

REVALUE: MEASURING THE REAL VALUE OF SAIPEM'S OPERATIONS

2021 UPDATE

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Saipem's sustainable business strategy is driven by the creation of shared value. This is the basis of our sustainability concept that recognises the importance of taking the stakeholders into account in our value creation process, including the society as a whole and the environment.

To understand the shared value created it is important to measure the value of environmental social and economic impacts the Company generates through its activities, in order to be adequately managed for the benefit of the environment and society.

The measurement of these impacts is of paramount importance for a company to better integrate sustainability aspects in its decision-making process, aware that more comprehensive measurements lead to a more comprehensive management approach.

REVALUE is the internal designed Saipem methodology to measure the overall social and environmental impact of the company business activities worldwide.

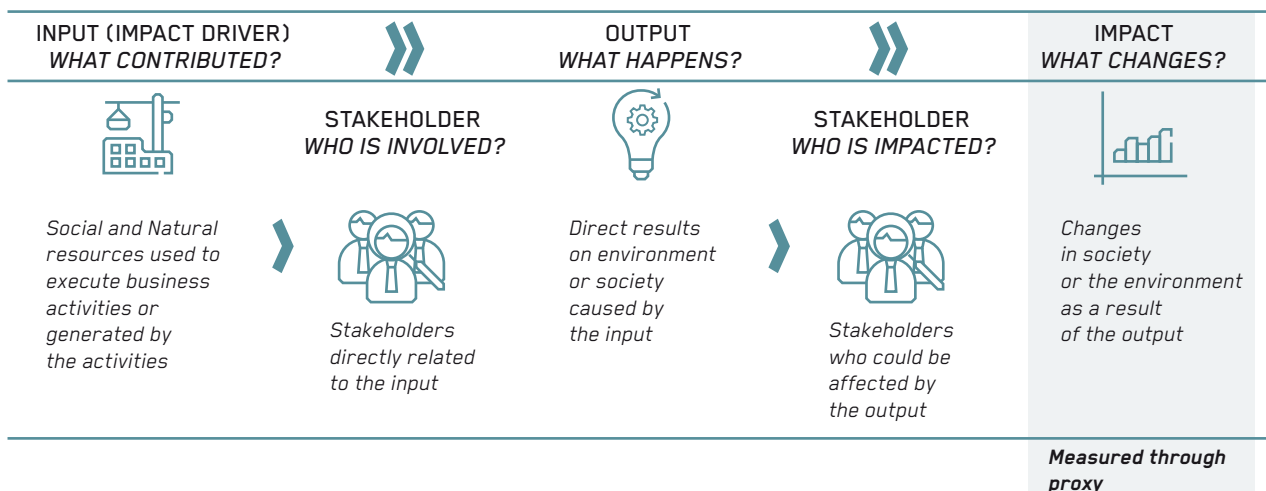
The REVALUE model has been structured considering a "continuous improvement" approach, allowing for the possibility to constantly integrate and further refine the model concept and the quantification of the indicators for impact evaluation. This is because we are aware of the great challenges that the impact quantification poses and the need to continuously work and improve methodologies for impact assessment. Thus, this document describes the present results of the exercise in terms of model design and the presentation of results.

METHODOLOGY OVERVIEW

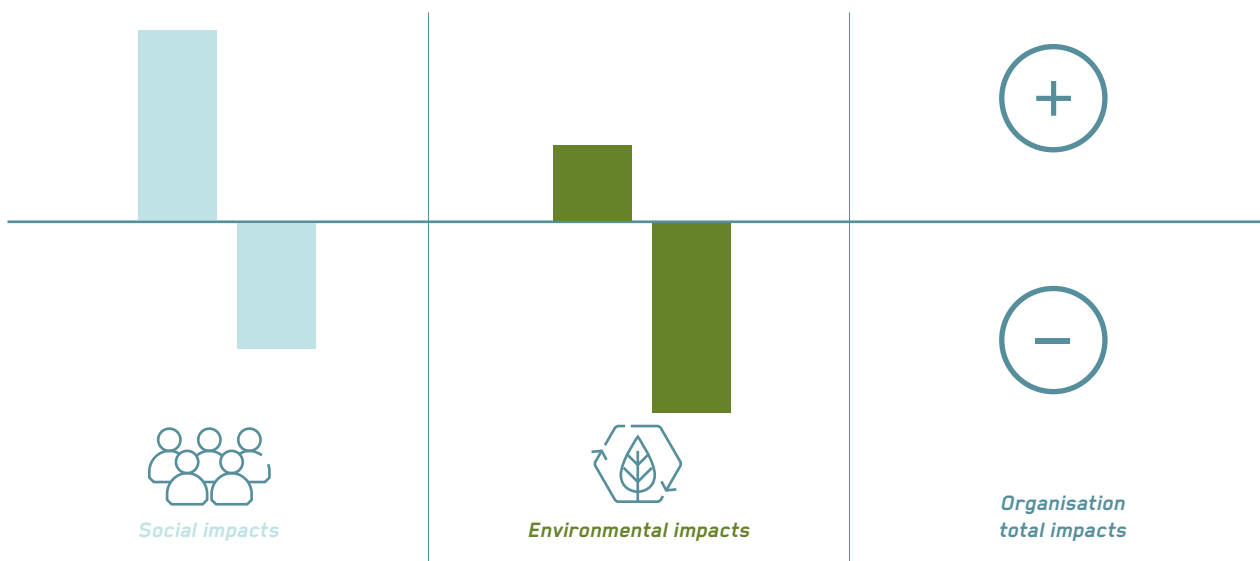
The REVALUE model is based on existing impact measurement techniques that delineate the relationship between business activity inputs (impact driver), their corresponding outputs and their long-term outcomes. The impact is then the measure of the outcome attributable to the business activities.

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:

REVALUE Methodology overview



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.



Measurement of impacts through proxy indicators

Proxies have been identified and quantified to measure the impacts using different methodologies and data sources, both internal and external.

At present, only some of the impacts identified have been quantified by use of a proxy, due to a limited availability of data that can represent the effect on society/the environment connected with the impact driver.

Starting with the input data from Saipem's internal accounting systems, the impact was calculated by use of proxies to give it a monetary quantification.

SOCIAL IMPACTS

INPUT		IMPACT	PROXY (Externality impact estimation)
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 employee families in the countries of operation
Purchases of goods and services	Total purchase of goods and services worldwide (€)	Improvement in material living standards for local vendors' employees	Household consumption of employees' (first-tier) vendors and their families in the countries of purchase
Health & Safety accidents	Total number of fatalities and LTI of employees (including subcontractors)	Change in well-being due to Health & Safety accidents	Societal costs associated with the number of accidents of Saipem employees and subcontractors calculated based on the "Costs to Britain of workplace fatalities and self-reported injuries and ill health, 2015/16" study
Employee Training	Total number of training hours	Improved employability associated with skill development	Indirect and induced effect of the Human Capital Development impact category of the Saipem SELCE Model, applied to all Saipem countries of operation (calculated as increased earning expectancy and reduction of unemployment risk)

ENVIRONMENTAL IMPACTS

INPUT		IMPACT (€)	PROXY (Externality impact estimation)
Impact driver	Indicator		
GHG emissions	Total GHG emissions (Scope 1 and 2) (kg CO ₂ eq)	Change in health and well-being of local communities	Societal cost of GHG emissions calculated based on the Environmental Priority Strategy (EPS) 2015 dx (www.ivl.se/eps)
Other air emissions	Total air emissions (VOC, CO, PM, SO ₂ , NO _x) (kg)	Change in health and well-being of local communities	Effect of air pollutants on people and the environment calculated based on the Environmental Priority Strategy (EPS) 2015 dx (www.ivl.se/eps) as societal costs of CO, PM, NMVOC, NO _x , SO ₂
Avoided GHG emissions	Total avoided GHG emissions associated with energy efficiency initiatives (kg CO ₂ eq)	Avoided change in health and well-being	Avoided societal costs associated with GHG emissions calculated based on the Environmental Priority Strategy (EPS) 2015 dx (www.ivl.se/eps)
Waste production	Total waste disposed to landfills (tonne)	Change in health and well-being of local communities	Societal costs of waste disposal to landfills calculated based on an EC study, "A Study on the Economic Valuation of Environmental Externalities from Landfill Disposal and Incineration of Waste" (2000), using the worst-case scenario
Water withdrawal	Total water withdrawal (m ³)	Decrease in water availability for community use	Proxy elaborated by FEEM (Fondazione Eni Enrico Mattei) based on DALY calculation for regions from the AWARE Model and on Brent (2011). An average value calculated is 0.2628 €/m ³
Land occupation	Total area of Saipem's main permanent sites (million m ²)	Damage to biodiversity due to the use of soil	External cost associated with an Ecosystem Damage Potential (EDP). The monetary value is calculated by use of the ReCiPe Methodology, as average value for land use in the EU28 ref. Handbook Environmental Prices 2017
Spills	Total volume of spills (tonne)	Damage to biodiversity and ecosystem services due to pollution of water/soil	External cost of damage to ecosystems related with oil spills. Proxy elaborated by FEEM (Fondazione Eni Enrico Mattei), based on Kontovas (2010) analysis, extended to new IOPCF data. Calculated as Total Cost $\$ = 37,154 * \text{Volume}^{0.78}$




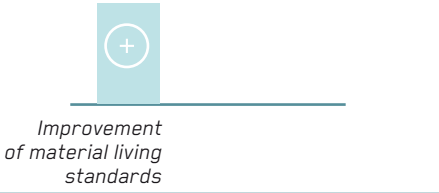


SOCIAL AND ENVIRONMENTAL IMPACTS ANALYSIS

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.

Social impact value

Saipem creates value in the areas where it operates through social impact drivers such as the salaries paid to our local personnel and of those employed in the companies along our supply chain associated with our purchases. Our social value creation is also related to the company investments in competence and skill development of employees which eventually leads to their future career evolution and salary increase.



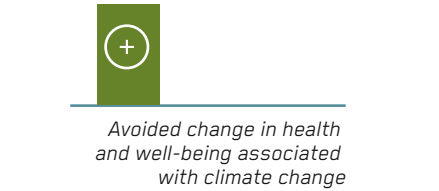


The negative social impact measured is related to injuries at work of employees (including subcontractors' employees) which we valued using international recognised standards.

SAIPEM OPERATIONS MAIN SOCIAL INPUTS (impact drivers)	Stakeholders analysed	MAIN OUTPUTS (RESULTS OF INPUT)	Impacted Stakeholders	MEASUREMENT OF SOCIAL IMPACTS (€)
 Employment of local personnel	Local employees	Local jobs creation	Local employees	
 Purchase of goods and services	Local business	Increased revenues for local vendors	Local community	
 Employee training	Local employees	Increased skills	Local employees	

Environmental impact value

Saipem is aware that all its activities may potentially have an impact on the environment, both directly and along its business value chain. For this reason, Saipem applies a constant commitment to environmental protection in all areas where it operates through implementation of environmental programmes and initiatives, and a continuous monitoring of its impacts on the environment.

Among the Company's environmental priorities, there is the reduction of greenhouse gas emissions, including through energy efficiency initiatives. As described in detail in the 2021 Sustainability Report in the chapter "Transitioning toward Net-Zero", the energy saving initiatives in 2021 achieved a CO₂ eq savings of 36,976 tonnes at a Group level.

SAIPEM OPERATIONS MAIN ENVIRONMENTAL INPUTS (impact drivers)	Stakeholders analysed	MAIN OUTPUTS (RESULTS OF INPUT)	Impacted Stakeholders	MEASUREMENT OF ENVIRONMENTAL IMPACTS (€)
 GHG emissions	National government	Climate change	Local communities	
Avoided GHG emissions due to initiatives & investments	National government	Contribute to fighting climate change	Local communities	
 Other air emissions	Local communities	Air pollution	Local communities	

**SAIPEM OPERATIONS
MAIN ENVIRONMENTAL
INPUTS
(impact drivers)**



SAIPEM OPERATIONS MAIN ENVIRONMENTAL INPUTS (impact drivers)	Stakeholders analysed	MAIN OUTPUTS (RESULTS OF INPUT)	Impacted Stakeholders	MEASUREMENT OF ENVIRONMENTAL IMPACTS (€)
Waste production	National government	Waste disposal to landfill	Local communities	Change in health and well-being -
Water withdrawal	Local communities	Water depletion	Local communities	Decrease in water availability for community use -
Land occupation	Local communities	Use of soil	Local communities	Damage to biodiversity and ecosystem services -
Spills	Local communities	Pollution of water/soil	Local communities	Damage to biodiversity and ecosystem services -

RESULTS

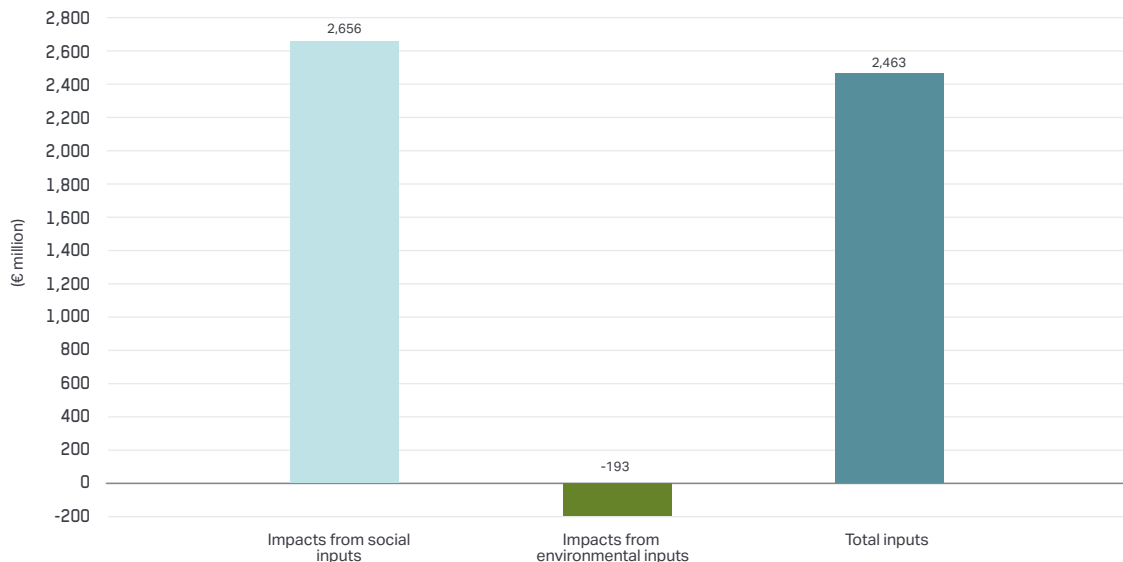
Saipem internal accounting and reporting system was considered for the selection of the inputs data and quantification of the impacts. The data included in the analysis (Input data) refer to the 2021 reporting year and are compared with 2020 results.

A total of 11 impacts were calculated, of which 4 are connected to social impact drivers and 7 to environmental impact drivers. They were calculated by considering the impact drivers derived only from Saipem's direct inputs.

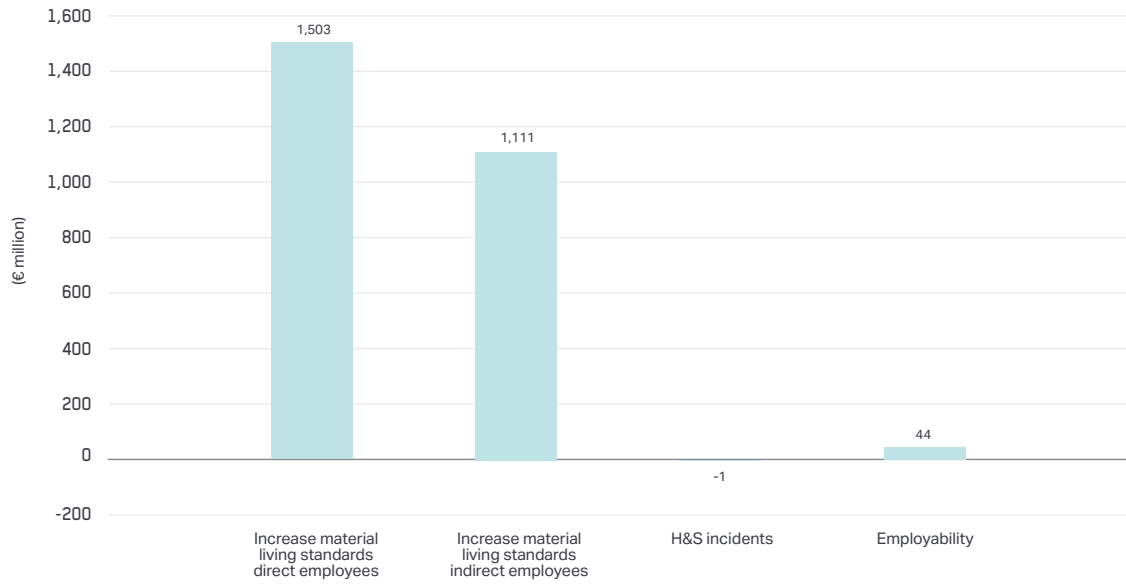
The overall net impacts of Saipem operations is of €2,463 million (€1,087 million in 2020), with a total of €2,662 million positive impacts and €199 million negative impacts.

The social impacts account for a total of €2,656 million compared to €1,295 million in 2020. The increased value of the social impact in 2021 compared to 2020 is the result of the use of Saipem specific input data, and of the revision of the model calculation to quantify the household consumption associated with direct and indirect employees.

The environmental impacts accounts for a negative value of €193 million compared to €209 million in 2020.



**IMPACTS FROM SOCIAL INPUTS
TOTAL: €2,656 MILLION**



**IMPACTS FROM ENVIRONMENTAL INPUTS
TOTAL: -€193 MILLION**

