

MEASURING THE REAL VALUE OF SAIPEM'S OPERATIONS **2024 REVALUE**

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DISCLAIMER

In 2024, our methodology for calculating impacts was revised. Likewise, the sustainability reporting perimeter was updated to comply with the new European Corporate Sustainability Reporting Directive. As a result, the data in this REVALUE report are not comparable to those published in the previous years' reports.

1. INTRODUCTION

Saipem's business strategy focuses on creating shared value in the areas of operations while actively engaging with our stakeholders, thus contributing to their social and economic development. By aligning our operations with local priorities, Saipem aims to leave a positive legacy that supports sustainable growth and improves the quality of life for local populations.

The Saipem REVALUE (REAL VALUE) model measures the social and environmental impacts of company activities in monetary terms.

The aim of this model is to illustrate how Saipem generates value for its stakeholders through sustainable business practices. This involves considering both the positive and negative impacts of company operations, monetising them to determine the magnitude of impacts perceived by society as costs and benefits.

There are several methodologies available in the market to calculate business activity impacts. However, based on the available studies and literature, Saipem designed its own measurement model tailored to the company's structure and activities, its stakeholders, and the available sustainability indicators which are published annually.

The objective of this report is to present a comprehensive overview of the economic impact on society as a whole generated by Saipem. Using the monetary value as a unit of measure enables a common comparison of the social and environmental impacts of Saipem's business operations.

Measuring the social and environmental impacts is of fundamental importance for Saipem, with the goal of integrating the sustainability aspects into the company's strategic planning and decision-making processes.

The REVALUE results provide:



a better understanding of the most impactful outcomes;



transparency of our operations and relations with stakeholders;



guidance in decision making to mitigate the impacts; and



the strategies to improve the positive impacts.

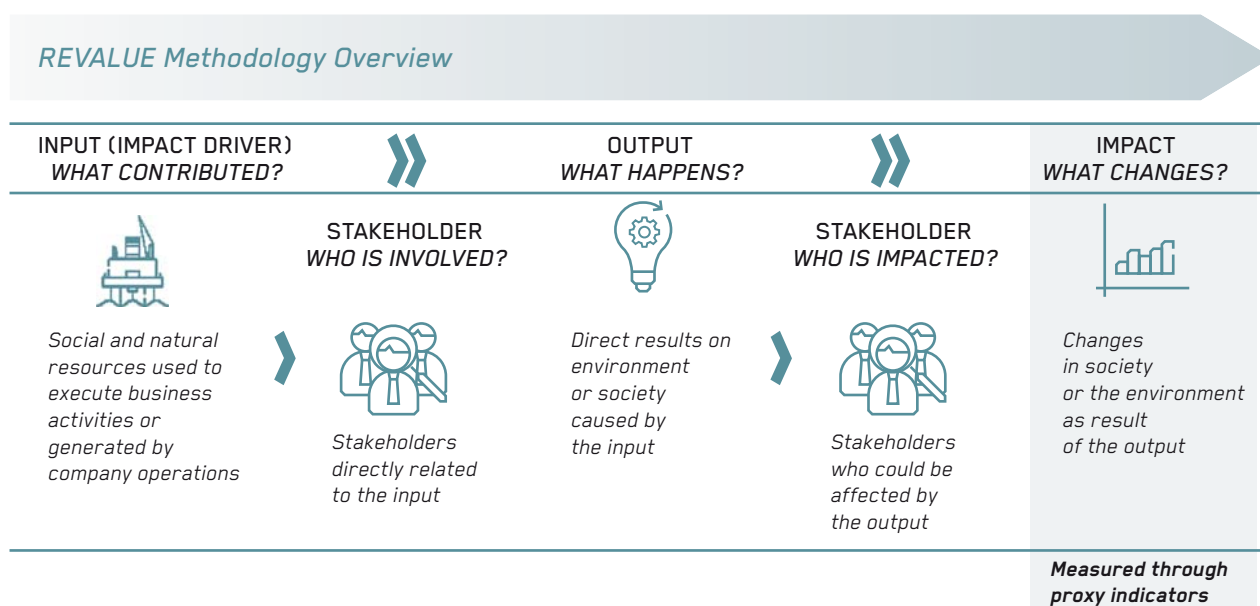
The REVALUE results are published on an annual basis, allowing our stakeholders to get an understanding about the overall impact generated by the Saipem in society as a whole.

2. REVALUE METHODOLOGY

The REVALUE model is inspired by the “Environmental and Social Profit & Loss Account” and “Cause-Consequence Analysis Models” that evaluate and quantify the impacts of a business’s operations on society and the planet.

The REVALUE model is based on existing impact measurement techniques that portray the relationship between business activity inputs (impact driver), their corresponding outputs (the consequences of inputs) and their long-term outcomes. The impact is then the measure of the outcome attributable to the business activities.

This causal process has been structured considering the perspectives and impacts for Saipem’s relevant stakeholders, including government and local authorities, business partners, local employees, and neighbouring communities. The representation of the impact pathway is presented below:



A comprehensive analysis of the Inputs/Outputs/Impacts was carried out taking in consideration the social and environmental impact drivers which are related to Saipem’s activities worldwide, measurable and available, and which provide a tangible impact on the economy, which can be measured through a proxy indicator.

Examples of Inputs > Outputs > Impacts

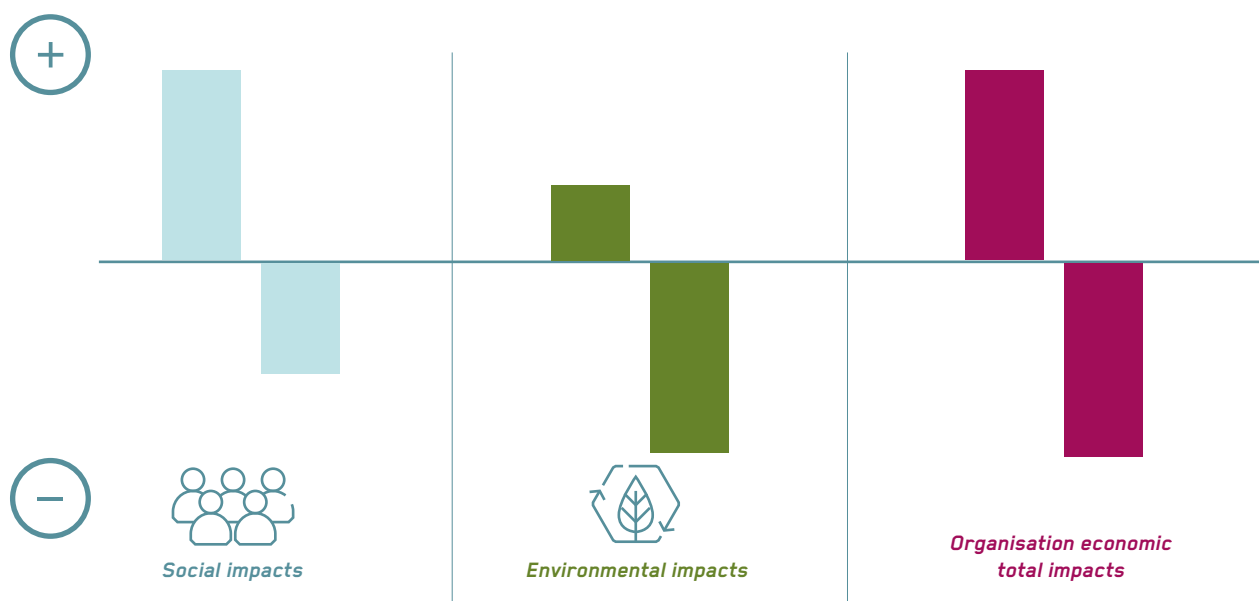
SOCIAL INPUTS

Saipem generates local jobs in the area of operations through hiring local personnel. Therefore, the social impacts generated by the company could be positive such as the improvement in the material living standards of local employees as a result of wages received, and consequently an increase in household consumption, and negative such as change in the well-being of employees as a result of safety accidents that may occur in the workplace and consequently induced costs related to medical treatment.

ENVIRONMENTAL INPUTS

Air emissions are the result of company operations, transport, and energy production sources. The air emissions contain pollutants which may affect the health of people and have an impact on the environment, in general.

The measurement of the environmental and social impacts may be defined as the sum of an organisation's negative and positive impacts during a defined period, expressed as a monetary value.



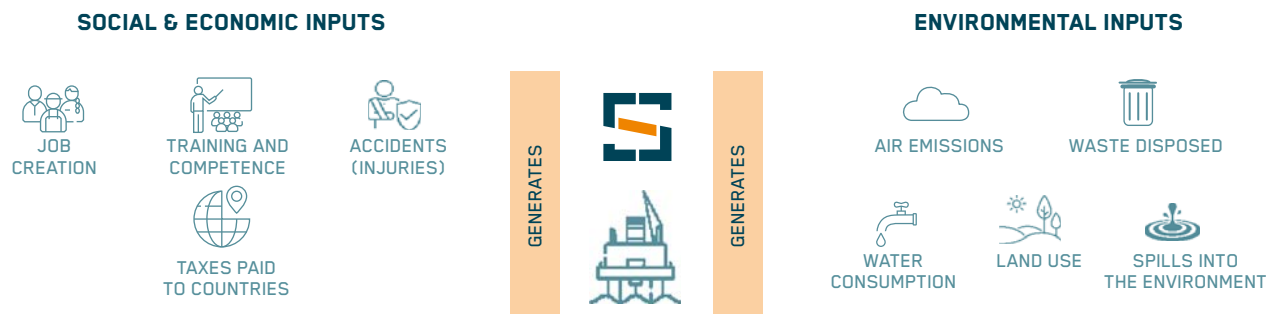
The REVALUE model has been structured taking into consideration a “continuous improvement” approach, allowing for the possibility to constantly integrate, revise and further refine the model concept and the quantification of the indicators for impact evaluation.

Based on new studies available in 2024, we revised the model, and in particular the proxies used to calculate environmental impacts. The model's updates are described in the following section, including the reference studies used.



3. SOCIAL AND ENVIRONMENTAL IMPACT ANALYSIS

The social and environmental impacts were selected based on a combination of elements including their materiality for Saipem's business activities, the availability of reliable methods and data, and the feasibility of a monetary quantification.

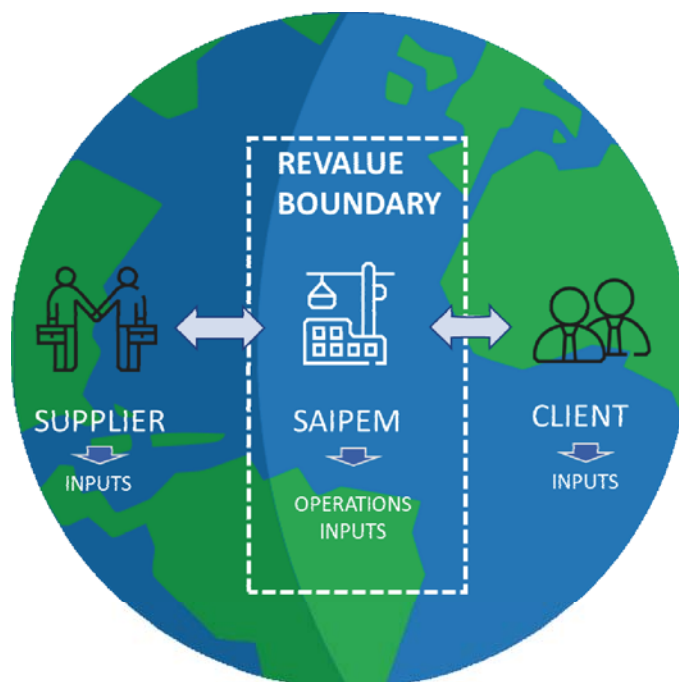


3.1 Definition of the REVALUE Model Boundaries

Saipem defined the boundaries of inputs into the REVALUE model, considering only those directly linked to company operations or generated by Saipem's activities, that therefore are under the company's responsibility and management.

Even though Saipem's operations have an impact on local suppliers (e.g. such as employment creation and environmental impacts), for the purpose of this assessment, these impacts were not included in the REVALUE model, as the Saipem system monitors the environmental performance data related to company operations. In this manner, the boundary of the social inputs is aligned with that of the environmental inputs.

However, the assessment of the social effects on the supply chain is calculated in the SELCE Model, whose report is published on Saipem's website.



Sustainability reporting perimeter

As required by Italian Legislative Decree No. 125/2024, transposing the EU Directive 2464/2022 (CSRD) on Sustainability Reporting, the *Consolidated Sustainability Statement*, included in the 2024 Annual Report, contains information and indicators relating to sustainability performance.

The sustainability reporting perimeter is aligned with the company's financial perimeter.









The reporting perimeter was defined in compliance with the provisions, logics and methodologies used to ensure alignment with the principles of the financial perimeter (paragraph "Principles of consolidation and equity investments" in the Notes to the 2024 Annual Financial Statements) and the evaluations of the concept of operational control, introduced by the aforementioned CSRD Directive.

Additional information is available in the 2024 Annual Report.

3.2 Social impact value















Saipem's social impacts are mainly connected to local content creation. For Saipem, contribution to local content means purchasing goods and services from local vendors, creating employment at the local level and developing the know-how of local personnel, contributing to the country's economy through the payment of taxes. The quantification of the local content is described in the SELCE (Saipem Externalities Local Content Evaluation), published also on Saipem's website.

For the social impacts' measurement scope, the social and economic inputs linked to the impacts of company operations to local employment and the local economy were considered, excluding the impacts on supply chain as explained in the definition of the REVALUE model boundaries (section 3.1).

SAIPEM OPERATIONS' SOCIAL INPUTS Impact Drivers	STAKEHOLDERS ANALYSED	MAIN OUTPUTS Results of inputs	IMPACTED STAKEHOLDERS	SOCIAL IMPACT Impact on society/economy
 Employment of local personnel	Local employees	Local job creation	Local employees	 Improvement in material living standards
 Employment of local personnel	Local employees	Workplace accidents	Local employees	 Change in wellbeing due to health and safety accidents
 Investment in personnel training	Local employees	Increased competence and skills	Local employees	 Increased employability
 Taxes paid in the Country	National authorities	Increased purchasing power of the government	National government	 Increase in public investments

3.3 Environmental impact value

Saipem's environmental performance is monitored and reported annually. At the operational level, we assess the impacts on the environment and implement mitigation measures. Additionally, initiatives to protect the environment and biodiversity are implemented. The section "**Climate Change and Environment**" of the "**2024 Sustainability Report**" details Saipem's environmental performance results and initiatives implemented.

SAIPEM OPERATIONS' ENVIRONMENTAL INPUTS Impact Drivers	STAKEHOLDERS ANALYSED	MAIN OUTPUTS Results of inputs	IMPACTED STAKEHOLDERS	ENVIRONMENTAL IMPACT Impact on society/environment
 Air emissions (GHG)	<i>National government</i>	Contribution to Climate Change	<i>Local communities</i>	 Changes in people's health and wellbeing associated with emissions
 Avoided GHG emissions due to initiatives and investments	<i>National government</i>	Contribution to Climate Change mitigation	<i>Local communities</i>	 Changes avoided in people's health and wellbeing associated with climate change
 Other air emissions	<i>Local communities</i>	Air pollution	<i>Local employees</i>	 Changes in people's health and wellbeing associated with air pollution
 Waste production	<i>National government</i>	Waste disposed to landfills	<i>Local communities</i>	 Changes in people's health and wellbeing associated with pollution
 Water withdrawal	<i>Local communities</i>	Water depletion	<i>Local communities</i>	 Decrease water availability for community use
 Land occupation	<i>Local communities</i>	Use of soil	<i>Local communities</i>	 Damage to biodiversity and ecosystems
 Spills into the environment	<i>Local communities</i>	Water/ Soil pollution	<i>Local communities</i>	 Damage to biodiversity, impact on community health

4. MEASUREMENT OF SOCIAL AND ECONOMIC IMPACTS THROUGH PROXY INDICATORS

In 2024, Saipem carried out a revision of the REVALUE methodology, in particular, of environmental prices used as proxies to calculate the social costs associated with the environmental impacts.





In particular, the environmental prices available in the "**Environmental Prices Handbook 2024: EU27 version**" (https://cedelft.eu/wp-content/uploads/sites/2/2024/12/CE_Delft_230107_Environmental-Prices-Handbook-2024-EU-version_def.pdf) were used for the revision of air pollution, water withdrawal and land occupation.








Although some sources of proxy data for calculating environmental impacts are available in the market, Saipem has now selected the "Environmental Prices Handbook 2024: EU27 version". This report provides a thorough analytical analysis of the correlation between environmental impacts and welfare, between environmental pollution and the impact on human health and ecosystem services (in terms of human toxicity and ecotoxicity).

In addition, the data available in the "**Impacts of the collection and treatment of dry recyclables**" study were used to assess the impact of waste disposal to landfills.

Regarding social impacts, the SELCE (Saipem Externalities Local Content Evaluation) Model results for 2024 were used, in particular to quantify the impact of local employment and the impact of training for employees.

Furthermore, a revision of the impact calculation of taxes was carried out, considering the updated Leontief Multipliers (available on Input-Output Tables | OECD) and the Corruption Perception Index values (Corruption Perceptions Index 2024 - Transparency.org).

SOCIAL INPUTS		IMPACT	PROXY
Impact driver	Indicator		
 Employment of local personnel	Total number of direct Saipem employees worldwide	Improvement in material living standards for local employees	Household consumption of employees' families, associated with salaries paid to Saipem employees Proxy used: Saipem SELCE Model Economic Impact- Induced value (only for Saipem direct employees)
 Workers' safety accidents	Total number of fatalities and Lost Time Injuries of employees (including subcontractors)	Change in workers' wellbeing due to workplace safety accidents	Societal costs associated with the number of accidents involving Saipem employees and subcontractors Proxy used: "Costs to Britain of workplace fatalities and self-reported injuries and ill health, 2022/23" (https://www.hse.gov.uk/statistics/assets/docs/cost-to-britain.pdf)
 Employee training	Total number of training hours	Improved employability associated with skill development	Indirect and induced effect of the Human Capital Development impact calculated through Saipem's SELCE Model, applied to all Saipem Countries of operation (calculated as increased earning expectancy as a result of training and an increased contribution to household consumption and taxes paid)
 Taxes paid	Total value of taxes paid in the Countries (€)	Increase in demand and consumption generated in the local economy associated with public investments	Proxy used: Backward linkage multiplier calculated as inverse Leontief coefficients from Country Input/Output Table (OECD), corrected for economic inefficiencies with the Country-level Corruption Perception Index 2025 (published by Transparency International)

ENVIRONMENTAL INPUTS		IMPACT	PROXY USED
Impact driver	Indicator		
 GHG emissions	Total GHG emissions (Scope 1 and 2) (kg CO ₂ eq)	Change in health and wellbeing of local communities	Social value of environmental pollution based on damage costs Proxy used: Environmental prices at pollutant level (Table 1) - "Environmental Prices Handbook"
 Avoided GHG emissions	Total avoided GHG emissions associated with energy efficiency initiatives (kg CO ₂ eq)	Change avoided in health and wellbeing of local communities	Avoided damage costs associated with GHG emissions Proxy used: Environmental prices at pollutant level (Table 1) - "Environmental Prices Handbook"
 Other air emissions	Air emissions NMVOC, CO, PM ₁₀ , SO ₂ , NO _x (kg)	Changes in health and wellbeing of local communities	Social value of the environmental pollution based on damage costs Proxy used: Environmental prices at pollutant level (Table 1) - "Environmental Prices Handbook"
 Waste production	Total waste disposed to landfills (tonnes)	Change in health and wellbeing of local communities	Proxy used: "Impacts of the collection and treatment of dry recyclables (EC, 2024)" - Costs of incineration and landfilling. Total cost per dry recyclables (worst case scenario) was considered
 Water withdrawal	Total water withdrawal (m ³)	Decrease in water availability for community use	Environmental prices for water consumption Proxy used: "Environmental prices of water consumption at midpoint level, in € ₂₀₂₁ /m ³ " (table 58) - "Environmental Prices Handbook"
 Land occupation	Total area of Saipem's main permanent sites (million m ²)	Damage to biodiversity due to soil use	Monetary costs of damage to biodiversity due to soil use Proxy used: Estimated costs of biodiversity loss for various land use types (Table 59) - "Environmental Prices Handbook"
 Spills	Total volume of spills (tonnes)	Damage to biodiversity and ecosystem services due to water/soil pollution	External cost of damage to ecosystems related to spills Proxy elaborated by FEEM (Fondazione Eni Enrico Mattei), based on Kontovas (2010) analysis, extended to new IOPCF data. Calculated as Total Cost \$=37,154*Volume^0.78

Note: the environmental prices published in the Handbook are expressed as €₂₀₂₁/kg. The environmental prices were updated with the inflation indexes (consumer price indexes) published by the European Statistical Monitor.



5. 2024 REVALUE RESULTS

The input data used to prepare the 2024 REVALUE report are available in the published Saipem 2024 Annual Report - Consolidated Sustainability Statement and 2024 Sustainability Report. Both reports are subject to external verification and assurance.

The 2024 REVALUE results are presented below:

Total Social Impacts	Total Environmental Impacts	Total Impacts generated by Saipem operations in 2024
€1,918 mln	(€514) mln	€1,404 mln

The total positive impacts account for **€1,930** million, while the negative impacts account for **€526** million.

Saipem's employment of over 34,000 individuals has a substantial impact on society and the local communities where they reside. This contributes to the overall improvement in the welfare of employees' families and stimulates household consumption. The amount of this impact was calculated at €1.7 billion worldwide.

Taxes on revenues paid by Saipem account for more than €200 million, whilst the effective number of investments in the public sector decreased to €152 million as calculated with the input-output multipliers, and considering the Corruption Perception Index.

Investments in training for employees (over 800,000 hours and €20 million in costs) bring benefits for €67 million to the trained employees and society.

In 2024, there were 18 lost time injuries involving both Saipem personnel and subcontractor personnel that occurred at Saipem project activities. Subcontractor personnel were included in the calculation of the social impact since they operate under Saipem's responsibility and within project boundaries. The social impact on health and wellbeing associated with these injuries was estimated to be €1 million.

The selection of the "Environmental Prices Handbook 2024: EU27 version" impacted the overall results of the environmental impacts calculation. In fact, the Handbook put an emphasis on air emissions: "*Emissions to air*

represent significant harm, especially for human health, because these emissions can be inhaled". As a result, the most significant environmental impact is related to air pollution (other than GHG emissions), with a total amount of €350 million.

Energy savings associated with the initiatives implemented by Saipem contribute to a total of 69.8 kt of CO₂ eq avoided emissions. The societal costs associated with avoided GHG emissions account for €11 million.

In 2024, more than 90,000 tonnes of waste were disposed of in landfills, and the social costs associated with waste disposal amounted to €2.7 million.

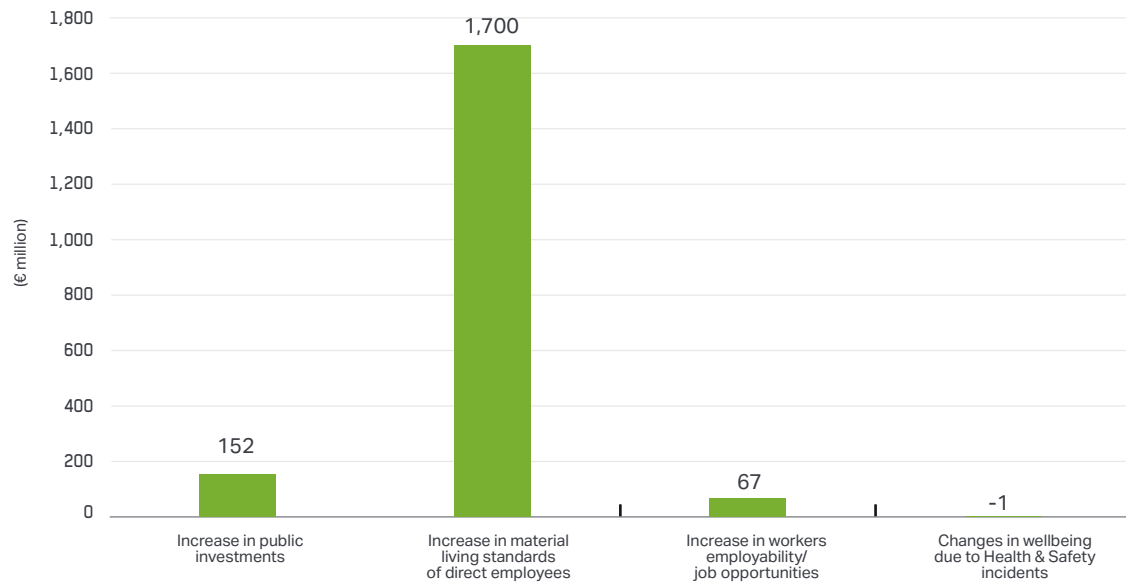
The total volume of fresh water used by Saipem for various activities amounts to 2.8 million m³. The social costs associated with water withdrawal was calculated at €1.3 million.

Saipem owns and operates 7 fabrication yards located in various countries with different land-use types. The societal costs associated with the loss of biodiversity account for approximately €200 thousand.

The number and quantity of spill incidents decreased resulting in minimal environmental damage costs (estimated at approximately €600).



2024 SOCIAL IMPACTS



2024 ENVIRONMENTAL IMPACTS

