working in **respect of the highest standards in Health and Safety**, ensuring a proper management of the various working activities, with the objective to create a workplace free from injuries and occupational diseases while assuring the local development of the areas it operates in.

The safety of all people involved in Rosetti Marino Group's operations is a priority objective that is constantly monitored and guaranteed in the management of the Company's activities by means of an **HSE management system, ISO 45001** certified, covering all the operational areas.

Besides yard, workshop and office activities, Occupational Health and Safety management practices include Rosetti Marino Group mobile workers, international assignees and their employees, covered with health, medical and security services provided by the world's leading companies. These mobile people prevention and protection strategies are based on health policies, country risk ratings, expert medical and travel security advice or referrals, and 24/7 assistance.

WORKERS PARTICIPATION AND CONSULTATION

Rosetti Marino Group promotes **Safety Representatives consultations on safety, health and welfare matters** relating to the workplaces. These consultations typically operates through meetings with the employer, HSE Dept. and other relevant parties (Company Physician, senior managers, etc.), with the aim to **prevent accidents and ill-health, highlight problems and identify means of overcoming them**.

Consultations are particularly important when changes are taking place, for example when a risk assessment is being drawn up, or new technologies or work processes, including new substances, are being introduced. They also have a part to play in dealing with long-established work practices and hazards.

The ratio of the total workforce represented in formal joint management-worker health and safety committees depends on the number of employees: one worker representative for Group Companies with less than 200 workers, three workers representatives for Group Companies of up to 1000 workers.

Furthermore, Rosetti Marino Group has **national and complementary agreements** in place with trade unions, that regularly includes occupational health and safety topics. In the specific, these topics are:

- Personal protective equipment provision;
- Joint management-employee Occupational Health and Safety committees;
- Participation of workers representatives in health and safety inspections, audits, and accident investigations;
- Training and education;
- Complaints mechanism;
- Right to refuse unsafe work.



HEALTH AND SAFETY FIGURES*

INDICATORS	2019	2020	
Worked Manhours	6,140,471	4,070,246	
LAGGING			
First Aid Cases (FAC)	4	7	
Medical Treatment Cases (MTC)	4	3	
Restricted Work Cases (RWC)	0	0	
Lost Time Injuries (LTI)	1	1	
Fatalities	0	0	
Near Misses	45	28	
Number of Lost workdays	15	47	
Occupational Illness (OI)	0	0	
LEADING			
HSSE Observation and Findings	10,999	3,237	
HSE Training Hours	16,042	15,168	
Emergency Drills	42	60	
Toolbox Talks (TBT)	6,731	6,918	
INDEXES			Benchmark 2019 ¹
Lost Time Injury Frequency (LTIF) ²	0,16	0,25	0.72
Severity Index ³	0,002	0,01	-
Total Recordable Injury Rate (TRIR) ⁴	0,81	0,98	2.95

Notes:

* Data referred to Rosetti Marino ,Fores Engineering and KCOI

¹ Benchmark source: Safety Performance Indicators – IOGP 2019 (Construction Contractors Europe)

² Total Recordable Injury Rate (LTIF): The number of Lost Time Injuries (LTI) per 1,000,000 hours worked (IOGP Std)

³ Severity Index (SI): The number of lost days due to an accident per 1,000 hours worked

⁴ Total Recordable Injury Rate (TRIR): The number of TRIs per 1,000,000 hours worked (IOGP Std)

HEALTH AND SAFETY AWARDS - FOCUS

In 2019/2020, ROSETTI MARINO GROUP obtained the following recognitions:

Rosetti Marino

- September 2019, overall milestone of 3,000,000 manhours LTI free, more than 18 months without LTI.
- Award from Qatargas "FOR ACHIEVING 1,500,000 MANHOURS LTI FREE ON 07 OCTOBER 2019" during the provision of EPC services for North Field Bravo - LQ Expansion Project.
- Award from TOTAL E&P Denmark "FOR ACHIEVING 1,000,000 MANHOURS LTI FREE ON 28 OCTOBER 2020" during the provision of EPC services for Tyra TEH Project.



KCOI

- Award from NCOC "FOR ACHIEVING 1,000,000 MANHOURS LTI FREE ON 4 NOVEMBER 2019" during the provision of EPC services for EPC-4 Topside Project
- Award to KCOI "FOR ACHIEVING 1,000,000 MANHOURS LTI FREE ON 14 FEBRUARY 2020" during the provision of services for RoK RIE Project



3 MILLION
Manhours LTI FREE
September 2019

Fores Engineering

- ENI SAFETY AWARD as best vendor on June 2019, for maintenance activities and realization of integrated automation and telemetry systems in DICS Eni sites.



ROSETTI MARINO
Group of Companies

Life Saving Rules IOGP (International Oil & Gas Producers)

We recognize the importance of providing all workers with clear, simple and consistent safety information and appropriate preventive and protective measures. That is why we promote on our sites the International Oil & Gas Producers (IOGP) Life Saving Rules, a set of guidelines to prevent fatal accidents during high-risk activities.

How should I use Life-Saving Rules?



Toolbox talks & Safety meetings

Can we learn from incidents that involved a Life-Saving Rule not being followed?



Pre-job planning

- Are we doing any work today involving a Life-Saving Rule?
- How can we follow the Rule from start to finish?
- What needs to be in place?
- Is everything in place, and in good working condition?



Last minute risk assessment

- Have I done all the Life-Saving Rules actions?
- Is everything as we discussed in the pre-job planning?
- Are there any Line of Fire hazards or ignition sources we didn't identify?



Post-job reviews

- Did we take all the actions associated with the Life-Saving Rules?
- What went well? What didn't go well?
- Anything to note for the next time we have to this perform task or work in this area?



Observations & walkabouts

- Do you see anyone performing work where a Life-Saving Rule is relevant?
- Are they following the Rule?
- Yes? Great, recognise it!
- No? Intervene!



Intervention

- Intervene or stop the work if a Life-Saving Rule is not being followed



SUSTAINABILITY
REPORT
2019-2020

When the Life-Saving Rules are followed, we all get to return home to our friends & family safely



Bypassing Safety Controls



Confined Space



Driving



Energy Isolation



Hot Work



Line of Fire



Safe Mechanical Lifting



Work Authorisation



Working at Height



IIF ® Program / Development of the Rosetti marino “Safe Life” program

In the 2019-2020 biennium, we've been the first Italian Company to implement the IIF (Incident and Injury Free) Program at Corporate level.

IIF ® is a program designed by JMJ Associates to increase the Company's safety culture by reinforcing, at all levels, the belief that accidents or injuries are not acceptable.

The strength of IIF is to act on people's values and beliefs to stimulate cultural change.

The program helps people to understand that injuries and accidents are not tolerable in any form and they personally commit to making this happen.

We have established an IIF Leadership Team. The Leadership Team meets monthly to guide and manage the IIF business engagement. The team must integrate visioning, taking necessary actions, measuring and evaluating the effectiveness of the IIF process, and developing collective leadership skills.

We activated the IIF Orientation, which complements the HSE Induction, intended to transfer the IIF culture to all people working in the Company, including the main contractors, and stimulate people to take action and give feedback on HSE issues.

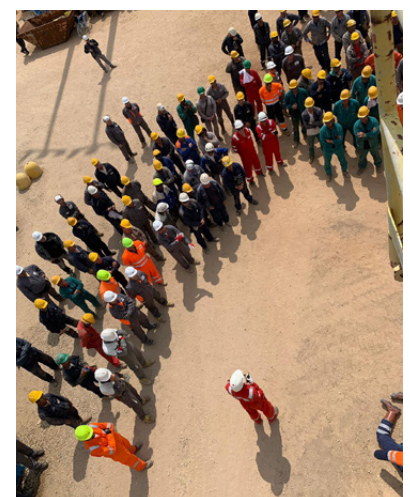
Inspired by IIF, at the end of 2019 We developed our “Safe Life” charter and program to sustain and promote the safety culture within our organization and in all the yards and projects in which we operate.

In addition to ongoing employee training, we organized the first “SAFE LIFE Contractors Workshop” in 2020, attended by 20 Employers of major contractors active at our sites, with the aim of getting leaders of major companies to share a common commitment to safety.


The COVID-19 emergency has changed our habits, including classroom scheduling of “Safe Life” training sessions.

Together with workers, we made a Video promoting Rosetti Marino's “Safe Life” Program, which recounts potential work-related risk situations at our worksites.

Despite the difficulties created by the pandemic, we remain committed to building a safe work environment together.

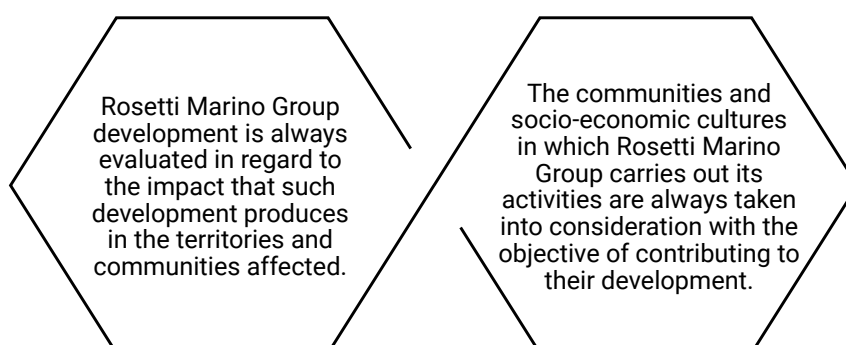


5.2 BUSINESS ETHICS AND INTEGRITY

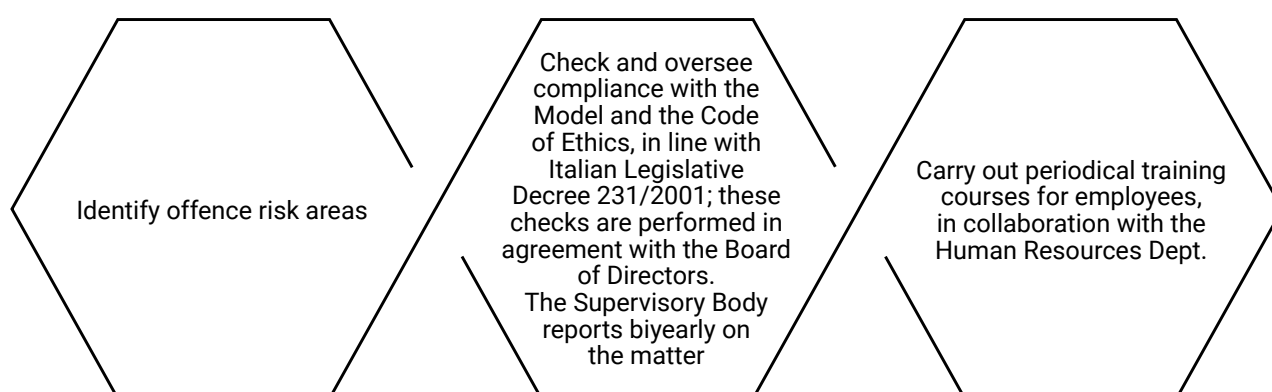
UNGC PRINCIPLE AREA	SUSTAINABLE DEVELOPMENT GOAL
Anti Corruption	

Rosetti Marino Group is continuously committed to ensuring **technical capacity, good ethics** and **reliability** to Stakeholders during product realization and the supply of services. In order to achieve these goals, a common value system is necessary to lead behaviors and actions. Therefore, Rosetti Marino Group has implemented a dedicated **Code of Ethics** that clearly identifies values and ethical principles and defines rules of conduct and consequent rules of implementation. It is applicable to all the companies of the Rosetti Marino Group in Italy and abroad and it is binding for all collaborators.

A specific focus on sustainability and social responsibility issues is highlighted in the Code of Ethics:



In 2009, Rosetti Marino Group adopted the **Italian Legislative Decree 231/2001** and implemented organizational and corporate requirements; it established a Supervisory Body, approved and issued an "Organization, Management and Control Model", that integrates the Code of Ethics. The **Supervisory Body** shall ensure independence, professionalism and continuity of action requirements. It has the following responsibilities:



During the induction stage, all employees receive an **Information Letter** on the Italian Legislative Decree 231/2001 and they are requested to attend a dedicated training course and periodical refresher trainings.

All incoming personnel duly receive the dedicated documents and training.

The **Organization, Management and Control Model** is a dynamic tool and the Supervisory Body follows the corporate context development and updates to legislation, in addition to receiving inputs aimed at improving and updating the Model. In pursuing the business objectives, the Internal Auditing promotes compliance with the Code of Ethics and the observation of Corporate Values; moreover, it encourages cooperation and teamwork within the organization and towards the other functions of the Company Group.

According to the corporate governance rules, the **Internal Auditing** supports the Board of Directors in order to assure the correct functioning of the internal audit system and any interventions on sensitive processes with regard to the administrative liability of corporate bodies. The effectiveness of the Code of Ethics and Organization, Management and Control Model implementation is demonstrated by the absence of confirmed incidents of corruption, pending or completed legal actions, monetary value of significant fines and non-monetary sanctions for non-compliance with laws and regulations.

5.3 HUMAN RIGHTS AND LABOR PRACTICES

UNGC PRINCIPLE AREA	SUSTAINABLE DEVELOPMENT GOAL				
Human Rights Labour	5 GENDER EQUALITY 	3 GOOD HEALTH AND WELL-BEING 	8 DECENT WORK AND ECONOMIC GROWTH 	10 REDUCED INEQUALITIES 	16 PEACE, JUSTICE AND STRONG INSTITUTIONS 

Rosetti Marino Group believes that **people are the energy and the engine of the company**. This principle leads our strategy, aimed at the valorization of the individual and at safeguarding rights and working conditions.

We are committed to conducting our business with respect for all internationally recognized **human rights** and labor practices, ensuring every effort in the sphere of our activities to guarantee the rights sanctioned by the **"Universal Declaration of Human Rights"** of 10 December 1948 and by respecting the International Labor Standards and the applicable national Laws.

We promote equal opportunities and involvement that favors **team-work** and encourages **efficient communication, creativity, initiative and responsibility**. At all levels, from senior managers to our subcontractors.

Our productive unit has always been considered the strategic one for the quality of our products. We are therefore fully committed to keeping the current occupational level while pursuing continual improvement and technological development.

In order to ensure business continuity, constant internal development and training of excellent human resources are crucial; this ensures the continuous availability of qualified and skilled personnel required for each role and at the same time the availability of new resources to compensate for employees turnover. By outsourcing part of the activities, we reach the required flexibility to adapt to the productive needs without compromising the knowledge of the processes that constitute our activities.

At the end of 2020, Rosetti Marino and Fores Engineering had **579 employees**, with a yearly average of 617 employees. **97% of our employees** have a **permanent contract** confirming our tendency of creating stable and lasting occupation. New hires represent 5% of our total employees.

The welfare of all our workers is guaranteed by the submission of the collective bargaining agreements whose conditions are improved by specific corporate agreements.

We recognize improved contractual aspects and services for our expatriate personnel who work in countries other than Italy. This policy covers aspects such as work shifts, working hours, holidays, accommodation, health care, legal assistance and security.

	TOTAL EMPLOYEES*		MANAGERS*		WHITE COLLARS*		BLUE COLLARS*	
	2019	2020	2019	2020	2019	2020	2019	2020
	100%	100%	7,59%	8,46%	84,65%	83,59%	7,75%	7,43%
	632	579	48	49	535	484	49	43
Women	158	147	1	1	157	146	0	0
Men	474	432	47	48	378	341	49	43
<30 years old	48	27	0	0	43	27	5	0
30-50 years old	426	350	19	17	382	310	25	23
>50 years old	158	202	29	32	110	150	19	20

	2019*	2020*
New employees hires	110	30
New employees hires rate	17,40%	5,18%
Employees turnover	622	610
Employees turnover rate	29,72%	20,62%
Fixed-term contracts	42	15
Permanent contracts	590	564
Temporary agency contracts	22	15

Notes:

* Data referred to Rosetti Marino and Fores Engineering

Discrimination on the basis of political opinion, trade union affiliation, religion, race, nationality, age, gender, language, health, sexual preference or any intimate aspect of the person **is not permitted**.

In Italy and worldwide we comply with local regulations in terms of labor laws, child labor and decent working conditions.

In 2019 and 2020 we have never experienced an incident related to labor violation or discrimination. However, we have an established mechanism for the management of such grievances through which every employee can report any kind of misconduct. This can be done by reporting directly to the **HR Department** or to the Internal Supervisory Body (according to Legislative Decree 231/2001) through the dedicated channels.

In both cases we ensure anonymity and no retaliation towards the person who submitted the report.

The hiring procedure also gives the priority to the local population. KCOI has 97% local workers. KCOI has brilliant examples of cases where interns/specialists grew up to managing position. Company cooperates with local authorities in both hiring and requesting for the needed specialists.

5.4 SUPPLY CHAIN

UNGC PRINCIPLE AREA	SUSTAINABLE DEVELOPMENT GOAL
Human rights Labor Environment Anti Corruption	   

Ethical and moral values have made a strong mark on Rosetti Marino Group characters and are now an integral part of its culture, its way of working and dealing with others, whether they are clients, suppliers or partners.

Concepts such as lawfulness, honesty and transparency, caring for people, loyalty, attention to the environment and a focus on local content are all ingrained in its daily routine, **its very culture**. When it does not find them reciprocated in those it deals with, it immediately perceives that something is off, that it is out of synch.

Rosetti Marino Group acquires approximately 60-70% of the projects' value for ECP jobs, 65%-75% for EPCL, translated into purchases of materials and subcontracts for goods and services. That means that the procurement service must be even more attuned to these values.

The organizational process to ensure compliance with ethical values **starts with procedures** used to place orders or award subcontracts, procedures structured so as to guarantee **maximum transparency** within the company. First and foremost, this is achieved by involving ever more people in the evaluation of each quotation and in the final decision to place the order; a proprietary software is also used to track each and every step and trace the history of every order placed.

We must also underline the fact that involving several people in the final decision also ensures that the right compromise will be struck between the **various** requirements: keeping costs as low as possible; facilitating relations with suppliers; feedback from previous orders; particular features of the supplier's operations; whether or not the supplier's conduct is in line with our values. Assigning a job implies having **"real" knowledge of the supplier** and thus qualifications and feedback are the keys to continuously updating a supplier's rating.

QUALIFIED VENDORS: 1.080

Subcontractors are mainly selected from **local companies**. This choice is dictated by many factors, not least of which is **historical attention to social issues** – regardless of any specific requests for local content advanced by the client – which means seeking, as far as possible, to provide work to local subcontractors and help them grow. There are some companies whom Rosetti has been collaborating with for over 20 years.

These companies follow our way of thinking and are in tune with our values. In many cases, the choice of which companies to involve in a given tender is easy: it just takes a bit of "hindsight", a look at who, over the years, has always followed and believed in what Rosetti has proposed. In the last two years, many of its historical Contractors fell on hard times due to the **difficult market conditions** in terms of workload and payments. In this context, while always carrying out its activities in a professional manner, Rosetti Marino Group has tried to distribute the reduced workload more uniformly, helping the Contractors overcome this difficult period.

As to the foreign sector, the situation is more complex. For the choice of suppliers in previous experiences, Rosetti Marino Group analyzed many aspects: technical and operational potential, and company facilities. However, in addition to all this, it also made certain that the **average pay** of the employees/workers was decent for the market conditions and, last but not least, it took into account the type of company, and the "people who made up the company", those whom it would be interfacing with.

The evaluation was a parallel process: of course there was an economic part that carried its weight; but there were also relational aspects, cultural values, how these Companies and their representatives thought they would approach the work and how they discussed it with us.

This led Rosetti Marino Group to choose a company that, despite being a multinational much larger than itself, decided to "enter the field" directly with its parent company, taking on risks and responsibilities to commence a relationship with Rosetti.

Ultimately, the choice fell on those we considered more **in synch with the way Rosetti Marino Group operates**, with its principles.

“Opening the doors of our yards” or entrusting a substantial and critical part of its activities — **the construction** — to external labor requires paying the utmost attention not only to subcontractors skills but, above all, to their ethical values.

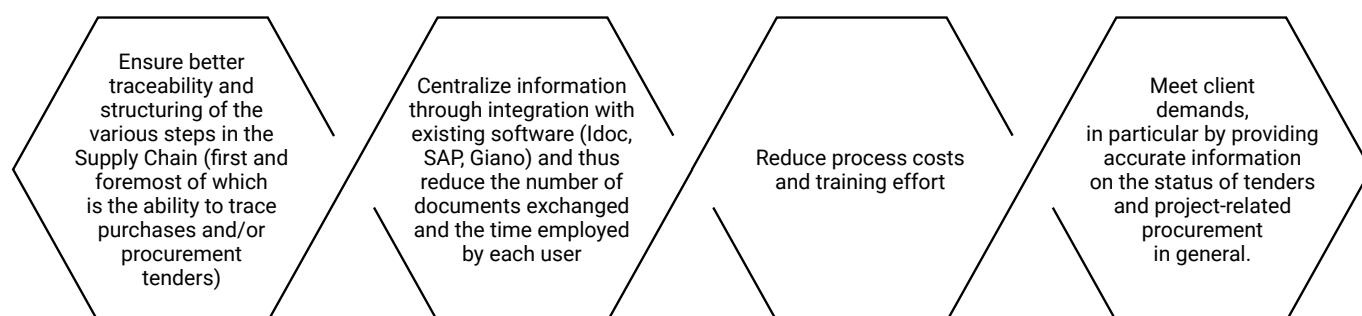
As to vendors, the considerations are similar but less stringent in some, but not all, respects. Such relationships develop at a distance, with sporadic “contacts” and translate into the supply of an asset. Values such as lawfulness, fairness, honesty, respect for people and the environment remain fundamental.

Qualification and real knowledge of suppliers activities are delegated to two departments within the procurement area: **Expediting and Supplier Qualification**. By following each supply as it develops and physically visiting the supplier’s premises, the Expediting office can provide precise and accurate feedback on all aspects regarding the supplier.

On the other hand, the supplier qualification office performs two main activities: the first is to qualify new suppliers through the **GIANO Web Qualification Portal** (this database, too, was developed in-house), going out on qualifying visits to those deemed most interesting or strategic; the second is **to gather internal feedback** to confirm, or change, supplier ratings.

Regarding the last point, the importance of keeping a qualified supplier’s performance up to date is self-evident, and that is the reason why Rosetti uses another tool named **ATHENA** - a SharePoint application that collects all documents exchanged during the following processes: Issuing of Material Requisitions/Contract Specifications, Purchase requests, Quotation requests, Technical-Economic Alignments, Issuing of Orders, Post-Order management.

Athena must:



At the beginning of the year Rosetti Marino Group implemented a much more streamlined feedback collection method that we believe, in the end, is even more objective.

The supplier qualification office then takes the report, makes any necessary checks and validates or changes the rating. Along with the ethical characteristics mentioned earlier — characteristics shared by all colleagues, which have become a sort of filter through which the company analyses its suppliers’ conduct — this operating mode provides further assurance that ethics are taken into account.

The following material topic is social impact - KCOI have adopted a local content policy expressing its will to contribute to the social and economic development of the region it operates in. Local suppliers are chosen the first time given that they comply with the requirements.

5.5 TECHNOLOGICAL DEVELOPMENT

UNGC PRINCIPLE AREA	SUSTAINABLE DEVELOPMENT GOAL		
Environment	 7 AFFORDABLE AND CLEAN ENERGY	 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	 17 PARTNERSHIPS FOR THE GOALS

Matching a growing energy demand, in developed and developing regions, and a more sustainable energy production is one of the most challenging problems to solve. New technologies are available but not yet ready to replace the fossil base ones in terms of availability, reliability, and production costs.

How to close these gaps is a real challenge as well.

Energy operators are now sailing in troubled waters, facing investments constant decline in the conventional energy sectors and an unclear path towards decarbonization targets. In this scenario the ability to innovate is consistently and urgently pursued by Rosetti Marino.

For Rosetti Marino, according to the “2030 Vision” manifesto, research and technological development mean strategies, effort, commitment in evaluating and developing new technologies and alliances suitable to ensure work opportunities for its people and assets in order to have a stable portfolio mix including renewables, conventional energy and shipbuilding projects. These are the targets of the brand-new Research and Technological Development Department (RST).

Vision and Mission are clear as well as the importance of carrying out the activities in a “sustainable way”.

This means a knowledge sharing within the Group, aiming at Company convenience.

“Sustainable way” also means finding and implementing alliances with technological providers, universities and any other entities that could allow Rosetti Marino a technical edge as well as allow fund raising for innovation.

Moreover “sustainable way” also means the growth and development of expertise and competences already available within the Company providing a new playground for our talents.

The natural “environment” of RST is made of internal capabilities, universities, applied research centres, companies memberships, government bodies, start-up companies, customers.

RST is permanently involved in this environment creating a stable network focusing on carbon capture and storage or utilization, hydrogen production and its role as an energy vector, circular economy and waste to energy, offshore power plants mixing wind, wave, solar. In the same time, RST is deeply involved in evaluating new technologies potential and return in terms of workload for the Companies of Rosetti Marino Group.

In detail, many development projects are going in the following main topics:

Circular economy

- Merging & Acquisition of a company devoted to plants design, fabrication and installation for producing bio-methane from biogas; bio-methane has an enormous market potential since it is considered one of the most reliable and continuous among renewable energies. Furthermore, this company is adopting a specific technology for biogas treatment that is also capable for carbon capture; this scenario is boosting our interest in this opportunity as well as the chance to move additional steps (after the contracts recently awarded for offshore wind) in the renewables. Last but not least, this operation, in our plans, will also boost the development, industrialization and commercialisation of a bio-methane liquefaction plant designed by Fores Engineering, which has been awarded from Confindustria Romagna and Confindustria Forlì-Cesena the “EXCELSA 2019 ROMAGNA AWARD for innovation implemented in strategic sectors such as industry 4.0, data analysis, liquefied natural gas production”.
- Rosetti Marino is part of a team set up by Assorisorse for developing a business case related to a plant handling municipality waste and producing bio-methane and other clean fuels.

Carbon Capture

- Carbon Capture is considered the most important opportunity capable of reaching, in the short and medium terms, the closest (2030) decarbonization target. Alliances are in place for bidding a new carbon capture plant to be installed in the area of Ravenna.
- Rosetti Marino is part of a consortium bidding for “Horizon 2020 Fund” for a pilot plant for carbon capture and utilization.
- Rosetti Marino is part of a team set up by Assorisorse dealing with strategies, technical advice and law environment for the development of carbon capture supply chain in Italy.

Hydrogen

- A joint development agreement with a major energy company for a blue hydrogen (generated from natural gas plus carbon capture) production plant plus carbon dioxide sequestration and storage in depleted reservoir.
- A feasibility study for an independent energy company related to blue hydrogen production within a petrochemical complex including carbon dioxide utilization.
- A Joint development agreement with an international consulting company for green hydrogen (hydrogen production from water with energy provided by renewables) offshore production and decarbonization of exiting oil & gas offshore infrastructure.
- Rosetti Marino is part of two teams set up by Assorisorse and Animp dealing with the development of new technologies for hydrogen production and utilization.

Wind and wave

- Following Rosetti Marino offshore attitude, wind and wave are also included within technology development strategies. Technologies for boosting opportunities for Rosetti Marino in bottom fixed electrical substation platforms, devoted to offshore wind, are under evaluation.
- Rosetti Marino is part of a Consortium bidding for “Horizon 2020 Fund” for developing a prototype of a new floating windmill; Rosetti Marino oversees the electrical substation.
- Power by wave and tide is the less developed technology among renewables, however, technologies and partnerships with the Politecnico di Torino, Università di Bologna, Università di Firenze are under evaluation.

Shipbuilding

- The “sustainable way” is also focused to shipbuilding, Rosetti Marino believes that green fuels/energy will affect in short/medium term mobility including the shipbuilding sector; new technologies are under evaluation for converting existing boats to LNG working on a specific project with Università di Bologna.
- New solutions are under evaluation and preliminary design for hydrogen/fuel cells tug propelling; Università di Genova and the Italian Navy are Rosetti Marino’s partners for this project.

5.6 MINIMIZATION OF ENVIRONMENTAL IMPACT

UNGC PRINCIPLE AREA	SUSTAINABLE DEVELOPMENT GOAL			
Environment				

Rosetti Marino Group is committed to working in respect and care of the environment, ensuring sustainable business growth.

The **environmental safeguard** is a priority objective that is constantly monitored and guaranteed in the management of the Company's activities by means of an **Environmental Management System, ISO 14001:2015 certified**, covering all the operational sites.

This has ensured a systematically controlled workplace free from environmental incidents and impacts.

ENERGY CONSUMPTION AT THE RAVENNA WORKSITES

The environmental footprint of the Rosetti Marino Group is shaped in part by its choice of energy sources.

The consumption of diesel fuel and gas (methane) is the main contributor to **direct greenhouse gas (GHG) emissions**. The consumption of purchased electricity contributes to Rosetti Marino Group's indirect GHG emissions. Furthermore, energy consumption has a direct effect on operational costs.

ENERGY CONSUMPTION *			
	UNIT	2019	2020
Electricity purchased	kWh	6,217,716	6,415,033
Self-Generated Electricity (Solar)	kWh	166,163	170,226
Self-Generated Electricity (Solar) sold	kWh	60,840	25,200
Methane	MJ	5,036,511	6,888,908
Diesel fuel for fleet cars	MJ	4,345,918	3,788,826
Total energy consumption ¹	MJ	32,147,368	34,587,595

Notes:

* Data referred to Rosetti Marino sites

¹ TOTAL ENERGY CONSUMPTION = (ELECTRICITY purchased + Self-Generated ELECTRICITY – Self-Generated ELECTRICITY sold)*3.60 + METHANE + DIESEL FUEL for fleet cars.

Energy intensity expresses the energy required per worked hours. In combination with the Rosetti Marino Group's total energy consumption, energy intensity helps to contextualize the organization's efficiency.

ENERGY INTENSITY – ELECTRICITY *			
	UNIT	2019	2020
Worked Manhours ¹	h	1,781,884	2,122,022
Electricity purchased	kWh	6,217,716	6,415,033
Self-Generated Electricity (Solar)	kWh	166,163	170,226
Self-Generated Electricity (Solar) sold	kWh	60,840	25,200
Energy intensity ratio - electricity ²	(MJ/h)	12.77	11.27

Notes:

* Data referred to Rosetti Marino sites

¹ Worked Manhours include Rosetti Marino Group's employees and subcontractors.

² ENERGY INTENSITY RATIO (ELECTRICITY) = (ELECTRICITY purchased + Self-Generated ELECTRICITY – Self-Generated ELECTRICITY sold)

* 3.60 / Worked Manhours.

ENERGY INTENSITY – METHANE *			
	UNIT	2019	2020
Worked Manhours ¹	h	1,781,884	2,122,022
Methane	MJ	5,36,511	6,888,908
Energy intensity ratio - methane ²	(MJ/h)	2.83	3,25

Notes:

* Data referred to Rosetti Marino sites

¹ Worked Manhours include Rosetti Marino Group's employees and subcontractors.

² ENERGY INTENSITY RATIO (METHANE) = METHANE / Worked Manhours.

ENERGY INTENSITY – DIESEL FUEL *			
	UNIT	2019	2020
Worked Manhours ¹	h	1,781,884	2,122,022
Diesel fuel for fleet cars	MJ	4,345,918	3,788,826
Energy intensity ratio - fuel for fleet cars ²	(MJ/h)	2.4	1.79

Notes:

* Data referred to Rosetti Marino sites

¹ Worked Manhours include Rosetti Marino Group's employees and subcontractors.

² ENERGY INTENSITY RATIO (DIESEL FUEL) = DIESEL FUEL / Worked Manhours.

Analysis for Reductions in **energy consumption** started in 2018, with the objective of identifying and implementing initiatives with a direct result on energy conservation and efficiency, through an Energetic Diagnosis covering all the Rosetti Marino Group assets and premises.

This **Energetic Diagnosis** has been completed in 2019 and it indicates the organization's efforts to minimize its energetic environmental impacts.

One of the actions identified in the Energetic Diagnosis is the replacing of older mercury or iodide wired lighting fixtures with new LEDs. A lamp replacement plan has been started up and has already produced a lower energy intensity ratio in the 2019-2020 biennium.

		2018*	2019*	2020*
Energy intensity ratio - electricity	(MJ/h)	13	12.77	11.27

Notes:

* Data referred to Rosetti Marino sites

The Rosetti Marino Group strongly believes that the organization's ability to use energy efficiently can be seen in its reductions in energy consumption.

Expected and identified initiatives to reduce energy use and increase energy efficiency are:

- Process redesign.
- Conversion and retrofitting of equipment.
- Changes in employee behavior.
- Operational changes.

WATER WITHDRAWAL AND EFFLUENTS FROM WORK SITES*

The total volume of water withdrawn, provided by municipal water supplies, is reported in the table below:

	UNIT	2019	2020
Worked Manhours	h	1,781,884	2,122,022
Water Consumption	mc	20,723	20,084
Water Consumption rate	mc/h	0.01	0.01

Notes:

* Data referred to Rosetti Marino Ravenna sites

No water sources are significantly affected by water withdrawn.

Water discharges are, for the most part, from collected rainwater and sewage. Process water is treated as waste and is included in the Waste section.

Effluents discharges, except those from rainwater, are mostly from offices and services, and they can be considered a quota of the total volume of water withdrawn. Their quality is **periodically controlled** (once per year at least), considering parameters such as Biological Oxygen Demand (BOD), Chemical Oxygen Demand (COD), and Total Suspended Solids (TSS).

EMISSIONS OF SOLVENTS FROM PAINTING PLANTS*

	UNIT	2019	2020
Worked days of painting plants	day	269	303
Emission of Volatile Organic Compounds (VOC)	ton	3.17	13.53
Emission of Volatile Organic Compounds (VOC) per worked day	ton/day	0.012	0.045

Notes:

* Data referred to Rosetti Marino Ravenna sites

WASTE FROM WORK SITES *			
	UNIT	2019	2020
Worked Manhours	h	1,781,884	2,122,022
Total Waste Generated	kg	1,989,207	1,006,471
Waste Generated per hour	kg/worked manhours	1.12	0.47
Hazardous Waste Generated	%	1.94%	13.19%
Waste Segregation Efficiency	%	96%	86%
Waste Sent to Recycling	%	89%	75%

Notes:

* Data referred to Rosetti Marino Ravenna sites

The waste disposal method was determined following information provided by the waste disposal contractors.

AWARENESS CAMPAIGNS

Rosetti Marino adheres every year to the media campaign "M'illumino di meno" the national day of energy saving and sustainable behaviors.

The theme of the day for the year 2019 was "Re-Generate": promoting the circular economy, which focuses on reuse and second - but also third and fourth - opportunities to exploit a material and/or resource.

The 2020 edition focused on trees and urban green and invited citizens, companies, schools and institutions to plant a tree. As the promotional spot says, "A tree makes light" and symbolizes the fight against Co2 emissions.

5.7 TRAINING AND DEVELOPMENT

UNGC PRINCIPLE AREA	SUSTAINABLE DEVELOPMENT GOAL			
Human Rights Labor	4 QUALITY EDUCATION 	5 GENDER EQUALITY 	8 DECENT WORK AND ECONOMIC GROWTH 	10 REDUCED INEQUALITIES 

In the Rosetti Marino Group, training and development are used to support corporate strategy, which aims at providing personnel with relevant knowledge for the **continuous change process**, in an extremely dynamic and competitive market environment.

The scope of the training is to manage the gap between the expected role and the expressed role, in order to change the organizational position.

Training is operatively handled by the **Selection, Training and Development Department** that informs people involved, arranges indoor training courses or provides subscription to outdoor training courses; this department also gathers, files and preserves the records relevant to training courses and to the subsequent verification of effectiveness.

In the Rosetti Group the reporting organization provided the following information:

AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE*	2019	2020
Average training hours per employee	28	11
Average training hours per male	12	6
Average training hours per female	16	6
Average training hours per employee category (workmen)	18	9
Average training hours per employee category (office workers)	18	9
Average training hours per employee category (managers)	49	15

Notes:

* Data referred to Rosetti Marino and Fores Engineering

These indices are calculated as the total amount of training hours provided in each year divided by the total number of employees.

PROGRAMS FOR UPGRADING EMPLOYEE SKILLS*	2019	2020
Training hours – foreign languages	3,048	139
Training hours – ICT	1,265	1,143
Training hours - management	5,787	256
Training hours - HSSEQ	177	173
Training hours - technical	8,010	4,814

Notes:

* Data referred to Rosetti Marino and Fores Engineering

TRAINING HOURS – FOREIGN LANGUAGES

This Training course is dedicated to foreign languages, aimed at employees of each Company Service; this also includes Italian courses for local foreign employees that are in Italy for a temporary internship.

TRAINING HOURS – ICT

The ICT Training is aimed at employees directly involved in the utilization of software and IT tools.

TRAINING HOURS – MANAGEMENT

This category of Training courses fall outside the technical area and is dedicated to management aspects and oriented to employees involved in all Company Services. Activities aimed at the reinforcement and development of knowledge and skills in order to support the Person in the relevant improvement and performance, such as coaching, path linked to development and continuous improvement of soft skills.

TRAINING HOURS- HSSEQ

This kind of Training is dedicated to the HSSE-Q integrated management system and addressed to employees involved in the HSE-Q Services. Within this system, the Rosetti Marino Group has defined different types of specializations:

Technical QA-QC: with a Training dedicated to technical area, addressed in particular to employees involved in the Quality Control department.

Technical & Operational HSE: with Cross training courses for new employees and continuous refresher courses for Rosetti Marino Group personnel.

TRAINING HOURS- TECHNICAL

Technical training incorporates different types of training programs. The first type of program is the **Project Management Training** that is addressed both to Project Managers and to employees in training for this role, but also to those belonging to staff departments or supporting Project Management. The second is the **Engineering and Operational Departments Training** that is dedicated to the technical department and addressed to Engineering personnel (Industrial; Shipbuilding; Automation&Telecom; Skid&Packages and Detailed Engineering), Tendering or to other departments linked to these ones.

The Evaluation System in the Rosetti Marino Group is dedicated to the entire Group and is a systematic and structured method for the assessment and development of human resources.

The main roles of the process are the assessed resource and the appraiser. The appraiser is represented by the **Function Manager**. The HR Department (Selection, Training and Development) coordinates this process and ensures the correct application of all its phases.

At the beginning of the year, the Function Manager identifies individual goals for each assessed resource and **relevant criteria** for the evaluation of their achievement.

In addition to the goals, the resource is assessed on cross and distinctive competences found within the format.

A year later, in the first months, the Resource performs a **self-evaluation on all parts** that constitute the format; the Function Manager receives the self-evaluation and is invited to fill in the evaluation in order to provide useful feedback.

To complete the process, the Function Manager arranges a meeting with the Resource in order to explain the feedback and evaluation about the previous year.

The process closes with the approval of the assessed resource on all aspects shared together with the Function Manager.

Workers are encouraged to develop their skills and have a decent career growth. Annually each worker passes all mandatory training depending on the position and can also get a training on his/her own choice and need at the Company's expense. Internship programs are also accessible for university and college students. There is also a buddy system at work helping the newcomers work safer and learn faster.

5.8 OTHER INITIATIVES

CHARITY PROJECTS

"Here We R!"

The "Here We R!" project had both the objective of stimulating the physical activity of our employees through participation in a sports competition, and that of converting everyone's adhesion to the initiative into a financial donation to the IOR (Istituto Oncologico Romagnolo).

"Here We R!" has financed a transport system that allows non-self-sufficient patients to reach treatment facilities, particularly for radiotherapy sessions.



ROLL-UP of “YOUR SUSTAINABLE CHOICE” Project in KCOI

In November 2019, some of our young Rosetti Marino “sustainability champions” have visited KCOI to share experiences and help with the introduction of the Sustainability Policy at KCOI.

They worked with a group of KCOI employees on three tasks:

- arranging a Sustainability Day at the KCOI Yard;
- preparing the Sustainability Report of KCOI, according to GRI (the Global Reporting initiative) standards;
- sending out “Sustainability Pills” on Sustainability issues by editing periodic newsletters to promote the sustainability policy and overall sustainable culture and behavior at KCOI. “Sustainability Pills” included the following information:
 - Sustainable tips;
 - Sustainability lifehacks;
 - Healthy lifestyle tips;
 - Challenges to create sustainable habits;
 - Monthly statics of water consumption, and paper and plastic recycling.

In 2020 almost 30 sustainability pills were published, highlighting what follows:

- Health tips: increase walking, properly hydrate your body, adopt plants;
- Reduce, reuse, recycle: paper, plastic, can, clothes and food;
- Reduce plastic and find sustainable replacement materials;
- Do smart shopping: learn how to buy only what you need and what is healthy, how to read signs on products and food, find healthy replacement products for cleaning chemicals, etc.;
- Save by being sustainable: on electricity and water consumption bills, and many more.

The team has received positive feedbacks about the pills from the colleagues, brought up their ideas and concerns, some of which were also included in the pills themselves.

In addition several initiative were implemented in the sphere of the environmental protection issues, such as the following: switching off the lights when you are the last one out, saving and using water rationally , banning plastic and bringing your own many-use mugs and cups, recycling of paper and plastic waste; in this way you all contribute to sustainable development.

As to activities described above the Company has also adopted some measures to optimize the consumption of water and electricity:

- Water aerators were installed in the toilets of all the buildings;
- Water meters were installed to track water consumption (see attached “Potable water consumption 2019 and Potable water consumption 2020”);
- Moving sensors for lighting automatic switching on/off;
- LED lamps in the buildings.

Reduce:

- One-use caps were banned;
- Coffee-making machines were installed to reduce the waste of the capsuled coffee;
- Company procedures were moved to e-issuance, to reduce paper waste.

Reuse and recycle (see attached “Production and consumption waste generation in 2019&2020”):

- Sewage water goes to the water-treatment station in Aktau;
- Metal waste, plastic, solid plastic, paper, cardboard, can, household waste are sent for recycling;
- Wood waste is sent for reuse to the local households in cooperation with local authorities;
- Sand for sandblasting activities is reused.

Environmental protection:

- Monitoring flora and fauna of the KCOI water area;
- Monitoring Soil – once a year;
- Monitoring Bottom sediments – twice a year;
- Monitoring Seawater – quarterly (for heavy metals and oil products, etc.);
- Monitoring Groundwater;
- Monitoring Air emission.

The workshops and sandblasting camera are equipped with air filters which can keep dust and air clean.



ALMA MATER and FORES

On Thursday 14 February 2019 a framework agreement has been signed between the University of Bologna (UNIBO) and Fores Engineering, hired by Rosetti Marino to manage relations with UNIBO and to report topics and initiatives to the Group.

The aim of the agreement is to promote renewable energy and technologies for energy transition through research and design activities by academic world supported by leading companies in the Energy sector.

In 2019 and 2020 Fores Engineering has launched two research projects with the University of Engineering of Bologna:

- The valorisation of poor gases, aimed at reducing exhaust gases and recovering energy from them reducing the atmosphere emissions.
- The study of the energy efficiency of "Power to Gas" plants. Power to Gas (P2G) allows not only to store excess energy produced, but also to convert it into gaseous products, such as hydrogen and synthetic methane, which can be used in industry and transport, or which can be converted into electricity in case of deferred need. or injected into the natural gas distribution network. Fores Engineering wants to estimate the technical and economic feasibility of P2G plants, with reference to Power to Methane (P2M) for the production of synthetic methane through the valorisation of carbon dioxide, produced during the combustion phases or as off-gas of upgrade processes from biogas to biomethane, through reaction with hydrogen produced by electrolysis (Power to Hydrogen).

Others research projects are under evaluation about the themes of Photovoltaic plants efficiency and renewable energy storage as the new generation of batteries systems.



APPENDIX – REPORT BOUNDARIES

The perimeter of the Rosetti Marino Group's SUSTAINABILITY ISSUES is described in the following table:

SUSTAINABILITY ISSUES	BOUNDARIES	
	INTERNAL	EXTERNAL
HEALTH AND SAFETY	Rosetti Marino Group	Vendors and subcontractors
BUSINESS ETHICS AND INTEGRITY	Rosetti Marino Group	Business partners, vendors and subcontractors
HUMAN RIGHTS AND LABOR PRACTICES	Rosetti Marino Group	-
SUPPLY CHAIN	Rosetti Marino Group	Vendors and subcontractors
TECHNOLOGICAL DEVELOPMENT	Rosetti Marino Group	-
MINIMIZATION OF ENVIRONMENTAL IMPACT	Rosetti Marino Group	Vendors and subcontractors operating within Rosetti Marino Group facilities
TRAINING AND DEVELOPMENT	Rosetti Marino Group	Vendors and subcontractors (for HSE only)



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