



Offshore
LNG Toscana

LNG Floating and Storage Regasification Unit offshore tuscan coast

SA8000 SOCIAL RESPONSIBILITY REPORT 2015

February 2016



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- The Social Responsibility Report is the document used by OLT Offshore LNG Toscana S.p.A. to inform its stakeholders and anyone who is interested in the company, about company's responsible commitment in compliance with standard SA8000:2008.
 - ❖ The Social Responsibility Report is submitted to SA8000 Worker Representative and it is uploaded in company's intranet and web site www.oltoffshore.it
 - ❖ It is issued on annual base in order to underline the trend of the analyzed parameters.



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1. Company



OLT's shareholders, which play a national and international role in the energetic sector, are the following:



- **IREN Group** – listed on the Italian Stock Exchange, it was founded in July 2010 from the merging of IRIDE and ENIA - **49,07%** (including 5,08% shares of ASA)



- **Uniper Global Commodities SE** – One of the world's largest private energy group, listed on the Frankfurt Stock Exchange - **48,24%**



- **Golar LNG** –Shipowner specialized in the management of LPG carrier and LNG tanker fleets, it belongs to Fredriksen Group (the owner of the largest oil tanker fleet in the world) - **2,69%**



2. Mission



- Company manages its business activities responsibly while operating to offer a contribution to the country energy supply.
- The Ministry of Economic Development with **Legislative Decree of September, 3 , 2014**, approved company's request of renunciation of exemption from December, 20, 2013, the date when the LNG Terminal started its commercial operations and the OLT's Terminal was affirmed as **“essential and absolutely necessary for the safety of national gas system”**.
- The Terminal offers the Peak Shaving service in case of gas emergency in Italian system. Peak Shaving is one of the emergency measures provided by the Legislative Decree of the Ministry of Economic Development included in the “Emergency Plan” to face particular adverse situations for the national gas system that may occur in Winter 2015/2016. This service guarantees the safety of Italy Gas System. In case of emergency, from January, 1st to March, 31st, 2016, this service allows to insert at short notice the gas, previously loaded and stored in the Terminal's tanks, in the National Grid to deal with the request in peak hours of gas for a limited period of time.
- On December, 31st, the LNG for Peak Shaving service of January 2016 was discharged.



2. Operational Management



The management of the Terminal operations has been assigned to two main outscourcers:

- The management and responsibility of the all operations has been subcontracted to ECOS Srl – a joint venture company founded in 2010 by Fratelli Cosulich SpA 40% and EXMAR 60%. ECOS is the Terminal operator as “Shipowner”.



- Fratelli Neri SpA provides the whole naval support service:
 - Terminal surveillance with the specialized vessel “LNG Guardian”
 - Support to berth to the LNG Terminal with 2/3 deep-sea tugs
 - Shuttle service from the Port of Livorno to the Terminal with the vessel "LNG Express"



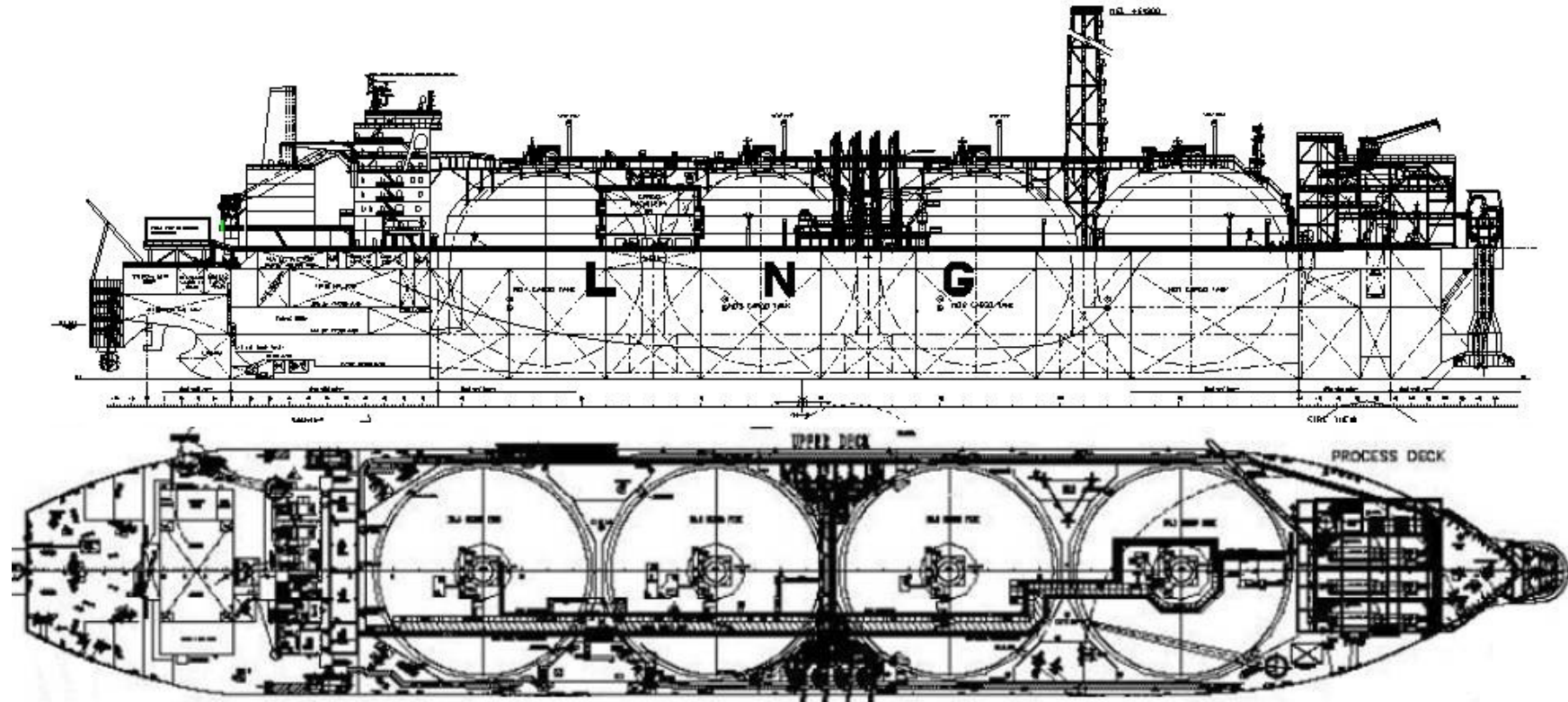
4. Technical – Commercial aspects



- The infrastructure is the result of a conversion of a LNG carrier of 137.500 cm capacity into a floating regasification Terminal.
- Terminal is anchored at 12 miles off the coast between Livorno and Pisa, at 110 meters deep with a single point of rotation at the bow.
- It has a regasification capacity of **3,75 billion cubic meters a year**.
- Terminal can accept LNG carriers with transport capacity **between 65.000 cm and 155.000 cm**.
- LNG is unloaded by direct transfer through traditional unloading arms (Jetty) from the LNG carrier moored “side-by-side” to the Terminal.
- A “Wobbe Index Corrector” is installed on board for a possible nitrogen injection to receive almost all the type of LNG present nowadays on the market.
- High send out flexibility (maximum regasification capacity of **15 million standard cubic meters a day**) that allows users through a daily nomination to catch a trading and balancing opportunity.
- Regasification capacity offered to third parties, contracts, operating and commercial documents are available on OLT’s website: www.oltoffshore.it



Infrastructure



Loading arms



Regasification plant

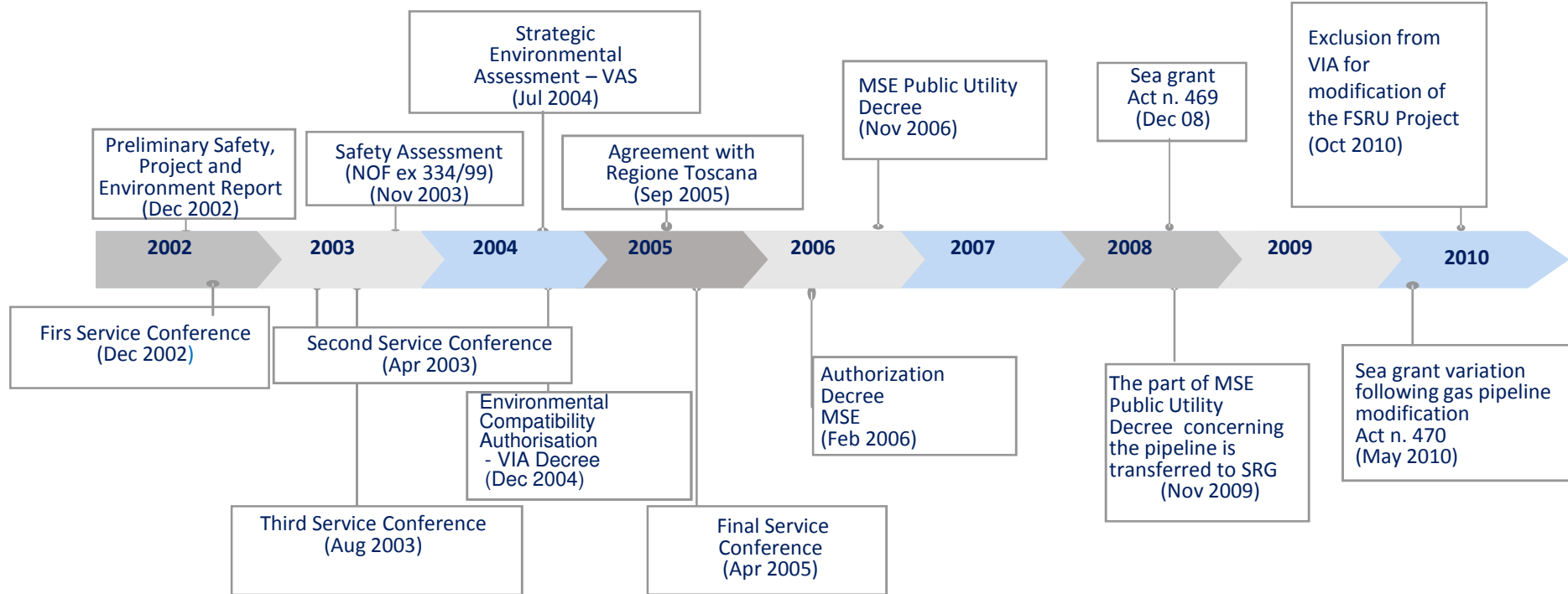


One mooring point only



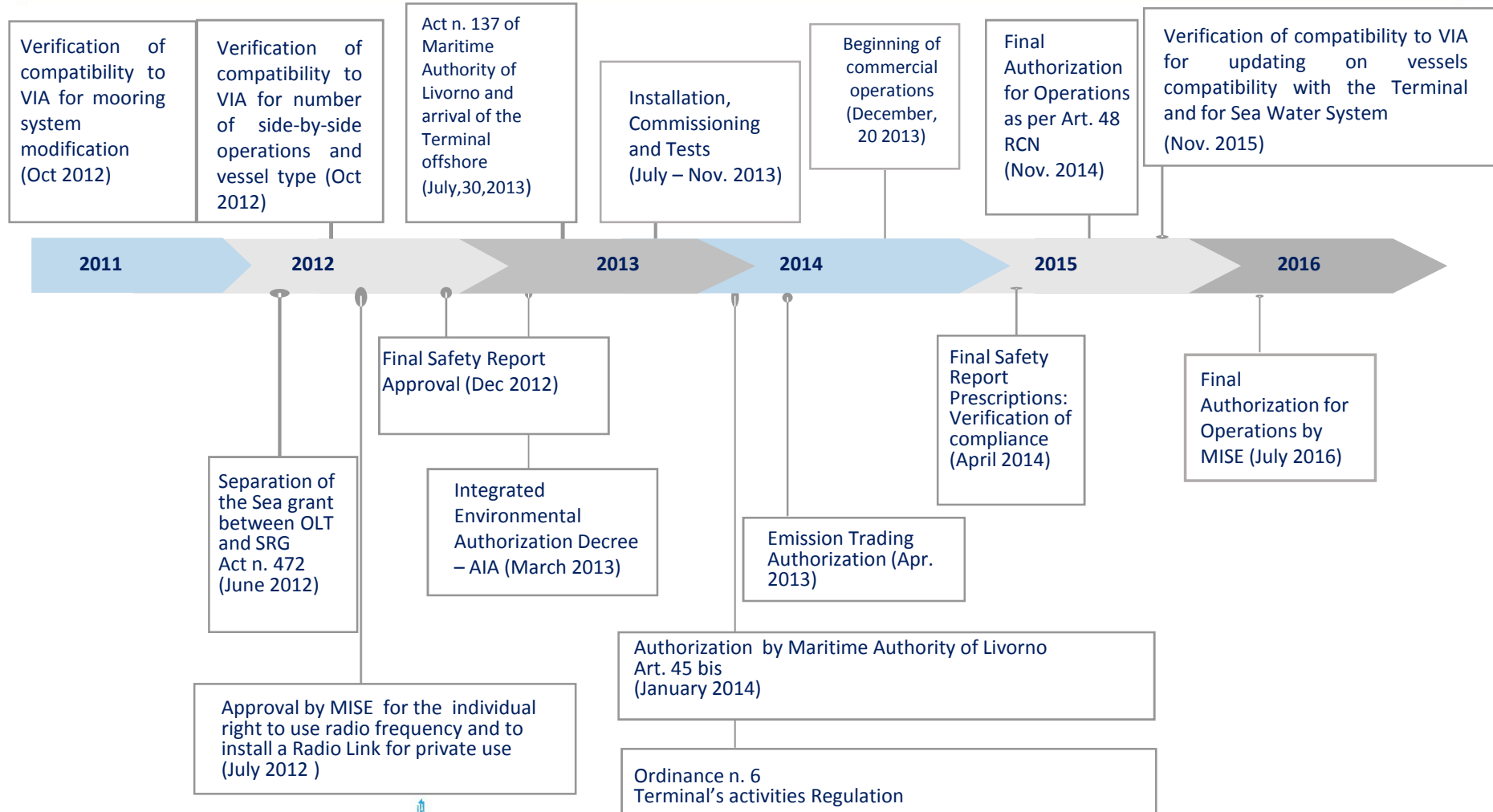
5. Authorizations process

1/2



Authorizations process

2/2



6. Certifications

OLT in 2011 obtained four major and important certifications released by Bureau Veritas, which is one of the most influential and independent certification body at international level. These certifications were renewed after the audit process in 2015.



OLT through its integrated management system monitors that all the standard's requirements are respected in order to pursue a continuous improvement.



7. Social Responsibility



- OLT expresses its commitment to adopt a socially and responsible behaviors in respect of individual and community's interests without distinction of class, origin, sex and religion.
- OLT commits itself to comply with SA8000 requirements, with human rights conventions and with national and international laws. Company's management reviews once a year the effectiveness and efficacy of the social responsibility and sustainability policy and procedures in compliance with the above requirements.
- In addition to the traditional management of non conformity, there is a box at personnel disposal through which employees can anonymously propose their suggestions, observations and claims as per what concern SA8000 application. These inputs will be examined and faced through action plans.
- In December company held the election to appoint the new SA8000 Worker Representative whose mandate was expiring at the end of the year.
- OLT's objective is "to survey the work environment" analysing the results to monitor employees satisfaction and to gather any possible suggestions for company improvement.
- OLT sets objectives to continuously improve its "social impact" engaging itself towards company's collaborators, customers, suppliers and all the community, which is interested in company and its business.





CHILD LABOUR

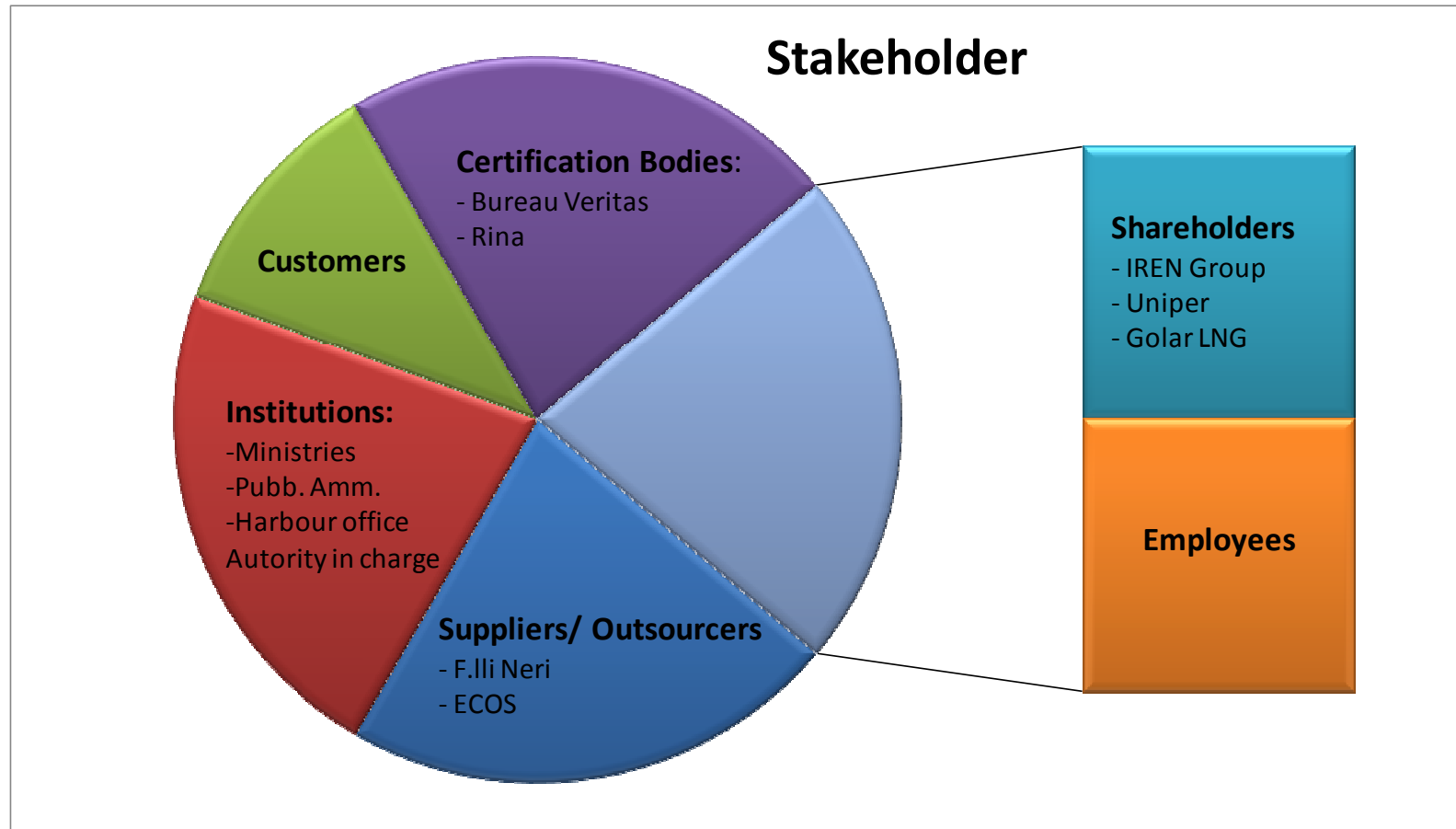
- ▶ OLT has chosen the right to play and education, its commitment to children who are the adults of tomorrow.
- ▶ OLT rejects child labour in all its forms.
- ▶ OLT supports initiatives and programs towards younger protection, health and training.

OLT cooperates with organizations in favour of childhood by supporting them economically.

In 2015 company made the following donations:

- ❑ Contribution to Assonautica to support the annual regatta for younger with disabilities;
- ❑ Contribution to “Il Porto dei Piccoli“ ONLUS Association which, through its activities it approaches the hospitalized children and their families to sea culture;
- ❑ OLT supports the Pediatric Ward of Livorno Hospital;
- ❑ Contribution to Unicef, the ONU subsidiary organ, that protect and promote children’s rights.

8. Stakeholder



8.1 Personnel



OLT commitment towards its employees

In addition to standards and principles provided by the labour rights applicable laws, OLT first interest is to encourage the empowerment and the professional development of every single resource through:

- Respect of everyone's dignity and personality;
- Healthy and safe workplaces;
- Prevention of any discriminatory abuse and behaviours;
- Suitable training for every single employee;
- Correct use of personal data and respect of privacy.





FREEDOM AND DIGNITY

OLT doesn't use or support forced labour. Company assures that personnel is free from any form of coercion and threats.

OLT has chosen free and transparent relationships as its commitment to ensure freedom to work.

- OLT promotes the employees growth supporting a work environment without constraints and limitations.
- Each employee is always informed on terms and conditions of work and on any news about it.
- Company made at employees disposal the National Collective Bargaining (CCNL), which is uploaded it in the OLT's intranet for free consultation.





HEALTH AND SAFETY

OLT commits itself to ensure health and safety in workplaces.

Company in its operating headquarter provides to:

- Carefully respect the legislative prescriptions to protect personnel’s health and safety assuring the workers’ rights safeguard. (Risk Assessment Document – DVR approved on 09/10/2015 – Rev., 02 and DUVRI approved on 02/10/2016, Rev. 01);
- Elect the health and safety worker representative (RLS). Election occurred this year (in December 2014) since the RLS mandate was expiring at the end of the year;
- Ensure a safe and healthy work environment. OLT adopted a “Management system for health and safety” in compliance with the requirements of the International Standard OHSAS 18001:2007;
- Assure the adoption of appropriate measures to prevent, minimize and avoid accidents and damages to health occurring during the work or related to it.

MEASURE	YEAR 2014	YEAR 2015
EMERGENCY DRILL	12/23/2014	05/15/2015 10/29/2015
HSE PERIODICAL MEETING	10/29/2014	12/16/2015
MEDICAL OFFICE SURVEY	10/29/2014	11/16/2015
MAINTENANCE OF FIREFIGHTING EQUIPMENT	On a six-monthly basis	On a six-monthly basis



Considering the naval characteristic of the Terminal and the presence of an OWNERSHIP (outsourcer) to whom the Terminal operation management is assigned, **OLT** continuously controls the management system applied by the Ownership with the main objective of preventing major accident hazards and safeguarding people and environment.

The main objectives that OLT shares with its outsourcer are:

- Compliance of the Terminal Management System with applicable laws and objectives as well as the conformity to standards UNI EN ISO 9001, UNI EN ISO 14001, BS OHSAS 18001;
- Prevention of dangerous situations or accidents by eliminating, when possible, any dangerous situations;
- Minimize the impacts caused by a major accident hazard by an opportune and correct application of the protection measures provided;
- Protect the environment and the surrounding sea from any type of pollution with a continuous sense of environmental responsibility.



Personnel



2014 Company’s objectives, like maintaining the certification, revise the emergency procedures and the total number of incidents occurred in OLT office and on board the Terminal (ECOS) were achieved.

Data is reported in the here below table.

YEAR	2013	2014	2015
OLT	INJURY 1 (ongoing incident, during the transfer to company)	INJURY 0	INJURY 0
ECOS	INCIDENTS 0	INCIDENTS 0	INCIDENTS 0
	Lost time Injuries 0	Lost time Injuries 0	Lost time Injuries 1
	Medical treatment cases 0	Medical treatment cases 0	Medical treatment cases 2
	Restricted work cases 0	Restricted work cases 0	Restricted work cases 0

The Terminal “FSRU Toscana” started its commercial operations in December, 2013, after the initial phase of test and installation (August – December 2013)





FREEDOM OF ASSOCIATION

OLT has chosen collaboration: its commitment beyond the freedom of association and collective bargaining.

OLT defends the right of workers to free association and collective bargaining assuring and promoting collaboration.

Currently there isn't any employee joining a trade union. In case of future association by company's employee / collaborator, OLT will arrange places for meeting, notice board and any other necessary thing to support the personnel association.





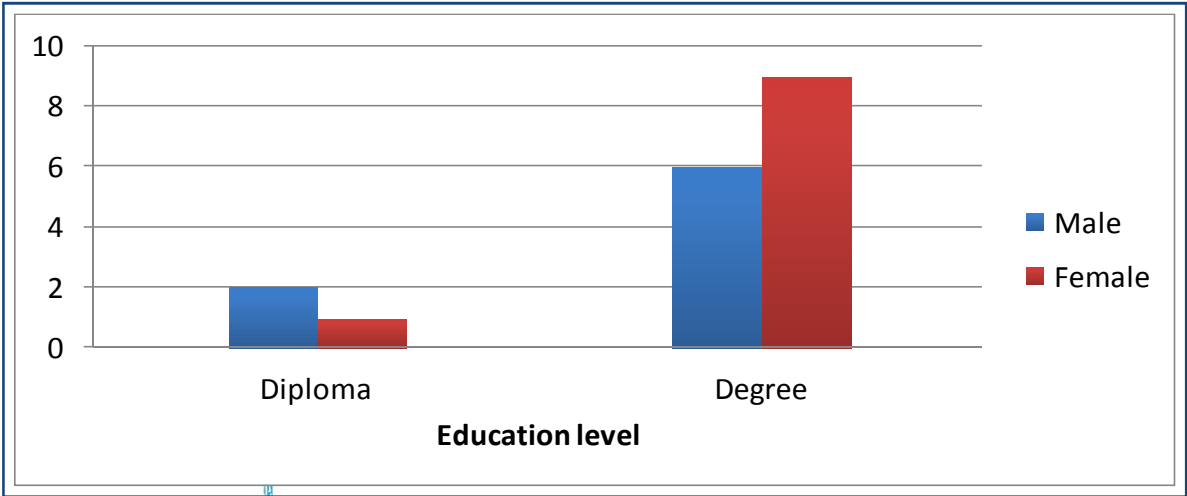
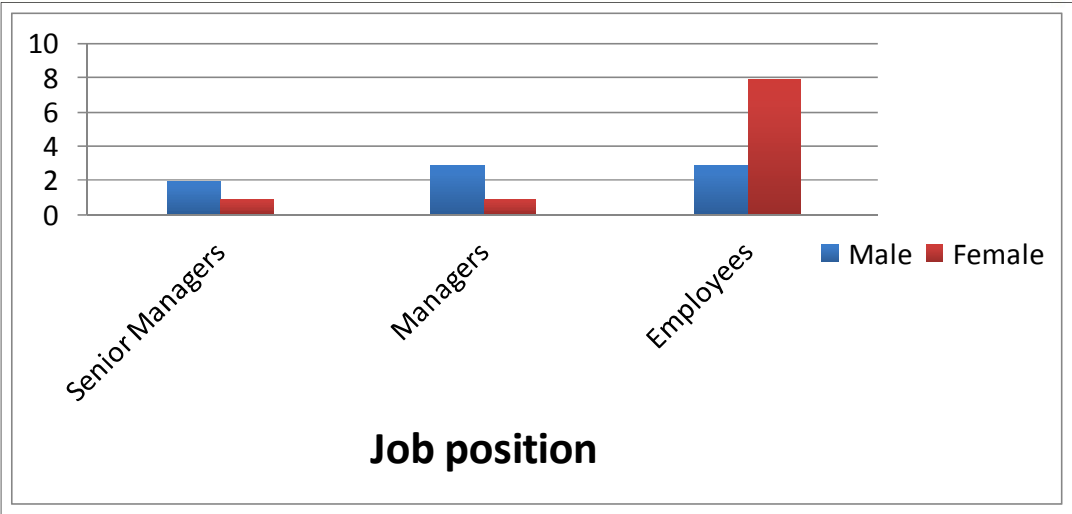
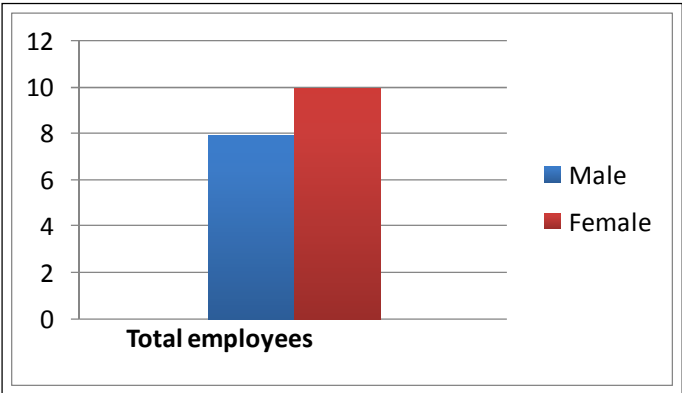
DISCRIMINATION

Company issued a Code of Ethics which establishes specific behavioural rules representing a very important document to prevent any possible discriminations among colleagues.

- Fairness and respect of anyone - it includes the people's basic rights, the protection of their moral integrity and the guarantee to have equal opportunities. OLT avoids any discrimination without distinction of age, gender, sexual orientation, health status, nationality, political opinions, and religion even during personnel recruitment avoiding situations of uneasiness.
- OLT commits itself to increase the value of human resources as key element for company's existence and development.



Personnel





DISCIPLINARY PRACTICES

OLT promotes the physical and emotional respect of workers during their working activities.

OLT prevents conflict and it applies effective but not arbitrary procedures to evaluate the job and any disciplinary requested practice.

OLT commits itself to adopt a system to evaluate the personnel performances based on objective criteria.

Workers have the right to be supported by the SA8000 Worker Representative.

Company didn't take any disciplinary actions towards employees in 2014 and 2015.





WORKING HOURS

OLT has chosen efficiency: the commitment for a correct work organization.

- OLT asks to its employees to respect working hours and company's objectives but, at the same time, it defends the right to rest and to individual freedom. Company applies the working hours provided by the national contract of reference (GAS and WATER).
- Overtime is allowed only upon an advanced agreement between employee and his responsible. However, it cannot exceed 8 hours per week as provided by law. Here below some company ratings.

YEAR	2014	2015
Total overtime / total n. of worked hours	0	0,19 %
Total absenteeism / total worked hours	2,54 %	2,64 %
Dismissed employees / total employees*	15,13 %	0

* In 2014, 2 people resigned for other job opportunities while 1 person left for end of temporary contract.





REMUNERATION

- OLT commits itself to provide a support to its employees more than the basic salary.
- OLT grants to the workers a fair wage set in accordance to National Collective Contract integrated by company agreement.

Most of OLT personnel has a full time open-ended contract.



8.2 Suppliers



OLT issued a procedure to qualify suppliers and sub-suppliers based on their capacity to comply with company's requirements concerning Standard SA8000.

OLT, during the contractual phase, submits to its suppliers the HSEQ policy and the Code of Ethics asking them to comply with these documents for the part of they concern.

OLT informed its suppliers and sub-suppliers about company Social Accountability commitment asking them to give their evidence of compliance with the standard requirements through a self-assessment questionnaire, which has to be filled in to show their commitment.

OLT checks the supplier and sub-suppliers qualification yearly through the Department Managers involved. Company gives the opportunity to offer products / services to every supplier that is in compliance with company basic requirements.

OLT checks the compliance with SA8000 requirements of its main outsourcers through audit processes. The here below table shows the audits carried out in 2014-2015 to company's main outsourcers.

OUTSOURCER	2014	2015
F.LLI NERI*	1 Safety	1 Safety / 1 SA8000
ECOS	4 Safety	1 Safety / 1 SA8000
ZEROUNO*	-	1 SA 8000

* **ZEROUNO:** provides Helpdesk and other general service of IT maintenance so safety is checked only through SA8000 audit.

* **F.LLI NERI – ECOS:** see slide n.6



8.3 Institutions



OLT supports social and business local initiatives to improve the area.

Here below some of the social initiatives promoted by OLT:

- TAN (Naval Academy's Cup) for the sixth consecutive year;
- Palio Marinaro (folkloristic event in Livorno);
- Livorno city Marathon;
- Sponsorship of the event "Effetto Venezia" in Livorno;
- Sponsorship of 'Open Opera 2015', a project of Collesalvetti town council;
- Other sponsorships with local media (press and TV).

OLT commits itself to make the stakeholders aware on company's ethical / social performances through its website www.oltoffshore.it and by keeping updated this document (Social Responsibility Report).





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