

GOING BEYOND

SHAPING SAIPEM'S ROLE AND RESPONSIBILITY IN A COMPLEX MARKET ENVIRONMENT THROUGH INNOVATION, HUMAN CAPITAL DEVELOPMENT AND HUMAN RIGHTS

INNOVATION AND BUSINESS STRATEGY

A talk between Stefano Cao, Saipem CEO, and Davide Vassallo, Global Managing Director, DuPont Sustainable Solutions

Davide Vassallo

In the current market context, the question that international players are asking is: how can we continue to offer high value-added products and services? In order to maintain a competitive advantage, it is essential to have a specific and distinctive innovation strategy that acts as a driver for all of the company's business.

Stefano Cao

Saipem's ability to design and realise vessels and projects in a way that often goes beyond expectations is the main value we bring to the market.

Now, more than ever, innovation plays a key role, because the ability to offer cost-effective solutions and faster and safer operations to our clients has become an essential condition for success.

For us, the business segment with the greatest technological drive is certainly deep water hydrocarbon production. We are increasing our investments to develop original and distinctive solutions that allow us to stay at the forefront of technology in this sector.

Davide Vassallo

Cyclical industries, like mining and Oil & Gas, are subject to instabilities related to the price of commodities. Historically speaking, they have always been tied to short-term investments and to the development of incremental innovative solutions. Looking at innovation within a greater time frame, and linking investment strategy to what we define as mega-trends relevant to our business, is certainly a winning approach.

Stefano Cao

In this regard, where gas continues to be a predominant benchmark commodity, we are also focusing on further developing and leveraging the various technologies and processes for its transportation,

transformation and use.

As far as process innovation is concerned, digitalisation emerges as an important theme that we, as a company, see as an opportunity to be exploited.

Davide Vassallo

Digitalisation is often associated with the concept of internal efficiency but is also a component that must provide efficiency to our clients. I think that the way forward is to capture market segments through the evolution and expansion of the business model, offering high value-added services.

Stefano Cao

Data must become an asset that allows us to create and offer value to our clients. However, this requires a cultural change that is important to promote throughout our organisation.

In this regard, and to set in motion innovative ideas using unstructured methodologies, we have launched an experiment called 'Fabbrica dell'Innovazione' (Innovation Factory). Digitalisation is one of the elements central to this 'incubator of ideas' where our young talents are bringing new energy to our creative and problem solving attitude.

Davide Vassallo

Partnership is another important aspect when discussing innovation, given that it is difficult to find all the abilities, resources and skills in a single subject. Does Saipem's innovation model include the possibility of identifying a key partner with whom to invest? After all, identifying partnerships is a crucial step in any stakeholder engagement strategy.

Stefano Cao

We are defining new value propositions through innovation. To this end, we have created the new High Value Services Division. The goal is for Saipem to be perceived not only as an excellent EPC (Engineering, Procurement, Construction) contractor, but also as a player capable of meeting the future needs of our clients (as their partner) and of other parties involved or interested in our activities.

COMPETENCE AND ITS CONTRIBUTION TO THE CREATION OF BUSINESS AND SOCIAL VALUE

A talk between Stefano Cao, Saipem CEO, and Martyn Rademakers, Managing Director of Center for Strategy & Leadership and Adjunct Professor of Corporate Strategy at Amsterdam Business School, University of Amsterdam.

Martyn Rademakers

Human capital development is of paramount importance as a contributing factor to the achievement of sustainability goals. How does Saipem contribute to human capital development in the communities where it operates?

Stefano Cao

Saipem has responded to the environmental, territorial, social and economic challenges with a sustainable business model which, even in periods when rules were less stringent, went beyond what was demanded.

We did this by forging relationships in local communities that were so solid that many countries proudly claimed Saipem as their own. We stand out in this regard due to the constant attention we pay to the development of human capital – a strategic asset for us – and because we contribute to the creation of value by employing and training local people and by providing opportunities for professional development.

Martyn Rademakers

Current and potential human resources should not only be talented, but should also be capable of learning to adapt constantly to changes in their job, company or community. This requires time and space for education that is not limited merely to offering courses. At this advanced level, human capital development drives flexibility and responsibility, as well as talent attraction and retention. What does Saipem do to enable employees to develop and share their talents for the benefit of both themselves and the company?

Stefano Cao

Let me mention some specific features which can make a significant difference to the characteristics of human capital and which, at the same time, can have a more sustainable impact in the delivery of our business services. I am chiefly referring to the integration between technical and managerial aspects, an interdisciplinary attitude, and a correct understanding of what we call 'business integrity'. This is not a philosophy, but rather the practice of holding everyone in the Company to the highest ethical standards while also protecting the Company's reputation. I am convinced that it is becoming increasingly necessary to make use of this integrated approach to develop the mindsets, competences and skills of our people in such a way as to nurture a new generation of leaders. The skills and talents of our people are the key factors that make this possible. For this reason, the theme of talent retention is a strategic one.

Martyn Rademakers

High-performing organisations develop leadership agility among their key people. They help their people to broaden their repertoire of leadership styles. Agile leaders can swiftly adapt their style to different challenges in teams, communities or the company as a whole. What does Saipem do to develop leadership agility?

Stefano Cao

We have developed a new Leadership Model which blends the company's core values with the fundamental aspects of running a business. This is still work in progress, consisting of highly customised training and cultural programmes for all employees. It is not possible for a company to be successful unless the organisation and the people who are part of it are properly geared to developments in the external environment.