

MEASURING THE VALUE GENERATED

THE SELCE MODEL

2022

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Saipem creates value contributing to the local economic growth and social development in the areas where it operates by means of three main factors:

- > the employment of local personnel;
- > the procurement of goods and services from local vendors;
- > the investment in competence and skill development of local employees, thus increasing their value in the labour market.

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 the social stability and well-being at the area of operations.

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

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

Employment impact is given by the total number of full time equivalent (FTE) jobs generated by Saipem operations, as direct employment; the FTE jobs generated in the supply chain associated with Saipem's local purchases, and those generated by the increase of the household consumption and the government revenues as a result of the taxes payment. Human capital development is the overall economic value associated with the training activities carried out by Saipem for its local employees, calculated as

increased lifetime earning potential, and the subsequent effect on the local economy due to the increase in the household consumption and taxes paid by the employees.

The three key socio-economic impacts are calculated taking in consideration the following elements:

- > 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, by increased household consumption levels, thanks to the job opportunities created by the Company and its vendors. The induced impacts are calculated based on the available regional and national macroeconomic indicators.

The impacts are quantified through the calculation of multipliers. The multiplier effect describes how an increase in an economic activity causes 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).

The quantification of the beneficial effects generated by Saipem business contributes to achieving the following objectives:

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

SELCE MODEL: CALCULATION METHODOLOGY



ECONOMIC IMPACT

Saipem operations' direct impact in the Country

Total input (€)
(local purchases, wages, taxes)

Multiplier effect



Saipem operations' indirect impact

Value generated along the supply chain (€)

Saipem operations' induced impact

Value generated as household consumption (€)



EMPLOYMENT IMPACT

Saipem operations' direct impact in the Country

Local jobs created by Saipem operations

Multiplier effect



Saipem operations' indirect impact

Local jobs associated with Saipem operations calculated along the supply chain (FTE)

Saipem operations' induced impact

Jobs in the local economy (FTE)



HUMAN CAPITAL DEVELOPMENT

Saipem operations' direct impact in the Country

Total direct expenditure for training in the Country (€)

Multiplier effect



Saipem operations' indirect impact

Increased earning expectancy (€)

Saipem operations' induced impact

Increased household consumption and taxes (€)

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 2022 reporting year.

2022 SELCE WORLDWIDE RESULTS



ECONOMIC IMPACT

| Direct | >> | Indirect | Induced | Total economic impact |
|----------|------|----------|---------|-----------------------|
| 12 bln € | 1.69 | 5 bln € | 3 bln € | 20 bln € |



EMPLOYMENT IMPACT

| Direct | >> | Indirect | Induced | Total employment impact |
|-------------|------|-----------------|------------------|-------------------------|
| 32,377 jobs | 8.62 | 48,058 jobs FTE | 198,791 jobs FTE | 279,226 jobs |



HUMAN CAPITAL DEVELOPMENT (HCD)

| Direct | >> | Indirect | Induced | Total HCD |
|----------|------|----------|----------|-----------|
| 10 mln € | 3.63 | 17 mln € | 10 mln € | 37 mln € |

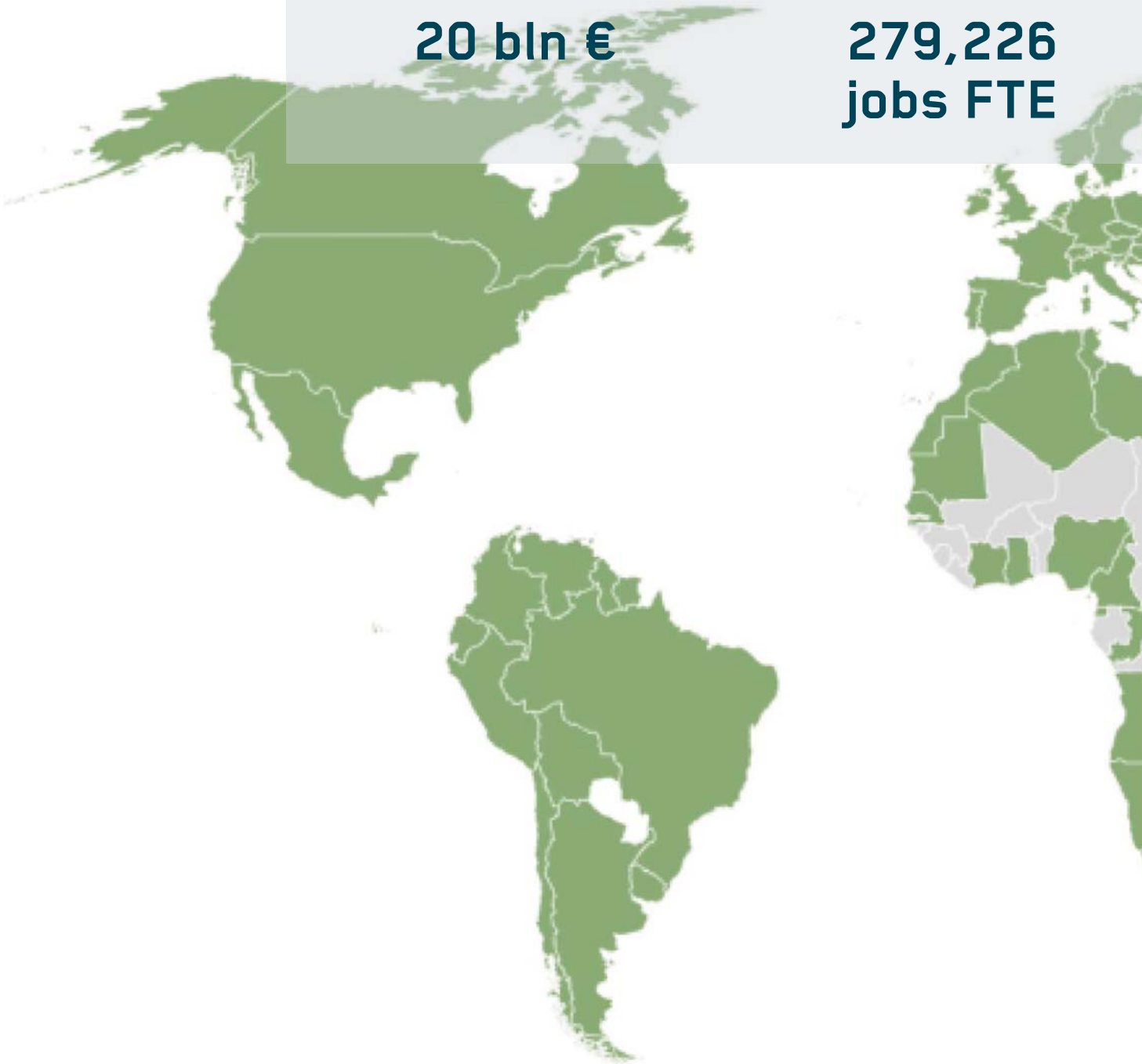
SELCE WORLDWIDE MODEL EXTENDED AND INTEGRATED

Total economic
impact

20 bln €

Total
employment
impact

**279,226
jobs FTE**

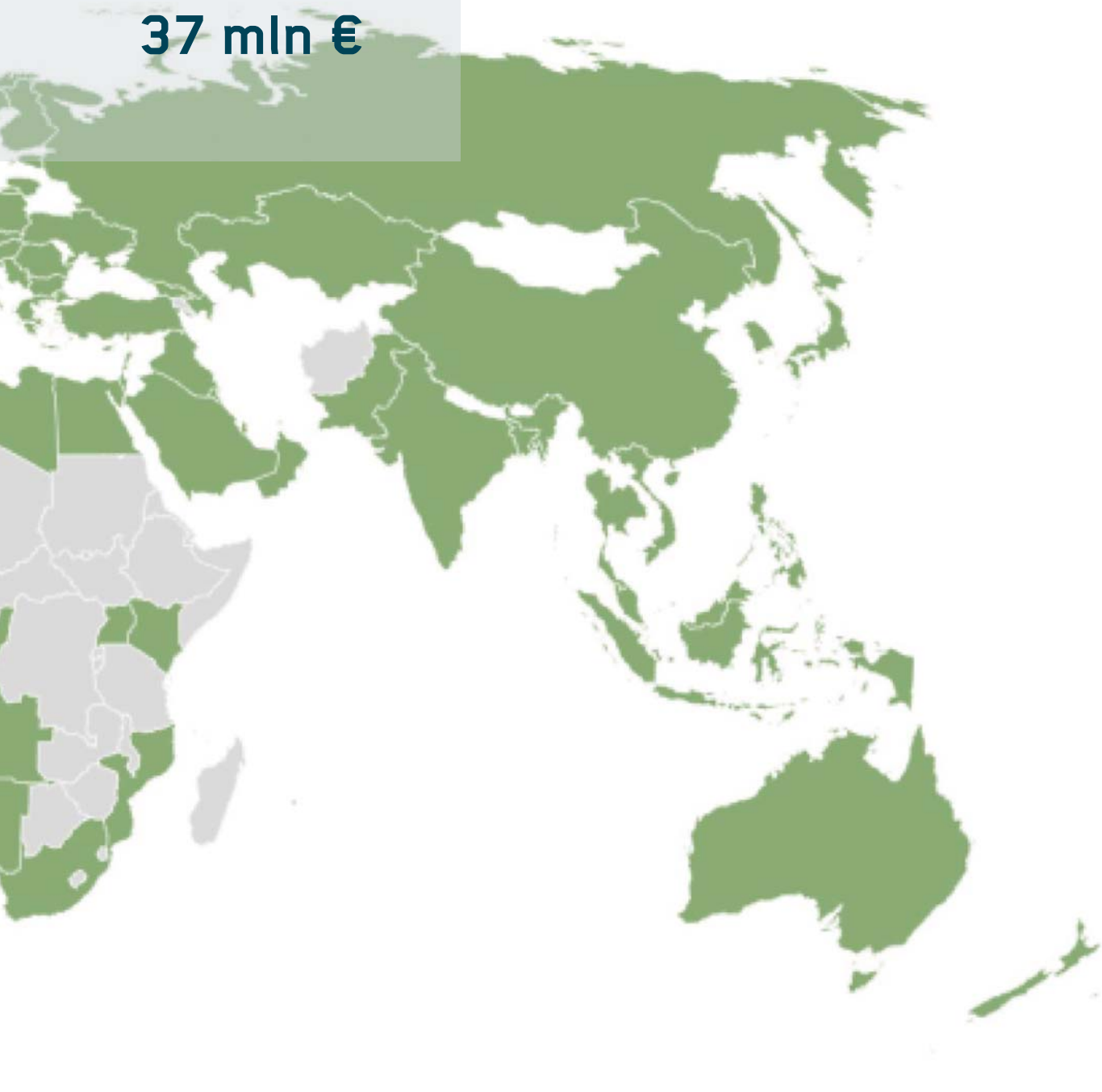


The map includes the countries where Saipem operates, purchased goods and services and employed personnel.

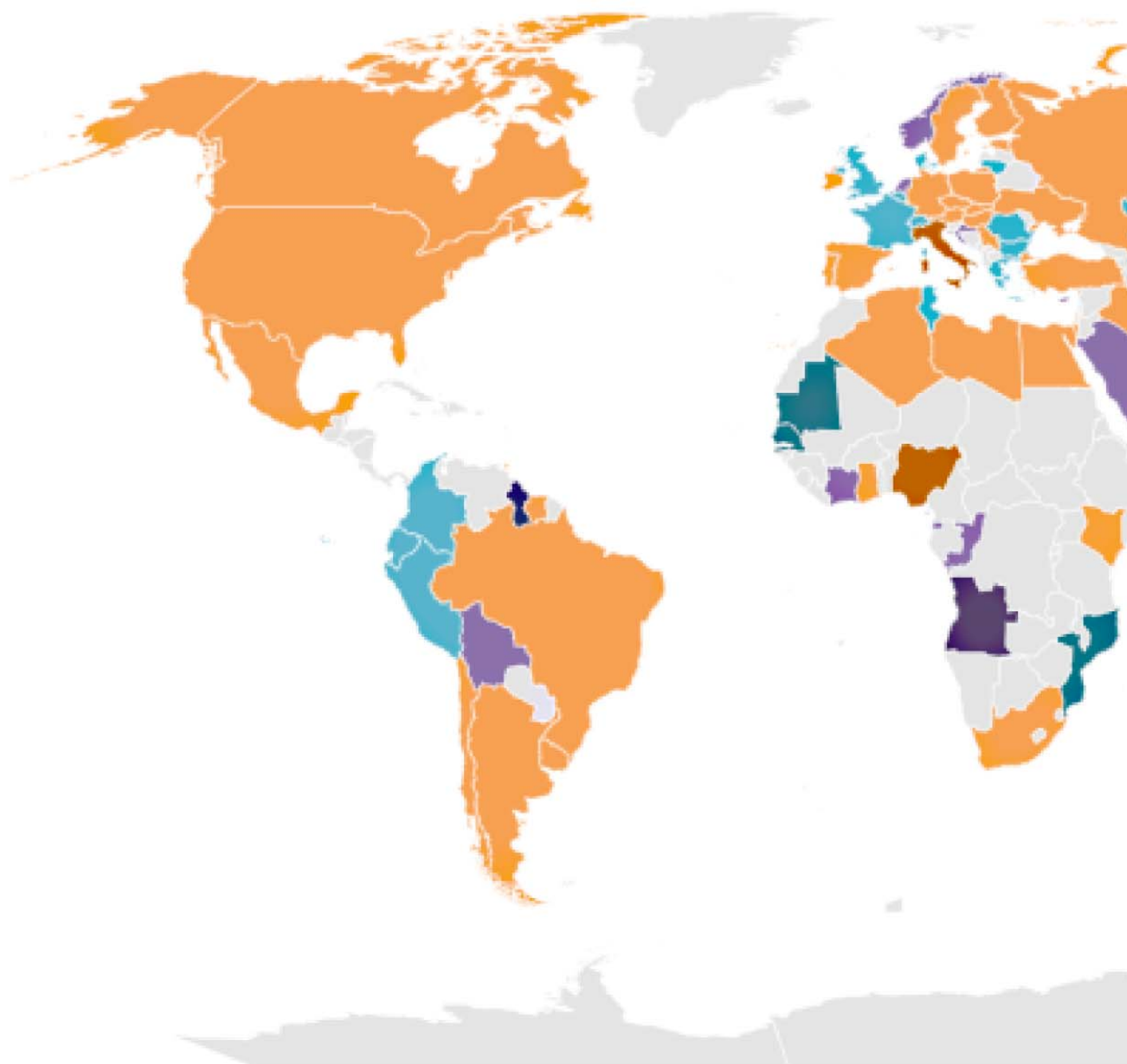
2022

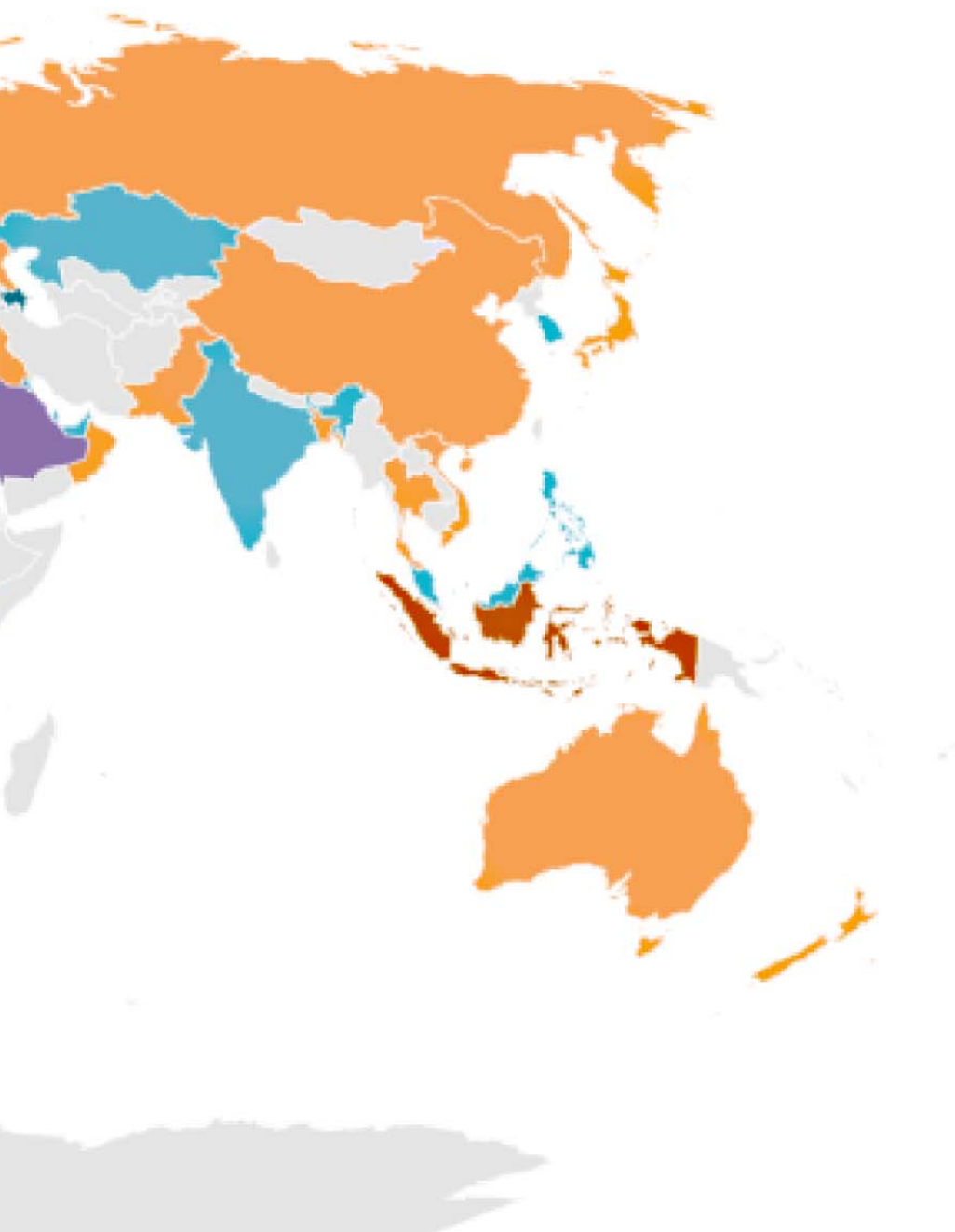
**Human Capital
Development
impact**

37 mln €



SAIPEM CONTRIBUTION TO COUNTRY GDP (%) 2022





- 0 - 0.005%
- 0,005% - 0,015%
- 0,015% - 0,025%
- 0,025 % - 0,050%
- 0,050%-0,10%
- 0,10% - 0,30%



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