

**MEASURING
THE VALUE GENERATED
THE SELCE MODEL
2023**

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SAIPEM SUSTAINABLE BUSINESS

A sustainable business preserves its competitive edge over time by creating shared value for all stakeholders in a durable way, analysing the socio-economic and environmental impacts that the business decisions may have on the society, and contributing to achieve the Sustainable Development Goals.

CREATION OF SHARED VALUE FOR STAKEHOLDERS



GENERATES SOCIAL, ENVIRONMENTAL AND ECONOMIC IMPACTS



CONTRIBUTES TO SUSTAINABLE DEVELOPMENT GOALS



In its areas of operations, Saipem creates value mainly by contributing to the local economic growth and social development through three main factors:

LOCAL JOBS CREATION



Employment of local personnel

COLLABORATION WITH THE LOCAL SUPPLY CHAIN



Procurement of goods and services from local vendors

COMPETENCE AND SKILL DEVELOPMENT



Investment in training of local personnel

Overall, along with the deployment of technology solutions and expertise brought by the projects in the country, Saipem generates a social impact for the local communities contributing to their social stability and wellbeing in the area of operations.

The measurement of the social impact that Saipem creates, as a positive outcome for society, supports Saipem in achieving the following goals:

- > development of durable and sustainable relationships with local stakeholders;
- > reduction in costs and risks associated with project development;
- > improvement in local stakeholder perceptions regarding Saipem's business activities, creating conditions for a climate of mutual trust;
- > ensuring Saipem's ability to operate effectively and sustainably in any specific context.

SELCE MODEL

Saipem Externalities Local Content Evaluation (SELCE) Model developed by Saipem quantifies the economic value generated in the local economies by company activities. The Model quantifies, in monetary value, the benefits that best correspond to Saipem's local value creation strategy in terms of Economic, Employment and Human Capital Development impacts.

ECONOMIC IMPACT

The economic impact is calculated as the overall financial impact on the local economy and society generated by the purchase of goods and services from local vendors, the salaries paid to local personnel employed by Saipem projects and the taxes paid in the Country.

EMPLOYMENT IMPACT

The employment impact is calculated as the total number of full time equivalent (FTE) jobs created by Saipem's operations, both directly and indirectly through the supply chain and the induced effects of increased spending and taxes.

HUMAN CAPITAL DEVELOPMENT IMPACT

The human capital development impact is the economic value associated with the training activities provided by Saipem to its local employees, calculated as increased lifetime earning potential and their contribution to the local economy.

The three socio-economic impacts are calculated considering the direct, indirect and induced impacts:

- > direct impacts which are associated with Saipem operations in the Country;
- > indirect impacts along the supply chain (tier 1);
- > induced impacts generated in the society, as a whole, associated with increased household consumption levels, thanks to the job opportunities created by Saipem and its vendors. The induced impacts are calculated based on the available regional and national macroeconomic indicators.

The impacts are quantified in monetary value through the use of multipliers. The **multiplier effect** describes how an increase in Saipem's economic activity triggers a chain reaction that generates an overall increase greater than the original one. The multipliers translate the company's direct inputs into additional production (spending across the economy), additional income (wages) and additional employment (the number of FTE jobs associated with the increase in spending).

SELCE MODEL: CALCULATION METHODOLOGY

ECONOMIC IMPACT



EMPLOYMENT IMPACT



HUMAN CAPITAL DEVELOPMENT

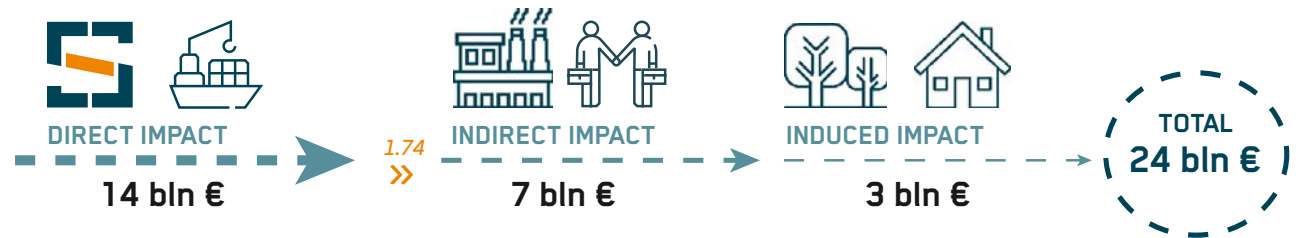


SELCE WORLDWIDE MODEL EXTENDED AND INTEGRATED RESULTS

SELCE Worldwide Model has been developed for all the countries where Saipem Operating Companies and Branches are operational, and the countries where purchases are made to support company operations. Results are calculated based on the annual data available in Saipem's reporting systems.

SELCE Worldwide Model results show the overall social and economic impact of Saipem's activities for the 2023 reporting year.

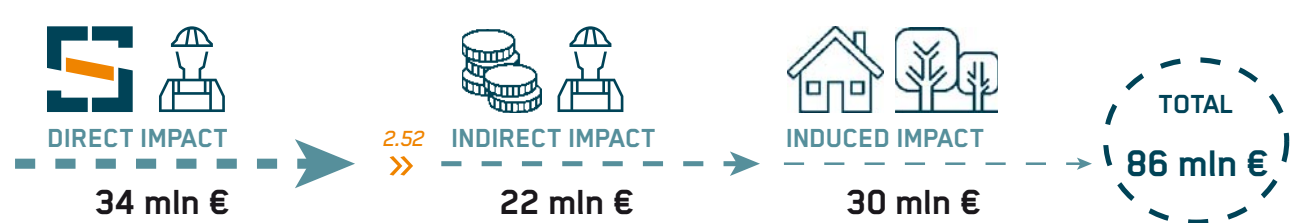
ECONOMIC IMPACT



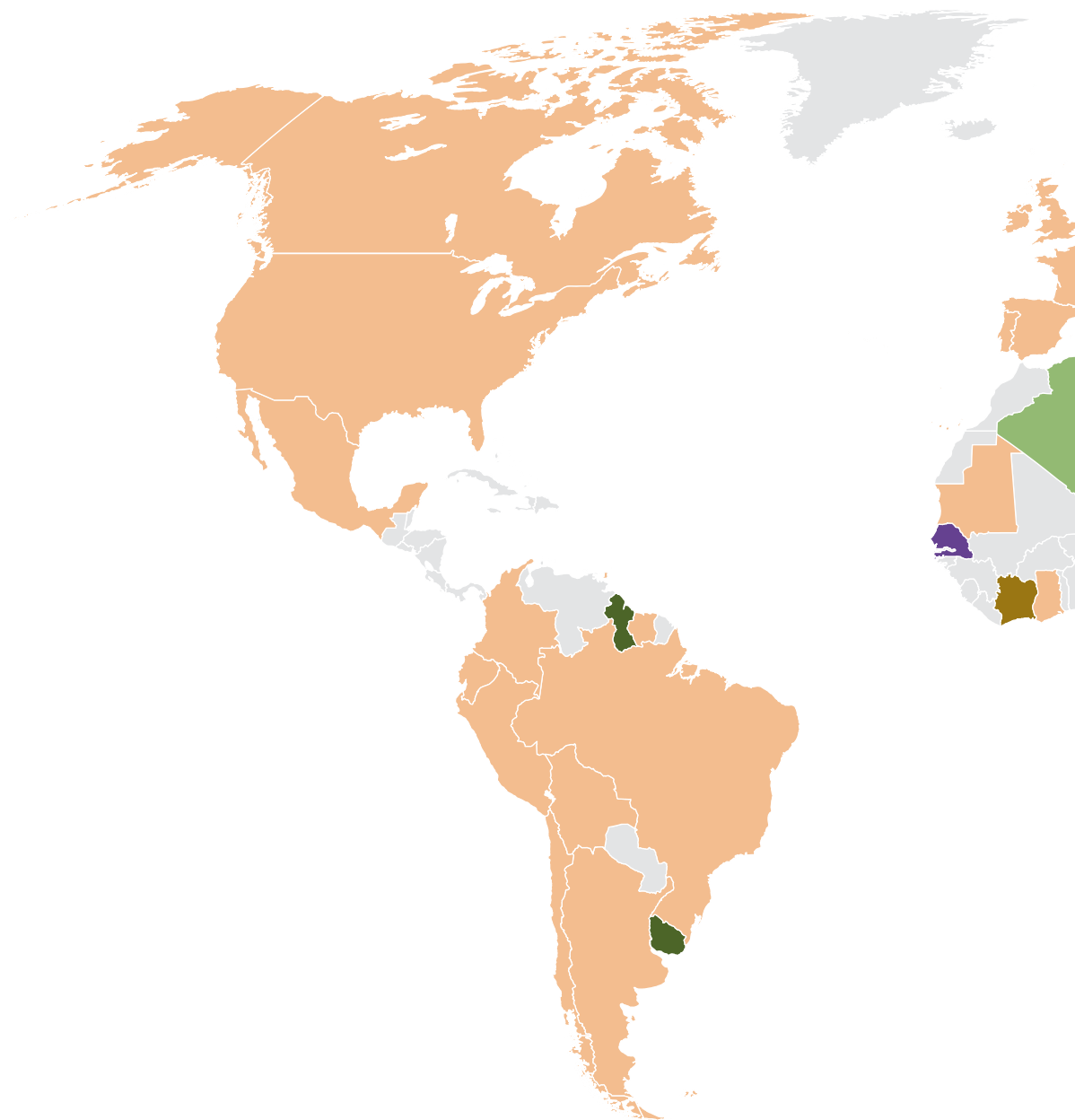
EMPLOYMENT IMPACT



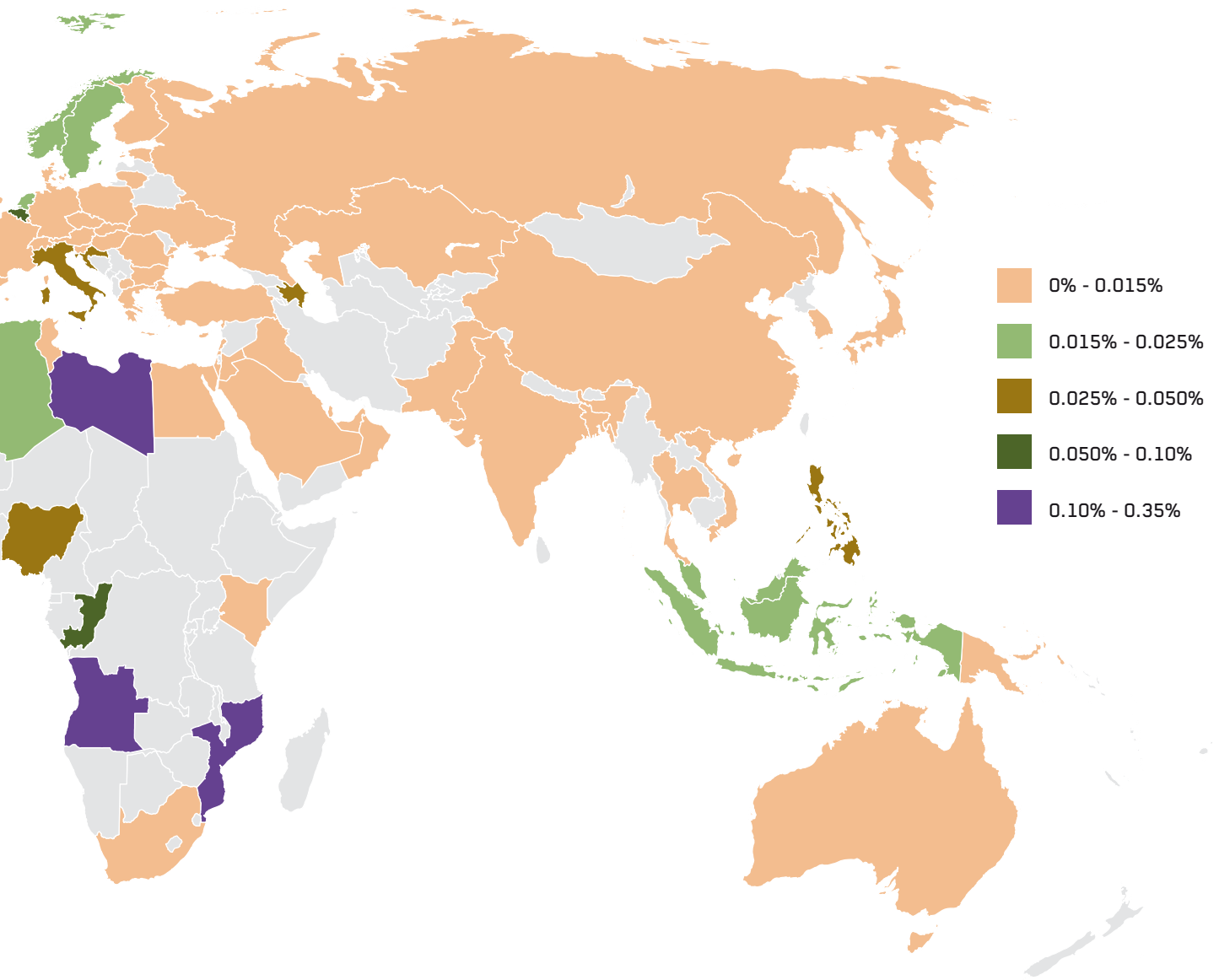
HUMAN CAPITAL DEVELOPMENT



SAIPEM CONTRIBUTION TO THE COUNTRY GDP (%)



The map includes the Countries where Saipem operates, purchases goods and services, and employs personnel.





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