ANNUAL REPORT 2023

SAIPEM

MISSION
We have pledged to work alongside our clients and transform their strategies and projects into safe, competitive, sustainable infrastructures, plants and processes. We will accompany them along their path towards energy and ecological transition and support their journey towards Net Zero.

VALUES
We value creative talent. We look after people and the environment and are committed to building relationships of trust. We encourage an appreciation of diversity and we promote inclusivity.

ESEF (European Single Electronic Format) requirements
This report has not been prepared in accordance with the EU Delegated Regulation 2019/815 (ESEF Regulation), implementing the Transparency Directive. The Annual Report in ESEF format (only in Italian language) is published in the specific section of the Company's website (www.saipem.com, Quarterly Results and Documentation) and is available at the centralised storage mechanism authorised by Consob "eMarket STORAGE" (www.emarketstorage.com).

Disclaimer
By their nature, forward-looking statements are subject to risk and uncertainty since they are dependent upon circumstances which should or are considered likely to occur in the future and are outside of the Group's control. These include, but are not limited to: exchange and interest rate fluctuations, commodity price volatility, credit and liquidity risks, HSE risks, the levels of capital expenditure in the oil industry and other sectors, political instability in areas where the Group operates, actions by competitors, success of commercial transactions, risks associated with the execution of projects (including pandemic risks, our procurement chain and including ongoing investment projects), in addition to changes in stakeholders' expectations and other changes affecting business conditions. Actual results could therefore differ materially from the forward-looking statements. The financial reports contain in-depth analyses of some of the aforementioned risks. Forward-looking statements and data are to be considered in the context of the date of their release.

COUNTRIES IN WHICH SAIPEM OPERATES
EUROPE
Albania, Austria, Belgium, Bulgaria, Cyprus, Denmark, France, Germany, Greece, Italy, Jersey, Luxembourg, Netherlands, Norway, Poland, Portugal, Romania, Serbia, Spain, Sweden, Switzerland, Turkey, United Kingdom

AMERICAS
Argentina, Barbados, Bolivia, Brazil, Canada, Chile, Colombia, Ecuador, Guyana, Mexico, Peru, Suriname, Trinidad & Tobago, United States, Uruguay, Venezuela

CIS
Azerbaijan, Kazakhstan, Russia

AFRICA
Algeria, Angola, Congo, Côte d'Ivoire, Egypt, Equatorial Guinea, Gabon, Ghana, Libya, Mauritania, Morocco, Mozambique, Nigeria, Senegal, South Africa, Tanzania, Tunisia

MIDDLE EAST
Bahrain, Iraq, Israel, Kuwait, Oman, Qatar, Saudi Arabia, United Arab Emirates

FAR EAST AND OCEANIA
Australia, Bangladesh, China, India, Indonesia, Japan, Malaysia, Myanmar, Singapore, South Korea, Thailand, Vietnam

BOARD OF DIRECTORS AND STATUTORY AUDITORS OF SAIPEM SpA
BOARD OF DIRECTORS[1]
Chairman
Silvia Merlo

CEO - General Manager
Alessandro Puliti[3]

Directors
Roberto Diacetti, Alessandra Ferone,
Patrizia Michela Giangualano, Davide Manunta[4],
Marco Reggiani, Paul Schapira, Paola Tagliavini

BOARD OF STATUTORY AUDITORS[2]
Chairman
Giovanni Fiori

Statutory Auditors
Antonella Fratalocchi
Ottavio De Marco

Alternate Statutory Auditors
Maria Francesca Talamonti
Raffaella Annamaria Pagani

INDEPENDENT AUDITORS
KPMG SpA[5]

(1) Appointed by the Shareholders' Meeting on April 30, 2021, for financial years 2021, 2022 and 2023, and in any case up to the date of the Shareholders' Meeting which will be called to approve the financial statements as at December 31, 2023.
(2) Appointed by the Shareholders' Meeting on May 3, 2023, for three years, its mandate expiring at the Shareholders' Meeting convened to approve the financial statements as at December 31, 2025.
(3) Pursuant to Article 2386 of the Italian Civil Code, the Shareholders' Meeting on May 3, 2023, appointed Alessandro Puliti as member of the Board of Directors, his mandate expiring together with those of the current Directors, i.e., at the Shareholders' Meeting convened to approve the financial statements as at December 31, 2023. On May 3, 2023, the Board of Directors confirmed Alessandro Puliti, already General Manager of the Company, as Chief Executive Officer.
(4) Pursuant to Article 2386 of the Italian Civil Code, the Shareholders' Meeting on May 3, 2023, appointed Davide Manunta as member of the Board of Directors, his mandate expiring together with those of the current Directors, i.e., at the Shareholders' Meeting convened to approve the financial statements as at December 31, 2023.
(5) The Shareholders' Meeting of May 3, 2018, resolved to appoint KPMG SpA as the independent auditors from 2019 to 2027.

ANNUAL REPORT 2023

Ordinary Shareholders' Meeting of May 14, 2024
Notice of the Shareholders' Meeting was published on the Company website and an excerpt was published in the daily newspaper "Il Sole 24 Ore" on April 4, 2024.

LETTER TO THE SHAREHOLDERS

Dear Shareholders,

upon completion of the capital increase (July 2022) which allowed the Group to strengthen its capital and financial structure and taking into account the success of the issue of the convertible bond (September 2022), we continued our commitment to create real and sustainable value for our stakeholders. We started from good economic and financial results, and improved reliability, security and reputation of our projects by investing in low environmental impact technologies for sustainable business, as well as developing ethical values and competences of our people, expanding our responsibilities on social, local development and environmental issues, and consolidating our role as facilitator of the ecological and energy transition.

2023 results exceeded the expectations of the Strategic Plan, showing a continuous growth of revenue and margins during the year, a good flow generation, and a significant improvement in the financial situation. The net profit of €179 million at the close of the year and the amount of new orders, around €18 billion, testify to the Group's recovered competitiveness.

Saipem renewed the strategic lines presented in February 2023, confirming the Group's improvement in performance and its ability to benefit fully from the favourable situation of the market. The 2024-2027 Strategic Plan entails an increase in economic and financial objectives and a diversification of supply in favour of the low/zero carbon segment for energy transition.

The 2024-2027 Strategic Plan is based on fundamental pillars, such as (i) excellence in the execution of the €30 billion order backlog with a higher integration of skills and optimisation of asset use, and (ii) the "One Saipem" approach, with the ability to implement integrated onshore/offshore projects, which will constitute around 20% of forecasted pan revenue, associated to (iii) operational flexibility, also thanks to a vessel management strategy based on a capital-light approach aimed at maximising operational flexibility and financial discipline without neglecting (iv) innovation and energy transition solutions with a commercial focus on consolidated technologies such as Offshore Wind, CCUS (Carbon Capture Utilization and Storage), green and blue hydrogen, ammonia and subsea robotics, in addition to research and development of new groundbreaking technologies in the low/zero carbon sector. The Board of Directors also approved a dividend policy that includes the payment of the dividend in 2025 on the results expected in 2024. The return to dividend for stakeholders supported by the forecast of a significant cash flow generation, with a 30-40% payout ratio on Free Cash Flow (after rent).

2023 results

The acquisition of new orders, revenue and significantly growing margins confirm the improvement of the Group's operational performance. 2023 closed with revenue of €11,874 million, up around 20% compared to 2022. Adjusted EBITDA in 2023 was positive for €926 million (€595 million in 2022), thanks to contributions from Offshore Engineering & Construction and Drilling, while the net profit amounted to €179 million (loss of €209 million in 2022).

The capital expenditure in 2023 amounted to €482 million (€523 million in 2022), including the purchase of the jack-up Sea Lion 7 (now Perro Negro 10).

The net financial position pre-IFRS 16 at the end of 2023 is positive for €216 million, improving from the €56 million at the end of 2022 thanks to the strict discipline in working capital management. The net financial position including the IFRS 16 lease liability of €477 million was a negative €261 million (negative €264 million at the end of 2022).

Acquisitions of new contracts amounted to €17,659 million, an increase of around 40% compared to 2022, also thanks to the significant acquisition of the Hail & Ghasha contract for Adnoc in the Middle East, awarded in the last quarter of 2023; the project is a concrete expression of Saipem's ability to carry out large integrated onshore/offshore projects for its clients. The backlog at the end of 2023 stood at €29,802 million, of which over 70% from Offshore business projects, both Engineering & Construction and Drilling.

Towards a sustainable business

The Sustainability Plan "Our journey to a sustainable business", approved by the Board of Directors for the period 2024-2027, is fully integrated into the company's strategic business guidelines and is based on three pillars: climate change mitigation and environmental protection; the centrality of people; value creation.
The Group developed for the second consecutive year the four-year structured Sustainability Plan, which showcases consistency and suitability of the objectives defined in a complex and articulated strategy aiming at

creating value for all our stakeholders, as well as the relevant company performance on environmental and social impacts through a voluntary sustainability reporting and the mandatory Consolidated Non-Financial Statement.

Saipem's eighteenth sustainability report 2023, structured around the Sustainability Plan's strategic areas, is no longer just the moment of synthesis of all that the past year entailed in terms of initiatives and results; instead, it also presents a concrete vision of our future with precise objectives, indicators and targets to measure their achievement, as well as responsibilities and resources allocated.

The phase of uncertainty that still characterises the market and our reference sectors, seen through the lens of the energy and ecological transition, has not abated. The criticality of certain geopolitical aspects and conflicts in progress in various parts of the world, the resulting social upheavals, the value chain issues, also concerning the supply of certain strategic raw materials, and the challenges that new technological frontiers are posing to all actors, define scenarios that need careful analysis and monitoring, and sense of responsibility. Markets are ever-changing by nature, more so in the current context of instability. Thereby, primary players like Saipem must be aware of the elements and trends that characterise them in order to identify and make the most appropriate long-term strategic decisions to achieve their objectives, also contributing to the achievement of their clients' ones and in general creating sustainable value.

Within the organisation and expectations of an industrial entity like Saipem, committed to developing infrastructures in the energy and transportation sectors in various areas of the world, sustainability entails three key components.

Firstly occupational safety, which in 2023, was characterised by very positive results in all reference indicators, an unprecedented achievement for the company. In particular, the Total Recordable Injury Frequency Rate (TRIFR) stood at 0.32%, down 26% compared to the previous year. The results confirm the adequacy of the procedures and the effectiveness of the actions implemented. Despite this, unfortunately, events were recorded that involved our personnel and subcontractors, among which there was a fatality in Saudi Arabia. We deem this unacceptable, thus not only we launched new training initiatives and are advancing with the "Leadership in Health & Safety" cultural strengthening programme, guided by our LHS Foundation, but we also strongly reiterated within our organisation that our goal of "We Want Zero" for accidents is a top priority. To help us in the achievement of this objective and strengthen the aspects of safety and prevention, we are also focusing our attention on new technological solutions, such as the video analytics technology that we have recently implemented in Saudi Arabia, which through Artificial Intelligence can detect hazardous situations in real time, while in compliance with privacy issues, by utilising devices available at our worksites. A very effective solution which we intend to extend progressively to our projects and onboard our vessels.

Our commitment to social aspects, both direct and indirect, is the second component of sustainability. This includes human and labour rights, and our contribution to the local development of the countries in which we operate, a contribution that we can quantify in terms of job creation, economic impact and human capital development.

The last component is the ability to direct our business actions towards solutions that allow our clients and suppliers to tackle their carbon impact and wider ecological footprint and sustainable development.

The COP28 on climate conference in Dubai, despite the long and complex path still ahead to achieve the carbon neutrality objectives set with the Paris agreements, made some progress which is quite indicative of the efforts needed for a fairer and more sustainable energy future.

In this perspective, Saipem's decision a few years back to launch its own "Net Zero Programme" with measurable goals for reducing its carbon footprint in the short, medium and long term across our carbon footprint has proven far-sighted. The programme includes a structured and periodic plan of initiatives regarding energy efficiency and renewable energy applications on board our vessels and, more broadly, serving our operational activities. Moreover, since 2023, a CO_2 parallel "offsetting" programme of investments has been unfolding, aimed at protecting forests, biodiversity and ecosystems, and generating value for community. The vision underlying the programme is to represent a benchmark in quality and reliability for clients who need solutions for decarbonisation of their productive assets, even in sectors different from ours. In this complex and dynamic scenario, we are in fact committed to seize this business opportunity providing our contribution and not only qualifying ourselves as a responsible industrial organisation willing to challenge its own climate impact and to implement a sustainable business model. During the COP28 event Saipem was recognised with the "Energy Transition Changemaker" award for its innovative plant developed at St. Félicien, Canada, by applying the "CO_2 Solutions by Saipem" proprietary technology, based on enzymatic solution for CO_2 capture and reuse applicable to "hard to abate" industrial sectors. This significant recognition attests the role and contribution that our company can provide in the field of decarbonisation.

This comprehensive strategy combines ambition, transparency, flexibility and a virtuous and ethical collaborative approach; these are elements which will allow us to reach the sustainable success of the company and of all stakeholders who will join us on this journey.

Market scenario

The current situation of the market is characterised by a positive cycle in the traditional Oil&Gas sector and by a growing need to access secure and sustainable energy sources on a global level.

In line with the COP28 agreements, Saipem will continue to play a leading role in supporting its clients in the energy transition. The Company can rely on a strong position in the execution of both offshore and onshore projects and has gained significant experience in the offshore wind sector through the years. In addition to the energy transition, Saipem is also active in the construction of sustainable infrastructures (such as high-speed rail) and can boast extensive experience in the fertilizer industry. Through its proven experience and the related competence portfolio, Saipem is ready to support its clients in this path.

March 12, 2024

On behalf of the Board of Directors

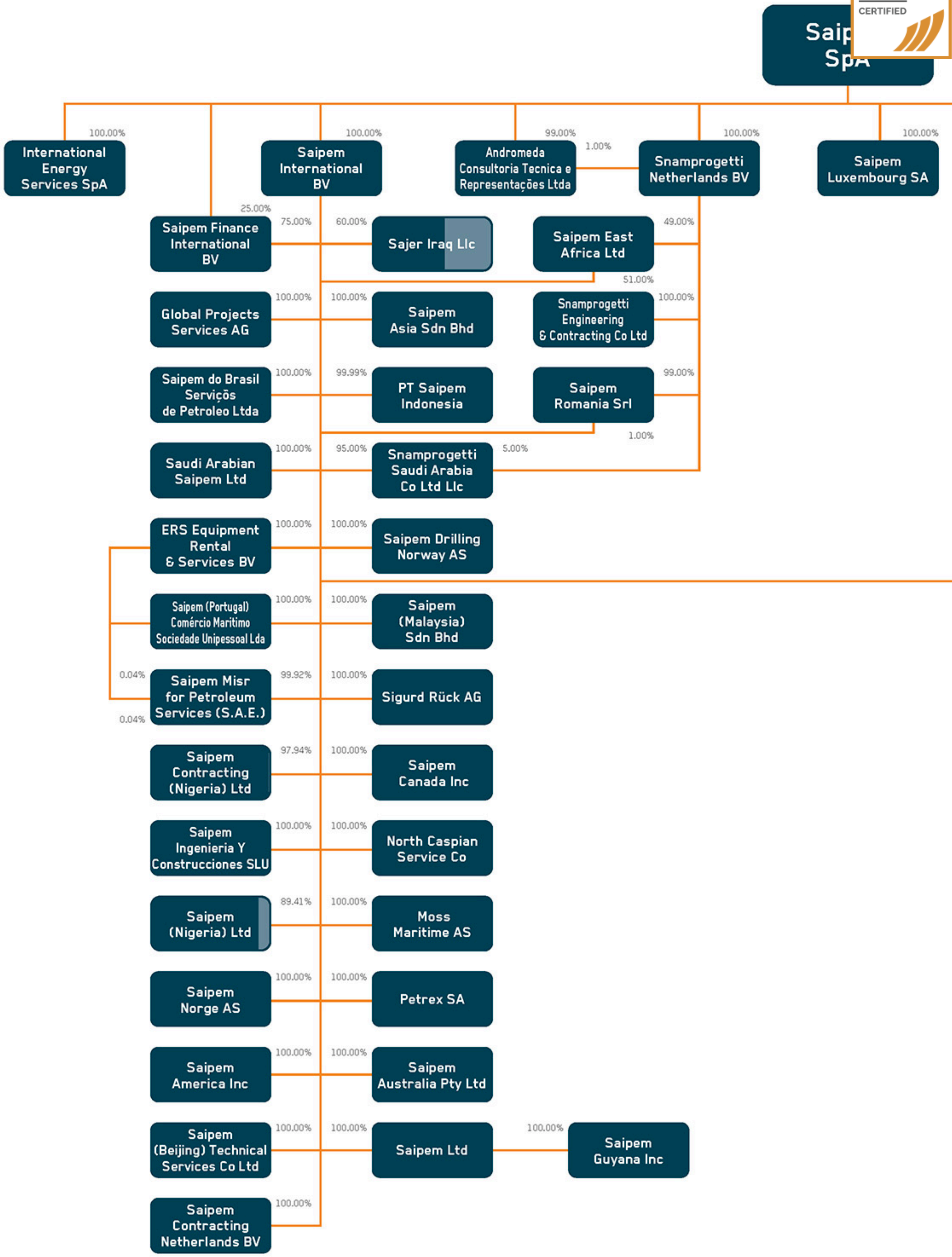
The Chairman
Silvia Merlo

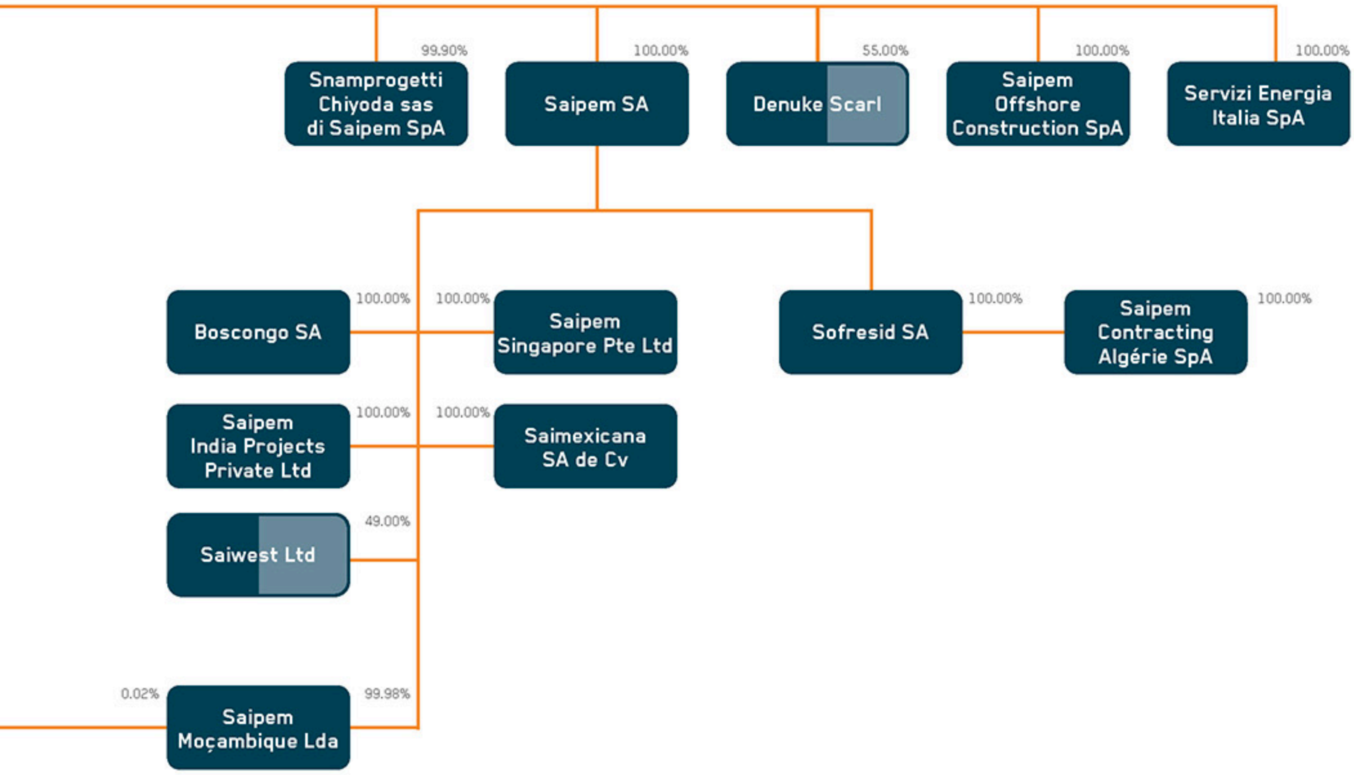
The Chief Executive Officer-General Manager
Alessandro Puliti

A. Puliti

STRUCTURE OF THE SAIPEM GROUP

(subsidiaries)


Saipem SpA
100.00%
International Energy Services SpA
100.00%
Saipem International BV
99.00%
Andromeda Consultoria Tecnica e Representações Ltda
1.00%
100.00%
Snamprogetti Netherlands BV
100.00%
Saipem Luxembourg SA
25.00%
Saipem Finance International BV
75.00%
60.00%
Sajer Iraq Llc
Saipem East Africa Ltd
49.00%
51.00%
100.00%
Global Projects Services AG
100.00%
Saipem Asia Sdn Bhd
Snamprogetti Engineering & Contracting Co Ltd
100.00%
100.00%
Saipem do Brasil Serviçõs de Petroleo Ltda
99.99%
PT Saipem Indonesia
Saipem Romania Srl
99.00%
1.00%
100.00%
Saudi Arabian Saipem Ltd
95.00%
Snamprogetti Saudi Arabia Co Ltd Llc
5.00%
100.00%
ERS Equipment Rental & Services BV
100.00%
Saipem Drilling Norway AS
100.00%
Saipem (Portugal) Comércio Marítimo Sociedade Unipessoal Lda
100.00%
Saipem (Malaysia) Sdn Bhd
0.04%
Saipem Misr for Petroleum Services (S.A.E.)
0.04%
99.92%
100.00%
Sigurd Rück AG
97.94%
Saipem Contracting (Nigeria) Ltd
100.00%
Saipem Canada Inc
100.00%
Saipem Ingenieria Y Construcciones SLU
100.00%
North Caspian Service Co
89.41%
Saipem (Nigeria) Ltd
100.00%
Moss Maritime AS
100.00%
Saipem Norge AS
100.00%
Petrex SA
100.00%
Saipem America Inc
100.00%
Saipem Australia Pty Ltd
100.00%
Saipem (Beijing) Technical Services Co Ltd
100.00%
Saipem Ltd
100.00%
Saipem Guyana Inc
100.00%
Saipem Contracting Netherlands BV



The chart shows only subsidiaries

DIRECTORS' REPORT

SAIPEM SpA SHARE PERFORMANCE

After a 2022 strongly affected by high market volatility, investors benefited from positive market performance, also in light of a positive macroeconomic environment in terms of growth and moderation of the level of inflation.

In 2023, Saipem's share price increased by 30%, a performance substantially aligned with that of the FTSE MIB (+28%) and of the Stoxx 600 Oil & Gas index (+27%), comprised of a basket of European Oil&Gas and energy companies.

Saipem shares closed the first trading day of the year at €1.18 per share, reaching the first half high on March 1 at €1.53 per share. This growth was driven, in addition to the positive phase in the markets, by a series of positive news items including: the award in January of two offshore contracts totalling around $900 million in Brazil and Norway; the signing in February of two new credit lines for a total of €860 million, which enabled the Group to further strengthen its financial structure and liquidity; also in February, the signing of a commercial collaboration agreement with Seaway7 in the segment of offshore wind projects on fixed foundations and the presentation of the financial results for the fourth quarter of 2022; and lastly, the announcement in March of the award of a new offshore drilling contract in the Ivory Coast.

Subsequently, the share price fell sharply, in line with the market, due to the collapse of Silicon Valley Bank and Credit Suisse's difficulties, bottoming the year-low of €1.14 on March 15. It then, it resumed a rapid upward trend, which brought it back to values close to the peak of the first semester (€1.50 on April 13), within a few weeks.

In May and June, the share went through a new downward phase, mainly driven by fears of a slowdown in the Chinese economy, which reflected in a fall in the prices of energy stocks. In particular, there was a sharp drop in the price of oil at the end of May, and Saipem's share reached the price of €1.28 at the end of the half year.

Key Stock Exchange indices and figures

		Dec. 31, 2019	Dec. 31, 2020	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2023
Share capital	(€)	2,191,384,693	2,191,384,693	2,191,384,693	501,669,791	501,669,791
No. of ordinary shares		1,010,966,841	1,010,966,841	1,010,966,841	1,995,557,732	1,995,557,732
No. of savings shares		10,598	10,598	10,598	1,059	1,059
Market capitalisation	(€ million)	4,408	2,235	1,871	2,255	2,934
Gross dividend per share:						-
- ordinary shares	(€)	0.01	-	-	-	-
- savings shares	(€)	0.01	-	-	-	5.00
Price/earnings ratio per share:						
- ordinary shares	(€)	367.32	-	-	-	16.39
- savings shares	(€)	3,538.42	-	-	-	986.63
Price/cash flow (*) ratio per share: (1)						
- ordinary shares	(€)	6.28	16.31	-	17.35	4.35
- savings shares	(€)	60.49	332.07	-	1,181.98	262.03
Adjusted price/earnings ratio per share:						
- ordinary shares	(€)	26.71	-	-	-	16.39
- savings shares	(€)	257.34	-	-	-	986.63
Adjusted price/cash flow (*) ratio per						
- ordinary shares	(€)	5.64	6.92	-	12.39	4.35
- savings shares	(€)	54.30	54.30	-	844.27	262.03

(*) Cash flow: net profit plus depreciation and amortisation.
(1) Figures pertain to the consolidated financial statements.

During the second half of 2023, the value of Saipem's share increased again, also thanks to the positive financial results for the second and third quarters of 2023 and the award of various offshore contracts in Europe, North Africa, Latin America, and the Middle East. In particular, at the beginning of October 2023 the award of a contract for ADNOC was announced for a project in the Arab Emirates, for a total of $4.1 billion (Hail & Ghasha), which resulted in a significant increase in the order backlog.

At the end of August 2023, Saipem successfully issued an equity-linked bond for €500 million, maturing in 2029. The issue allowed the Group to diversify its sources of finance and reduce the debt costs, thanks to a 2.875% coupon. The issue was well received by investors, with a strong interest. Moreover, on the day of the issue (September 11, 2023) Saipem's share reached its 2023 peak at €1.62.

The share closed 2023 at €1.47, and Saipem's market capitalisation sits at around €2.9 billion. Around 10 billion shares were exchanged during the year, with a daily average of 40 million. The countervalue of the trades was around €14 billion, compared to €6.5 billion in the first half of 2022.

With regards to savings shares, convertible at par in ordinary shares, at the end of December 2023 they amounted to 1,059 and their value was €88.5, with a 15% increase compared to the beginning of the year. Exchanges on savings shares remain very limited.

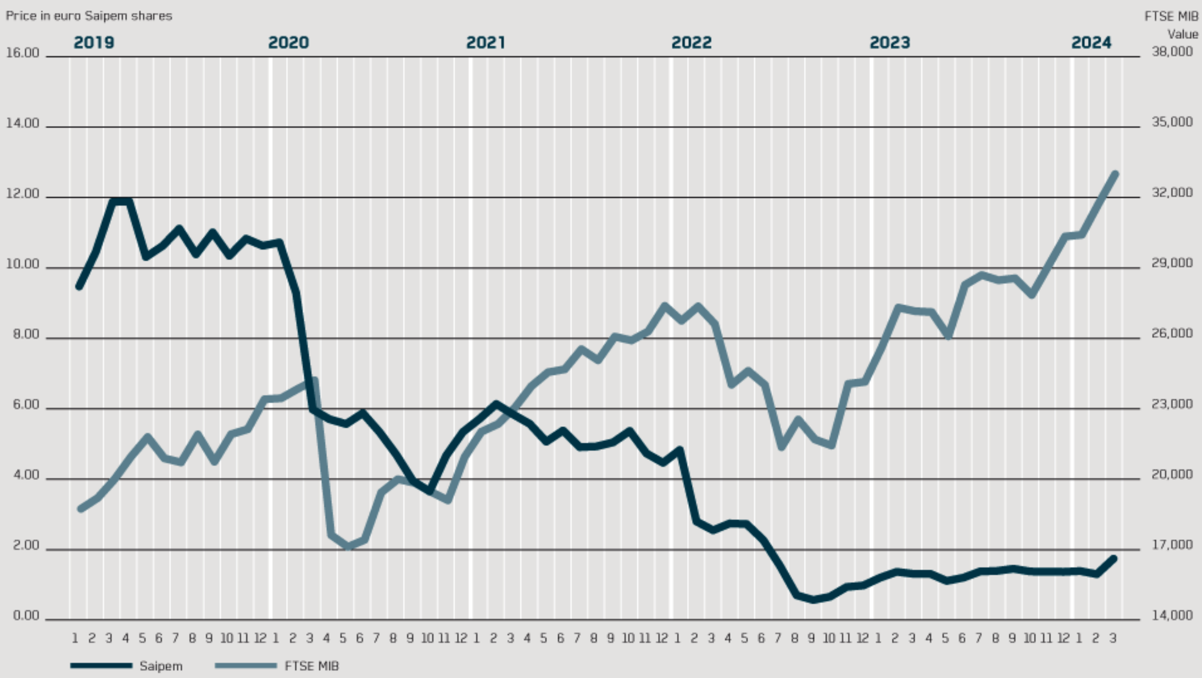
Details of performance during the reporting period are presented below.

Listing on the Milan Stock Exchange

(€)	2019	2020	2021	2022	2023
Ordinary shares:					
- maximum	12.63	11.28	6.66	5.12	1.62
- minimum	8.23	3.42	4.34	0.58	1.14
- average	10.76	5.93	5.30	2.00	1.40
- end of the period	10.93	5.54	4.63	1.13	1.47
Savings shares:					
- maximum	442.00	450.00	450.00	350.00	88.50
- minimum	400.00	420.00	360.00	72.50	77.00
- average	414.18	433.65	418.44	136.68	79.30
- end of the period	420.00	450.00	370.00	77.00	88.50

The figures have been restated following the reverse stock split and the share capital increase.

SAIPEM AND FTSE MIB - AVERAGE MONTHLY PRICES JANUARY 2019-MARCH 2024



For comparison purposes, all historic prices in the table and graph have been adjusted following the two reverse stock splits completed in the first half of 2022 linked to the capital increase.
The values shown in the table are not to be considered, for the periods of reference, as indicators of return on equity investment, mainly due to the capital increase on a right offering completed in July 2022.

OPERATING REVIEW

Organisational structure

Starting from January 14, 2022, the Company changed its organisational configuration based on four distinct business areas, consistent with the new organisational model, which entails the following:

- the organisational and geographical centralisation of staff structures, aimed at achieving higher efficiency levels;
- the introduction of a central business department to manage the order intake and customer interaction within a "One Saipem" perspective, while ensuring the optimised management of regional and local structures on a global scale;
- the integration of project control and project risk management processes within the Chief Financial Officer operating area, raising the level of sensitivity in risk analysis and management over the entire life cycle of projects.

To complete the new organisation, in February 2023 the Company established a new business line, Offshore Wind, adding to the four business lines established in January 2022; the current organisational structure is as follows: Asset Based Services, Energy Carriers, Robotics & Industrialized Solutions, Sustainable Infrastructures, and Offshore Wind.

The business lines, each with different dynamics, goals, and skills aimed at the technical and financial development of the offers and the management of projects in the execution phase, as well as being centres of excellence in technology and engineering, globally recognised by our clients, were structured as follows to manage the Group's portfolio;

- Asset Based Services - it aggregates businesses based on Saipem's asset portfolio, which includes Drilling, Sea Trunklines, Transportation & Installation, Subsea Development, as well as the management of vessels and yards serving the Group's businesses;
- Energy Carriers - evolution of Saipem's systems with a strong technological content, great attention to new energy carriers and circularity; it brings together the E&C business of "one-of-a-kind" Onshore and Offshore projects, enhancing the extent, depth, and quality of our technical and management skill portfolio;
- Robotics & Industrialized Solutions - answering the new needs of the energy sector, it integrates the technical operational skills dedicated to the development, engineering, and execution of modular, repeatable, and scalable systems, as well as the monitoring and maintenance services based on digital technologies;
- Sustainable Infrastructures - to seize the opportunities of a sector that has become strategic in the energy transition ecosystem, which will hopefully by accelerated by the Italian Recovery Fund;
- Offshore Wind - to consolidate Saipem's role in the offshore wind sector through the unified management and development of the business, with regards to the new opportunities to be pursued in the reference markets.

Organisational structure: reporting

Following the establishment of the new organisation, the information to the market, starting from the first quarter of 2023, in accordance with the provisions of IFRS 8 is prepared following the reporting segments below:

- Asset Based Services, which includes the Offshore Engineering & Construction and Offshore Wind activities;
- Offshore Drilling; and
- Energy Carriers, which includes the Onshore Engineering & Construction, Sustainable Infrastructures, and Robotics & Industrialized Solutions.

The sectors clustered in the reporting segments above have similar economic characteristics; moreover, the new Offshore Wind, Sustainable Infrastructures, and Robotics & Industrialized Solutions sectors are not, at present, so significant that they deserve separate reporting, in accordance with IFRS 8. Given its relevance and economic characteristics, the Offshore Drilling sector will be reported separately, as usual.

Continuing and Discontinued operations and non-current assets held for sale

The Onshore Drilling (DRON) business was marked as "Discounted operation"; during 2022, the activities in Saudi Arabia, Congo, United Arab Emirates, and Morocco were transferred, and during the first half of 2023 also the activities in Kuwait and Latin America; exception was made for the activities in Argentina, which will be transferred, together with those in Kazakhstan and Romania, within the first quarter of 2024.

Market conditions

The current context is characterised by a positive cycle in Saipem's reference markets, in particular Oil&Gas, driven by the need to access safe and sustainable energy sources. In 2023, according to the International Monetary Fund, the global economy grew by 3.0% compared to 2022 driven by India's strong growth (+6.3% in 2023), as well as the emerging Asian countries, which was able to offset a slowdown in some advanced economies, in particular the Euro area. This trend has become apparent despite the fact that some relevant factors weighing on the global scenario, such as the escalation on the geopolitical instability burdened by the emergence of the Israeli-Palestinian crisis and the protracted conflict in the Ukraine, as well as the persistence of high rates of inflation, although decreasing compared to the previous year and expected in further decrease.

The energy sector was one of the most impacted by the 2020-2022 crisis, yet in 2023 it progressively consolidated the recovery started in the previous years, supported by an increasing focus on security of energy supply. This dynamic has encouraged the growth of demand for traditional energy sources such as oil and gas, and developed in a stable market context, with Brent crude oil settled around $80 a barrel. Overall, the signals that have emerged over the course of the year have progressively resulted in a further increase in investments in the Oil&Gas sectors, now stably above pre-COVID levels. The abovementioned growth was recorded in all geographical areas, with a particular intensity in Africa and South America. Supporting the trend, in addition to 2023 inflation dynamics, are the investments in energy infrastructures as a supply risk mitigation strategy, in particular in some geographical areas such as Europe, which are continuing to diversify their energy sources.

The main oil companies moved in this direction, including through merger and acquisition processes, in order to guarantee a growing offer of fossil sources. On one hand, they carried out a strategy aimed at maintaining the solidity of their financial framework, while on the other they continued the process of diversification of their investment portfolio in the context of energy transition. Thereby, they responded to growing market pressures and targets for reducing CO_2 emissions.

With regards to renewable energy sources, in particular offshore wind, in 2023 the market showed signs of slowdown in terms of new contract allocations as a result of several factors, among others the increase of material and service cost, and high interest rates. Despite the above dynamics resulting in the cancellation or suspension of some projects under development, the prospects of this market remain positive in the medium and long term driven by the growing need for clean energy.

New contracts and backlog

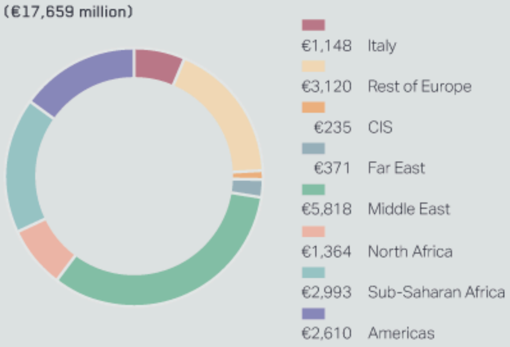
New order acquisitions during 2023 amounted to €17,659 million (€12,941 million in 2022).

Of the total acquisitions, 66% related to the Asset Based Services business, 27% to the Energy Carriers business, and 7% to Offshore Drilling.

New contracts to be carried out abroad made up 93% of the total; contracts awarded by Eni Group companies were 11% of the overall figure. Orders awarded to Saipem SpA amounted to 57% of the total. Orders awarded to non-consolidated companies amounted to €211 million; total acquisitions amounted to €17,870 million.

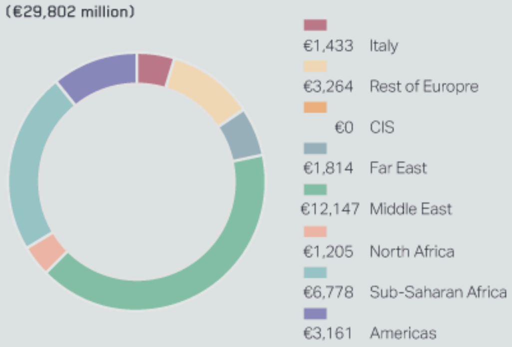
NEW CONTRACTS BY GEOGRAPHIC AREA

(€17,659 million)



ORDER BACKLOG BY GEOGRAPHIC AREA

(€29,802 million)



Saipem Group - Contracts awarded in the year ending on December 31

(€ million)	2023		2022	
	Amount	%	Amount	%
Saipem SpA	10,093	57	5,634	44
Group companies	7,566	43	7,307	56
Total	**17,659**	**100**	**12,941**	**100**
Asset Based Services	11,643	66	8,341	65
Energy Carriers	4,784	27	2,901	22
Offshore Drilling	1,232	7	1,699	13
Total	**17,659**	**100**	**12,941**	**100**
Italy	1,148	7	733	6
Outside Italy	16,511	93	12,208	94
Total	**17,659**	**100**	**12,941**	**100**
Eni Group	1,909	11	2,924	23
Third parties	15,750	89	10,017	77
Total	**17,659**	**100**	**12,941**	**100**

The backlog as of December 31, 2023 amounted to €29,802 million (€24,017 million as of December 31 ,2022); €16,285 million for Asset Based Services, €11,534 million for Energy Carriers, and €1,983 million for Offshore Drilling.
The breakdown of the backlog by sector is as follows: 54% in the Asset Based Services sector, 39% in the Energy Carriers sector, and 7% in Offshore Drilling.
95% of orders were on behalf of overseas customers, while orders from Eni Group companies represented 5% of the overall backlog. The parent company Saipem SpA accounted for 46% of the total backlog.
The backlog including non-consolidated companies was €29,892 million (€24,376 million as of December 31, 2022).

Saipem Group - Backlog as of December 31

(€ million)	2023		2022	
	Amount	%	Amount	%
Saipem SpA	13,849	46	7,186	30
Group companies	15,953	54	16,831	70
Total	**29,802**	**100**	**24,017**	**100**
Asset Based Services	16,285	54	10,756	45
Energy Carriers	11,534	39	11,767	49
Offshore Drilling	1,983	7	1,494	6
Total	**29,802**	**100**	**24,017**	**100**
Italy	1,433	5	982	4
Outside Italy	28,369	95	23,035	96
Total	**29,802**	**100**	**24,017**	**100**
Eni Group	1,445	5	2,210	9
Third parties	28,357	95	21,807	91
Total	**29,802**	**100**	**24,017**	**100**

Capital expenditure

The **capital expenditure** in 2023, including the purchase of the jack-up Sea Lion 7 (now Perro Negro 10), amounted to €482 million (€523 million in 2022), and was as follows:
- for Asset Based Services €258 million: extraordinary maintenance and reinforcement works related to Saipem 7000 vessel, and maintenance and upgrading works on existing vessels, in particular pipe-laying vessel Castorone and vessel FDS 2;
- for Energy Carriers €22 million: purchase and maintenance of equipment;
- for Offshore Drilling €202 million: in addition to the abovementioned purchase of the jack-up Sea Lion, maintenance and upgrading works on the semi-submersible Scarabeo 9, and upgrading of leased jack-ups Perro Negro 12 and Perro Negro 13 destined to operations in the Middle East on contracts already in backlog.

To summarise, capital expenditure in 2023 was as follows:

Investments

(€ million)	2023	2022
Saipem SpA	26	29
Other group companies	456	494
Total	**482**	**523**
Asset Based Services	258	117
Energy Carriers	22	56
Offshore Drilling	202	350
Total	**482**	**523**

Details of capital expenditure for the singol business units are provided in the following paragraphs.

ASSET BASED SERVICES AND OFFSHORE WIND

Company information

The Offshore Wind segment was spun off from the Offshore Engineering & Construction Division and merged into the new Offshore Wind business line, while the remaining projects were merged into the Asset Based Services business line; comments on the projects that are managed by the new business line managers are shown separately below: Asset Based Services and Offshore Wind. The two business lines share the same market conditions, the same assets, vessels and yards of manufacture, and the resources to carry the business out are the same. Specifically, the fleet of vessels is managed in a unified and integrated manner by the Company, taking into account the requirements, operating locations, intervention schedules and contractual obligations of the orders in execution referring (indistinctly) to both Asset Based Services and Offshore Wind.

General overview

The Business Line Asset Based Services operates in the Offshore sector with a portfolio of skills, assets, and services that allows coverage of a wide range of project types, including development of subsea fields, pipelaying (including large diameters), and installation and lifting of offshore structures. The services offered by the Business Line cover the entire "life of the field" chain, from customer care in the pre-final investment decision phase to the development of the investment. They include engineering, implementation, installation, maintenance, and modification activities, and ultimately, the decommissioning phase.
The service mentioned above are offered with complementary features, thanks to a fleet that can operate under complex operational and environmental conditions, to a network of construction yards and logistics bases in Nigeria, Angola, Brazil, Indonesia, Guyana, Italy, the United States, and Saudi Arabia; and decades of engineering and project management skills derived from experience in the sector. In particular, as of December 31, 2023, the fleet includes 21 vessels, 17 of which are owned by Saipem and 4 are owned by third parties and managed by Saipem. Among the main vessels are: the Saipem 7000, used for heavy lifting and decommissioning; the pipe-laying vessel Castorone, used for laying large-diameter pipes; the FDS and FDS 2, used for the development of subsea fields; the Saipem Constellation, used for field development activities thanks to its lifting and pipe-laying capabilities for reel-lay of rigid and flexible pipelines; the Saipem Endeavour, used for pipe-laying and lifting.
As mentioned in the previous paragraph, the fleet and management facilities of Asset Based Services also provide support to the Offshore Wind business line for renewable energy activities. The Business Line, in order to optimise its production processes, pays special attention to technological innovations, automation and digitalisation.
Activities in the Offshore segment are pursued organisationally through one single structures, aimed at the SURF segment (Subsea, Umbilicals, Risers, Flowlines) and one at Offshore Facilities and Pipeline, with the support of an Asset function dedicated to the management of ships, yards, and business line bases, including the Offshore Drilling fleet with the aim of creating synergies.

Market conditions

In the Oil&Gas market in general we are witnessing, already visible from 2021, a recovery of capital expenditures in Upstream in both deep water and shallow water, with relevant initiatives in the different segments: SURF (Subsea field developments), Trunkline (subsea pipelines for intra-well and onshore oil and gas transportation) and Conventional (offshore platforms and related production and processing facilities). Expectations of recovery of demand in the short to medium term are already materialising in terms of commercial activity and contract acquisition.
Specifically, as far as the conventional market is concerned, we can confirm the resilience of the Middle Eastern shallow-water market. Saudi Arabia is proceeding with its oil production-related developments, with a significant push also towards the development of non-conventional natural gas fields. Qatar continues to pursue its goal of further growth as a natural gas exporter, including through its own offshore gas fields (such as the North Field) to support increased liquefied natural gas production capacity. The United Arab Emirates is also moving forward with several initiatives, aimed at meeting domestic needs of natural gas requirements for power generation. The conventional market is also experiencing increasing interest from operators in the North and West African areas where various developments, especially gas-related, are being pursued at different stages of progress.
Linked to gas developments, the export and transportation pipeline (Trunkline) market has always been patchy, occasionally featuring projects of considerable size. While some initiatives in Asia-Pacific still have uncertain lead times, several gas transportation infrastructure developments are emerging in the Mediterranean Sea that look promising, even in light of the current geopolitical situation.

The market for subsea developments, which has been among those that have suffered the most in the recent past and has seen several high-risk or less profitable projects delayed or cancelled, is resuming activities while also seeking strategies to reduce costs. Over the past year there have been strong signs of recovery, mainly in Brazil and the Gulf of Mexico, but also in Northern Europe, especially Norway, thanks to the incentives introduced by governments to counteract the effects of the crisis. In Guyana, developments are proceeding at full speed, and there are also signs of imminent recovery in the African market, especially in West Africa, with countries such as Angola, Ivory Coast, Nigeria, and Congo anticipating major developments given the success of recent exploration campaigns.
Supported by the considerable interest of investors and operators, the offshore wind market continues its growth in terms of installed capacity, despite the critical issues that have emerged relating to the reduced availability of strategic assets and the difficulties of the supply chain to meet development expectations. These dynamics led to a slowdown in allocations during 2023, however commercial and executive activities are expected to increase, in line with the plan scenario, mainly in Europe and to a lesser extent in Asia-Pacific and the United States. Technological developments, partnerships, and robust capital inflows are expected to support the growth of this segment, both in the fixed and floating arena, in the near future and in the long term.

Capital expenditure

Investment activities carried out during 2023 focused on the execution of works aimed at class reinstatement, adaptation of vessels to international regulations and specific requests of projects in the portfolio and clients. Among the vessels involved in the activities described above were mainly the Saipem 7000, the FDS 2 and the Castorone pipe-laying vessel. Activities were also carried out to prepare and schedule maintenance and retrofitting work that will be carried out in 2024.

Asset Based Services

Orders intake

The most significant contracts awarded during 2023 included the following:
- for ADNOC, the project aimed at developing the resources of the Hail and Ghasha natural gas fields, located offshore Abu Dhabi in the United Arab Emirates. The job includes the engineering, procurement and construction (EPC) of four drilling stations and a processing plant to be built on artificial islands, as well as various offshore structures and over 300 kilometres of subsea pipelines. The project clearly shows Saipem's ability to execute large integrated onshore and offshore projects for its clients. In the case of Hail and Ghasha, the offshore component is worth approximately 45% of the total (in terms of backlog);
- for OMV Petrom, the Neptum Gas Development project in the Black Sea, Romania, which involves the engineering, procurement, construction and installation (EPCIC) of a gas processing platform at a depth of approximately 100 metres; the development of three subsea fields; a gas pipeline approximately 160 kilometres long; and an fibre-optic cable from the platform in shallow water up to the coast of Romania;
- for Mellitah Oil & Gas BV Libyan Branch, as part of the Bouri Gas Utilisation Project, a contract to revamp platforms and facilities in the Bouri field, which lies in deep water between 145 and 183 metres off the Libyan coast. The contract includes the engineering, procurement, fabrication, installation and commissioning of a gas recovery module weighing approximately 5,000-tonne on the existing DP4 facility, together with the pipelaying connecting the DP3, DP4 and Sabratha platforms;
- for ExxonMobil Guyana, the authorisation was received to go ahead with the final phase of the project for the development of the Uaru oil field in the Stabroek block, offshore Guyana, at a depth of around 2,000 metres. The subject of the contract includes the design, fabrication, and installation of submarine structures, risers, flowlines and umbilicals for a large subsea production plant. The operations are being carried out using its flagship vessels FDS 2 and Saipem Constellation;
- for Saudi Aramco, in Saudi Arabia, again under the Long Term Agreement (LTA), the contract covering the engineering, procurement, construction and installation (EPCI) of the topside of an offshore platform and the associated subsea system of flexible piping, umbilicals and cables;
- for Saudi Aramco, under the current Long Term Agreement (LTA), a project involving the engineering, procurement, construction and installation of five platforms and related subsea pipelines, flowlines and cables in the Marjan field, offshore of Saudi Arabia, with an entirely on-site fabrication scheme;
- for Equinor, the Raia project in Brazil, located approximately 200 kilometres offshore in the state of Rio de Janeiro; the scope of work includes the transport and offshore installation of a subsea pipeline for gas exportation and associated facilities, and horizontal drilling activities for the coastal landing. The Castorone pipe-laying vessel will be employed for the installation;
- for Turkish Petroleum OTC, the second phase of the Sakarya FEED and EPCI project involving the engineering, procurement, construction and installation of a pipeline to be installed at a depth of 2,200 metres in the Turkish waters of the Black Sea. The offshore operations will begin in the summer of 2024 and will be conducted by Saipem’s flagship vessel Castorone;

- for Eni Côte d'Ivoire, the Baleine Phase 2 project for the oil and gas field bearing the same name located 1,200 metres offshore Côte d'Ivoire. The scope of work involves the engineering, procurement, construction and installation of approximately 20 kilometres of rigid lines, 10 kilometres of flexible jumpers and risers, and 15 kilometres of umbilicals connected to a dedicated floating unit;
- for TotalEnergies, in partnership with Aker Solutions do Brasil, the development project of LAPA Southwest (LAPA SW), a deep-water oil field in the Santos basin, in the South Atlantic. The scope of work includes engineering, procurement, construction and installation (EPCI) of underwater umbilicals, risers and flowlines (SURF), as well as submarine production systems;
- for Azule Energy, the Agogo Full Field Development project, a deep-water greenfield development located approximately 180 kilometres offshore of Angola. The contract includes the engineering, procurement, construction and installation (EPCI) of rigid pipe-in-pipe flowlines with associated subsea structures;
- for Equinor, the Irpa Pipeline in the Norwegian Sea, which consists of the installation of an 80 km pipe-in-pipe line connecting the Irpa field submarine production model to the existing Aasta Hansteen platform;
- for Snam Rete Gas, a contract for the construction of facilities for the new storage and regasification vessel (FRSU) to be located in the Adriatic Sea off Ravenna, Italy. The project includes the engineering, procurement, construction, and installation of an offshore structure, connected to the existing one, for the berthing and mooring of the FRSU vessel, to be connected to the mainland via a pipeline measuring 8.5-kilometre-long offshore and 2.6 kilometres onshore, and a parallel fibre-optic cable;
- for Gascade Gastrasport Gmbh, a contract for the transport and installation of the Ostsee Anbindungsleitung gas pipeline in the Pomeranian Bay, north-eastern Germany, which includes the transport and installation of a gas line of approximately 50 kilometres from the Lubmin site in northern Germany on the Baltic Sea to the port of Mukran on the east coast of the island of Rügen, as well as the construction of landings;
- for ExxonMobil Guyana, the project for the development of the Whiptail oil field in the Stabroek block, offshore Guyana, at a depth of around 2,000 metres. The subject of the contract includes the design, fabrication, and installation of submarine structures, risers, flowlines and umbilicals for a large subsea production plant. The operations are being carried out using the state-of-the-art ships FDS 2, Constellation and Castorone;
- for EnQuest Heather Ltd, the contract for the decommissioning of the Thistle A platform, located in the British sector of the North Sea, approximately 510 kilometres north-east of Aberdeen and at a depth of 162 metres. Saipem's activities consist of the engineering, preparation, removal and disposal of the jacket and topsides, with possible extension to further subsea structures. Work will be carried out by the Saipem 7000.

Work performed

Below are the main projects that were underway or were completed during 2023.

America

In Guyana, for ExxonMobil:

- work has been completed for the **Payara** project, which included the engineering, procurement, fabrication, and installation of risers, umbilicals, flowlines, well connections, and associated facilities for the development of the Payara and Pacora fields. The 2023 campaign was carried out using the Saipem Constellation;
- engineering and procurement activities continued on the **Yellowtail** project, the purpose of which is to install umbilicals, risers, and flowlines; installation activities are scheduled for 2024 using the vessels FDS 2 and Saipem Constellation;
- work began on the **Uaru** project, which involves the design, fabrication and installation of subsea structures, risers, flowlines and umbilicals for a subsea production facility; the installation work is scheduled to take place in subsequent years using the vessels FDS 2, Saipem Constellation and Castorone.

Engineering activities proceeded in the Gulf of Mexico for Chevron for the **JSM-4** project, the scope includes the engineering, transportation, and installation of two modules (a generation module and a water injection module) onto the client's existing/operating FPU facility.

In Brazil:

- for Petrobras:
  - the installation activities continued for the **Buzios 5** project, the aim of which includes procurement, fabrication, and installation of Steel Lazy Wave Risers (SLWR), umbilicals, manifolds, flowlines, well connections, and related facilities for the development of the Buzios field; the project used the vessel FDS;
  - work has begun on the execution of the SURF EPCI Buzios 7 project, which includes the engineering, procurement, construction, and installation of the SLWR and the corresponding interconnecting flowlines between the subsea wells and the FPSO unit, as well as the associated service lines and control umbilicals. In addition, Saipem will be responsible for the supply and installation of the FPSO unit's anchors and its attachment to the reservoir. The installation activities are planned to begin in 2024 with the vessel FDS;

Again, in Brazil, for Totalenergies, work started on the **Lapa Southwest** project, aimed at the engineering, procurement, construction and installation of subsea umbilicals, risers and flowlines, as well as subsea production systems.

In Argentina, for Total, the activities relating to the **Fenix** project continued with the laying of a 37 km pipe; the operational activities were carried out during the second half of 2023 using the pipe-laying vessel Castorone.

North Sea

In Great Britain, for EnQuest:
- work began on the **Thistle** project relating to the decommissioning of the Thistle A platform, located approximately 510 kilometres north-east of Aberdeen and at a depth of 162 metres; the work includes the engineering, preparation, removal and disposal of the jacket and topsides, with possible extension to further subsea structures, and will be carried out by Saipem 7000;
- work began on the Heather project relating to the decommissioning of the existing infrastructure at the **Heather** oil field, located approximately 460 kilometres north-east of Aberdeen; the work involves the engineering, preparation, removal and disposal of the upper jacket of the Heather platform using the Saipem 7000.

In Norway, for Equinor, work started on the **Irpa** project for the installation of an 80 km pipe-in-pipe pipeline that will connect the subsea production facilities of the Irpa field to the existing Aasta Hansteen platform; the installation operations are scheduled for 2025 and will be carried out by the vessel Castorone.

In Germany, for Gascade, work started on the **Ostsee** project for the transport and laying of a gas line of approximately 50 kilometres and the construction of the associated landings using the pipe-laying ship Castoro 10.

Mediterranean and Black Sea

In Egypt, for Petrobel, work continued on the **Zohr** project for the transportation and installation of high and low-voltage umbilicals and various subsea structures; during the year the installation work was carried out using the vessel Normand Maximus.

In Greece, for Gastrade, the work continued for the **Alexsandroupolis** project, which will be carried out in 2023 using the vessel Castoro 10. Saipem's work includes the engineering, procurement, construction of a subsea system, a mooring system and a pipeline network to connect an FSRU to the national gas transmission network.

In Italy, for Eni, the work continued under the **Cassiopea** project for the transportation and installation of a rigid pipeline, umbilicals and flexible lines, and the construction of a shore approach; the installation work was carried out using the vessels Castoro 10 and Castorone.
Also in Italy, work started for Snam Rete Gas on the **FSRU Ravenna** project. The activities include the engineering, procurement, construction, and installation of a new offshore structure, connected to an existing one, for the berthing and mooring of a FRSU vessel, to be connected to the mainland via a pipeline measuring 8.5-kilometre-long offshore and 2.6 kilometres onshore, and a parallel fibre-optic cable.

In Turkey, for Turkish Petroleum, work began on the **Sakarya 2** project, which involves the execution of a FEED, as well as the engineering, procurement, construction and installation of a 175-km long pipeline at a depth of 2,200 metres; the installation operations are scheduled to start during 2024 using the vessel Castorone.

In Romania, for OMV Petrom, the **Neptum** project has started, which involves the engineering, procurement, construction and installation (EPCIC) of a gas processing platform at a depth of approximately 100 metres; the development of three subsea fields (at a depth between 100 and 1,000 metres); a gas pipeline approximately 160 kilometres long; and an fibre-optic cable from the platform up to the coast. The gas processing platform will be built at the Group's sites in Italy and Indonesia.

Africa

In Angola, for Azule Energy:
- the engineering and procurement work started for the **Agogo Full Field** project for the construction and installation (EPCI) of rigid pipe-in-pipe flowlines with associated subsea structures; the installation work is scheduled for 2024;
- work continued on the **Quiluma and Maboqueiro WP5A** project for the EPC-based construction of a jacket and deck and the execution of the related hook-up and commissioning.

In Mauritania and Senegal, for BP, work continued on the **Tortue** project, the scope of which includes the engineering, procurement, fabrication, installation, hook-up, and commissioning of a breakwater, the associated jetty, and a raised platform for the transport of gas, the hook-up of an FPSO and an FLNG at the Greater Tortue Ahmeyim complex; the structures were built in the Karimun yard.

In Libya, on behalf of Mellitah Oil & Gas, work started on the **Bouri Gas Utilisation** project which includes the engineering, procurement, fabrication, installation and commissioning of a gas recovery module weighing approximately 5,000-tonne on the existing offshore DP4 facility, together with the 28-km long pipelaying connecting the DP3, DP4 and Sabratha platforms.

In the Ivory Coast, for Eni, work continued on the **Baleine SURF phase 1** project for the development of the field of the same name; the installation work was started in the first half of 2023 with the involvement of the vessel FDS 2. Activities related to the **Baleine phase 2** project were also started during the year. The scope of work involves the engineering, procurement, construction and installation (EPCI) of approximately 2 kilometres of rigid lines, 20 kilometres of flexible jumpers and risers, and 10 kilometres of umbilicals connected to a dedicated floating unit. Installation work will be carried out from 2024.

Middle East

In Saudi Arabia, for Saudi Aramco, activities continued under the **Long Term Agreement** signed with the client. The activities carried out during the year mainly involved the deployment of the Dehe, Saipem Endeavour and Bautino vessels.
Work was also completed on the **KJO crude oil pipeline** project awarded by Aramco Gulf Operations Co and Kuwait Gulf Oil Co, which included the engineering, construction, offshore installation and commissioning of a new crude oil pipeline.

In Qatar, for Qatargas:
- work continued on the **North Field Production Sustainability (NFPS) EPCOL** project, which involves the engineering, procurement, construction and installation of subsea and onshore pipelines, jackets and wellhead platforms, as well as the related support activities; the fabrication activities involved the Karimun yard, while the operational phase at sea was carried out by the vessel Dehe;
- work continued for the **North Field Production Sustainability (NFPS) EPC 2** project, which involves the engineering, procurement, fabrication, and installation of two offshore natural gas compressor stations to support the production in the North Field, including two of the largest compression platforms on steel jackets ever built, interconnection bridges, accommodation modules, and interface modules.

In the United Arab Emirates, activities on the **Hail and Ghasha** project were started on behalf of ADNOC. The job includes the engineering, procurement and construction (EPC) of four drilling stations and a processing plant to be built on artificial islands, as well as various offshore structures and over 300 kilometres of subsea pipelines. Installation activities are planned in 2025.

Caspian Sea

In Azerbaijan:
- for BP, the **ACE** project was completed; while the work continued on the **Shah Deniz - Call-off 007 project**;
- for Total and Bos Shelf, activities continued on the **Absheron URF** (for the engineering, procurement, construction and installation of pipelines and umbilical systems) and **Absheron T&I** (jacket and platform installation activities) projects.

Australia

- for Chevron, preparatory work continued on the **Jansz-Io** project, which includes the transport and installation of a subsea compressor station, manifold, field control station, as well as umbilicals and other facilities. The offshore activities will be conducted in two phases. The operational activities will start from 2024;
- for Woodside, work continued for the **Scarborough** project, which includes the laying of a 400 km large-diameter pipeline; operations have involved the Saipem vessels Endeavour and Castorone.

Offshore Wind

Work performed

Below are the main projects that were underway or were completed during 2023.

In the United Kingdom:
- for Neart na Gaoithe, as part of the **NnG Offshore Windfarm** project, all installation activities were completed within the scope of the project, which included the engineering, procurement, construction and installation of 54 steel jackets for the same number of wind turbines, two steel jackets for offshore electrical substations, as well as the transport and installation of the associated topsides. The client is currently taking over the installation. All jackets were designed at Saipem's engineering centres in the UK and Italy and manufactured at Saipem-owned sites in Karimun, Indonesia, and Arbatax, Italy. The installation of the deep foundation was completed in late summer 2023 by the Saipem 3000, while the Saipem 7000 completed the drilling and offshore installation of the jackets, further consolidating Saipem's track record in offshore wind operations in the North Sea;
- on behalf of Subsea 7, as part of the **Seagreen** project, the vessel Saipem 7000 completed the scope of the work with the installation of the 114 WTG jackets planned;
- on behalf of Dogger Bank Offshore Wind Farms, the EPC contract for **two OSS jackets** was completed. The scope of the work scheduled for 2023 relating to the installation of two jackets and one of the two topsides was completed. The second topside will be installed in April 2024 as established in the contract.

In France, for Eoliennes Offshore du Calvados (EDF Renewables, Enbridge Inc and WPD Offshore), **Courseulles** project, the fabrication of 64 monopiles planned to support the wind turbine generators (WTG) was completed, and the fabrication of the transition structures (monopile-WTG) is nearing completion; the construction of the seabed drilling machine, an activity required for the installation of the foundation monopiles, is also underway. The construction of the seabed drilling rig, a necessary activity for the installation of the foundation monopiles, is currently in the final assembly and testing phase. The end of 2023 saw the beginning of the mobilisation of the vessel, chartered by a third party.

Vessels owned as of December 31, 2023

Saipem 7000	Self-propelled, semi-submersible, dynamically positioned crane and pipelay vessel capable of lifting structures of up to 14,000 tonnes and J-laying pipelines at depths of up to 3,000 metres.
Saipem Constellation	Dynamically positioned vessel for the reel-lay of rigid and flexible pipelines in ultra-deepwater depths. It is equipped with a 3,000 tonnes crane and a laying tower (800 tonnes capacity) equipped with two tensioners each with a 400 tonnes capacity.
Saipem FDS	Dynamically positioned vessel utilised for the development of deep-water fields at depths of over 2,000 metres. Capable of launching pipes of up to 22" in diameter in J-lay configuration, able to lay quadruple joint pipes (52-metre strings) with a holding capacity of up to 750 tonnes and a crane with lifting capacity of up to 600 tonnes.
Saipem FDS 2	Dynamically positioned vessel used for the development of deep-water fields; it has a J-lay tower with a holding capacity of up to 2,000 tonnes; capable of launching pipes with a maximum diameter of 36"; able to lay quadruple joint pipes (52-metre strings) at depths of up to 3,000 metres. Also capable of operating in S-lay mode with a crane with a lifting capacity of up to 1,000 tonnes.
Castorone	Dynamically positioned pipe-laying vessel operating in S-lay mode with an S-lay stern stinger of over 120 metres consisting of three sections for shallow and deep-water operations, a tensioning capacity of up to 750 tonnes, pipelay capability of up to 60 inches, onboard manufacturing facilities for double and triple joints and pipe storage capacity in cargo holds.
Saipem 3000	Monohull, self-propelled, dynamically positioned lifting vessel, with drilling tower, capable of laying flexible pipes and umbilicals in waters up to 2,200 metres deep and lifting heavy loads of up to 2,200 tonnes.
Saipem Endeavour	Barge for lifting heavy loads and laying pipes (in S-lay mode), suitable for launching single- or double-joint pipes of up to 60" in diameter for shallow and deepwater operations, with a tensioning capacity of up to 260 tonnes, equipped with a floating launch ramp composed of three sections for deep-water operations, a mini ramp with adjustable structure for shallow-water operations, and a rotating crane with a 1,100 tonne capacity.
Castoro 10	Trench/pipelay barge capable of burying pipes of up to 60" diameter in shallow waters.
Castoro 12	Barge capable of laying pipes of up to 40" diameter in ultra-shallow waters of a minimum depth of 1.4 metres.
Bautino 1	Shallow water post trenching and backfilling barge.
Castoro XI	Heavy-duty cargo barge.
Castoro 14	Cargo barge.
S43	Cargo barge.
S44	Launch cargo barge, for structures of up to 30,000 tonnes.
S45	Launch cargo barge, for structures of up to 20,000 tonnes.
S46	Cargo barge.
S47	Cargo barge.

Main leased vessels as of December 31, 2023

Dehe	Dynamically positioned vessel for laying pipes and lifting heavy loads of up to 5,000 tonnes, capable of deep-water installations up to depths of 3,000 metres and laying pipes with a tensioning capacity of up to 600 tonnes in S-lay mode.
Normand Maximus	Dynamic positioning vessel for laying umbilicals and flexible lines up to a depth of 3,000 metres equipped with a crane with a retention capacity of up to 900 tonnes and a vertical tower with a tensioning capacity of 550 tonnes and the possibility of laying rigid pipelines.
Vol au Vent	Jack-up for the lifting and installation of wind turbines at sea equipped with a 1,500-tonne crane and an on-board storage area of approximately 3,500 square metres capable of operating at depths of up to 90 metres and accommodating up to 90 people on board.
Skandi Acergy	Support vessel for the execution of offshore projects with a transport capacity of 7,000 tonnes, equipped with ROV hangar, moon pool, 100-tonne support crane and 125-tonne subsea equipment tower.

ENERGY CARRIERS, SUSTAINABLE INFRASTRUCTURES AND ROBOTICS & INDUSTRIALIZED SOLUTIONS

Company information

The Sustainable Infrastructure segment was spun off from the Onshore Engineering & Construction Division and was merged into the new Sustainable Infrastructures Business Line, while the remaining projects were merged into the Energy Carriers Business Line. Moreover, to responds to the new demands of the energy sector, some projects and activities have merged into the new Robotics & Industrialized Solutions Business Line, which integrates technical and operational skills for the development, engineering and execution of modular, repeatable, scalable systems, as well as monitoring and maintenance services based on digital technologies. So, comments on the projects that are managed in the three Business Lines are shown separately below: Energy Carriers, Sustainable Infrastructures and Robotics & Industrialized Solutions.

General overview

The Saipem Group’s Onshore Engineering & Construction is focused on the execution of large-scale projects with a high degree of complexity in terms of engineering, technology, and operations, with a strong bias towards challenging projects in difficult environments and remote areas.
Saipem enjoys a worldwide leading position, providing a complete range of integrated basic and detailed engineering, procurement, project management and construction services, principally to the Oil&Gas, complex civil and marine infrastructure and environmental markets.
In the Sustainable Infrastructure segment, the Saipem Group is mainly active in the design and construction of complex infrastructure projects, especially in the transport sector, such as railway lines and in particular High Speed/High-Capacity lines. These are complex works in terms of engineering and construction requiring an increasing implementation of innovative digital and technological solutions capable of guaranteeing resilience and energy efficiency, and which meet the requirements of the European taxonomy (DNSH principle “Do Not Significant Harm”), the classification system for environmentally sustainable economic activities, capable of meeting the Sustainable Development Goals (SDGs) included in the United Nations 2030 Agenda.

Energy Carriers

Market conditions

The onshore reference market recorded a significant increase in activity in 2023 compared to 2022, particularly in the upstream (e.g., floaters) and midstream (LNG and regasification) segments. Growth spanned across all geographical areas, except for Russia, with particular visibility in the Saipem Group's main areas of interest, such as the Middle East, Africa, Europe and Asia.
In terms of the ongoing activities in the various markets, the relevance of the midstream and downstream segments strengthened, with several significant developments in the gas monetisation and fertiliser sectors in the Americas, Africa, the Middle East and Europe, and in the upstream and petrochemical sectors in the Middle East and Asia. The LNG market, even following the Russia-Ukraine conflict, shows the relaunch of initiatives in the Middle East and in Africa, primary sources for gas supply alternative to Russian gas. Similarly, pipeline activities have resumed in all geographical areas, particularly Europe and the Middle East, Saipem's main areas of interest. In the upstream segment, following the sharp slowdown in the last two years, signs of strong recovery in the Arab Emirates and Saudi Arabia are now visible. In the floaters segment, significant volumes are confirmed in Latin America and Africa.
As far as renewables and green technologies in general (hydrogen, biofuels, biochemistry, and CO_2 capture) are concerned, the visibility of projects in Europe, North Africa, the Middle East, and Asia is increasing.

Capital expenditure

Capital expenditure in 2023 in the Energy Carriers business line mainly related to the acquisition and maintenance of equipment.

Orders intake

The most significant new contracts in 2023 are detailed below:
- for Eni Congo, for the conversion of the semi-submersible drilling unit Scarabeo 5 into a separation and upgrading plant (Floating Production Unit - FPU). The FPU is a semi-submersible production platform that receives fluids produced by riser platforms on wellheads, separates gas from liquids and upgrades it to power the nearby floating unit with liquefied natural gas;
- for Adnoc, the project aimed at developing the resources of the Hail and Ghasha natural gas fields, located offshore Abu Dhabi in the United Arab Emirates. The job includes the engineering, procurement and construction (EPC) of four drilling stations and a processing plant to be built on artificial islands, as well as various offshore structures and over 300 kilometres of subsea pipelines. The project clearly shows Saipem's ability to execute large integrated onshore and offshore projects for its clients. In the case of Hail and Ghasha, the offshore component is worth approximately 55% of the total (in terms of backlog).

Work performed

The biggest and most important projects under way or completed during 2023 were as follows.

In Saudi Arabia:
- for Saudi Aramco:
  - the **Hawiyah Gas Plant Expansion** project for the expansion of the Hawiyah gas treatment plant located in the south-eastern part of the Arabian Peninsula has been completed; it is currently in operation and the warranty period is ongoing;
  - on both EPC contracts (Package 1 & 2) for the **Jazan Integrated Gasification Combined Cycle** project (gasification plant combined with a power cycle for electricity generation), the warranty period was concluded, following the previous achievement of Final Mechanical Completion. The removal and demob of offices and accommodations for both the EPC contracts was completed;
  - the **Khurais EPC** project, which involved the extension of the onshore production centres of the Khurais, Mazajili, Abu Jifan, Ain Dar and Shedgum fields, has completed its guarantee period and has received the final release from Saudi Aramco;
  - the commissioning stage was completed for the **South Gas Compression Plants Pipeline Project** related to the development of the Haradh Gas Plant (HdGP) located in the east of the country. The project involves the review of the detailed engineering developed by the client, the procurement of all materials except for the carbon steel line pipe, lined plant lines and related valves supplied by the client, as well as construction, pre-commissioning and commissioning assistance; project completion was published on social media and in oil&gas international magazines;
  - for the **Marjan** project, an EPC contract for the execution of "Package 10" of the development programme for the same field, which includes gas treatment trains, sulfur recovery, and tail gas treatment, has completed the engineering and material procurement activities. With regards to worksite operations, foundations/underground works, installation of static equipment/tanks and process carpentry were completed. Currently, paving and building completion activities are in an advanced stage, while the installation of pipes and electro-instrumentation, insulation and pre-commissioning are ongoing;
  - for the **Berri** project, an EPC contract to increase the capacity of the homonymous field through the construction of new facilities in Abu Ali and Khursaniyah; engineering activities have been substantially completed; civil construction, installation of metal structures and equipment are underway on site, and tank assembly activities have begun. Electrical instrumental activities have been started at the Abu Ali island site;
  - for the **Jafurah** project, which includes the execution based on an EPC Lump Sum of approximately 800 km of various types of pipelines and features within the development programme for the Jafurah gas field located on the border between Saudi Arabia and Qatar, the engineering and material procurement activities have essentially been completed, and currently, the manufacturing and delivery activities to the site are ongoing. With regards to construction, pipe laying activities are ongoing and civil activities for ground works have started;
- for Petro Rabigh (joint venture between Saudi Aramco and Sumitomo Chemical), the additional works related to the **Utilities and Offsite Facilities** package have been completed and the plant is operational.

In Kuwait:
- for Kuwait Oil Co (KOC), for the **Feed Pipelines for New Refinery** project, the construction, pre-commissioning and commissioning of the plants were completed. The crude-in of products to the new refinery has been completed, as well as the commissioning of all the systems. The handover of works to the client is at completion stage, while the warranty period is starting. The contract includes engineering, procurement, construction, and commissioning activities related to the development of the new connection lines and related pumping and measurement station of the new Al Zour refinery located in south Kuwait;
- for Kuwait Integrated Petroleum Industries Co (KIPIC), for the **Al-Zour Refinery** the construction and partial handover to the client have been completed for the various units included in the contract. The project encompasses design, procurement, construction, pre-commissioning, and assistance during commissioning

tests, start-up, and checks on the performance of tanks, related road works, buildings, pipelines, piping support frames, water works and control systems for the Al-Zour refinery.

In Iraq, for Exxon on **West Qurna I** project, the construction work was completed during the shutdown of the facility, and the warranty period has started. The project involves the execution of infield engineering, pre-fabrication, and construction relating to some tie-ins to existing plants owned by Bassra Oil Co.

In Oman, for OQ8 (joint venture between OQ and Kuwait Petroleum International), for the **Duqm Refinery Package** 3 project, the engineering, procurement and construction activities have been completed, and the commissioning of the storage and export bulk material (pet-coke and sulphur) portions are in the completion phase for handover to the client.

In Israel, for Haifa Group on the **Ammonia Plant** project, engineering and procurement activities are being completed. After starting the civil/mechanical construction activities, the works on site were slowed down due to the events of October 7, 2023 related to the conflict between the State of Israel and Hamas. In agreement with the client, work is continuing as much as possible under the circumstances. The contract entails the construction of an ammonia unit in the Mishor Rotem site.

In the United Arab Emirates:
- for ADNOC Sour Gas, a subsidiary of Abu Dhabi National Oil Co (ADNOC), construction activities for the expansion and upgrade of the Shah facility relating to WP1 and WP2 have been completed, and the work relating to WP3 was completed for the **Optimum Shah Gas Expansion (OSGE) & Gas Gathering** project. The contract entails the expansion and strengthening of the already operating Shah plant;
- for ADNOC, engineering and procurement activities have started on the recently awarded contract relating to the “Offshore” package of the **Hail and Ghasha Development Project**, in joint venture with National Petroleum Construction Company (NPCC). The project aimed at developing the resources of the Hail and Ghasha natural gas fields, located offshore Abu Dhabi in the United Arab Emirates. The scope of work for the Energy Carriers Business Line includes engineering, procurement and construction (EPC) of four drilling centres and a treatment facility to be built on artificial islands.

In Indonesia, for BP Berau Ltd, in joint venture with PT. Tripatra Engineers and Constructors, PT. Tripatra Engineering, PT Chiyoda International Indonesia, Chiyoda Corp and PT Suluh Ardhi Engineering, for the **Tangguh LNG Expansion** project, the commissioning and handover activities have been completed for the third LNG train and LNG jetty and related infrastructure at the Tangguh, Papua site. Production was started by the client.

In Thailand:
- for PTT LNG Co Ltd (PTTLNG), in joint venture with CTCI Corp, the PAC (Provisional Acceptance Certificate) has been formalised for the **Nong Fab LNG** project, which involved the construction of a regasification terminal, including storage tanks and jetty for LNG imports. All start-up and performance test activities on the plant were completed are the warranty period has started;
- for Thai Oil, in joint venture with Petrofac International (UAE) Llc and Samsung Engineering Co Ltd, the **Clean Fuel** project is in progress, involving the construction and start-up of new units within the Sriracha refinery. Design and procurement activities are substantially complete, with the last equipment being shipped. All modules have been delivered. Prefabrication of piping is ongoing for the remaining quantities, as is the execution onsite of civil works, building, completion of underground works and installation of metal structures. Welding of piping in ongoing in the areas along the critical path.

In Australia, for Perdaman Chemical and Fertilizers Pty Ltd, in joint venture with local company Clough (part of Webuild group), engineering, procurement and construction activities have started for the construction of the urea production plant named **Burrup Urea Project**. The project includes the EPC Lump Sum construction of a plant that will have a production capacity equal to 6,200 tons/day of urea at full capacity. The project stands out for its high levels of energy efficiency and degree of modularisation. Following the Notice To Proceed of April 21, 2023, the project achieved the following significant results: 30% Model Reviews and Hazop were carried out, Proprietary Equipment and Long Lead Items and the first take off were purchased to support the contract for the execution of the modules in yard; the first subcontracts for construction activities were assigned.

In Nigeria:
- for Dangote Fertilizer, Commercial and Performance Tests were performed for both trains of the **Dangote** project separately, for the new ammonia and urea production complex. Preparatory activities for the global performance test of the plant have been completed, with the two streams in parallel. The contract includes engineering, procurement, construction supervision and commissioning of two twin production streams and related utilities located at the Lekki Free Trade Zone, Lagos State;
- for Nigeria LNG Ltd (NLNG), for the **EPC LNG Bonny Train 7** contract, in joint venture with Daewoo and Chiyoda Corp, engineering, procurement and construction activities are ongoing. The project involves the construction of a double natural gas liquefaction plant, as well as all the necessary utilities and port facilities for export, for the expansion of the existing LNG plant at Finima on Bonny Island. In particular, the last half year saw the completion

of the field construction activities, TCF and MOF (Marine Offloading Facilities) - Jetty 2 for the docking of ocean ships. The first oceanic vessel docked in August 2023. The marine works for the construction of Jetty 3 are ongoing, as well as prefabrication and mechanical assembly activities.

In Mozambique, for Total Energies E&P Mozambique Area 1 Ltda (which acquired the Anadarko interests during 2019 for the Mozambique LNG project), in a joint venture with McDermott Italia Srl and Mirai Engineering Italy Srl, Saipem is developing the **LNG plant** project consisting of the construction of two natural gas liquefaction trains, as well as all necessary infrastructure, storage tanks and port facilities for export. However, on instruction from the client TotalEnergies, the project has been on hold since spring 2021, due to a series of armed attacks in the town of Palma. Despite evacuating the site, Saipem has continued to manage a residual part of the project activities outside the country, that have not been suspended. Saipem has also been cooperating and maintaining contact with the client to implement measures both to preserve the value of the project, but above all to ensure the prompt resumption of work as soon as conditions required by Total Energies have been restored, including securing the safety of the area.

In Angola:
- for Solenova (JV between Sonangol and Eni), the PAC (Provisional Acceptance Certificate) has been formalised for the **solar power plant** interconnected to the National Grid. From June, the O&M phase with a duration of 24 months was started, in line with the contractual obligations;
- for Azule Energy (Eni & BP JV), the engineering and procurement activities continue, as well as the construction work for the **Quiluma and Maboqueiro project for the Onshore Gas Treatment Plant**, which involves the construction of a grass roots plant for gas treatment and compression in the northern region of the country. In particular, TCFs were completed at the site, and civil and mechanical works are ongoing.

Floaters and Operation & Maintenance

The biggest and most important FPSO projects under way or completed during 2023 were as follows.

The following vessels owned by Saipem operated in 2023 in the "Leased FPSO" segment:
- the **FPSO Cidade de Vitória**, carried out operations for Petrobras as part of a fifteen-year contract finishing in early 2024, focused on the second phase of development of the Golfinho field, situated off the coast of Brazil at a water depth of 1,400 metres. For the first half of the year, the FPSO has remained in shut-down for system adaptation works, returning operational at the beginning of June and operating under the control of Saipem until the sale in November to BW Energy, who bought for Petrobras the rights to develop the Golfinho field on which the FPSO is operating;
- the **FPSO Gimboa** carried out operations for Sonangol P&P under a contract for the development of the Gimboa field, located in Block 4/05 offshore Angola, at a water depth of 700 metres. The vessel is sized for the production, treatment, storage of 60,000 barrels/day.

At the end of 2023, the only vessel owned by Saipem in the FPSO segment is Gimboa.

In Mozambique, for Coral FLNG SA (JV of Eni and other partners), maintenance (O&M) services are underway on **Coral's FLNG** unit, as part of the eight-year (plus one optional) contract.

In Angola, for Total, the operations and maintenance services (O&M) of the **FPSOs Kaombo Norte** and **Kaombo Sul** continue, for a total seven-year period, plus an additional seven optional years.

It should be noted that upon completion of the alteration and refurbishment activities for the **FPSO Firenze** renamed **Baleine**, in the last quarter of 2023 operation and maintenance works have started on the FPSO for Eni related to the relevant contract. The duration of said works was extended from 10 to 15 weeks upon the signing of the contract amendment in December.

In Russia, the only residual activity is the commercial negotiation in progress related to the closing of the **Arctic LNG 2 GBS** project (in JV with Ronesans - Arctic LNG 2 client - scope of work: EPC), the works for which were suspended, in full compliance with EU regulations. With regards to the **Arctic LNG 2 - Topsides** project, in joint venture with Technip and NIPI, the event can be considered definitively closed since the deed of sale of the participation shares was signed by Technip and Saipem to Nipigas at the end of April.

In the United Arab Emirates, in the Dubai Dry Dock, for Eni Côte d'Ivoire Ltd, restructuring and transformation activities were completed in fast-track mode on the **FPSO Firenze**, renamed **Baleine**. The FPSO was towed to the Baleine oil field in the Ivory Coast, where the mooring, fitting and connection to the production wells work was completed, and production started. The unit will operate for the upcoming 15 years offshore the Ivory Coast.

In Brazil, for Petróleo Brasileiro (Petrobras), in a joint venture with Hanwha Offshore (previously named Daewoo Shipbuilding & Marine Engineering (DSME)), engineering, procurement and construction activities are ongoing on the **P-79** project, for the construction of a floating production and storage unit (FPSO) for the development of the Búzios offshore field in Brazil, made in three yards (two in the Far East and one in Brazil).

In Congo, for Eni Congo, engineering, procurement and construction activities are ongoing for the **Eni Congo LNG/Scarabeo 5 Conversion** project. The project involves the reconversion of Scarabeo 5 into a floating unit for the separation and compression of gas produced in offshore fields. Currently, the vessel is located in the CIMC yard in China for conversion works.

Sustainable Infrastructures

Market conditions

In the Sustainable Infrastructure sector, Saipem is focusing its activities mainly on the initiatives in Italy included in the National Recovery and Resilience Plan and in the list of strategic works for the development of sustainable mobility, also thanks to the vast experience accumulated over the years in Italy as the leader of the consortia formed for the construction of the Milan-Bologna and Milan-Verona High Speed/High Capacity railway lines.
The Infrastructure segment in Italy confirms, also from a short and medium-term perspective, the positive signals related to the large investments resulting from the National Recovery and Resilience Plan, which is expected to facilitate further developments in the railway and sustainable mobility sector also in the long term.

Orders intake

The most significant contracts awarded during 2023 included the following:
- for Rete Ferroviaria Italiana (RFI, Gruppo FS Italiane). The work involves the construction of a new railway line of approximately 7 kilometres underground with two parallel tunnels, on average about 20 metres deep, completed with two terminal sections above ground, to the north between the stations of Firenze Castello and Firenze Rifredi, and to the south near the station of Firenze Campo di Marte;
- for Rete Ferroviaria Italiana, a contract to double the Piadena-Modena railway track, in Italy. The scope of work includes the engineering, procurement and construction of 35 kilometres of railway line, including 4 viaducts, 4 stations, 26 kilometres on embankments, 13 bridges, laying rails, technological facilities;
- for Rete Ferroviaria Italiana, a contract for the Verona Est railway junction, in Italy. The scope of work includes the engineering, procurement and construction of a railway junction encompassing 3.6 kilometres of High Speed/High-Capacity line, 4.2 kilometres of new rails for the historic line, 3.6 kilometres of freight railway line.

Work performed

The biggest and most important projects under way during 2023 were as follows.

In Italy, for Rete Ferroviaria Italiana as part of the CEPAV 2 Consortium, for the **High-Speed Brescia Est-Verona** project, construction activities are in progress along the whole section. Work began in January for the construction of the second section of the Lonato tunnel, located on the critical path of the section, with completion expected in the first months of 2024. Works related to the railway superstructure tender were delivered, while the tender for the award of noise barriers was finalised. Project progress is around 60%.

Still in Italy, for Rete Ferroviaria Italiana (RFI) for the project **Florence high-speed railway link** and annexed Belfiore station, excavation works in the station and the mechanized excavation of the first section of the tunnel using the tunnelling boring machine (TBM) received from RFI in mid-June are ongoing. Meanwhile, design and preparatory activities are ongoing for the two minor projects recently awarded, for the construction to be carried out in the second half of 2024.

Robotics & Industrialized Solutions

Market conditions

The reference markets of the Robotics & Industrialized Solutions Business Line are mainly characterised by underwater robotics services and clean technologies to support the energy transition, with particular reference to the capture of carbon dioxide emissions, hydrogen and the chemical recycling of plastics. The Business Line offers modularised and industrialized solutions enabling a wide range of new clients who need to reduce their carbon footprint, even outside the traditional perimeter of the Group.
As far as the CCUS market is concerned, the Business Line focuses in particular on the European context, thanks to a mature regulatory framework capable of favouring the development of new initiatives. Public funding to

support these initiatives is growing strongly both in Europe (Norway and the UK, in particular) and in the United States. Furthermore, the value of the emission allowance traded on the ETS market (Emission Trading System) remained at high values throughout the first half of the year (€80-100 per ton of CO_2). This parameter, which has grown considerably in recent years, is characterised as an enabling factor for investments in the context of emission capture. In addition, the recent European directives issued under the Fit for 55 programme (referring to the 55% emissions reduction target by 2030) are bringing new industrial sectors, such as the maritime sector, into the allowances market.
In the field of hydrogen, during 2023 in Europe there will be significant volumes of loans to support the market, such as the Innovation Fund which has among its objectives that of reducing the impact in terms of emissions in the so-called hard-to-abate, such as steel, cement, chemical and refining industries. In this context, hydrogen constitutes a transversal and innovative system, capable of promoting emission-free electrification. There are also several large-scale investments outside Europe, such as in Oman, and the implementation of supporting policies in countries such as India and Japan.
Particular attention is paid to the developments of the chemical recycling of plastics market, driven by new and increasingly stringent regulatory frameworks, as well as by a growing attention towards a less impactful production of plastics to support the circularity of the industry.
Like the new energy transition sectors, the Business Line's commitment continues also in traditional markets, constantly looking for solutions to reduce its carbon footprint and to achieve higher levels of efficiency. In this context, Saipem offers its clients the use of advanced autonomous robotic solutions for underwater inspections, capable of significantly reducing consumption and emissions compared to traditional technologies. The geographical areas of greatest interest are those of South America (Brazil) and Northern Europe (Norway).
The defence of the environment and of critical structures, especially those underwater, remain in the spotlight; these markets became more relevant due to the recent developments in the energy transition and the evolution of the geopolitical situation.

Orders intake

The most important contract award of 2023 concerns the Petrobras contract for the development and testing of an autonomous underwater inspection robotic solution, which will be based on Saipem’s fleet of underwater drones, starting from the Flatfish AUV (Autonomous Underwater Vehicle), as well as the qualification of related autonomous drone-based services, enabling future inspection contract options offshore Brazil.
This contract marks a further milestone for Saipem’s innovative underwater robotics programme and for the global scale utilisation of subsea drones in offshore projects throughout the entire value chain, and it allows to extend to the Technology Readiness Level 7 achieved on Saipem’s fleet of subsea drones to the new features.

Work performed

The largest and most significant project underway in 2023 relates to the contract for Equinor, as part of the Njord contract which provides for the use of Hydrone-R, a drone for underwater operations, and the ROV Hydrone-W, an all-electric remote-controlled underwater robot, at Njord Field, offshore Norway. Hydrone-R has begun the period of operational permanence on the seabed and after an extensive test campaign, Saipem has obtained the approval from Equinor to begin inspection activities and underwater operations, opening a new era in the management of underwater activities in a safer, cheaper and less environmentally impactful way.

OFFSHORE DRILLING

General overview

As of December 2023, Saipem's Offshore Drilling fleet includes 15 vessels, divided as follows: six ultra deep water/deep-water units for operations at depths of up to 3,600 metres (drillships Saipem 12000, Saipem 10000, Santorini and Deep Value Driller; the semisubmersibles Scarabeo 8 and Scarabeo 9), eight high-specification jack-ups for operations at depths of up to 400 feet (Perro Negro 7, Perro Negro 8, Pioneer, Sea Lion 7, Perro Negro 9, Perro Negro 11, Perro Negro 12 and Perro Negro 13) and one standard jack-up for operations at depths of up to 150 feet (Perro Negro 4). Among the abovementioned drilling rigs, the following are owned by third parties: the jack-ups Pioneer, Perro Negro 9, Perro Negro 11, Perro Negro 12 and Perro Negro 13, and the drillship Deep Value Driller.
The changes to the fleet compared to the previous year are stated below:
- following the signing of lease contracts in 2022, during the first half of the year the jack-ups Perro Negro 12 and Perro Negro 13 were delivered to Saipem; both vessels, after completion of preparatory work, are intended for operations in Saudi Arabia under contracts already acquired;
- additionally, in January, an agreement was finalised for the lease of the seventh-generation drillship, Deep Value Driller. The rig was delivered to Saipem in September to be utilised in a project in West Africa that had already been secured;
- in October, the semisubmersible Scarabeo 5 was sold. The rig is destined to be converted to non-drilling operations for a project awarded to the Energy Carriers business line;
- lastly, in November, Saipem exercised the option to purchase the jack-up Sea Lion 7 under the terms and conditions of the lease contract signed in 2019; the rig will be renamed Perro Negro 10 in 2024.

During the year, the Offshore Drilling fleet operated in Italy, Norway, Egypt (on the Red Sea side and Mediterranean Sea side), West Africa (Angola and Ivory Coast), Mexico, Saudi Arabia, and United States.

Market conditions

In line with the previous year, 2023 began in a climate of general market recovery, as reflected in particular by the growing trend of daily rates of new contracts assigned by clients. This was further confirmed by a change in approach by clients, with some of them ready to consider assigning medium-long term contracts in order to ensure the availability of vessels and equipment suited to their needs.
The market recovery was also supported by the oil price trend. Throughout the year, quotations were above the $70-75/barrel threshold, with fluctuations even above $85-90/barrel at different times during the year.
As a result of the scenario described above, utilisations have continued to rise compared to the previous year, particularly in the ultra-deep-water segment, which is approaching full occupancy in the main regional markets. In line with previous years, clients' preference for technologically advanced vessels was again confirmed.
The withdrawal of the drilling rigs from the market, already decreasing in 2022, has been inevitably slowed down and was limited to four vessels during the year, with only two cases of withdrawal due to excessive age (the others were converted into non-drilling units).
The recovery phase of the market also had an impact on the reactivation of the rigs under construction ordered during the previous boom period and later abandoned in construction yards during the crisis; their number (just under 40), while constantly decreasing, remains relevant. Their progressive entry into the market will likely have a significant impact of the offer in the medium term.

Orders intake

The most significant contracts awarded during 2023 included the following:
- for Eni, a contract for the construction of eleven firm wells and a further five optional wells in the Ivory Coast using the seventh-generation drillship **Deep Value Driller**; operations started in October;
- for Eni, the award of a two-year contract for the use of the seventh-generation drillship **Santorini** for worldwide operations;
- for Aramco, the ten-year extension of the lease for the jack-up **Perro Negro 7** for works in Saudi Arabia;
- for Burullus Gas Co, a contract for the construction of three firm wells and a further three optional wells in Egypt using the sixth-generation semisubmersible **Scarabeo 9**; operations are scheduled to start in the first quarter of the 2024, as soon as extraordinary maintenance and class reinstatement;
- for Eni, the extension through the exercise of various contractual options for activities in Egypt using the drillship **Saipem 10000**.

Capital expenditure

During the year, activities have been carried out aimed at the refurbishment and adaptation of vessels to comply with the international regulations and the requirements of clients. Among the rigs involved in the maintenance and adaptation activities required by clients, were in particular the jack-ups Perro Negro 12, Perro Negro 13, and the semisubmersible Scarabeo 9.

Work performed

During the first half of the year, the fleet was used as follows:

- ultra-deep water/deep-water units: drillship **Saipem 12000** completed operations for Eni in the offshore area of the Ivory Coast in June, then it was used in Angola for Azule Energy for a contract already in backlog; drillship **Saipem 10000** continued to operate in Egypt for Eni until September, then it was transferred to Italy to be used for the Cassiopea project, also for Eni and already in backlog; drillship **Santorini** continued to operate in the United States for Eni until August, then it was transferred to Egypt to start operations for Petrobel; drillship **Deep Value Driller** started operations in the Ivory Coast in October on a contract already in backlog for Eni; the semisubmersible **Scarabeo 9** completed the execution of a project in Angola for Eni and was taken to the shipyard for maintenance in October, in order to start new work in 2024; semisubmersible **Scarabeo 8** operated for AkerBP in Norway on a contract already in backlog; semisubmersible **Scarabeo 5** completed operations on a project for Eni in Angola, then was sold to third parties as previously mentioned;
- high specification jack-ups: the **Perro Negro 7**, **Perro Negro 8**, **Sea Lion 7** and **Perro Negro 9** units continued to operate for Saudi Aramco in the Saudi Arabian offshore area; the **Perro Negro 11** unit also commenced operations during the year under a previously acquired multi-year contract with Saudi Aramco; the **Perro Negro 12** and **Perro Negro 13** units were delivered to Saipem during the first half of the year and were used for preparatory work for the start of operations on the contracts with Saudi Aramco already in backlog; the **Pioneer** unit continued to operate for Eni in Mexico;
- standard jack-ups: **Perro Negro 4** continued to operate in the Red Sea for Petrobel.

Utilisation of vessels

The main vessel utilisation in 2023 was as follows:

Vessel	(No. of days)	December 31, 2023 under contract	idle
Semisubmersible platform Scarabeo 5 (1)		36	
Semisubmersible platform Scarabeo 8 (2)		361	4
Semisubmersible platform Scarabeo 9 (2)		285	80
Drillship Saipem 10000		365	
Drillship Saipem 12000		365	
Drillship Santorini		365	
Drillship Deep Value Driller (3) (*)		83	32
Jack-up Perro Negro 4		365	
Jack-up Perro Negro 7		365	
Jack-up Perro Negro 8		365	
Jack-up Sea Lion 7 (Perro Negro 10) (4)		284	81
Jack-up PioneerJindal (*)		365	
Jack-up Perro Negro 9 (2) (*)		261	104
Jack-up Perro Negro 11 (2) (*)		255	110
Jack-up Perro Negro 12 (3) (*)			304
Jack-up Perro Negro 13 (3) (*)			217

(1) Upon completion of operations, the unit was sold to third parties in October 2023.
(2) On non-operational days, unit subject to maintenance and preparation work for a new contract.
(3) Unit acquired through a lease contract and delivered to Saipem during the year; on non-operational days, unit subject to preparation work for the start of operations.
(4) Leased unit acquired in November; on non-operational days, unit subject to maintenance.
(*) Leased vessel.

FINANCIAL AND ECONOMIC RESULTS

Macroeconomic scenario

The current market framework confirms recovery trend in Saipem's reference markets, in line with the expected growth in terms of macroeconomic indicators and overall energy demand. However, the persistence of some instability factors throughout 2023, including the outbreak of the Israeli-Palestinian crisis, the ongoing conflict in Ukraine, and the presence of high inflation rates, has increased the risk of global economic instability. This has necessitated further attention from the Management in formulating accounting estimates and significant judgments. As a result, certain areas of the financial statements, also related to the increased uncertainty in estimates, may be affected by recent macroeconomic events and circumstances.

As regards the trend in oil and natural gas prices, the Company believes that short-term volatility in these prices may have a limited impact on the Group's results given the nature of Saipem's activities, which are characterised by multi-year contracts with execution times of several years, depending on the complexity of the project. In the longer term, there remains a prospect of improvement in the external environment, supported by the multi-year growth cycle that the Oil&Gas market is experiencing and by the consolidation of opportunities in the field of energy transition and clean technologies.

Regarding Saipem projects involving activities on Russian territory and/or with Russian clients, there are no remaining activities, and the related contractual relationships with clients have been concluded and are currently in the process of formalization in full compliance with EU regulations.

The Company confirms that it operates in full compliance with the provisions established by European and national institutions with respect to the Russian Federation.

It is noted that there are neither activities managed by Saipem nor personnel in the Ukrainian territories affected by the conflict.

The Strategic Plan 2024-2027, in line with previous plans, does not foresee the acquisition of new contracts in Russia.

As for the activities in Israel, it should be noted that Saipem has a contract for the construction of an Ammonia unit, as part of the Ammonia Plant project on behalf of the Haifa Group, at the Mishor Rotem site, whose engineering and procurement activities are nearing completion. After starting the civil/mechanical construction activities, the works on site were slowed down due to the events of October 7, 2023 related to the conflict between the State of Israel and Hamas. In agreement with the client, work is continuing as much as possible under the circumstances.

Operating results

As already commented in paragraph "Organisational structure: reporting", the information to the market, starting from the first quarter of 2023, in accordance with the provisions of IFRS 8 is prepared following the reporting segments below:

- Asset Based Services, which includes Offshore Engineering & Construction and Offshore Wind activities;
- Offshore Drilling; and
- Energy Carriers, which includes the Onshore Engineering & Construction, Sustainable Infrastructures, and Robotics & Industrialized Solutions.

The sectors clustered in the reporting segments above have similar economic characteristics; moreover, the new Offshore Wind, Sustainable Infrastructures, and Robotics & Industrialized Solutions sectors are not, at present, so significant that they deserve separate reporting, in accordance with IFRS 8. Given its relevance and economic characteristics, the Offshore Drilling sector will be reported separately, as usual.

The results restated based on the new reporting are broadly in line with the data released to the market in 2022; in any case, for the purpose of a more complete understanding of the effects of the re-aggregation, the data on revenues, EBITDA and adjusted EBIT for the year 2022, relating to the two sectors subject to re-aggregation, are reported at the end of this section.

Saipem Group - Income statement (*)

(€ million)	Year 2023	Year 2022	% Ch.
Core business revenue	**11,874**	**9,980**	**19.0**
Other revenue and income	23	9	
Purchases, services and other costs	(9,236)	(7,822)	
Net reversals of impairment losses (impairment losses) on trade receivables and other assets	1	32	
Personnel expenses	(1,736)	(1,656)	
Gross operating margin (EBITDA)	**926**	**543**	**70.5**
Depreciation, amortisation and impairment losses	(489)	(445)	
Operating result (EBIT)	**437**	**98**	**n.s.**
Net financial income (expense)	(167)	(195)	
Net financial income (expense) on equity investments	60	(65)	
Pre-tax profit (loss)	**330**	**(162)**	**n.s.**
Income taxes	(145)	(153)	
Profit (loss) before non-controlling interests	**185**	**(315)**	**n.s.**
Profit (loss) attributable to non-controlling interests	-	-	
Profit (loss) for the year - Continuing operations	**185**	**(315)**	**n.s.**
Profit (loss) for the year - Discontinued operations	**(6)**	**106**	**n.s.**
Profit (loss) for the year	**179**	**(209)**	**n.s.**

(*) The results of the Onshore Drilling segment being divested, have been recognised as Discontinued operations in accordance with the criteria set out in IFRS 5.
Revenues and associated profit levels are not consistent over time, as they are influenced not only by market performance but also by climatic conditions and individual project schedules in the Engineering & Construction sector, and by contract expiry and renegotiation timing in the Drilling sector.

The **core business revenue** during 2023 amounted to €11,874 million.
Gross operating margin (EBITDA) is €926 million. Depreciation, amortisation and impairment losses on property, plant and equipment and intangible assets totalled €489 million.
The **operating result (EBIT)** achieved in 2023 is a €437 million profit.
The main variations relating to the income statement items above are detailed below in the analysis by segment.
The net financial income (charges) balance is negative at €167 million, decreasing by €28 million, due to lower interest and commissions and higher income from available funds. In particular, it should be noted that the 2022 balance was impacted by interest and fees related to the capital increase transaction.
Net gains (losses) on equity investments was positive for €60 million, a growth compared to the corresponding period of 2022 thanks to this year's results of contracts performed by companies measured using the equity method, which were negative last year.
Pre-tax profit amounted to a profit of €330 million. Income taxes amounted to €145 million, compared to €153 million in 2022, due, inter alia, to a refund of a tax dispute.
The **Continuing operations net income** shows a profit of €185 million (loss of €315 million in 2022). In 2023, the Onshore Drilling discontinued operations business recorded revenue of €99 million and negative EBITDA of €6 million; as a result, the **result from discontinued operations** was a loss of €6 million compared to a profit of €106 million in the same period of 2022, which benefited from the capital gain from the positive difference between the sale price and the carrying value in the accounts of the discontinued Onshore Drilling business.
The **net income** shows a profit of €179 million (loss of €209 million in 2022).

Saipem Group - Adjustment income statement

(€ million)	Year 2023	Year 2022	% Ch.
Core business revenue	**11,874**	**9,980**	**19.0**
Other revenue and income	23	9	
Purchases, services and other costs	(9,236)	(7,798)	
Net reversals of impairment losses (impairment losses) on trade receivables and other assets	1	32	
Personnel and related expenses	(1,736)	(1,628)	
Adjusted gross operating margin (EBITDA)	**926**	**595**	**55.6**
Depreciation, amortisation and impairment losses	(489)	(445)	
Adjusted operating result (EBIT)	**437**	**150**	**n.s.**
Net financial income (expense)	(167)	(195)	
Net financial income (expense) on equity investments	60	(65)	
Adjusted pre-tax result	**330**	**(110)**	**n.s.**
Income taxes	(145)	(153)	
Adjusted profit (loss) before non-controlling interests	**185**	**(263)**	**n.s.**
Profit (loss) attributable to non-controlling interests	-	-	
Adjusted net profit (loss) for the year - Continuing operations	**185**	**(263)**	**n.s.**
Adjusted net profit (loss) for the year - Discontinued operations	**(6)**	**124**	**n.s.**
Adjusted net profit (loss) for the year	**179**	**(139)**	**n.s.**

Revenues and associated profit levels are not consistent over time, as they are influenced not only by market performance but also by climatic conditions and individual project schedules in the Engineering & Construction sector, and by contract expiry and renegotiation timing in the Drilling sector.

In the 2023 financial year, no non-recurring charges were recorded; consequently, the net result from continuing operations aligns with the adjusted net result, amounting to €185 million. In the corresponding period of 2022, the net result from continuing operations showed a loss of €315 million, which included charges related to the health emergency and restructuring totalling €52 million against the adjusted net result. The impact of non-recurring expenses is shown below.

(€ million)	Year 2023	Year 2022
Operating result (EBIT)	**437**	**98**
Impairment/write-down and restructuring expenses	-	52
Adjusted operating result (EBIT)	**437**	**150**

(€ million)	Year 2023	Year 2022
Profit (loss) for the period	**185**	**(315)**
Impairment/write-down and restructuring expenses	-	52
Adjusted profit (loss) for the period	**185**	**(263)**

Adjusted EBIT reconciliation - 2022 EBIT

(€ million)	Asset Based Services	Energy Carriers	Offshore Drilling	Total
Adjusted EBIT	**100**	**(52)**	**102**	**150**
Restructuring expenses (1)	5	29	2	36
Impairment losses of current assets (1)	(12)	-	-	(12)
Costs for COVID-19 healthcare emergency (1)	23	4	1	28
Total special items	16	33	3	52
EBIT	**84**	**(85)**	**99**	**98**

(1) Total of €52 million: reconciliation of adjusted EBITDA of €595 million with EBITDA of €543 million.

Adjusted operating profit and costs by function

(€ million)	Year 2023	Year 2022	% Ch.
Core business revenue	**11,874**	**9,980**	**19.0**
Production costs	(11,032)	(9,447)	
Idle costs	(108)	(108)	
Trade receivables	(124)	(115)	
Costs for research and development	(32)	(31)	
Other operating income (expenses)	19	4	
General expenses	(160)	(133)	
Adjusted operating result (EBIT)	**437**	**150**	**n.s.**

The Saipem Group achieved in 2023 a core business revenue of €11,874 million, an increase of €1,894 million a significant growth compared to 2022.
Production costs – which include direct costs of sales and depreciation of the vessels and equipment used – were in total €11,032 million, an increase of €1,585 million compared to 2022, consistent with the higher volumes.
Idle costs are €108 million, in line with 2022. Selling expenses, equal to €124 million, were slightly higher than the amount recorded in the corresponding period of 2022, as well as the research and development expenses recognised as operating costs, amounting to €32 million. General expenses, amounting to €160 million were higher than those incurred in 2022, mainly as a result of cost incurred to transfer to the new headquarters of Parent Company Saipem SpA and the temporary coexistence of costs of both office buildings.

Asset Based Services

(€ million)	Year 2023	Year 2022
Core business revenue	6,069	5,026
Cost of sales	(5,455)	(4,612)
Adjusted gross operating profit (EBITDA)	614	414
Depreciation and amortisation	(313)	(314)
Adjusted operating profit (EBIT)	301	100
Impairment losses and restructuring expenses	-	(16)
Operating result (EBIT)	301	84

Revenues in 2023 amounted to €6,069 million, and show an increase of 20.8% compared to the corresponding period of 2022, mainly attributable to higher volumes in the Latin America, Sub-Saharan Africa, the Middle East and Italy. The cost of sales, amounting to €5,455 million, increased in line with the higher volumes.
Adjusted gross operating profit (EBITDA) for 2023 was positive for €614 million, equal to 10.1% of revenues compared to the €414 million in the corresponding period of 2022, equal to 8.2% of revenues.
Depreciation and amortisation amounting to €313 million is in line with 2022.
The 2023 operating result (EBIT) is a €301 million profit.

Energy Carriers

(€ million)	Year 2023	Year 2022
Core business revenue	5,062	4,389
Cost of sales	(5,051)	(4,382)
Adjusted gross operating profit (EBITDA)	11	7
Depreciation and amortisation	(53)	(59)
Adjusted operating profit (EBIT)	(42)	(52)
Impairment losses and restructuring expenses	-	(33)
Operating result (EBIT)	(42)	(85)

Revenues for 2023 amounted to €5,062 million and show an increase of 15.3% compared to the corresponding period of 2022, as an effect of the higher volumes in the Sub-Saharan Africa, Latin America, and Middle East.
The cost of sales, equal to €5,051 million, has increased by to 15.3% compared to 2022, consistent with the higher volumes.
Adjusted gross operating profit (EBITDA) in 2023 is positive for €11 million, equal to 0.2% of revenues slightly higher than the corresponding period of 2022.
Depreciation and amortisation amounted to €53 million, down €6 million compared to the corresponding period of 2022, mainly due to the suspension of depreciation of the FPSO Cidade de Vitória sold in November 2023.
The operating result (EBIT) in 2023 was a loss of €42 million.

Offshore Drilling

(€ million)	Year 2023	Year 2022
Core business revenue	743	565
Cost of sales	(442)	(391)
Adjusted gross operating profit (EBITDA)	301	174
Depreciation and amortisation	(123)	(72)
Adjusted operating profit (EBIT)	178	102
Impairment losses and restructuring expenses	-	(3)
Operating result (EBIT)	178	99

Revenues for 2023 amounted to €743 million, up 31.5% compared to the corresponding period of 2022. This is due to a favourable market environment, with increasing daily rates and the increased contribution of the semi-submersible platform Scarabeo 8 and the jack-up Perro Negro 8 which have worked to full capacity during the period, as well as for the contribution of the drillship Deep Value Driller and the jack-up Perro Negro 11 which starting their operations 2023. The cost of sales, equal to €442 million, was higher compared to the same period of 2022, due to the new vessels becoming operational.
Adjusted gross operating profit (EBITDA) for 2023 amounted to €301 million, equal to 40.5% of revenues, compared to €174 million in the corresponding period of 2022, equal to 30.8%, mainly attributable to better market conditions with increasing daily rates compared to the corresponding period of 2022 and thanks to the contribution of the new vessels.
Depreciation and amortisation amounted to €123 million, up €51 million compared to the corresponding period of 2022, when some vessels were idle for extraordinary maintenance, as well as the contribution during the period of the drillship Santorini purchased at the end of 2022.
The operating result (EBIT) in 2023 was a profit of €178 million.
Below are the results adjusted on the basis of the new report.

Impact of reorganisation - 2022 data reported

First half 2022	(€ million)	Year 2022
	Offshore E&C	
2,072	Core business revenue	5,127
166	Adjusted gross operating profit (EBITDA)	420
16	Adjusted operating result (EBIT)	105
	Onshore E&C	
863	Core business revenue	4,288
10	Adjusted gross operating profit (EBITDA)	1
(5)	Adjusted operating result (EBIT)	(57)

Impact of reorganisation - 2022 data reported

First half 2022	(€ million)	Year 2022
	Asset Based Services	
2,024	Core business revenue	5,026
164	Adjusted gross operating profit (EBITDA)	414
16	Adjusted operating result (EBIT)	100
	Energy Carriers	
1,874	Core business revenue	4,389
13	Adjusted gross operating profit (EBITDA)	7
(18)	Adjusted operating result (EBIT)	(52)

Balance sheet and financial position

Saipem Group - Reclassified consolidated statement of financial position [1]

The reclassified consolidated statement of financial position aggregates asset and liability amounts from the statutory statement of financial position by function, under three basic areas: operating, investing and financing. The management believes that the proposed schedule provides useful information for investors because it allows to identify the sources of financial resources (own and borrowed funds) and their use in fixed assets and working capital.

(€ million)		Dec. 31, 2023		Dec. 31, 2022
Property, plant and equipment		2,960		2,879
Right-of-use of leased activities		428		258
Net intangible assets		666		691
		4,054		**3,828**
- Asset Based Services	*2,635*		*2,459*	
- Energy Carriers	*501*		*519*	
- Drilling	*918*		*850*	
Equity investments		162		128
Non-current assets		**4,216**		**3,956**
Net current assets		**(1,366)**		**(1,589)**
Provisions for employee benefits		(193)		(183)
Net assets held for sale		**-**		**166**
Net capital employed		**2,657**		**2,350**
Equity		2,394		2,068
Non-controlling interests		2		18
Net financial debt pre-IFRS 16 lease liabilities		(216)		(56)
Lease liabilities		477		320
Net financial debt		**261**		**264**
Funding		**2,657**		**2,350**
Leverage before IFRS 16 (net borrowing/equity + non-controlling interests)		**(0.09)**		**(0.03)**
Leverage post-IFRS 16 (net borrowing/equity + non-controlling interests)		**0.11**		**0.13**
Number of shares issued and outstanding		1,995,558,791		1,995,558,791

(1) For reconciliation with mandatory templates see "Reconciliation of reclassified balance sheets used in the management report with the mandatory financial statements" on page 75.

Management uses the reclassified statement of financial position to calculate key ratios such as the Return On Average Capital Employed (ROACE) and leverage (used to indicate the robustness of the group's capital structure).

Non-current assets as of December 31, 2023, stood at €4,216 million, an increase of €260 million compared to December 31, 2022. The change derives from capital expenditure for €483 million, from the increase in the final value of the right-of-use of lease assets for €312 million, from amortisation for €489 million, from divestments and scrapping for €68 million, from positive variation of equity investments for €107 million including dividends for €69 million.

Net current assets have increased by €223 million, going from a negative balance of €1,589 million as of December 31, 2022, to a negative balance of €1,366 million as of December 31, 2023. The increase is due to the change in the provisions for risks and charges for €329 million, primarily due to the use of provision for losses on contracts set aside following the backlog review in 2021.

Provisions for employee benefits amounted to €193 million, up €10 million compared to December 31, 2022 related to the effect of provisions for the period.

As of December 31, 2023, the **net assets (liabilities) held for sale** amount to zero, representing a decrease compared to December 31, 2022, due to the divestment of the Onshore Drilling operation initiated in 2022. This transaction involved the transfer of assets in Kuwait and Latin America, excluding those in Argentina.

In light if the above, the **net capital employed** increased by €307 million, standing at €2,657 million as of December 31, 2023 compared to €2,350 million as of December 31, 2022.

Equity, including non-controlling interests, amounts to €2,396 million as of December 31, 2023, an increase of €310 million compared to December 31, 2022. The increase is attributable to the net profit of €179 million for the period, the positive effect of the change in the fair value measurement of foreign exchange and commodity hedging derivatives amounting to €95 million, and the positive effect of the recording of the conversion reserve for the issuance of convertible bonds on non-controlling interests for €80 million, offset by the negative effect of

the change in third-party capital and reserves of €13 million; this was due to the transfer of the shareholding in the company ER SAI Caspian Contractor Llc and the negative effect on the net equity due to the exchange differences of financial statements in currencies other than the euro for €31 million.
The pre-IFRS 16 **net financial position** as of December 31, 2023 was a positive €216 million, including the positive impact of €72 million from the bond issue. The net financial position including the IFRS 16 lease liability of €477 million was a negative €261 million.
As of December 31, 2023, gross debt pre-IFRS 16 lease liability effects amounted to €2,393 million, liquidity to €2,609 million of which €1,323 million is available cash.

Analyses of net financial debt

(€ million)	Dec. 31, 2023	Dec. 31, 2022
Non-current financial assets	(1)	(65)
Non-current bank loans and borrowings	374	234
Non-current bonds and other financial liabilities	1,794	1,495
Net medium/long-term debt	**(2,167)**	**(1,664)**
Cash and cash equivalents	(2,136)	(2,052)
Financial assets measured at fair value through OCI	(86)	(75)
Other current financial assets	(386)	(494)
Current bank loans and borrowings	159	288
Current bonds and other financial liabilities	66	613
Net short-term debt (liquid funds)	**(2,383)**	**(1,720)**
Net financial debt (liquid funds) pre-IFRS 16	**(216)**	**(56)**
Net current lease liabilities	**201**	**113**
Net non-current lease liabilities	**276**	**207**
Net financial debt (liquid funds)	**261**	**264**

Cash and cash equivalents include: (i) cash and cash equivalents of €660 million in current accounts of projects executed in partnership or joint venture; (ii) cash and cash equivalents of €151 million in current accounts denominated in currencies subject to movement and/or convertibility restrictions; (iii) cash and cash equivalents amounting to €3 million in current accounts frozen or subject to restrictions for a total of €814 million.
For information on the net financial debt required by Consob, Notice No. 5/21 of April 29, 2021, please see Note 25 "Analysis of the net financial debt" of the consolidated financial statements.

Statement of comprehensive income

(€ million)	2023	2022
Profit (loss) for the year	**179**	**(209)**
Other items of comprehensive income		
Items that will not be reclassified subsequently to profit or loss:	*(8)*	*30*
- re-measurement of defined benefit plans for employees	(10)	40
- change in fair value of equity investments measured at fair value through OCI	-	-
- share of other comprehensive income of equity-accounted investments relating to re-measurement of defined benefit plans	(1)	-
- income tax relating to items that will not be reclassified	3	(10)
Items that may be reclassified subsequently to profit or loss:	*66*	*(4)*
- change in the fair value of cash flow hedges	124	(52)
- change in the fair value of financial assets, other than equity investments, measured at fair value through OCI	3	(5)
- exchange differences arising from the conversion into euro of financial statements currencies other than the euro	(31)	35
- income tax relating to items that may be reclassified	(30)	18
Other items of comprehensive income	**58**	**26**
Comprehensive income (loss) for the year	**237**	**(183)**
Attributable to:		
- owners of the parent	238	(185)
- non-controlling interests	(1)	2

Equity including non-controlling interests

(€ million)	
Equity including non-controlling interest as of January 1, 2023	**2,086**
Comprehensive result for the year	237
Dividends distributed to Saipem shareholders	
Dividends distributed by other subsidiaries	
Sale (re-purchase) of treasury shares net of fair value of the stock-based incentive plans	6
Change of non-controlling interests	(13)
Share capital increase net of charges	
Change in convertible bond option reserve	80
Other changes	
Total changes	**310**
Equity including non-controlling interest as of December 31, 2023	**2,396**
Attributable to:	
- owners of the parent	2,394
- non-controlling interests	2

Reconciliation of Saipem SpA's shareholders' equity and profit for the year with the consolidated figures

	Equity		Profit (loss) for the year	
(€ million)	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022
As per the financial statements of Saipem SpA	**2,395**	**2,148**	**107**	**(256)**
Surplus of the net assets of the financial statements including the results for the year, compared to the carrying values of participations in consolidated companies	(518)	(556)	36	225
Consolidation adjustments, net of tax effect, for:				
- difference between purchase price and corresponding book net worth	694	717	(23)	(3)
- elimination of unrealised intra group profits (losses)	(163)	(191)	25	23
- other corrections	(12)	(32)	34	(198)
Total equity	**2,396**	**2,086**	**179**	**(209)**
Non-controlling interests	(2)	(18)	-	-
As per consolidated financial statements	**2,394**	**2,068**	**179**	**(209)**

The item "Other adjustments" mainly includes the impact of: (i) consolidated entries aiming to align the profit margins of contracts affecting more than one Group company, the individual progress of which may not have uniform economic/temporal development synchronised to the progress of the consolidated contract; (ii) consolidated entries to reflect and align any impairments deriving from impairment tests.

Reclassified statement of cash flows [1]

Saipem's reclassified statement of cash flows derives from the statutory statement of cash flows. It enables investors to understand the link existing between changes in cash and cash equivalents (deriving from the statutory statement of cash flows) and in net financial debt (deriving from the reclassified statement of cash flows) that occurred between the beginning and the end of the period. The measure enabling such a link is represented by the free cash flows, i.e. the surplus or cash deficit remaining after the financing of investments. The free cash flow closes alternatively on: (i) changes in cash and cash equivalents for the period by adding/deducting cash flows relating to financial liabilities/assets (issuance/repayment of loan assets/loans and borrowings), to repayments for lease liabilities, equity (dividends paid, net repurchase of treasury shares, capital contributions) and the effect of changes in the consolidation scope and of exchange differences on cash and cash equivalents, or (ii) changes in net financial debt for the period by adding/deducting cash flows relating to equity, and the effect of repayments of lease liabilities and of changes in the consolidation scope and of exchange differences on net financial debt.

(€ million)	2023	2022
Group's profit (loss) for the year - Continuing operations	185	(315)
Group's profit (loss) for the year - Discontinued operations	(6)	106
Result of the year of other shareholders	-	-
for adjustment:		
Depreciation, amortisation and other non-monetary items	413	375
Net (gains) losses on disposals of assets	34	(121)
Dividends, interest and income taxes	252	287
Cash flows generated by operating activities before changes in working capital	**884**	**226**
Changes in working capital related to operations	(134)	(624)
Dividends received, income taxes paid, interest paid and received	(164)	(244)
Net cash flows from operating activities - Continuing operations	**586**	**(523)**
Net cash flows from operating activities - Discontinued operations	**-**	**46**
Cash flows from operating activities	**586**	**(477)**
Capital expenditure - Continuing operations	(482)	(523)
Capital expenditure - Discontinued operations	-	(27)
Investments in equity, consolidated subsidiaries and business units	(1)	-
Disposals and partial sales of consolidated equity, business units and property, plant and equipment	145	503
Other changes related to financing activities	-	-
Free cash flows	**248**	**(524)**
Net change in receivables and securities held for non-operating purposes	16	52
Changes in short and long-term loans and borrowings	(235)	(919)
Repayments of lease liabilities	(119)	(128)
Sale (buy-back) of treasury shares	-	-
Cash flow from capital and reserves	-	1,918
Net change in convertible bonds	72	-
Changes in consolidation and exchange differences on cash and cash equivalents	(45)	21
NET CASH FLOWS FOR THE YEAR	**84**	**420**
Free cash flows	**248**	**(524)**
Repayments of lease liabilities	(119)	(128)
Sale (buy-back) of treasury shares	-	-
Cash flow from capital and reserves	-	1,918
Net change in convertible bonds	72	-
Exchange differences on net debt and other changes	(41)	13
CHANGE IN NET DEBT PRE-LEASE LIABILITIES	**160**	**1,279**
Effect of first-time adoption of IFRS 16	-	-
Financing/closing for the period	(286)	(124)
Repayments of lease liabilities	119	128
Exchange differences and other variations	10	(6)
Change in lease liabilities	157	(2)
CHANGE IN NET FINANCIAL DEBT	**3**	**1,277**

(1) For reconciliation with mandatory templates see "Reconciliation of reclassified balance sheets used in the management report with the mandatory financial statements" on page 75.

The **net cash flows from operating activities - Continuing operations** positive for €586 million, net of the negative cash flow from net capital expenditure and investments in equity consolidate subsidiaries of €483 million, and the positive cash flow from divestments and partial disposals of consolidated participations, business units and tangible assets of €145 million, generated a positive **free cash flows** of €248 million.
Repayments of lease liabilities generated a negative effect of €119 million. Exchange differences and other changes on net debt produced a negative effect of €41 million.
Therefore, there was a positive **change in net debt pre-lease liabilities** of €160 million.
The **change in lease liabilities** generated an overall negative effect of €157 million, due to the net negative effect of new financing and contract closure for €286 million in the period, to the repayments of lease liabilities for €119 million, and exchange rate differences and other changes for a total of €10 million.
Cash flows generated by operating activities before changes in working capital - Continuing operations, positive for €884 million, results from:

- the net profit for the semester amounting to €185 million;
- depreciation, amortisation and impairment of tangible and intangible assets and right-of-use assets leasing for €489 million, the negative valuation of equity investments using the equity method amounting to €107 million, the negative change in provisions for employee benefits amounting to €6 million and exchange rate differences and other negative changes for a total of €25 million;
- from net financial expense of €107 million and income taxes of €145 million.

The negative change in working capital related to operations, for €134 million, was due to the dynamics of financial cash flows of backlog review projects under execution.
Dividends received, income taxes paid, interest paid and received during 2023 were negative for €164 million and were mainly related to dividends received, income taxes paid net of tax credits and to interest paid.

Key profit and financial indicators

Return On Average Capital Employed (ROACE)

Return On Average Capital Employed is calculated as the ratio between adjusted profit (loss) for the period before non-controlling interest, less net financial expense after deducting the related tax effect and net average capital employed. The tax rate applied to financial expense is 24%, as per the applicable tax legislation.

Return On Average Operating Capital (ROACE)

To calculate the Return On Average Operating Capital, the average capital employed is netted of investments in progress that did not contribute to profit for the year.
No significant investment in progress in the two periods compared were identified.

		Dec. 31, 2023	Dec. 31, 2022
Profit (loss) for the year	(€ million)	179	(209)
Exclusion of net financial expense (net of tax effects)	(€ million)	167	195
Unlevered profit (loss) for the year	(€ million)	306	(61)
Net capital employed:	(€ million)		
- at the beginning of the period		2,350	1,892
- at the end of the period		2,657	2,350
Average net capital employed	(€ million)	2,504	2,121
ROACE	(%)	**12.22**	**(2.88)**
ROACE operative	(%)	**12.22**	**(2.88)**

Net financial debt and leverage

Saipem management uses leverage ratios to assess the soundness and efficiency of the Group's capital structure in terms of an optimal mix between net borrowings and equity, and to carry out benchmark analyses against industry standards. Leverage is a measure of a company's level of indebtedness, calculated as the ratio between net borrowings and equity, including non-controlling interests.

	Dec. 31, 2023	Dec. 31, 2022
Leverage pre-IFRS 16	(0.09)	(0.03)
Leverage post-IFRS 16	0.11	0.13

Non-GAAP measures

This section provides the alternative performance indicators that, although not required by IFRS (non-GAAP measures), are used in the "Directors' Report".
Such indicators are disclosed to enhance the user's understanding of the Group's performance and are not intended to be considered as a substitute for IFRS measures.
Specifically, the non-GAAP measures used in the Directors' Report are as follows:

- EBIT (Earnings Before Interest and Taxes): is an alternative widely used performance indicator for cash flow calculations of company and represents the operating result before financial expenses and taxes;
- EBITDA (Earnings Before Interests, Taxes, Depreciation & Amortisation) or gross operating margin: is an alternative performance indicator relating to operating performance, calculated by adding depreciation and amortisation to operating profit;
- adjusted EBIT (Earnings Before Interest and Taxes) or earnings before financial income (expenses): this is an alternative performance indicator widely used in the calculation of cash flows for company and represents the operating result before financial expenses and taxes net of special items;
- adjusted EBITDA (Earnings Before Interests, Taxes, Depreciation & Amortisation) or adjusted gross operating margin: is an alternative performance indicator related to operating performance, calculated by adding depreciation and amortisation net of special items to the operating result;
- cash flow: this indicator is given by the sum of net result plus amortisation and depreciation;
- capital expenditure: this indicator is calculated by excluding equity investments from total investments;
- gross operating margin: a useful measure for evaluating the operating performance of the Group as a whole and of the individual business segments, in addition to operating result. The gross operating margin is an intermediate measure, which is calculated by adding depreciation and amortisation to operating profit;
- non-current assets: the sum of net property, plant and equipment net intangible assets and equity investments;
- net working capital: includes working capital and provisions for risks and charges;
- net invested capital: this is the sum of non-current assets, working capital and the provision for employee benefits;
- funding: this is the sum of equity, non-controlling interest and net debt;
- special items: they represent: (i) not-recurring events or transactions; (ii) events or transactions that are not representative of normal business activities;
- net debt: this is calculated as financial debt less cash and cash equivalents, securities and other financial assets not used in operating activities.

RESEARCH AND DEVELOPMENT

We have always focused on technological innovation and are currently dedicated to leading the way in the energy transition through increasingly digitalised tools, technologies and processes that prioritise environmental sustainability from the outset while also strengthening our competitive position in the Oil&Gas industry.

Just in this respect, the first part of the report is devoted to Oil&Gas business innovation activities while the second part is dedicated to the energy transition.

As regards the offshore Oil&Gas initiatives. most of the innovation activities are now grouped under the **Asset Based Services** business line.
Efficiency is the key word from several points of view in offshore field developments: energy efficiency which is now one of the most important targets in order to minimise carbon emissions, and also project execution efficiency, which is requiring, in offshore and deepwater, a significant number of innovations.
The challenge for new technologies is to decrease the carbon footprint while remaining in areas where the technical and economic challenges are still evolving with more and more demanding criteria. In this perspective, Saipem is developing and delivering new and reliable technologies in different complementary areas, offering a set of solutions to optimise the development and the decarbonisation of offshore fields.

Concerning Pipe laying activities, a very important milestone has been reached concerning the Integrated Acoustic Unit (IAU) equipment that obtained the Statement of Qualified Technology from DNV (the well-known certification institution) for the installation of 30"-36" and 42"-48" diameter pipelines. The IAU allows inspection of potential damages in pipelines in real time during the laying process, notably out-of-roundness, buckles and dents, water intrusion and identification and localisation of obstacles in the pipe.
Additionally, the development of a first version of the Hands-Free Lifting Beam for automatic transfer of pipeline section from supply vessel to pipelay vessel is proceeding to hit the deployment on executive projects.

As regards Pipelines Technologies, the key factors are high performance and reliability of operations in combination with assuring at the same time very high product and service quality. Saipem is making continuous hardware and software improvements on its proprietary welding technologies, such as the Saipem Welding System (SWS), Submerged Arc Welding (SAW) and SPRINT internal plasma remelting technology in order to maintain and increase operational effectiveness and extend the working capabilities of the equipment. Notably, by leveraging proprietary technologies and unique competences across the engineering value chain Saipem can customise solutions to client needs and to our lay vessels to keep the competitive edge while meeting high quality standards. This is made possible thanks to a highly committed R&D force that guarantee a top-notch fit-for-purpose set of packaged solutions. This, both in SURF (Subsea Umbilicals, Risers & Flowlines) and more conventional sectors.
In addition, qualification tests for innovative welding and field joint coating procedures and materials, for pipelines transporting fluids with high Hydrogen content, are successfully continuing. These tests will support Saipem readiness for construction of commercial pipelines transporting a variety of fluids e.g. Hydrogen-natural gas mixtures or pure Hydrogen and of course more conventional challenging fluids. In that respect, Saipem is actively involved in the consolidation and standardisation of the new DNV recommended practice, together with over 30 major players.

Concerning SURF products, a great focus has been put on the DEH (Direct Electric Heating) PiP (Pipe-in-Pipe), a critical asset to guarantee the best flow assurance. Qualification tests have successfully started in 2022 with the aim of having this technology qualified according to the TRL 4 of the API scale for commercial application within the end of 2024 under the certification of DNV; electrical insulation has already been qualified. The patented aluminum liner was the object of a successful qualification test, the purpose of which was to outline the most appropriate fabrication process to our yards and industrialise it. Several case studies have been run on behalf of clients (TotalEnergies, Shell and Exxon). Great efforts have been also dedicated to the introduction of plastic liners for water injection lines, where pull-out and scale 1:1 pressure test have been successfully completed, closing the qualification of High-Pressure End Connectors for static pipeline application. A concept has also been developed and proof tested in partnership with TotalEnergies for the extension of plastic liners to production lines. The special design features to address plastic liner deformation, in case of pipeline depressurisation, have been addressed by numerical studies, and a first proof-of-concept has been manufactured and tested.
As regards technology development for SURF projects, the plastic wedges, that improve the laying performance of PiP by 20%, have been qualified successfully onboard FDS 2 in May, paving the way towards first use on projects, with improved safety and laying performances. Under the guidance of Petrobras, new Metal Lined Pipe material has been qualified as alternate to Cladded CRA (Corrosion-Resistant Alloy) for corrosion sensitive pipelines. Additionally, we are working on developing mid-term solutions to improve the laying performance of continuous buoyancy on Steel Lazy Wave Riser. Finally, Saipem has positively concluded a test campaign to

demonstrate the feasibility to use raw sea water (instead of fresh water) bringing environmental and economic performance to our projects in 2023 (saved more than 1,500 m^3 of fresh water also with a significant economic saving).

The Offshore Drilling business has completed the development of a tool to improve the quality of wells leveraging artificial intelligence. The tool aims at supporting the drillers in detecting those signals that allow the well engineer to maximise well quality. The system has been developed and tested on past project data, and currently running on the vessels of the fleet.
From subsea side, given the strong feedback coming from customers and government agencies, the technological feasibility of using electric BOPs (Blow-Out Preventers) and riserless sea drilling operation is also being evaluated.
In addition, a system to track all the tubular material running in the well and present onboard has been developed to have a real time situation and better plan the phases of the well. The system will reduce maintenance cost and environmental footprint by reducing unnecessary demobilisation. A pilot test will be carried out onboard Scarabeo 8 in 2024.

As regards the **Robotics & Industrialized Solutions** business line several activities are ongoing.

Subsea Factory

Saipem is developing the “Subsea Factory Solutions” industrial platform. This is a new approach to bring process treatment directly on the seabed, close to the injection wells, by reducing the costs associated to risers and flowlines, the significant costs for additional treatment modules installation on existing topsides and frees up valuable space for production or reduces the size of the new topside facilities, also allowing a significant reduction of emissions by simplification of the overall architecture.
This development fits with the “All-Electric” vision for fields, made of subsea infrastructures connected only by electric lines and optical fibres, in place of complex and expensive electro-hydraulic umbilicals which are typically used to deliver control fluid for subsea hydraulic actuators, chemicals and subsea pumps barrier fluid. Within this framework, the subsea factory solutions are the key enablers of brownfields development projects whenever congested topside or long tiebacks are concerned.
The qualification of the SPRINGS™ process for water desulfation and injection (co-owned with TotalEnergies and Veolia) has been successfully completed. The industrialisation of its all-electric subsystems is also close to its completion, pending final tests. Such subsystems have been industrialised with the intention to form the building blocks for the whole Subsea Factory products portfolio. Thanks to the process qualification and to the industrialisation, the technology maturity has progressed, and recognised by operators, to a stage sufficient for being included in conceptual studies for new field developments.
The FLUIDEEP™ technology for subsea storage and injection of chemicals is also at an advanced stage of industrialisation and the final qualification tests are currently ongoing. Saipem has completed a study with a client for the utilisation of SPRINGS™ combined with the subsea produced water separation (Spoolsep™) and subsequent treatment, demonstrating a reduction not only of the global cost but also on the CO_2 emissions, when compared to a conventional field development scheme.
Saipem has also recently presented SUBGAS, a subsea gas dehydration and dew pointing unit to overcome the flow assurance issues and unlock long subsea Gas tiebacks. SUBGAS avails of the qualified oil and gas separator Vertical Multipipe™ which was previously developed and qualified through multiple Joint Industry Projects (JIPs) for deepwater applications.

“Life-of-Field”

Saipem is developing an integrated Digital Twin approach for subsea critical component design and servicing, by incorporating new technologies such as the “RIser Monitoring System” for enhanced Life-of-Field. These technologies, including their evolutions (e.g., fiber optics monitoring), have been successfully qualified and are going to be deployed in Buzios 5 and Buzios 7 projects.
Regarding subsea remediation services for diver and deepwater diverless applications, Saipem has successfully qualified and obtained a third party (DNV) certification for a mechanical end connector ("Seal & Grip") to allow to replace damaged pipe sections with pipe spools, being the only connector that adopts a full metal-to-metal seal to guarantee permanent repairs of clad and sour service pipelines. Saipem is also qualifying a novel pipeline and spool diverless deepwater repair technology based on Fibre-Reinforced Polymer composite wrapping. Process development and wrapping tape material qualification are ongoing for deep water and high temperature cases.

Subsea robotics

The use of advanced underwater robotics solutions, capable of performing complex inspection tasks automatically and with no subsea human presence, represents a cutting-edge technology in the field of unmanned underwater interventions. We aim to be a key player in this transformation, using some of the more innovative and disruptive subsea robotics solutions in the offshore market.
Such drones will be able to perform complex navigation tasks, automatically adapting to environmental conditions and newly acquired inspection data, all of which require advanced control and communications techniques informed by Artificial Intelligence.

The development of the Hydrone subsea robotic platform is more and more focusing on our Hydrone-R, Hydrone-W and FlatFish solutions:

- the first Hydrone-R vehicle was delivered to Equinor as part of the first ever "Life of Field" contract for an Underwater Intervention Drone, covering 10 years of service in the Equinor "Njord" field off the coast of Trondheim. This Hydrone-R prototype, complete with automatic docking features, was developed and fully tested, including remote controllability and is now in operations on Njord field for continuous inspection and maintenance activities. At present, the system achieved the significant result of 167 days of continuous dive.
- Hydrone-W is a work-class full-electric remotely operated vehicle (ROV) equipped with a revolutionary powertrain and power management system that minimises energy consumption during operations. It is designed to operate from both manned and unmanned platforms controlled from land. Its industrialisation is also ongoing as a dedicated investment. Delivery of the first prototype is expected within 2024.
- FlatFish is our underwater drone, conceived to perform complex, autonomous subsea asset inspections without vessel support. This robot can be launched from a topside facility or reside on the seabed inside a subsea ROV garage. FlatFish will significantly reduce the CO_2 footprint of this type of operation by more than 90% and decrease manning requirements by approximately 70%, offering clients a more cost-effective solution. The development of the "FlatFish", winner in May 2023 of the Spotlight on New Technology award at the Offshore Technology Conference (OTC) (as already Hydrone-R in 2021), is also at an advanced stage: after a first extensive test programme, carried out in Trieste Playground, for the complete testing of all autonomous tasks and inspection functions, the system has been mobilised for a deep-water test campaign offshore Brazil in the context of an awarded contract with Shell and Petrobras. The offshore campaign has been recently completed with successful testing and finalisation of all system capabilities in fully operational environment. In this frame, Saipem has been awarded a contract by Petrobras for the development and testing of an autonomous subsea inspection robotic solution, which will be based on Saipem's fleet of underwater drones, starting from the FlatFish, as well as the qualification of related autonomous drone-based services, enabling future inspection contract options offshore Brazil. This contract marks a further milestone for Saipem's innovative underwater robotics programme and for the global scale utilisation of subsea drones in offshore projects throughout the entire value chain, and it allows to extend to the new features the maturity (Technology Readiness Level 7) achieved on Saipem's fleet of subsea drones.

We are also collaborating with WSense to develop subsea intelligent nodes that can communicate using through-water links to create a distributed network of acquisition nodes integrated with our underwater robotics. This technology could be applied to traditional Oil&Gas scenarios like monitoring asset integrity or for new fields like monitoring underwater CO_2 storage.
We are also part of the "AIPlan4EU" Horizon 2020 programme, working on creating Artificial Intelligence software for automatic mission planning, to be used on our Hydrone platform. Additionally, we are actively contributing to the Subsea Wireless Group (SWiG), a Joint Industry Project aimed at standardising through-water communication.

Finally, the potential of these subsea technologies within the offshore domain is vast, both for Oil&Gas developments, as well as for the renewables market segment and even in non-energy sectors.
In particular, in the "New Energy" context, the use of FlatFish for subsea inspection and maintenance activities of the offshore wind farms is an attractive solution with high potential in the improvement of the value chain. As offshore wind farm installations require periodic and long-lasting inspections activities, subsea resident drones, with the ability to accomplish inspection missions in complete autonomy, represent a step-change solution with multiple benefits in terms of safety, operational de-risking, environmental sustainability, cost efficiency, digitalisation.
In the defence field, we are continuing to work on developing the Rescue and Intervention Deployable Assets for the vessel SDO-SuRS (Special & Diving Operations - Submarine Rescue Ship) for the rescue of submariners continued in collaboration with Drass. Saipem was selected by Marina Militare Italiana (the Italian Navy) for the development of the new generation equipment. The rescue and intervention system integrates a latest generation of work-class ROV, acting as a carrier for navigation and control, with a rescue capsule bringing submariners back to the surface, through a controlled habitat, in total safety. Saipem is also working with the Intermarine shipyard for the launch and recovery system of underwater drones from the Uncrewed Surface Vessel (USV) for mine countermeasures operation, within the new mine hunting ship development programme of Marina Militare Italiana. Saipem has been recently awarded for a PNRM project (National Plan for Military Research) dedicated to the development of an innovative subsea robotics system (Hydrone-D) for mine countermeasures and other defence activities (ASW and seabed warfare).

The **Energy Carriers** business line continues to pursue the monetisation of natural gas with focus on the consolidation and development of processes and technologies aimed at achieving the decarbonisation targets, complying with the energy transition path. In this context, a long-term plan has been defined and related activities are in progress to keep the proprietary technologies at the highest level of competitiveness.
Relevant to the fertilizers production ("Snamprogetti™ Urea Technology"), the ongoing activities include:

- continuing to enlarge our portfolio of high-end solutions with the introduction of the Snamprogetti SuperCups™ trays, for urea reactor, which drastically increase the mixing efficiency of the reactant phases, thus boosting the conversion rate of urea synthesis aiming to significantly reduce the energy footprint of urea production and its CO_2 emissions; several new and "revamped" facilities are adopting the SuperCups technology and a research programme to develop the second generation of SuperCups is on-going, with the aim of further increasing the efficiency;

- improving resistance to corrosion and cost reduction through the development of novel construction materials. In this respect, Saipem and Tubacex Innovación have recently developed together a new grade SuperDuplex material for application in the High-Pressure section of Urea plants. The new material has been developed for use with traditional construction technique, as well as additive manufacturing; it has been already tested in an industrial environment and is ready for commercial deployment;
- the conceptual design of blue ammonia facility has been completed as part of the Barents Blue Ammonia Project pre-FEED activities. The integration of ammonia process with the required utilities & offsites has demonstrated that, by proper optimisation, it is possible to achieve 99% of carbon capture rate for the overall complex; in addition, a deep modularisation study demonstrated the feasibility of a highly modularised approach which can facilitate the deployment of large blue hydrogen/ammonia projects. Currently, a huge number of commercial initiatives is ongoing for blue hydrogen/ammonia, moving from early development to Front-End Engineering;
- also, the number of green ammonia production, ammonia pipelines and ammonia terminals initiatives currently pursued by Saipem is increasing, allowing Saipem to be at the forefront of the expected massive deployment of low-carbon ammonia market. Low-carbon ammonia is considered a suitable energy vector, both as a primary source of energy and indirectly as hydrogen carrier. In this regard, Saipem is currently evaluating the technical and economic feasibility of large-scale ammonia cracking, the technology enabling the entire value chain of ammonia as hydrogen carrier;
- Saipem is supporting a major energy player in the development of a Partial Catalytic Oxidation technology, aimed at decarbonising Hydrogen and derivatives production;
- an innovative solution for Wastewater Treatment in Ammonia-Urea complexes, the SPELL technology, has been developed by a cooperation with Purammon Ltd. The technology is able to remove nitrogen and organic contaminants through a novel electrochemical process, in compliance with the most stringent environmental regulations. To support the technology demonstration towards the final customers, a mobile containerised demo plant, with max capacity equal to 2 m^3/h has been built and exercised. Such asset will be easily moved to different clients' facilities through a plug & play approach to demonstrate the electrochemical technology capabilities.

Efforts in the LNG (Liquefied Natural Gas) field are ongoing, also to define proprietary schemes for small-scale natural gas liquefaction and LNG regasification facilities, which can become a flexible way also for supporting sustainable mobility in the near future. The proprietary Liqueflex™ and Liqueflex™ N_2 technologies for the liquefaction of natural gas, have been just devised for small and mid-scale plants, to suit the current market scenario requiring quick time to market solutions. Various innovative solutions have also been patented by Saipem to increase the profitability of either new-built or existing LNG regasification terminals, by recovering cold energy from LNG to minimise the terminals power consumption and CO_2 emissions. The business line is also supporting the final customers in the evaluation of possible solutions targeting greener LNG facilities to further lower carbon emissions in large scale LNG plants.

In association with the LNG technology, Saipem patented a Telescopic Joint named "CASS", consisting in a joint with an innovative design that absorb pipe's thermal contraction in cryogenic application avoiding piping loops, with a consistent optimsation of pipeline routing and related construction costs and plant capex reduction. The innovative joint exploits the principle of telescopic movements, replacing expansion loops and it is applicable to cryogenic pipes but also on hot application. Saipem has further developed the solution and is in the process of completing a DNV certification for the joint. Next step in the technology development will be the installation in an operation plant upon entering in a collaboration agreement with concerned operators.

In relation to High Octane technologies, the identification and investigation of new possible configurations, for etherification unit to reduce energy intensity of the entire process from acquisition to execution.

As previously mentioned, the second part of this report describes the activities regarding energy transition. In the medium term, targeting progressive decarbonisation of energy and overall CO_2 emissions reduction, also in the Hard to Abate sectors, we are pursuing several initiatives that reflect four main pillars:

1. *Decarbonisation of Carbon-Intensive Industries* ("hard to abate"). We aim to continue to produce energy and products using fossil fuels while significantly reducing their associated climate-altering emissions. This applies not only to the Oil&Gas industry but also to other energy-intensive industries, such as steel, paper mills and cement.
2. *Renewables*. We are particularly oriented towards several offshore renewable energy sources, mainly offshore wind but also floating solar; their systemic integration might allow more independence of the intermittent character of most of renewables, possibly also through the production of hydrogen.
3. *Hydrogen*. We see it both as a low-carbon chemical intermediate and as an energy carrier that can gradually replace natural gas, particularly in those applications that are difficult to electrify.
4. *Low Carbon Fuels, biomass conversion and circular economy*. We are committed to adopting new models that aim to create value and protect the environment by improving the management of resources, eliminating waste through better design, and maximising the circulation of products.

Decarbonisation of Carbon-Intensive Industries

Carbon is a key ingredient of fossil fuels, both in the Oil&Gas realm and in industries, such as steel production, where it is a main component of any kinds of steels; in the meantime, it is also important to decarbonise other "hard to abate" sectors, such as cement production, as well as paper mills, waste treatment plants, etc., whose decarbonisation represents an important challenge for the achievement of carbon neutrality targets.
Although CO_2 cannot be totally eliminated, it is important to find the best way to manage it.

Our company has a strong background in Carbon Capture, Utilisation & Storage (CCUS) thanks to capture process technology, experience in pipeline transportation of fluids over long distances, conversion of CO_2 into chemicals and offshore drilling for CO_2 injection. We are making diversified efforts to assist our clients in reaching their decarbonisation goals and creating a more sustainable industrial model.
We have extensive experience in all commercial technologies related to CO_2 capture, thanks to our vast knowledge in the ammonia/urea production process and in refineries, including the gasification of tar residues. At confirm of this, in April 2023, Saipem and Mitsubishi Heavy Industries ("MHI") have signed an agreement that allows Saipem to use MHI's proven technologies for post-combustion CO_2 capture in the implementation of large-scale projects.
Additionally, Saipem and Valmet, a Finland-based leading global developer and supplier of process technologies, automation and services, have signed a Memorandum of Understanding (MoU) just to develop joint solutions to decarbonise the hard-to-abate industries. The companies will collaborate to offer effective solutions combining Saipem's technologies for CO_2 management with the heat recovery and flue gas treatment units engineered and produced by Valmet for the pulp, paper and energy segments, thus bringing integrated and flexible options to their customers in both existing and new facilities.
Additionally, we keep developing our own "CO_2 Solutions by Saipem" technology, whereas the related industrial solution is already offered in the market, which aims to reduce the cost and environmental impact of capturing CO_2 from combustion processes. This technology uses an absorption process with a carbonate solution enhanced by a proprietary enzyme that can operate in process conditions. We have already tested this technology on a large scale at a demonstration plant (30 tonnes per day) in operation in Québec.
We are also collaborating with Novozymes, a leading biotech company specialised in enzyme production and optimisation, to secure the enzyme supply chain.
Lastly, we completed the industrialisation of Bluenzime™, a modularised system for post-combustion carbon capture that uses our CO_2 Solutions technology, in order to provide our clients with a compact and effective solution that can be brought quickly to the market. The first industrialised product is Bluenzyme™ 200, with a nominal capture capacity of 200 tonnes of CO_2 per day. Bluenzyme™ is a plug-and-play system designed for different industrial sectors including Oil&Gas and hard-to-abate sectors; the product is applied to post-combustion emissions from new or existing plants.
Finally, the company's CO_2 capture project located in Saint-Félicien in Canada has been awarded during COP28 as Energy Transition Changemaker, the initiative to foster collaboration and share knowledge amongst the private sector in implementing innovative and scalable decarbonisation projects that can help accelerate the energy transition. The Saint-Félicien plant is connected to a greenhouse that by April 2024 will utilise the captured CO_2 for enhancing agricultural yields, demonstrating a circular approach.

The EU-funded "ACCSESS" innovation project
We are also actively participating in the ongoing EU-funded innovation project "ACCSESS", started in 2021 and involving 18 European partners in the frame of the Horizon 2020 programme. ACCSESS is demonstrating the capture of CO_2 from flue gases coming from several hard-to-abate industries such as pulp and paper, cement production and waste-to-energy, and cross-border CO_2 transport solutions linking CO_2 sources in inland Europe and the Baltics to the North Sea.
In 2022, a 2-tonne-per-day pilot plant, previously designed to be operated with amine solvent, was modified to operate with our CO_2 Solutions technology, which was identified as the leading technology of the ACCSESS project. The pilot plant has been successfully operated with our technology in the waste-to-energy plant Hafslund Oslo Celsio in Klemetsrud, marking the first important milestone of the ACCSESS project. After the completion of testing in Klemetsrud, the pilot has been moved to the Technology Centre Mongstad to be integrated with a Rotating Packed Bed (RPB) absorber unit, developed by Prospin and constructed by Proceler. Preliminary runs have demonstrated stable operations well satisfying target performance. This represents the next stage of development of our CO_2 Solutions technology. In 2024, we will conduct CO_2 capture test campaigns at the Stora Enso kraft pulp mill in Skutskär, Sweden, and at the Heidelberg Cement kiln in Górażdże, Poland.

In 2023, we also successfully applied to the Horizon Europe call for the project "COREu", which has been accepted by the European Committee and in December 2023 the related Grant Agreement has been signed.
COREu project, always coordinated by Sintef, starting in 2024 is the largest Research and Innovation project ever funded by a European programme and aims to demonstrate key technologies for the entire CCS value chain, supporting the development of CCS routes linking emitters with storage sites in Central Eastern Europe.
Our scope in this project is significative both by contributing to enhance models for the safe design and operation of CO_2 transport networks and by supporting safe and long-term storage for the injected CO_2.

In terms of CO_2-reuse, we are actively identifying all possible technologies to support our clients with potential CO_2 reuse options, particularly in areas where infrastructure for CO_2 collection and transport to storage is not available (see also the low carbon fuels section).

We are also working to further improve our knowledge and capabilities in CO_2 transportation. After having developed the FEED for the offshore pipeline of the Northern Lights project, we have collaborated with the University of Ancona (Italy) to assess the impacts of CO_2 impurities in pipeline flow assurance and review leak detection methods for onshore transportation. We have started R&D works funded by Exxon to study the detailed readiness levels of all the subsea components involved in CO_2 subsea transportation systems from shore to wells. We continue to study the applicability of polymeric material in pipeline systems, thanks to our participation in the European funded project "CO_2 EPOC", an R&D project carried out by the Norwegian company SINTEF and promoted by Equinor & Total. Furthermore, our associated Norwegian company Moss Maritime is in the preliminary design stage for a liquefied CO_2 vessel to collect and store CO_2 from various industrial sources.

Other decarbonisation services
To help our clients meet their Net-Zero emission targets, we have also created specialised decarbonisation services that address both the emissions generated directly by the client's facilities and those throughout its supply chain:
- EmiRed™ is a solution to find the best tech to reduce greenhouse gases in greenfield or brownfield industrial plants. It is both a method and a digital tool resulting from our engineering experience and tech innovation. EmiRed™ calculates a plant's life cycle's direct and indirect costs and emissions from the design stage, allowing for a quick comparison of different decarbonisation scenarios such as energy efficiency, carbon capture, renewables, fuel switching, and methane reduction. EmiRed™ follows the GHG Protocol and is certified by Bureau Veritas, a global leader in assessing QHSE-SA (Quality, Health, Safety, Environment and Social Accountability) risks. It is applicable throughout the whole Energy's industry sector, onshore and offshore;
- LCA (Life Cycle Assessment) evaluations, based on the ISO 14040 and ISO 14044 standards, enable reliable, transparent and quantitative assessment of potential environmental impacts of projects, products, processes and integrated systems.

Renewables
Saipem keeps investing in the offshore renewable market for both bottom-fixed and floating solutions.

Regarding bottom fixed solutions, Saipem achieved key milestones by completing the installation campaigns for the Seagreen, Formosa, Fecamp and St. Brieuc projects, and advanced in the development of a new modular concept for midwater depths (50-80 m) and wind turbines up to 20 MW extending the portfolio of products Saipem can offer in this segment.
Saipem is also participating to a JIP on early age cycling of grouted connection coordinated by DNV.

In floating wind, we advanced the development of two concepts, the STAR1 semi-sub and the Hexafloat™, pendulum design, to provide the most tailored solution to the market.
In 2021, we added the STAR1 semi-submersible technology to our floating offshore wind technology portfolio. This is a centred-turbine floater with 3 external columns connected to the central one by submerged pontoon. In 2023, Saipem has completed the design and structural optimisation of STAR1 for large-scale future commercial turbines of 15 MW with the aim to reduce structures weight and fabrication costs to improve competitiveness of floating wind vs. bottom-fixed offshore wind. Innovative connections between columns and structural arrangements have also been investigated and validated for harsh sea conditions.
The other technology is HexaFloat™, a pendular floating wind solution for deep water, connecting a semi-submersible floater to a submerged counterweight with synthetic tendons. This allows the development of floating offshore wind turbines in areas with strong winds that are too deep for traditional fixed foundations. In consequence of the current market trends, its development, advanced till to a level of TRL 5, has been for the moment slowed waiting for more mature times for its full exploitation.
After having carried out the "Floatech" project, granted by the EU Horizon 2020 programme, in 2023, we successfully applied to the Horizon Europe call with the project "Floatfarm", which has been accepted by the European Committee and in December 2023 the Grant Agreement has been signed. The project aims to significantly advance the maturity and competitiveness of floating offshore wind technology and we will have the occasion to further improve the maturity of STAR1.
In addition to these developments, Saipem is pursuing a significant effort to industrialise its calculation chain aiming at designing efficiently floating wind structures, with integration of complex interfaces among key designing tools. On the other hand, the optimisation of the fabrication sequence has been another key focus which has led to the kick-off in 2023 of a JIP named RECIF, with support from ADEME and CORIMER (French R&D Council of sea industrials), whose objective is the development of specific fabrication optimisation blocks.
Saipem is also involved in the development of floating substations in partnership with Siemens Energy, developing a concept design for a 500 MW high voltage alternating current floating electrical substation. A typical floating substation design has been completed and a Statement of Feasibility by DNV has been issued on the design developed. Floating substation design has been further improved in 2023 to optimise costs and minimise risks for these new and complex projects, from design to fabrication and installation.

In the renewables area, the Company is also developing further initiatives:
- in partnership with Equinor, a new concept of "Offshore Floating Solar Park", developed by Moss Maritime, for applications also under severe wave conditions; together with Sintef the two companies have performed tests on a scaled floating solar model. Pilot project started in 2023 with a deployment offshore in early 2024;
- as regards geothermal, potential opportunities in both the fields of unconventional geothermal systems and offshore geothermal are being evaluated; collaborations with reference research centres are being defined as well as discussions with possible strategic partners;
- evaluation of all the possibilities of an environmentally sustainable recovery of critical and strategic minerals, fundamental for both clean energy and digital transitions, is under development; processes scenarios involving the transfer of technological skills from Oil&Gas are being investigated.

Hydrogen

Saipem can design, size and execute industrial plants using green and blue hydrogen technologies for industrial sectors, either the conventional ones based on Hydrogen both as a chemical intermediate and for hard-to-abate sectors where electrification is not feasible, and as energy carrier for heavy duty vehicles, rail and maritime transportation. In general, hydrogen technologies also address the need for a resilient energy system that can integrate variable renewable sources and ensure flexibility and supply security. Saipem provides industrial solutions such as large-scale electrolyser plants for hybrid industrial applications, including those defined by the low carbon ammonia, as previously reported, and green hydrogen valley projects.

In November 2023, the entry of Sosteneo (Generali Investments) into Alboran Hydrogen Brindisi Srl alongside Edison (the major industrial shareholder) and Saipem represents a key step in the development of Italy's largest Hydrogen Valley. The Puglia Green Hydrogen Valley project will accelerate the adoption of green hydrogen in the national energy mix, helping Italy and Europe reach their climate neutrality targets by 2050.
The Puglia Green Hydrogen Valley project aims to build two green hydrogen production plants in Italy, in Brindisi, and Taranto for a total capacity of 160 MW and powered by renewable electricity provided by dedicated 260 MW photovoltaic plants, as well as by the electric grid via green power purchase agreement. The two plants will produce up to 260 million cubic metres of renewable hydrogen per year and 190,000 tonnes of CO_2 emissions reduction. The produced green hydrogen will be transported to end users through a repurposed pure hydrogen pipeline and new connecting ancillary gas network, contributing to the decarbonisation of the nearby industrial sites of Brindisi (incl. petrochemical industry and power stations) and Taranto (incl. energy intensive industries such as a big steel-making plant and refineries), combining several H_2 applications into an integrated H_2 ecosystem.
The project has been submitted to IPCEI (Important Projects of Common European Interest) funding; in December 2023, Saipem, together with its Partners, finalised the lasting two years process of requests for information from EU DG Comp and the Italian MIMIT Ministry.

In synergy with CO_2 capture green hydrogen is an enabler in the value chains of green chemicals and e-fuels, and several projects and initiatives are ongoing mainly in Europe, USA and Australia with capacities ranging from 50 to 500 MW. With the purpose to address the market and drive demand, Saipem has signed an MoU with a major electrolysis technology provider of both alkaline and PEM technologies, and an internal industrialisation project for a 100 MW green hydrogen package is nearly to be finalised.

In the infrastructure sector, Saipem is also heavily involved in the development of onshore and offshore pipeline readiness for pure hydrogen and hydrogen/natural gas blending and is conducting studies in Mediterranean and North Sea areas. Several initiatives are underway, such as Fluxys Project NH_3 pipeline transport feasibility study (Belgian TSO), Nordion-GasGrid feasibility study for a new pure hydrogen pipeline. Saipem has obtained the Approval in Principle statement from RINA with reference to Saipem's methodology for evaluating the performance of metallic materials and related welds for the construction of subsea pipelines for hydrogen transport. Moreover, Saipem is involved in the design of ship liquefied hydrogen transportation vessels through Moss Maritime, that has won an Approval in Principle from DNV for a liquefied hydrogen (LH_2) containment system design.

Low Carbon Fuels, biomass conversion and circular economy

The energy landscape drives Saipem to look with increasing interest at the technologies of Low Carbon emission production, and liquid (biofuels, ammonia, and synthetic hydrocarbon liquids) or gaseous (biogas, hydrogen, synthetic methane and bio-methane). While low-emission fuels currently meet today a small percentage of global energy demand, they will be key to decarbonise long-distance transportation and parts of heavy industry.
In this frame Saipem is involved through a cooperation agreement with Versalis to promote PROESA® technology used to produce sustainable bioethanol and chemicals from lignocellulosic biomass. In addition, Saipem is involved into different commercial initiatives for the production of synthetic fuels, as an e-methane, e-SAF (Sustainable Aviation Fuels), e-naphtha, and e-methanol, assessing the technology and evaluating the associated technology risks and opportunities. A FEED contract is under development for a e-methane plant production in North Europe. About this project:

- over 10,000 TPA of e-methane, using green H_2 and CO_2 captured from the flue gas generated by an existing power facility;
- renewable fuel used to decarbonise heavy-duty transport, replacing fossil fuels and reducing the associated CO_2 emissions;
- carbon capture unit based on our CO_2 Solutions by Saipem technology.

Others projects of synthetic fuels production are ready to start within 2024. At the same time, Saipem continues to study and analyse markets and global technology landscape for biomass conversion technologies in terms of:

- gasification for the production of Syngas;
- anaerobic digestion and purification for biomethane production;
- pyrolysis and hydrothermal liquefaction for bio-oils production.

Saipem also carries out projects for the refinery conversion, in particular for the production of renewable diesel and SAF from waste oils, also in addition to energy crops not in conflict with the food chain. In these plans Saipem is generally involved as contractor, also supporting the customers in the technological consolidation.

As far as the circular economy is concerned, the ability to develop innovative solutions for sustainably treating plastic waste and turning it into valuable products is becoming increasingly crucial. To this scope, we are promoting circular economy models for plastic waste and exploring potential partnerships with waste sorting companies, technology providers and final off-takers to build comprehensive chemical recycling plants and improve our offering.
We signed in 2022 an MoU with Quantafuel ASA to collaborate in the industrialisation and construction of chemical recycling plants for waste plastics using Quantafuel's technology. This allows us to market and construct industrial plants specialised in pyrolysis, which turns solid plastic waste into liquid or gaseous products that can be reused as chemical raw materials for plastic recycling or fuel.
In the field of plastic depolymerisation. Saipem and Garbo, an Italian chemical company, have signed an agreement to support the industrialisation, development and commercialisation on a global scale of a new technology for PET (Poly-Ethylene-Terephthalate) recycling. The technology, named ChemPET, is Garbo's proprietary technology which chemically recycles PET-rich waste producing the intermediate ester of the traditional PET synthesis, from fossil based raw materials, to be used to produce cRPET (chemically recycled PET), with the same properties and applications of virgin PET. The agreement also provides for Saipem and Garbo to collaborate on a demonstration scale of a PET-rich waste chemical recycling plant in Italy.

Novel Innovation methodologies

Saipem, in collaboration with the Politecnico di Milano, has developed a first of kind approach to identify, assess, and manage technological risks in complex projects. This methodology adds to the "TechInnoValue" methodology, always developed with the Politecnico to track and measure the value generated by technology innovation inside the executed projects, in relation to the sustainable development of the business and in line with the Company's ESG objectives.

Intellectual property

Within the complete framework of technology innovation activities, Saipem filed 19 new patent applications in 2023.

HUMAN RESOURCES

Quality

In the definition and governance of the Quality Management System, the main activities performed in 2023 are described below.

- management and maintenance of the corporate Quality certifications (ISO 9001), which were transferred from Technischer Überwachungsverein (TUV) to Det Norske Veritas (DNV);
- drafting of the Group Quality Policy aiming to further centralise the characteristic steering, coordination and control activities in the current organization;
- update of the Group Quality Plan 2023 containing the quality improvement initiatives that are complementary to the performance of the routine activities provided for in the referred standards;
- celebration of the World Quality Week 2023 (November 6-10) through:
  - dissemination of institutional messages, videos from top managers and organisation of dedicated meetings;
  - participation as a testimonial at the meeting organised by Eni in Rome, to highlight the value of Quality as a key driver of change and operational excellence;
- continuing optimisation and formalisation of Quality Assurance and Quality Control processes, in line with the current organisational model. In this area we point out the redefinition of the following sub-processes:
  - Quality Management Review and Quality Plan;
  - Process Performance Indicators (PPI);
  - Non conformity;
  - Return of Experience (REX) and Lessons Learned (LL);
  - Cost of Non-Quality (CoNQ) and Quality Investigation;
  - Customer Satisfaction;
  - Method for estimating Quality resources for project execution during the bid phase;
  - Drafting of new group criteria for the pipe tracking system process;
- the identification of innovative digital solutions aimed at simplifying the management of Quality Assurance and Quality Control processes. Some examples include:
  - cost/benefit analysis for extending the application of computed radiography to other projects, in relation to clients' requests;
  - the application of module 1 of the Request for Inspection (RFI) & Quality Check tool on Bonny T7 Site project, which aims to streamline the management of quality inspections and related certificates on site;
  - the digitisation of the Audit Management process;
  - development (using internal resources) of a Proof of Concept for the integration of the Saipem Quality Control tool (PCOS) and the 3D model representation software (Autodesk Forge), for the automatic visual representation of certification progress;
- rationalisation of the scope of supply for the services made available by technical standards at Group level, through analysis of usage statistics with redefinition of perimeters optimised for drawing 2024 contracts;
- overall analysis of the Project Quality and Quality Control professional family, coordinating the contribution of the various functions of each related structure, and drafting the technical skills development plan responding to the corporate needs;
- organisation of the HSEQ Synergy master's in "HSEQ Management systems in energy transition and digitalisation for sustainable development", in partnership with QuInn consortium, aimed at accompanying students in a training path through six sections dedicated to the world of energy, the principles of the culture of health, safety, environment and quality (HSEQ), of project management, sustainability and digital culture. At the end of the training experience, students will carry out project work in Saipem.

Human Resources Management

In a changing work environment, the ability to be flexible is becoming crucial to being able to compete more effectively in the labour market.

In 2023, Saipem continued to alternate presence in the office with agile working in Italy and France, aiming to strengthen behaviour and approaches that promote work-life balance and empower its staff.
This included taking management actions seeking to maximise operational flexibility and the effectiveness of business processes through the combined use of technology and digitalisation.

Saipem's corporate relaunch, initiated in 2022, includes investments in key skills to maintain a high level of corporate know-how. Firstly, an intensive recruitment and retention plan was launched for key resources, especially for Saipem India Projects Ltd, Saipem SpA and Saipem SA, which was approved and initiated in early 2023.

Measures were also taken to retain critical competencies for Saipem and action was taken on the motivation and level of engagement of expatriate staff with the introduction of more flexible tools and policies to support international assignments, in order to be able to offer a market-competitive expatriate package. To this end, the Total Cash Allowance was introduced in the UAE and Qatar, areas that are particularly important for the company operations, both in current and prospective terms, in order to offer expatriates a more flexible solution.

As evidence of the extent to which key competencies are an enabling factor in addressing the current renewal phase, Saipem has joined the New Skills Fund, promoted by the Ministry of Labour and Social Policies under the National Recovery and Resilience Plan (NRRP), which enabled the provision of 450 training classes on crucial topics for Saipem, such as Digital and Green Transformation, aimed at an audience of over 3,000 Saipem employees over the period between July and September 2023 for a total of around 230,000 hours of training.

In addition, during 2023 the HR process re-engineering programme continued, also through the implementation of the new Human Capital Management System, which thanks to integrated and optimised data management, places the Employee Experience at the heart of the HR processes.
In the last quarter of 2023, the first wave of Core HR, Learning, Performance and Skills Evaluation modules release was finalised.

In order to support HR structures of Saipem SpA, of its branches and subsidiaries in understanding and adopting the new method of process management, an important campaign was programmed and implemented, which included communication, change management, and training delivered locally by project team members.
During the last two months of 2023, activities were also started to define two more modules relating to recruiting processes, workforce planning, development and compensation, which will be concluded within 2024.

Finally, in line with the Strategic Plan, aimed at achieving a business model more focused on the Company's core markets and activities, and in order to facilitate the pursuit of the objectives of financial and capital strengthening, the sale of Saipem's onshore drilling business to KCA Deutag (KCAD) continued during 2023. As part of the transaction, the operations in Kuwait were sold in early 2023 and the release of local and international personnel to South America was completed. The remaining onshore drilling activities are expected to be transferred in 2024.
Moreover, in 2023 the sale of Sofresid Engineering SA and Società ERSAI Caspian Contractor Llc was finalised.

(units)	Average workforce	Average workforce
Asset Based Services	13,974	14,200
Energy Carriers	10,965	10,450
Offshore Drilling	2,515	2,105
Onshore Drilling	542	3,643
Staff positions	1,112	996
Total	**29,108**	**31,394**
Italian personnel	5,347	5,496
Other nationalities	23,761	25,898
Total	**29,108**	**31,394**
Italian personnel on open-ended contract	5,316	5,478
Italian personnel on fixed-term contract	31	18
Total	**5,347**	**5,496**

(units)	Dec. 31, 2023	Dec. 31, 2022
No. of employees	28,756	29,529
No. of engineers	5,689	5,499

Compensation

The 2023 Remuneration Policy establishes remuneration tools aimed at supporting the strategic path undertaken by Saipem to achieve the important goals of the current Strategic Plan and promote the corporate mission and values.

The Policy has been designed in accordance with the governance model adopted and in compliance with the provisions of the Consolidated Finance Act, the Consob Issuers' Regulation and the Corporate Governance Code, with the aim of aligning the management's interests with those of the shareholders and all the stakeholders, and creating sustainable value in the medium-long term. It is also aimed at improving engagement, consolidating commitment and ensuring talent retention, in order to guarantee the best execution of existing projects and those that will be acquired. Finally, the actions taken are increasingly aimed at ensuring enforcement of the principle of Equal Pay for Equal Work, with the aim of reducing the wage gap between men and women. This commitment was certified for the first time in 2023 as Saipem was included in Bloomberg's Gender Equality Index (GEI), an

internationally accredited index for measuring gender equality in listed companies with over one-billion-dollar market capitalisation.
The Policy Guidelines for 2023 envisage a new Short-Term Variable Incentive Plan for the three-year period 2023-2025 and the reintroduction of the share-based Long-Term Variable Incentive Plan for the three-year period 2023-2025.

The new Short-Term Variable Incentive Plan is monetary in nature and, with a view to focusing on improving the Company's financial and capital structure, envisages an entry gate based on Saipem's Adjusted Net Financial Position at the end of 2023.
The 2023-2025 Long-Term Variable Incentive Plan is share-based and has been structured to strengthen management participation in business risk and maximise effort to improve company performance. The variable remuneration structure established is linked to operating and financial targets consistent with the Strategic Plan, as well as the 2023 priorities, and includes a significant and increasing weight of the ESG component in both plans. In particular, ESG indicators have been identified in line with the Saipem's Sustainability Plan, by identifying quantitative and measurable objectives relating to Safety, Environment, Diversity & Inclusion, Anticorruption, Business Integrity and People Management.
During 2023, the deployment of the 2023 corporate targets relating to the Variable Short-Term Incentive Plans has been carried out according to a top-down logic on the entire managerial population, and a process of verification and monitoring of such objectives was implemented.

The 2023 Remuneration Policy is described in detail in the first section of the "2023 Report on Remuneration Policy and Compensation Paid" and was approved by the Board of Directors of Saipem on March 14, 2023. It was subsequently submitted for a binding vote by the Shareholders' Meeting on May 3, 2023, receiving a 97.75% vote in favour.

Following the assessment of the company's objectives and of management performance, the Company recognised the 2022 Short Term Variable Incentive as required by the Remuneration Policy, proceeding to the payment of 60% of the incentive and approving a deferral of the remaining 40% over a two-year period; the actual amount to be paid will be calculated on the basis of the average trading price of Saipem's share over the deferral period.

With regards to the Long-Term Variable Incentive, in light of the failure to reach the minimum performance indicator threshold, the 2019-2021 Long Term Incentive Plan with reference to the 2020 allocation was not carried out. In July 2023, the co-investment period has expired for Senior Managers with Strategic Responsibilities with regards to the 2018 allocation of the 2016-2018 Long-Term Incentive Plan, whose shares had been allocated by 75% in 2021.

As stated in the Guidelines of the 2023 Remuneration Policy, Saipem has also started the first allocation of the 2023-2025 share-based Long-Term Incentive Plan aimed at managerial resources. The Plan entails the free allocation of ordinary shares of Saipem SpA (performance share) provided the achievement of specific performance indicators, measured at the end of the three-year reference period on the basis of two business goals (cumulative EBITDA Adjusted over the three years and average adjusted ROAIC), of an objective linked to the development of Saipem's share (Total Shareholder Return) compared to a Peer Group made of competitor companies (relating to Engineering & Construction and Drilling businesses) and ESG objectives.

The macro-economic scenario at global level is characterised in 2023 by an increase in the inflation rate in most economies, as well as in energy and commodity prices due to the conflict in Ukraine, compounded by the numerous impacts of the energy transition on the Oil&Gas sector. The guidelines and tools of the 2023 Remuneration Policy were aimed at rewarding the commitment made by staff that ensure the achievement of the corporate objectives in such a challenging context, and at overcoming the stringent selectivity of the previous policy, applied as a result of the action taken to strengthen the financial assets and the major cost reduction programme that characterised 2022.

For 2023, year in which Saipem saw a strengthening in its competitive positioning in various geographical areas and the acquisition of new important orders, the Remuneration Policy for the non-managerial population was aimed at resource retention, with particular regards to strategic resources within specific projects, young talents and people with crucial skills. Initiatives to promote gender equality in terms of remuneration and alignment of remuneration with trends in local markets have also been carried out, also through new compensation tools aimed at guaranteeing flexibility and timeliness in recognising contributions, as well as ensuring greater competitiveness in remuneration compared to the market.

Moreover, in order to improve retention rates, Saipem is consolidating its remuneration offer in terms of a Total Reward, preparing guidelines at group level in the management of benefits and welfare, expanding and integrating the services offered to ensure a growing balance between corporate goals and engagement and employee welfare.

Cyber Security

Cyber attacks are a growing concern in a fragile global economy, as highlighted by the World Economic Forum Annual Meeting 2023. Cyber Security is thereby a key pillar in the Security Function.
The risk related to Cyber Security issues, while showing a constantly increasing trend for the reference sector, is considered stable in light of the means implemented and constantly integrated to protect the corporate perimeter, which guarantee the absence of critical incidents since 2018.
Maintaining the ISO/IEC 27001 standard certification for the "cyber security event monitoring and incident management" activities has become one of the key evaluation elements considered in the composition of the Dow Jones Sustainability Index.

The cyber risk & information leakage is stable.
Saipem recorded "0" critical incidents and limited cases (6) of malware infection on isolated workstations (laptop) during the third quarter of 2023; the events, both alone and as a whole, have not impacted other corporate systems, and the devices were cleaned without further consequence.

Immediate threats are mitigated through strong security and governance protocols. In the last years, Saipem adopted an integrated approach to physical and cyber security, implementing a cyber security model that followed the guidelines set by the National Cybersecurity and Data Protection Framework (FNCS) and by the EU Network and Information Security (NIS) directive.
In 2022, the information security and data management programme were launched with a three-year duration, which was composed of the following projects.
- Identity Management & Access Governance: development of a governance (IAG) platform that ensures periodic checks on accounts and user profiles and identifies violations and the potential consequences;
- Data Governance: development of protections to ensure the correct management of corporate data. The solution must ensure the correct application of rules and standards in the creation/filing/access/use/sharing of corporate data;
- Encrypted Traffic Protection: identification and implementation of a solution for protecting user access to the internet under any connection conditions and safeguarding company data assets;
- Network Segmentation: development of the internal protection of the company data centre infrastructure. The objective is to progressively reduce the attack surface to limit the spread of threats or malware within the network;
- Operational Technology Security: enforcement of the requirements established by Saipem for the implementation of industrial control systems;
- Privileged Access Management: consolidating and improving of a privileged access management solution for the centralised monitoring of violations/anomalies.

A new vendor management tool is being implemented, which entails a list of minimum requirements to be met digitally by all suppliers.
By operating globally in the offshore drilling business, Saipem must also fulfil obligations under the 2017 Resolution MSC.428 (98) "Maritime Cyber Risk Management in Safety Management Systems" by the International Maritime Organization (IMO), effective as of January 1, 2021. The resolution provides that the assessment of the IT risk should be among the objectives of the ISM (Information Security Management) Code, taking into account that the aforementioned risk could impact the safety of the vessel, the personnel and the environment.
A cyber risk assessment process was thereby implemented onboard vessels, which is an integral part of the onboard Safety Management System - SMS.

The action plan for cyber security is as follows.
- BIA (Business Impact Analysis) conclusion on business process applications (Supply Chain, Project Execution, Project Acquisition, in addition to those in the Compliance 262 perimeter), in order to identify critical systems with a view on operational continuity. An extension of the analysis perimeter is programmed for 2024;
- cyber risk analysis on critical applications identified by the BIA (2024);
- launch of phishing campaigns on employee population, with a view to raising staff awareness of the most common cyber threats;
- with the formalisation of the CISO (Chief Information Security Officer) role, Saipem's Corporate Security Manager continues to keep operational relations with the main institutional references (ACN, DIS, CNAIPIC), as well as the CISO Community of Cassa Depositi e Prestiti and the Security representatives of client companies;
- maintaining the ISO 27001 certification for the Detection & Response perimeter.

The correct functioning of Saipem's Security Model is constantly monitored, and the Security function performs internal technical audits on peripheral enterprise security functions, down to project level, in order to verify compliance to instructions and security guidelines.

DIGITAL, ICT SERVICES

The cost rationalisation and investment optimisation in the Digital and ICT Services area continued in 2023. This directional approach is aimed at ensuring a balanced evolutionary roadmap that is economically and financially sustainable but capable of supporting the business. In this global context, the company's effort has been maximised in order to ensure the development and adoption of digital solutions and the maintenance of adequate ICT service levels.

To support these management guidelines, in 2023 Saipem:
- confirmed the evolutionary guidelines of the 2021 digital programme, which focus mostly on improving the efficiency of the work processes.
- an ambitious competitiveness programme was launched, which also involved the digital and ICT area, with the objectives, inter alia, to redesign the digital agenda and roadmap in order to align them with Saipem's new strategy and to enable the full integration of the digital needs of staff functions with the relevant vertical business functions.
- confirmed specific goals at company level in order to promote the digital transformation process.

With regards to the main projects launched we have:
- confirmed and maintained a continual rate of transformation for all initiatives that relate, as a whole, to Engineering, Procurement and Construction (EPC Integration) processes, which is key for our core business.
- continued to develop and industrialise the technological components supporting the digital transformation of our assets.
- developed and started production of several digital solutions supporting the staff functions (e.g., HSE, Vendor Management, HR Services, Corporate Procurement, etc.), allowing the move to our new management centre and the new way of working remotely.

The EPCI Integration development area is dedicated to the centralisation and standardisation of data from "vertical" systems dedicated to individual functions and the integration of work processes, within the EPCI projects.
The EPCI integration is comprised of two main complementary initiatives.
The first is the "EPiC" visualisation and collaboration platform, where support continues to be provided for the adoption of already industrialised applications, with a particular focus on the implementation of corrections and new features requested by stakeholders. New versions of applications for Supply Chain, Management of Changes, Vendor Document Management and AWP (Advanced Work Package) are being released to projects. The development and integration phase has started for a Digital Control Tower, as well as the extension of some existing processes for use with joint venture partners.
The second is the development of the "EPC digital platform", aimed at standardising and integrating plant engineering and materials management processes into the supply chain and construction processes. This initiative is still in its development phase and complete process tests should be completed by the second quarter of 2024.
Moreover, for the Installation/Offshore Construction phase, the development continued on the Offshore Vessel Simulator, which was implemented also on the vessel Castorone to support operations on project Scarborough, as well as on the Vessel Reporting System (VRS) 2.0 and Pipeline Productivity Tool (PPT) 2.0 – both tools for monitoring and analysing offshore productivity – whose release into production is expected in the first half of 2024.

In the digitalisation of our assets, the program for standardising ICT infrastructures and digital architectures, which aims to converge digital and ICT resources towards a unified architectural design and performance capability, initiated at the beginning of 2023, has been completed. This will allow Saipem to adopt all the digital solutions under development, as well as new solutions, both market standard and tailored to the specific requirements of the operations, for its assets. It will also enable a common architectural design for all the solutions for the assets, ensuring greater efficiency and better cost control, both during development and during the adoption and management of service levels.

During 2023 we improved and continued to implement our own IoT and Data Platform, taking into account the vertical solutions already existing in our technology portfolio. At the same time, we have started the digital modernisation plan of our fleet and the planning of future technological solutions that will be able to transform the classic processes of asset management, improving their exploitation through greater use of decisions driven by data and by implemented algorithms (e.g., predictive maintenance, remote assistance, operational dashboards).
The paradigm on which this programme of activities is based is to increase levels of governance over the data generated by our managed assets, using advance analytics techniques to support decision-making and efficiency

recovery in operations (e.g., fuel management) and sustainability (e.g., greenhouse gas emissions-GHG), on which we intend to measure our transition plan toward Net Zero goals.
The digital platform consists of a cloud component for the centralised collection and processing of all data coming from our assets, which are equipped with an "Edge Computing" component installed on board in order to optimise the computational capacity and data transmission in suboptimal conditions.
To date, this component is reported to be installed aboard the following assets: Scarabeo 9, Saipem 7000, Castorone, Saipem 10000, FDS, Pioneer, Sea Lion 7, Perro Negro 9, Perro Negro 7, FDS 2, Saipem 12000, Santorini, Scarabeo 8, Saipem Endeavour, DeHe, Castoro X, Castoro XII. The implementation is currently underway, respectively, of an industrialisation programme to upgrade some of its sub-components and connect the data acquisition module to critical data sources, and of a process to identify high-value IOT data and technologies, enabling them to be enhanced with relevant information and made available for use by the business.

In this context we were able to achieve a greater level of centrality and control of our data, which gave us the opportunity to start a path to define Saipem's new Data Governance. This path includes, simultaneously, a stream of initiatives in the area of Data Culture.
As of December 2023, digital solutions addressing the following application areas are reaching completion for the Asset Based Services business line.

- Anomaly detection, as the first step in the planned process for the implementation of the predictive maintenance,
- Fuel Consumption Monitoring,
- Digitalisation of ship logs,
- Digitalisation of management of change asset processes,
- Rig drilling simulator.

Moreover, initiatives have also been launched to assess the use of digital and autonomous mobile platforms in worksites and the use of smart wearables.

Another stream aimed at strengthening onboard security management has been initiated and progressed, with the gradual rollout of the e-permit to work for operations on our naval assets. Comprehensive coverage of the full fleet is expected in 2024, as well as extending the use to land yards. Additional remote assistance and telemedicine solutions have also been tested and proposed, increasing flexibility in terms of offshore presence.
Other developments have been implemented on the first offshore drilling assets to better monitor daily activities and facilitate the document management system, and new solutions have also been adopted for managing the structural integrity of vessels and optimising maintenance operations.

Scouting is underway for high-value technologies and use cases for the adoption of additive manufacturing in the spare parts procurement processes.

An assessment has been initiated of HSE technologies for improving on-board safety, such as Smart DPI/PPE.

In the Corporate area, we have initiated and, in several cases, completed and in the process of adoption several digital initiatives, including the following.

- an analysis underway aimed at consolidating processes on a smaller number of software platforms, with the aim of reducing the company's application portfolio.
- a series of activities started for the automation and optimisation of processes.
- programme of activities aimed at improving both the native and non-native project-based Cost Control Model was finalised, in order to improve both the quality and reliability of managed data flows and the reporting methods to the relevant business functions.
- in Project Control, the integrations with business project data were finalised, which will allow for real-time dashboards to monitor the cash flow.
- completion of the construction of a portal for the digitalisation of accounting books.
- the construction of dedicated platforms for staff functions is nearing completion (e.g., Sustainability, HSE, Vendor Feedback, Insurance, Legal, etc.).
- extended the functions of the cloud tool, already adopted, to support the NLP search of documents with integration of Sharepoint and Opentext D2.
- adopted smart working 2.0 and collaboration management tools.
- completed the digitalisation of the new Santa Giulia office building and collection of all useful data for the optimisation of use in terms of both emissions and occupancy.
- a project for the introduction of a new and more advanced personnel management platform is in its advanced stage, which will allow the centralisation of processes currently fragmented over a series of other applications that will be consequently discontinued.
- dematerialisation of selected internal authorisation flows.
- adopted a portal dedicated to digital issues and new chatbot-type communication channel (Saipup).
- launched a tool to support financial type control systems (e.g., 231).
- a modernisation and renovation of the company portal (intranet) was started.

- evolving enterprise architecture activities to support integrations between different technologies, solutions, and data.

Activities of development, test and adoption of various initiatives in several different areas are underway, including the following.
- People Engagement (e.g., a new intranet portal, new platform for human resource management, etc.).
- solution platform to support the new headquarters and new way of working (e.g., optimised energy management, on-line booking of workstations and meeting rooms, hoteling, etc.).
- digitalisation of information flows in finance and document archives.
- digitalisation and more efficient procurement processes for low-value materials.

It is worth noting that, in the complex market context, it has been possible to ensure the continuity of digital transformation initiatives and to learn about and appreciate new ways of working remotely.
The path of evolution and technological transformation id ongoing, aiming to rationalise and modernise its ICT assets (e.g., applications, platforms, architectures, and data infrastructures); this initiative is understood as a key enabler of the digital programme focusing on data valorisation.
In particular, new container management tools both in cloud and on-board vessels (Kubernetes) were taken to production, and the adoption of the new low-code methodology was consolidated. Focus was placed on Machine Learning and DevOps topics. The initial tests have been conducted for the enterprise use of the new chatbot technologies integrated with artificial intelligence (ChatGPT and CoPilot).
The studies at the base of the activity of data sources cataloguing, governance and support to independent consumption (self-service) of data for analysis purpose were completed.

New initiatives have been started in the infrastructural area as regards the tools for optimising and managing centralised infrastructures, with which numerous areas of technical analysis were covered for correct analysis, configuration, and management of IT systems.

With regards to cyber security, the multi-year programme of initiatives aiming to improve corporate security was launched. Six project streams were identified for the management of digital identities, the protection of Internet browsing even when carried out outside the company perimeter, the security of OT systems on our vessels, the segmentation of the communication network, the governance and classification of non-structured data, and the management of privileged users.

Governance activities and compliance and security processes were all carried out successfully according to schedule during the year.

GOVERNANCE

Saìpem SpA adopts a traditional administration and control model which consists of:
- the Board of Directors, a central body in the corporate governance system, which is entrusted with the management of the Company and which plays a fundamental guiding role, also for the achievement of sustainable development objectives, as well as a central role in internal control and risk management;
- the Board of Auditors, dealing with supervision and control;
- the Shareholders' Meeting, as the corporate entity that conveys the will of the company through resolutions adopted in accordance with the law and the Articles of Association. The Shareholders' Meeting also constitutes the institutional meeting point between the Company's management and the shareholders. It is up to the Shareholders' Meeting to appoint the Board of Directors and its Chairman for a period of maximum three financial years.

Taking into account the recommendations and principles of the Corporate Governance Code, with a resolution passed on May 18, 2021, the Board of Directors has set up the following internal committees with inquiry, proposal and advisory functions: the Remuneration and Appointments Committee, the Control and Risk Committee, the Related Parties Committee and the Sustainability, Scenarios and Governance Committee.

The Board of Directors and each Committee have their own rules governing, specifically, their set-up, tasks, and operation.

Saipem's governance system is based on international best practices on the subject and, in particular, on the principles included in the Corporate Governance Code – adhered to by the Company on December 17, 2020 – as well as the applicable provisions included in the regulatory framework issued by the National Commission for Companies and the Stock Exchange (Consob).

The **"Corporate Governance and Shareholding Structure Report" 2023** (hereinafter the "Report") provides a general and complete framework of the corporate governance system adopted by Saipem SpA. The Report, drafted pursuant to Article 123-*bis* of the Italian Consolidated Law on Finance (TUF) is a stand-alone document approved by the Board of Directors on March 12, 2024, and published on the Company's website www.saipem.com under the "Governance" section.

The Report was drafted in accordance with the criteria contained in the "Format for Corporate Governance and Shareholding Structure Report - X Edition (January 2022)" of Borsa Italiana SpA. It ensures to provide, in accordance with the peculiarities of the business and corporate purposes, correct, exhaustive and effective information, as required by the market.

The Report illustrates the Company's profile and the principles it is based on, information on its shareholding structure and its adherence to the principles mentioned in the Corporate Governance Code. It also includes the main governance practices, as well as a summary of the main considerations that emerged from the analysis and discussion of the annual letter of the Chairman of the Italian Corporate Governance Committee sent to all Italian listed companies on December 18, 2023, containing the *"2023 Report on the evolution of corporate governance of listed companies - 11th report on the application of the Corporate Governance Code"* and recommendations for 2024.

The Report includes a detailed description of how the administration and control bodies and their committees are structured and function, also in the light of the diversity policies adopted by Saipem and equal access to the administration and control bodies of listed companies. It also includes an explanation of the roles, responsibilities and competencies assigned to the Company's administration and control bodies. The Report also illustrates the main characteristics of the internal control and risk management system.

It also acknowledges the adoption by Saipem SpA of: (i) the Management System Guideline on "Transactions with Related Parties and Persons of Interest", which establishes the principles and rules to which Saipem SpA and its subsidiaries must adhere in order to ensure the transparency and substantive and procedural fairness of transactions with related parties and persons of interest, directors and statutory auditors and senior managers with strategic responsibilities (SMSR) of Saipem, carried out by Saipem or its subsidiaries; (ii) the Management System Guideline "Market Abuse", which establishes the principles and rules to which Saipem SpA and its subsidiaries must adhere in the management within the Saipem Group and in the external communication of corporate documents and information concerning Saipem. This is particularly relevant for material information and inside information, the drawing, keeping and updating of Registers of persons who have access to the aforementioned information, as well as the identification of relevant persons and the procedures for communicating transactions carried out, also through third parties, on shares issued by Saipem or on other financial instruments connected to these shares; (iii) the policy for managing the dialogue with shareholders and other stakeholders, in line with Recommendation No. 3 of the Corporate Governance Code, taking into account the engagement policies adopted by institutional investors and asset managers.

The above guidelines are available on Saipem's website.

The criteria applied for determining the remuneration of Directors are illustrated in the **"Report on Remuneration Policy and Compensation Paid 2024"**, drafted in accordance with Article 123-*ter* of Italian Legislative Decree No. 58/1998 and Article 84-*quater* of the Consob Issuers Regulation published in the "Governance" section of Saipem's website.

RISK MANAGEMENT

Saipem implements and maintains an adequate system of internal control and risk management, comprising of instruments, organisational structures, and procedures designed to safeguard Group assets and ensure the effectiveness and efficiency of processes, reliable financial reporting, as well as compliance with laws and regulations, the Articles of Association and Group procedures. To this end, Saipem has adopted and developed over time a Risk Management model that constitutes an integral part of its internal control and risk management system. The aim of this model is to obtain an organic and overall vision of the main risks for the Group that may impact strategic and management objectives, ensuring greater consistency of methodologies and supporting tools and a strengthening of sharing and awareness, at all levels, of the fact that an adequate identification, assessment, and risk management may have a positive impact on the achievement of objectives and on the Group's value.
The structure of the Group's internal control system, which is an integral part of the organisational and management model, assigns specific roles to the Group's management bodies, compliance committees, control bodies, group management and all personnel. It is based on the principles contained in the Code of Ethics and the Corporate Governance Code, as well as on applicable legislation, the "CoSO Report" and national and international best practices.
Additional information on the internal control system and risk management, including details concerning its architecture, instruments, and design, as well as the roles, responsibilities and duties of its key actors, is contained in the document "Corporate Governance and Shareholding Structure Report 2023".
The Integrated Risk Management model identifies, assesses and analyses risks and their integration with project risks that are identified, updated and managed by the relevant departments, for the purpose of an overall representation of corporate exposure and critical issues detected, contributing to the analysis of the corporate risk profile.
Risk assessment is conducted by management through risk assessment sessions, namely meetings and workshops coordinated by the "Integrated Risk Management and Compliance" function, held on a semi-annual basis. In particular, it is carried out for business and staff areas and strategically relevant subsidiaries, identified based on economic, financial and qualitative parameters. Risk assessment is aimed at identifying the risk events that could impact Saipem's strategic and management objectives, taking into account the changes in the business and organisation model and Group procedures, developments in the external environment (specifically, political, economic, social, technological and legal aspects) and the relevant industry and competitors. Furthermore, Saipem has developed a process to monitor the Group's main risks on a quarterly basis through specific monitoring indicators which measure the evolution of risk and related mitigation activities.

Saipem is exposed to strategic, operational, and external risk factors that may be associated with both business activities and the sector in which it operates. The occurrence of such events could have negative effects on the Group's business and operations and on its financial position, performance, and cash flow. Moreover, in light of the materiality analysis carried out by the Sustainability function, a strong focus is placed on ESG (Environment Social Governance) topics, whose risk assessment is thereby integrated in the overall evaluations.
For climate-related risks in particular, a quantitative assessment of the size (in financial terms) over the planning is then performed, in accordance with the recommendations of the Task Force on Climate Related Financial Disclosure (TCFD).
The risks related to climate change, to which Saipem's activities are inherently exposed, can be classified into the following categories.
- physical risks, i.e., risks arising from physically observable climatic phenomena (e.g., flooding of plants, production sites and construction sites, damage incurred due to extreme meteorological conditions, as well as worsening weather and sea conditions in the offshore operating areas);
- transition risks, i.e., risks arising from the transition phase that aims at reducing emissions and thus mitigating the effects of climate change. These risks are classified into: (i) technological risks, in terms of insufficient effectiveness in implementing the most efficient applicable technologies with impacts on operating costs in the execution of projects and on the potential acquisition of projects related to the use of new technologies; (ii) regulatory risks, related to the issuance of laws and regulations to which we must promptly adapt and which may lead to increased operating costs; (iii) market risks, in terms of reduced availability of the bank guarantees necessary for bidding and project execution.

More information can be found in the specific section of the "Non-Financial Consolidated Statement".

With regards to the current geopolitical context, characterised by multiple conflicts, the following should be noted:
- in relation to Saipem projects that envisaged operations in Russia and/or with Russian clients, there are no residual activities and the related contractual relationships with clients have been completed and are currently being formalised in full compliance with EU regulations. The Strategic Plan does not foresee acquiring new contracts in Russia;

- regarding activities on Israeli territory, Saipem evacuated its personnel following the attacks on October 7, 2023, and has subsequently resumed activities, guaranteeing security measures appropriate to the context. With regards to the attacks and boarding attempts on commercial vessels in transit to/from the Suez Canal, the Company highlights that all its offshore activities are far from the interested area.

Although the Group's supply chain does not include strategic and/or critical direct suppliers in the territories affected by the conflict, Saipem's operations may be impacted by a worsening in the geopolitical scenario. Saipem adopted specific tools to monitor and prevent impacts on the supply chain due to availability and volatility of commodity prices, services and inflation, and to include reasoned price adjustment formulas in the estimation stage. However, the extent of the impact on the supply, both on current and future projects, will depend on the duration and development of the conflicts, especially complex and dynamic due to the many actors involved.
Considering the current macroeconomic environment, influenced by the combination of the abovementioned geopolitical effects, inflation and rising interest rates, it is also reported that the revenues and, consequently, the Company's margins, both for lump-sum contracts and drilling services, could vary with respect to the estimated amounts due to: (i) variations in the cost of raw materials (e.g. steel, copper, fuels, etc.) and services (e.g. labour costs, logistics, etc.); (ii) worsening of geopolitical conditions (including wars or civil unrest); (iii) delays in the process of negotiating new contracts and possible cancellation of commercial initiatives relating to future projects, as well as the cancellation or deferral of on-going projects; (iv) delays and difficulties in obtaining recognition of contractual compensation for the cancellation or deferral of these contracts; (v) pressure from clients to renegotiate existing conditions; (vi) delays and difficulties in renewing, before the expiry date and on economically advantageous terms, the existing charter contracts relating to the offshore drilling fleet.
The possible worsening, compared to what was forecast, of the overall economic situation could lead the Group to make impairment losses on the assets subject to impairment testing, with significant negative effects on its economic, financial and asset situation.

The following are the main risk factors identified, analysed, assessed and managed by management. In preparing the consolidated financial statements, these risks were evaluated and, where necessary, the possible liability was provided for in an appropriate provision. See the "Notes to the consolidated financial statements" for information on liabilities for risks provided for and the section "Guarantees, commitments and risks - Legal proceedings" in the "Notes to the consolidated financial statements" for the most significant legal proceedings.

List of risks

1. Financial risks
2. Country risk
3. Biological/pandemic risk
4. Risks related to the supply chain
5. Cyber risks
6. Strategic risks and project acquisition risks
7. Project execution risks
8. IT risks
9. Risks associated with legal proceedings (legal, administrative, tax and labour)
10. Risks related to asset management
11. Risks related to human resources
12. HSE risks
13. Risks associated with client contract management
14. Compliance risks

1. Financial risks

Description and impact

The liquidity risk is constantly monitored, since the Group's business is exposed to the risk of incurring inappropriate and inconsistent cash flows and profit margins (also in relation to the assumption of early repayment of debts) compared to cash outflows and debt costs, resulting in an impact on the economic result in case the company is forced to incur additional costs to meet its commitments or, as an extreme consequence, a situation of insolvency that puts at risk the company's going concern.
In addition, the volatility of market conditions and the instability of the macroeconomic-geopolitical scenario could lead to a deterioration of the financial position of clients and partners involved in the execution of projects. Saipem is therefore exposed to the credit risk arising from the possibility of default by a trading counterparty, i.e., the risk of delayed and/or non-payment, and of having to meet part or all of the financial obligations of partners.
These dynamics could have significant negative effects on the Group's cash flows; they could cause the deterioration of net working capital and the economic-financial situation, and lead to a worsening of the reputation in the industry of reference and in the financial markets.
Lastly, the Group is exposed to risks relating the availability of bank guarantees needed to submit offers and execute projects, which could affect both Saipem and the partners with which it cooperates to execute said projects.

Mitigation

The management, control, and reporting of the financial risks are based on the Financial Risk Policy, issued at corporate level with the aim of standardising and coordinating the Group's policies. Specifically, financial risks are controlled through the periodic calculation of several Key Risk Indicators (KRI) which are subject to specific attention thresholds periodically updated according to the evolution of the market in which the Group operates. The control activities established by the Financial Risk Policy also include escalation procedure to be followed if the risk thresholds set by the KRIs are exceeded. The main financial risks identified, monitored, and actively managed by Saipem are further detailed in Note 3 "Accounting policies - Financial risk management" in the Notes to the Consolidated Financial Statements.
Additionally, from the negotiation phase onwards, the Company discusses with clients conditions that protect it from a financial exposure standpoint (for example, contractual advances, negotiation of performance bonds) and monitors its contracts (for example, through stringent procedures for obtaining the necessary certifications to proceed with billing, or through constant monitoring and reporting to the client of all contractual or project execution variations) in order to maintain positive or neutral cash flows. During project execution, the fluctuation of net working capital is constantly monitored with the continuous involvement of top management.
The management is also constantly engaged in monitoring the evolution of the financial markets and in strengthening and increasing partnerships with financial and insurance institutions, included local ones, to mitigate risks and increase guarantees.

2. Country risk

Description and impact

Saipem carries out a significant part of its activities in the Middle East, Sub-Saharan Africa and Latin America, regions characterised by a low degree of stability from the political, social and economic point of view. Developments in the political framework, economic crises, internal social unrest and conflicts with other countries, increase in the risk of terrorist attacks may could expose the Group and its human and material assets to potential damage, as well as temporarily or permanently impair its ability to operate under economically advantageous conditions and require specific organisational and management measures to ensure, where possible in compliance with Company policies, in order to continue the activities under way in conditions different from those originally planned. Such continuity plans could lead to cost overruns and delays and, consequently, to a negative impact on the margins of projects carried out in critical countries.
The invasion of Ukraine by Russia first, and the conflict in the Middle East now, have caused uncertainties, tensions and criticalities along the supply chain and in the energy policies set by Western countries. Although the developments and future impacts are uncertain and difficult to evaluate, the intensifying of hostilities, geopolitical tensions and commercial war, including the imposition of increasing international economic sanctions, are inevitably causing negative repercussions on the global, international and Italian economies, on the performance of financial markets, and on the Company's sector of activity. A rapid and unexpected worsening of risk scenarios, both onshore and offshore, may affect operations and cause interruptions in the supply chain, with negative consequences on the Group's operational continuity.
Other risks related to the activities in those operating areas include: (i) lack of a stable legislation and uncertainty on the protection of the rights of the foreign company in case of breach of contract by private entities or State entities, including risk of expropriation and nationalisation; (ii) detrimental development or application of laws, regulations, unilateral contractual changes that result in the impairment of assets, forced divestments and expropriations; (iii) various restrictions on construction, drilling, import and export activities; (iv) increases in the taxation applicable; (v) internal social conflicts that may lead to acts of sabotage, attacks, violence and similar situations; (vi) acts of terrorism, vandalism or piracy; (vii) lack of or limited insurance cover for country risk, war risk and terrorist attacks (with particular reference to onshore operations), in an insurance market undergoing a "hard market" phase.
Saipem uses agencies that provide security services in the countries in which it operates, and although it carefully selects suppliers and conducts regular training and oversight activities, these agencies may still expose the Group to risks related to the violation of human rights in the performance of security services assigned to them.

Mitigation

Saipem is committed to constantly and closely monitoring political, social, and economic developments, terrorist threats arising in the countries where it operates or it plans to invest, both through specialised Group resources and through providers of security services and information analyses. In particular, during the year, the Israeli-Palestinian conflict was monitored, as well as the development of other open fronts (Russia/Ukraine, China/Taiwan) and of the political, social and economic context of its countries of interest (Mozambique, Nigeria, Venezuela/Guyana, etc.).
Saipem values the exposure to the aforementioned risks through an articulate security model based on the principles of prevention, precaution, protection, information, promotion, and participation, with the objective of reducing risks deriving from the actions of natural or legal persons who expose the Group and its assets (people, goods, and reputation) to potential damage. In particular, each country in which Saipem operates is monitored specifically to assess the situation from a security and socioeconomic point of view, in coordination with the Crisis

Unit of the Ministry of Foreign Affairs, in order to verify the adequacy of the Security Model also in relation to supply chain topics.
In cases where the ability to operate in the country is temporarily compromised due to political or social instability, demobilisation from the site is evaluated to protect personnel and corporate assets; as soon as favourable conditions are restored, resumption of ordinary activities is planned, in order to limit the interruption to operations, yet always in full compliance of safety.
Saipem constantly monitors the changes in and compliance with various types of regulations also in order to minimise the impacts due to its operating activities in all countries of interest. Moreover, for adequate corporate risk management, Saipem has adopted the principles and guidelines provided by the international standard ISO 31000 as a reference.
The Group conducts regular audits of agencies providing security services and organises specific training activities in order to avoid and prevent human rights violations. Moreover, in order to mitigate the risks generated by the relationships with subjects operating in the same areas, Saipem adopts a system of engagement with its local stakeholders, with the goal of maintaining dialogue, consolidating relationships, and creating shared value, especially through active participation in the socio-economic development of the areas in which its project activities are carried out. Saipem pays utmost attention to industrial relations in the countries in which it operates, strengthening communication with staff and trade unions and reaching/renewing specific agreements with the social partners involved.
With regard to international sanctions, Saipem continuously monitors the potential impacts resulting from restrictive measures adopted by the European Union and/or non-European entities, both against Russia and other countries subject to sanctions. These may include: (i) financial sector sanctions, aimed at limiting access to major capital markets; (ii) energy sector sanctions, imposing prohibitions on selling, providing, transferring, or exporting, directly or indirectly, goods and essential technologies used in the energy sector; and (iii) technological sector sanctions, imposing restrictions on the export of dual-use goods and technologies (civil/military), as well as restrictions on the export of certain goods and technologies capable of contributing to the technological strengthening of the defence and security sector.

3. Biological/pandemic risk

Description and impact

The Group operates in countries where biological agents are present that are potentially harmful to the health of people exposed to them. The situation very much varies and changes over time: in many of the countries where Saipem operates or intends to operate, there have been more or less extensive epidemic outbreaks of both diseases already present in the area and imported diseases. The Group's personnel are therefore potentially exposed to infectious diseases when carrying out their activities.
Over the past three years, the epidemiological scenario has been further complicated by the spread of the COVID-19 pandemic. During 2023, the global context showed a decreasing trend of cases both in general, and relating to those with severe symptoms. The end of the state of emergency has allowed the return to an infection management that does not require extraordinary measures; however, the continued circulation of SARS-COV 2 virus exposes to an increased probability of mutations, making the virus a public health threat as stated by the World Health Organization.
Possible outbreaks of infectious diseases, including those linked to climate change and the growing invasion of natural habitat by mankind, could represent a significant risk both in terms of impacts on staff health and possible indirect impacts on the Group's financial results and assets: interruptions, slowdowns and cost increases in project execution and postponement of investment decisions in the affected sectors, disruptions in the supply chain, delay in client payments, increased risk of litigation (e.g. related to commercial contracts, labour and insurance matters) and complexity of resource turnover due to quarantines and travel restrictions.

Mitigation

Through epidemiological analysis on open sources and data collection on the ground, Saipem is committed to constantly and punctually monitor the occurrence and evolution of all infectious diseases in the countries of interest and to implement timely measures to prevent and respond to outbreaks.
The company runs numerous awareness-raising campaigns among its staff in order to increase risk awareness and knowledge of the most effective prevention measures. Regular hygiene and health inspections are carried out at the operating sites and personal protective equipment and vaccine and chemoprophylaxis measures are made available to the workforce. Control programmes of vector-borne disease are in place at all risk sites. Occupational medicine protocols and the travel medicine service are an effective system for protecting the health of workers, and medical evacuation contracts are a guarantee for the safe evacuation of infected patients.

4. Risks related to the supply chain

Description and impact

Saipem is exposed to the risk associated with commodity price volatility – i.e., changes in the cost of raw materials such as steel, nickel, copper, fuel, etc. – but also of goods and services used in the execution of projects. The

supply dynamic is characterised by a strong tension on the commodity market, mainly due to an imbalance in the relationship between supply and demand and a strong inflationary drive, compounded by speculative and arbitrage actions in the markets. Materials and goods purchased by the Group require transport and warehousing services in order to reach the operating sites and they too may be subject to delays, limitations on availability and/or price increases, especially in times of high demand and in the case of sudden interruptions of the supply chain. Moreover, orders to suppliers during project execution may be revised due to changes in the scope of work, date of completion and delivery (delays and/or accelerations), and unforeseen updates to local regulations, resulting in change orders and claims to Saipem.
The Group may not be able to pass on or share the price increases caused by the aforementioned dynamics with its clients.
Recovery in post-pandemic markets, together with the uncertainty generated by the current geopolitical situation, has also resulted in the congestion of some productive sectors; suppliers are finding it difficult to respond to requests in terms of raw material availability, production capacity and delivery times and, in some cases, have become more selective with regard to the initiatives to be pursued as they are unable to enter into contractual commitments with long-term valid quotations. Saipem could therefore run the risk of being unable to source from supply chain operators the materials, goods and services needed to execute the projects and negotiate prices, commercial terms, and delivery times compatible with the needs of the projects.
Finally, Saipem works with a large number of suppliers and subcontractors, spread across different geographies and with different levels of experience, in some cases selected to meet local content requirements by clients. Their performance may in some cases be inadequate with respect to project requirements, resulting in additional costs related to the need to implement plans to meet the client’s expectations and possibly causing delays in project implementation and delivery.
Therefore, these supply chain risks could lead to longer times and higher costs, a deterioration of business relations with clients and changes in the financial results, with a negative impact on Saipem’s performance.

Mitigation

In order to prevent and mitigate the risks of unavailability and price variability of goods, materials and services, Saipem monitors the impacts on individual projects, in terms of continuity, prices and timing of supplies and suppliers' production capacity, establishing an ongoing dialogue with them. When the conditions are right, the Group defines project-based commercial agreements with suppliers (e.g. pre-agreements, strategic agreements to ensure production spaces already in the offer phase, etc.) to ensure execution on time and on budget or, alternatively, it agrees with suppliers on price change formulas that can then be accepted in full or in part by its clients. Additionally, already in the quotation phase, Saipem uses specific tools to monitor and mitigate supply chain impacts related to commodity availability and price volatility, services, and inflation, including reasoned price adjustment formulas.
Lastly, the Company has implemented a structured qualification and selection system geared towards working with reliable suppliers and subcontractors with an established reputation. The performance of suppliers and subcontractors is also constantly monitored and subject to feedback at all stages of the contractual relationship, in order to pursue continuous improvement of the procurement process and project execution through updated Bidder Vendor Lists.

5. Cyber risks

Description and impact

In its activities in offices, at operational sites, and on vessels, Saipem uses a large number of IT tools of various kinds. Due to a general increase in digitalisation processes, the use of private networks in remote work introduced to contain the COVID-19 pandemic, the constant rise in cyber threats, and the ever-increasing availability of attack tools leveraging Artificial Intelligence (AI), the Group's computer systems are increasingly exposed to potential cyberattacks. These cyber attacks could jeopardise business continuity and damage Information Technology (IT) and Operational Technology (OT) systems, as well as result in the loss and/or theft of data and information (including confidential information), causing major effects on business processes and financial, operational, and reputational impacts, particularly on clients. The misuse of AI systems by malicious actors may amplify the negative effects related to cyberattacks through malwares and phishing, for example. The supply chain is especially targeted, since its vulnerability are exploited to penetrate the defensive measures implemented by companies.
Furthermore, following the increase in the global cyber threat as a result of the conflict in Ukraine, the Group has experienced, right from the commercial stage, increasing demands from clients for specific cyber security requirements, the availability of which could therefore affect Saipem's competitiveness level. The aforementioned requirements are applicable also to suppliers and subcontractors involved in operating activities. A delay in the compliance with the stringent cyber security requirements demanded by clients and/or authorities (such as the National Cyber Security Agency) could result in the loss of future business opportunities and potential interruptions of projects and activities in the execution phase.

Mitigation

Saipem has implemented measures of governance, response, and monitoring of cyberattacks, as well as compliance processes carried out through the involvement of specialised internal and external personnel and of advanced IT security technologies. Saipem has adopted a cyber security model and follows procedures and protocols based on industry best practices and integrated international standards to meet clients' security requirements (more information can be found in the section "Digital, ICT Services"). In addition, Saipem implemented a series of actions aimed at strengthening threat detection and cyber incident response activities by adopting a platform capable of providing an external and independent assessment of the Group's cyber security maturity level. To mitigate the vulnerability of the supply chain, a supplier assessment model is being adopted, based on precise cyber security requirements.
Saipem ensures a constant assessment of cyber risk both for Information Technology (IT) and Operational Technology (OT) and considers the human factor to be one of the main risk factors for an IT system. For this purpose, it has developed and implemented a cyber awareness plan aimed at increasing the employees' level of preparedness and awareness. In addition, Saipem considers continuous collaboration with key public and private stakeholders to be of paramount importance.
During 2021, the Group obtained the ISO/IEC 27001 certification, for "Cyber security events monitoring and incidents management". This important goal confirms the validity of the model Saipem adopted for Cyber Detection & Response activities, which makes it possible to proceed in a structured manner in the ongoing improvement of the Company's security system.
In compliance with IMO Resolution MSC.428 (98), Saipem introduced a cyber risk assessment model on board the fleet's vessels, as an integral part of the safety management system, appointing a Cyber Security Officer for each unit. Cyber attack drills were also performed on board the vessels, according to scenarios and models which are an integral part of Saipem SpA's emergency and crisis management system.
With regards to Artificial Intelligence (AI), during 2023 a multidisciplinary work group has been set up to: (i) monitor the regulatory evolution at European and Italian level (e.g., AI Act being implemented by European institutions); (ii) regulate the adoption of such technologies in the European market; (iii) analyse emergent risks and assess potential impacts of the implementation of said tools/projects within the Group. Finally, several audits were carried out with Internal Audit, on the entire Cyber Security process, as well as on the infrastructure and the cloud, with assessments carried out by Microsoft, in continuity with others done in the past by clients to ascertain compliance with contractual cyber security requirements.

6. Strategic risks and project acquisition risks

Description and impact

In defining its strategic guidelines, Saipem assesses macroeconomic, geopolitical, and industrial scenarios, their technological developments, trends in demand in the relevant sectors, also in light of the requests it receives from its clients, and the evolution of the competitive framework within the reference market. The reference market is also defined by the various mergers and acquisitions, the creation of joint ventures and alliances on a local or international level, of a strategic or commercial nature, and the continuous development and commercialisation of patents and licences by competitors for innovative solutions (frequent, for example, in the area of energy transition and decarbonisation). Therefore, Saipem is exposed to various kinds of risks, linked to its strategic positioning (in relation to competitive positioning vs. market trend), both in conventional services in the energy sector, particularly Oil&Gas, and Infrastructure, and in services related to the energy transition, whose weight is less significant in the short term, but whose trend shows an increasing weight in the medium and long term.
With regards to the current situation of the market, the total demand for services is visibly influenced by factors deriving both from existing conflicts, which could generate more unpredictable fluctuations in energy demand and supply volumes, and in the price of oil and natural gas, and from pre-existing dynamics. These include: (i) the global energy supply/demand balance; (ii) OPEC's ability and willingness to establish and maintain certain oil extraction levels, as well as the production forecast of OPEC countries; (iii) the possible return of exports from Iran; (iv) the overall context of the raw material market, that may impact the general economy and the oil and gas demand; (v) market volatility, as well as environmental policies and legislations; (vi) the growing tendency to choose alternative and renewable energy sources. It should also be noted that the price trend of raw materials such as oil and natural gas is highly volatile and unpredictable for various reasons, which are often interconnected and/or interdependent (such as, for example, economic, geopolitical and social factors, changes in demand, technological evolution, energy transition, etc.).
All the above mentioned influences the investment policies of the main clients in the oil sector, exposing Saipem to: (i) delays in the negotiation process and possible non award of commercial initiatives relating to future projects; (ii) cancellation and suspension of projects already under way (whether EPCI Lump Sum or Drilling and value added engineering services contracts); (iii) delays and difficulties in obtaining payment of contractual penalties provided for to indemnify the Company against the cancellation and suspension of such contracts; (iv) strengthening of the level of aggression in commercial strategies by competitors; (v) delays and difficulties in obtaining change orders for the scope of work requested by the client and executed by Saipem; (vi) delays and difficulties by the clients in renewing contracts for the offshore drilling fleet prior to the expiry thereof and under economically advantageous terms and conditions; (vii) claims and arbitration and international disputes in the most significant cases. Inadequate forecasts of the evolution of these scenarios, as well as the incorrect or delayed implementation of

the identified strategies, may expose the Company to the risk of not being able to implement its Strategic Plan, both in terms of the volume of new acquisitions and related margins, and in terms of revenues and margins of the existing portfolio.
The current scenarios in the field of energy transition involve a gradual shift towards greater use of renewable energy sources, with a lower climate-altering impact than the ones now in use. The achievement of these objectives is mainly based on the development and use of a range of new technologies in areas such as renewable energy, the decarbonisation of various industrial sectors (e.g. agriculture, steel and cement production, transport), energy efficiency and the circular economy. Saipem believes that the use of these innovative solutions in building new energy infrastructures and reducing carbon emissions is expected to create a significant market that is of particular interest.
The ability to compete in the new energy transition markets will depend on the achievement of adequate competitive positioning, which can be developed through a number of key factors: (i) creation of new commercial relationships with companies in the field of renewable energy sources and clean technology; (ii) ability to manage new types of projects and clients, different from the traditional ones; (iii) meeting a specific track record in the new markets; and (iv) development of a targeted technology portfolio.
Should the Company be unable to adequately update the technology and assets at its disposal with the aim of aligning the offer of its services with the needs of the market, it may have to modify or reduce its strategic objectives, with a subsequent negative effect on its activities, prospects, and economic, financial and asset situation.

Mitigation
To monitor the trend of demand, Saipem makes use of a capillary organisational structure to cover the areas of interest, and of companies specialised in providing periodic analyses and estimates on relevant market segment trends and on macroeconomic, geopolitical, and technological developments. Furthermore, the Company created the Sustainability, Scenarios and Governance Committee, which is responsible for assisting the Board of Directors in its review and development of scenarios in order to prepare strategies, based on the analysis of the relevant issues for long-term value generation and the corporate governance of the Company and the Group.
To ensure a strengthening of its competitive positioning, the Group always strives to create valuable relations with its clients and guide them through the developments of the global energy scenario, while respecting the values and professional ethics of Saipem. The organisational structure responds to this objective through four distinct business lines: (i) "asset-centric" (to capture the moment of recovery in the Oil&Gas market); (ii) "offshore wind" (for offshore wind plants); (iii) "energy carriers" (for the low-carbon design or reconversion of complex plants) (iv) "sustainable infrastructures" (for growth in a sector that has become strategic in the new ecosystem of the energy transition and sustainable mobility); and (v) "robotics & industrialized solutions" (for the development of modular, repeatable, scalable plants and monitoring and maintenance services based on digital technologies). To this regard, the strategy defined for the four years is characterised by the presence of a dual approach. On one hand it focuses on traditional sectors where Saipem can boast a more effective competitive positioning (construction and offshore drilling), while on the other hand, in the medium and long term, it aims to expand the portfolio of clients and geographic markets and grow in sectors with a higher technology component linked to the energy transition and defence, such as: (i) rigs for renewable sources (in particular, wind, solar); (ii) CO_2 capture projects; (iii) production of green hydrogen and its derivatives (e.g., green ammonia, methanol); (iv) plastics recycling; (v) construction of high-speed railway lines; (vi) subsea robotics; (vii) high value engineering services in the energy industry in general (including renewable energy).
The management focuses also on the commercial opportunities with a global perspective on the reference markets, adopting diversification criteria between various clients in the sector (International Oil Company, National Oil Company, Independent and Utility).
Saipem works constantly on the research and development of technologies aimed at increasing energy efficiency in operations and in the decarbonisation of energy, continuing its investigation into new technological frontiers (more information can be found in the section "Research and development"); among those, the proprietary CO_2 capture technology should be highlighted.
Saipem is supported by agencies specialised in analysing the technological evolution of the reference market sectors and prospective solutions that may be required by clients. The Group signs agreements with companies that develop technological solutions in the energy industry and other sectors (i.e. the digitisation sector), with universities and research centres, also considering strategic agreements (such as joint ventures and alliances) in order to exploit market opportunities. In addition to the constant engagement in studying and possibly developing technological agreements with various partners in terms of technologies and licences in the energy sector, Saipem develops innovative technological solutions and patents internally through research and development projects with its own resources, as well as through cooperation with other organisations.
Regarding energy transition, the fight against climate change is at the heart of Saipem's agenda. It represents one of today's greatest challenges for the energy sector and for society as a whole, so much so that it is considered a crucial part of Saipem's business model.
The strategy for fighting climate change is based firstly on the scenario analyses in 2050, drafted to identify the macro-trends and key drivers in the energy sector in terms of service demand, technologies, policies, legislation, socio-political aspects, etc., and in order to understand how these will affect Saipem's business as a whole. These scenarios are updated at least annually, and the results are presented to the Board of Directors and the top management in order to be developed into strategic guidelines.

Saipem's strategy for climate change includes a significant commitment to reducing dependence on fossil fuels, offering clients increasingly sustainable solutions which aim to be the closest to zero in climate-altering emissions, investing in renewable technologies and diversifying its activities; in this regard, as a global service provider, Saipem has taken the important role of enabler of the transition from an economy based on fossil fuels to a "decarbonised" economy. In the fight against climate change, Saipem wants to reduce its business dependence on fossil fuels with a new two-pillar strategy: becoming a key partner in the decarbonisation of clients and key players of its value chain, extending the offer to industries with a lower environmental impact, and improving its assets and operations efficiency to reduce GHG emissions. Therefore, Saipem has, for some time, implemented a programme of constant updating of its skills and renewal of its assets, with a view to speeding and facilitating its entry into the field of energy transition, a growing sector that sees all the great international players increasingly focused on the issues of sustainability, climate change, and reduction of environmental impacts.
For this purpose, Saipem communicated to the market its emission targets defined for the medium-long term, announcing a reduction by 50% of the total emissions of GHG Scope 1 and Scope 2 by 2035 (compared to the 2018 baseline). In relation to Scope 2, the Net-Zero goal should be reached by 2025. Regarding Scope 3 emissions (i.e., indirectly associated with Saipem value-chain activities), Saipem wants to have a key role in supporting and stimulating all the players in the chain, from clients to suppliers, in an organic and synergic decarbonisation process. More details can be found on the company's website in section "Sustainability".

7. Project execution risks

Description and impact

Saipem operates mainly in the highly competitive services sector for the energy and infrastructure industry, creating complex works and projects for its clients.
The award of contracts is preceded by a tender phase during which Saipem prepares execution schemes, timing and quotation; the preparation of the quotation and the determination of the price are the result of a detailed and timely estimation exercise which includes appropriate risk assessments through the use of contingency.
During the multi-year execution of the project, actual costs might differ from estimated amounts due to external factor (e.g., interruptions in the supply chain of goods and services, geopolitical context in the country, etc.) and to changes in the execution programmes due in turn to operational, technical and/or technological complexities.
These factors could lead to additional costs, delays in execution, non-recognition or delayed recognition of revenues resulting in a reduction of originally estimated margins and a worsening of collections and financial exposure, with a potential additional reputation damage for the Group.

Mitigation

In order to achieve business results and increase management efficiency and effectiveness, Saipem has started to improve and rationalise its processes and activities, for example the strengthening of estimation processes, control and risk management.
In order to improve project management both in the offer stage and in the execution stage, interventions have been carried out for: (i) the dematerialisation and digitisation of some engineering, procurement and construction processes; (ii) a greater centralisation of some strategic/relevant activities; (iii) the increase of synergies and diffusion of lessons learned between the executive centres.
These initiatives were accompanied by a new organisational model based on distinct business lines characterised by different dynamics, objectives and competencies: (i) "asset-centric" (based on a rigorous discipline of optimisation of drilling, naval assets, and manufacturing bases, and focused on key geographies and clients); (ii) "offshore wind" (for the bidding, design and execution activities of offshore wind power plants); (iii) "energy carriers" (for the design of complex plants or their low-carbon reconversion with an increasing focus on the best risk/return balance and with greater attention to margins); (iv) "sustainable infrastructures" (for the construction of strategic infrastructure in the new ecosystem of energy transition and sustainable mobility); and (v) "robotics & industrialized solutions" (for the development of modular, repeatable, scalable plants and monitoring and maintenance services based on digital technologies).

8. IT risks

Description and impact

The Group's operation depends significantly on the use of technologies, assets, patents, and licences it holds, and of IT systems developed through the years. In particular, Saipem considers the technological and digital component to be particularly relevant for projects in the Robotics & Industrialized Solutions line of business, focused on innovative products linked to emerging energy transition and robotics markets.
Given the rapid and constant technological evolution in these areas, the failure to take advantage of the opportunities linked to the digitalisation and transformation of operational processes and activities (e.g., automation) and the failure to adopt innovative IT solutions could jeopardise the Company's technological, cultural and renewal development and consequently negatively impact the achievement of its short- or long-term objectives (more information is available in the specific "Digital, ICT Services" section).

Mitigation
The Company has launched several initiatives aimed at achieving a better efficiency and effectiveness and particular emphasis has been placed on the rationalisation of business processes and on the progressive cultural, technological, and digital change. Specifically, initiatives aimed at the dematerialisation and digitalisation of activities continue.
Saipem is engaged in the implementation phase of the project of digital transformation through an agenda with several objectives, including rendering the ICT services more efficient, developing a new people management system, spreading digital awareness, and adopting new technologies, including Artificial Intelligence.
Saipem has also set up various ICT business initiatives focused on the progressive digitalisation and automation of business work processes and the enhancement of data and information assets. To this end, a shared data model and a data governance methodology based on the Common Data Environment (CDE) methodology have been implemented and will be progressively extended on a collaborative technology platform.

9. Risks associated with legal proceedings (legal, administrative, tax and labour)

Description and impact
In the ordinary course of operations, the Group may take part in disputes which, if not resolved by negotiation, may result in judicial or arbitral proceedings, including lengthy ones that require significant resources, costs and legal expenses.
The Group is currently a party to civil, criminal, administrative and tax proceedings in Italy and abroad. The estimate of expenses that could reasonably be expected and the amount of provisional funds are based on information available at the date of approval of the financial statements or interim financial statements, but may be subject to updates and revisions, including significant revisions of estimates as legal proceedings progress.
Any unfavourable outcome of disputes for the Group – in particular, those with greater media impact – or new disputes (regardless of the outcome) could result in significant repercussion on the Group’s reputation, with a subsequent negative effect on activities, prospects, and the economic, financial and capital situation of the Group.
Given the intrinsic and unavoidable risk that characterises legal proceedings, while the Group has carried out the necessary assessments, including on the basis of applicable reporting standards, it is not possible to exclude the possibility that the Group might in future have to face payments for damages not covered by the provision for legal proceedings, or which are covered insufficiently, or which are uninsured, or which are of an amount greater than the maximum sum that may have been insured. Furthermore, in relation to legal proceedings brought by the Company, should it not be possible to settle the disputes by means of negotiation, the Company may have to bear further costs associated with the lengthy court hearings. In addition, the progress of legal and tax proceedings exposes to potential impacts on its image and reputation in the mass media or with clients and partners.
Changes in national tax regimes, tax incentives, rulings with tax authorities, international financial treaties and, in addition, risks related to their application and interpretation in the countries where the Group companies operate, exposing Saipem to tax-related risks which could result in disputes in some of those countries (especially in the economies more exposed to the deterioration of oil prices on the international market).

Mitigation
In order to maximise the mitigation of these risks, Saipem not only implements actions aiming to constantly strengthen its internal control system, but also makes use of specialised external consultants who assist the Company in judicial, civil, tax or administrative proceedings. Furthermore, the Board of Directors of Saipem monitors the evolution of the main legal proceedings in an active and continuous manner.
Saipem constantly monitors both the changes in and compliance with tax regulations, also in order to minimise the impacts due to its operating activities in all countries of interest through internal resources and tax consultants.

10. Risks related to asset management

Description and impact
In order to execute EPCI projects, drilling services and other services in the energy industry, the Group has numerous assets (specialised vessels, drilling rigs, FPSOs, equipment, fabrication yards and logistics bases). Any operational performance of these assets that is lower than expected (e.g., due to delayed maintenance, inadequate planning of asset availability windows with respect to the needs of existing and future projects, etc.) could jeopardise the performance of activities, with negative effects on the time and cost of projects being executed and on customer relations.
In addition, should the Company be unable to guarantee the operational performance and/or availability of assets, it may have to adjust its targets, with consequent impacts on its business, prospects, reputation, as well as its economic, asset, and financial situation.

Mitigation
Saipem is constantly engaged in maintaining, updating, and renewing its assets with the aim, in order to carry out its business, of adapting its service offering to the current and future needs of the market.
Should proprietary assets not be suitable and/or available to meet project needs, Saipem makes use of third-party vessels under "Long Term Charter"/"Bare Boat" type contracts and external production yards to ensure that activities can be carried out and the objectives of the four-year plan can be achieved.

11. Risks related to human resources

Description and impact
The Group relies to a significant degree on the professional contribution of key management personnel and highly specialised individuals. Key management personnel means "Senior Managers with strategic responsibilities" (further information can be found in the specific detail section of the "Corporate Governance and Shareholding Structure Report 2023"). Highly specialised individuals, on the other hand, means resources that, on the basis of their skills and experience, are vital to the execution of projects and to the growth and development of Saipem.
The Group's ability to attract, motivate, and retain qualified resources in all functions and geographic areas represents a crucial success factor. The deterioration of such factor would expose Saipem to the risk of losing resources with a relevant know-how, with a subsequent medium-long term negative effect on activities, prospect, and the economic, financial and capital situation.
Furthermore, working on international markets, the development of future strategies will depend significantly on the Company's ability to attract and retain highly qualified and competent personnel with a high level of diversity in terms of age, nationality, and gender. Finally, frequent changes in the labour laws of many of the countries in which it operates expose Saipem to various kinds of risks in the management of human resources, due to the volatility and uncertainty of local regulations as the uncertainty of the law in these countries may cause internal inefficiencies and litigation.

Mitigation
Saipem is committed to investing in gender, nationality, and generational balance, encouraging the development and growth of younger resources, as well as motivating and retaining the most experienced resources, in order to ensure the protection of the distinctive and strategic skills through several different initiatives. In this regard, specific initiatives focused on the promotion and dissemination of an inclusive culture were launched in partnership with the associations "Valore D" and "Parks - Liberi e Uguali". In 2023, Saipem was included in the Gender Equality Index (GEI), an internationally accredited index for measuring gender equality in listed companies, and obtained the certification for gender equality by the Norwegian institution Det Norske Veritas.
Furthermore, the aim of the Remuneration Policy, whose primary tools and objectives are defined in the Report on Remuneration Policy and Compensation Paid 2023, is to attract, motivate, and retain high-profile professional and managerial resources, and align management's interests with the aim of creating value for shareholders in the medium-long term.
Saipem has adopted a skill-based innovative model for the management of human capital with the aim of better directing energies and professional figures to the areas in need and ensuring greater flexibility in the development of personal and professional skills at all levels.
Therefore, the expansion of the Group into different business lines is accompanied by plans to employ and train management and technical personnel, both international and local, with a wide range of skills, as well as job rotation programmes.
Saipem also oversees the international labour markets both through its network of local structures in all countries where it operates and through the Swiss company Global Project Services AG, which guarantees the recruitment of international personnel worldwide.
As defined in the Code of Ethics, in full compliance with applicable legal and contractual provisions, Saipem undertakes to offer equal opportunities to all its employees, making sure that each of them receives a fair statutory and wage treatment based on merit and expertise, without discrimination of any kind. Additionally, the Group monitors the legislative developments relating to personnel management in all the countries in which it operates or is interested in entering, availing itself of labour law consultants.

12. HSE risks

Description and impact
Saipem's activities may potentially expose it to accidents, which may cause negative impacts on the health and safety of people and the environment. Saipem's activities are subject to the laws and regulations for the protection of the environment, and on health and safety, at both Italian and international level. Despite the Company's best efforts, the risk of incidents that are detrimental to people's health and to the environment cannot be completely ruled out.
Such events could lead to criminal and/or civil penalties against those responsible and, in some cases, to violations of safety and environmental regulations, also pursuant to the Italian Legislative Decree No. 231/2001.

This would lead to costs arising from the fulfilment of obligations under environmental, health and safety laws and regulations, leading to costs related to sanctions, not to mention the impact on its image and reputation.
Besides, in order to execute EPCI projects, drilling services and other services in the energy industry, the Group owns numerous assets that are subject to both normal operating risks and catastrophic risks related to weather events and/or natural disasters, which may cause impacts on the safety of people and the environment. The risks connected with ordinary operations can be caused by: (i) mistaken or inadequate execution of manoeuvres and work sequences that lead to damage for assets or facilities; (ii) mistaken or inadequate ordinary and/or extraordinary maintenance. Despite the fact that Saipem has specific know-how and competencies constantly kept up to date, that it has implemented internal procedures for the execution of its operations, and regularly carries out maintenance work on its assets in order to monitor their quality and level of reliability, it is not possible to fully exclude the occurrence of incidents.

Mitigation

With reference to these risks, Saipem has developed an HSE (Health, Safety and Environment) management system which is in line with the requirements of laws in force and with international standards ISO 45001 for health and safety in the workplace and ISO 14001 for environmental management, and for which Saipem has obtained certification for the whole Group. Specifically, HSE risk management is based on the principles of prevention, protection, awareness, promotion, and participation; its aim is to guarantee the workers' health and safety and to protect the environment and the general well-being of the community.
Regarding the risks related to the safety and health of people, Saipem has introduced a series of specific mitigation initiatives, among which the following are noteworthy:

- the continuing and renewed implementation of the "Leadership in Health & Safety" (LiHS) programme, integrated within the "human factor" principles, which aims to strengthen the Company's health and safety culture;
- various campaigns, such as: "Life Saving Rules" which focuses on raising awareness on dangerous activities and actions to be taken by each individual to protect themselves and others; "Dropped Objects Prevention", the campaigns "We Want Zero", "Keep Your Hands Safe" (KYHS) and "Work Safe - No Regrets", focused on combating accidents related to work at height in response to a negative trend in related incidents, and the "Fire Prevention Campaign". Also ongoing is "Choose Life", a training programme that aims at strengthening leadership and increasing awareness on health and well-being issues, with the objective of encouraging people to choose a healthier lifestyle. The programme addresses three main health risks: cardiovascular diseases, malaria and sexually transmitted diseases. Recently, the mental health topic was added, which is one of the main issues of interest for our industry; the first psychological support accessible in the metaverse, available freely and anonymously for employees;
- pilot projects for the application of innovative digital technologies and Artificial Intelligence in the HSE field;
- the "Safety Step Up" programme and "step-change" actions for a continuous improvement of performance in terms of safety at work, in particular regarding the prevention of serious accidents and high-potential events through the adoption of advanced technologies, as well as through monitoring of best practices and technologies in the HSE field available on the market;
- The progressive implementation of the electronic work permit to work (E-Permit to Work) on the entire fleet, to strengthen safety management onboard.
- the development of advanced Occupational Medicine and Health Surveillance activities, as well as the extension of telemedicine services (teleradiology, telecardiology and teledermatology).

Regarding the risks associated with safeguarding the environment, a structured system of prevention, management, and response to spills was developed.
Regarding the risks related to environmental protection, various specific mitigation initiatives are ongoing, among which the following are noteworthy:

- measures to eliminate the risk of spills (e.g., substitution of hazardous substances with eco-friendly substances, mapping of areas at greatest risk of spills and identification of appropriate prevention measures) and, if this happens, measures and actions to be implemented to prevent them from spreading;
- the identification of asset-specific maintenance programmes aimed at preventing fluid leaks;
- various campaigns, for instance "WED World Environment Day", aimed at promoting and raising employees' awareness on issues related to the environment, biodiversity and the efficient and sustainable management of all natural resources in general;
- initiatives focusing on the environmental awareness through various activities, such as the corporate waste collection volunteer event at the Cassinis Park during the "European Week for Waste Reduction".

In addition, Saipem promotes initiatives aimed at saving water and managing water risk, for example the creation of the Water Management Plan.
Lastly, for the mitigation of the risks related to asset management, Saipem incurs significant expenses for the maintenance of assets it owns and has developed various prevention initiatives, among which we highlight the implementation of the Asset Integrity Management System, a system that provides for the systematic management of critical elements, the identification of Key Performance Indicators and the creation of task familiarisation cards for managing the development of personnel assigned to specific roles or the use of critical equipment. Specifically, with regard to all vessels in the fleet, Saipem periodically renews certifications issued by the appropriate classification bodies and by flag state authorities following the inspections that the classification bodies perform on group vessels. In addition, the vessels, based on the technical characteristics and the type of

each ship, must meet the requirements of applicable international maritime law and laws regulating the Oil&Gas industry.

13. Risks associated with client contract management

Description and impact

In the execution phase of EPC Lump-Sum Turnkey projects, there may be changes to the contractually agreed work that result in additional costs related to the changes requested by the client (change orders) and/or higher costs incurred for reasons attributable to the client (claims). Saipem and its clients cooperate to find agreements on the additional fees that satisfy both parties to avoid compromising the correct performance of works and delaying the completion of the project. Saipem runs the risk that delays and difficulties in reaching agreement and in the recognition of compensation related to change orders and claims may be a source of delay in payment and cause a deterioration of project margins. Moreover, should Saipem and the client fail to agree on additional fees, the Group could be involved in disputes that could even result in judicial or arbitration proceedings and cause a deterioration in client relations and loss of future business opportunities.

Mitigation

Saipem is constantly striving to maintain solid and positive relations with its clients and, in order to mitigate these risks, it performs checks on standard contractual terms to protect itself in each jurisdiction of reference, negotiating clauses with clients to protect them also against possible geopolitical (sanctions) and macroeconomic (commodity price increases) risks. In addition, Saipem has launched various initiatives aimed at improving efficiency and effectiveness both in the contract negotiation phase, on the basis of a risk appetite defined and approved by the Board of Directors, and in the process of preparing the documentation supporting the claim and change order request, for a more timely communication of deviations from contractually agreed work.

Saipem actively participates in industry associations that promote the development and updating of contractual schemes aimed at optimising the balancing of risks, an activity that is particularly relevant with reference to the renewable energy business characterised by technological innovations and non-standardised contractual schemes currently on the market.

14. Compliance risks

Description and impact

Although Saipem conducts its business with loyalty, fairness, transparency, integrity and in full compliance with laws and regulations, it has adopted and constantly updated in Group companies an Internal Control and Risk Management System (SCIGR), a Code of Ethics and a Model pursuant to Italian Legislative Decree No. 231/2001, as well as an organisational, management and control model with reference to Group companies with offices in foreign countries, and carries out periodic audits, conducts contrary to company procedures and regulations or unlawful acts may occur that could have negative effects on the economic and financial situation and reputation.

In addition, during its activities, the Group operates in countries with a high percentage of fraud and corruption, and relies on subcontractors and suppliers who may engage in fraudulent conduct in coordination with employees to the detriment of the Company.

Saipem is also exposed to risks related to the protection of information and know-how as, when performing its activities the Company relies on information, data and know-how of a sensitive nature, access to which and dissemination by unauthorised employees or third parties may lead to fraud or illegal activities, with consequent damage.

Lastly, it cannot be excluded that non-compliance issues or the incorrect application of the European Data Protection Regulation (GDPR) may occur within the Group, which could result in the application of sanctions to the detriment of Saipem.

Mitigation

Saipem has developed an “Anti-corruption Compliance Programme”, a detailed system of regulations and controls for the purpose of preventing corruption, in line with international best practices and with the principle of “zero tolerance” expressed in the Code of Ethics. In particular, the “Anti-Corruption Compliance Programme” is dynamic and is constantly focused on the evolution of the national and international regulatory framework and of best practices.

In addition, Saipem’s Code of Ethics (included in Model 231) establishes that “corruption practices, illegitimate favours, collusion, solicitation, [occurring] directly and/or through third parties for personal and career advantages for oneself or others, are without exception prohibited”.

In order to facilitate the submission of reports, the Group makes various communication channels available to employees and stakeholders, including, but not limited to, ordinary mail, yellow boxes, dedicated e-mail boxes, communication tools on the intranet/internet sites of Saipem SpA and its subsidiaries and a dedicated information channel, overseen by the Compliance Committee (a board whose autonomy and independence are guaranteed by its acknowledged position in the context of the company’s organisational structure and by the necessary

requisites of independence, honourability, and professionalism of its members), through which it is possible to report any problems related to the internal control system, financial reporting, corporate administrative liability, fraud, or other topics (i.e. violations of the Code of Ethics, mobbing, theft, personnel security, etc.).
Saipem periodically performs general audits also using external consultants, considering fraud indicators and red flags, in addition to those specific on suspected offences.
Furthermore, over the years, Saipem has developed a management system that has received the International Standard ISO 37001 - Anti-Corruption Management Systems certification. This is an important safeguard in the prevention of and fight against corruption, as it defines the requirements and provides a guideline to help organisations prevent, detect, and respond to corruption and comply with anti-corruption legislation and any other voluntary commitments applicable to their activities.
Saipem is aware that the first step for the development of an effective strategy against corruption is to know all the available tools for the prevention of corrupt behaviour.
In this regard, Saipem personnel are engaged in training activities related to the Organisation, Management, and Control Model and Anti-Corruption regulations. Moreover, in order to mitigate and prevent risks related to possible unethical behaviour by suppliers and subcontractors, Saipem uses various tools, audits and training programmes and requires suppliers, subcontractors and partners to read and accept Model 231, including the Code of Ethics.
For the management of risks related to the leak of confidential information, it should be noted that Saipem makes use of IT security technologies and procedures to mitigate this exposure (more information is available in the specific "Digital, ICT Services" section). Saipem has also adopted principles and rules to be followed by the Group in its internal management and external communication of corporate documents and information, with particular reference to inside information (more information is available in the specific section within the "Corporate Governance and Shareholding Structure Report 2023").
Lastly, beginning in April 2018 Saipem developed an ad hoc Privacy Organisation Model aimed at guaranteeing compliance with the European directive on data protection (General Data Protection Regulation - GDPR). The model was updated in December 2022 with a view to continuous improvement and reinforcement of safeguards for the protection of personal data.

Transfer of risks to the insurance market

The general guidelines applicable in terms of insurance risk transfer for the Saipem Group are revised annually.
Based on such guidelines, the Insurance function defines and implements the insurance programme, with the objective of protecting the employees, the assets and the consequences of the civil liability of the Saipem Group and covering certain of the risks associated to the execution of contracts with clients (mainly the construction risks).
The insurance programme also aims at maximising the cost-benefit ratio for the Group, by considering the current conditions of the insurance market (capacity, coverage limits and cost) and by utilising the captive reinsurance company Sigurd Rück AG for the management of selected risks (low intensity/medium frequency).
As the insurance market, as well as the markets of the Group, are constantly evolving, it is not possible to guarantee that all the risks are covered by the insurance programme. Furthermore, the volatility of the insurance market makes it impossible to guarantee the stability in the mid-term of the rates, terms and conditions of the insurance programme.

Saipem makes a distinction between the insurance policies applying indifferently across all the business lines to cover the entire portfolio (the "corporate insurance policies") and the insurance policies taken out for the specific needs of a particular project (the "Specific-to-project Policies").

Corporate insurance policies

The corporate insurance programme includes the following:

Worker's Compensation insurance offering protection to Saipem employees in compliance with the specific regulations in force in the countries where the Group operates.

Property Damage package
- "Hull and Machinery" insurance covering Saipem fleet on an all-risks basis including war risks;
- "Construction Equipment" insurance covering Saipem onshore and offshore construction equipment on an all-risks basis;
- "Cargo" insurance covering the equipment/goods which Saipem is liable for during transport.
- "Offices and Yards" insurance covering building, offices, yards owned or leased by the Group.

Liability coverages
- "Protection & Indemnity (P&I)" insurance covering Saipem liabilities arising out of the navigation and/or operations of its vessels. Saipem fleet is entered into a P&I Club that is part of the International Group of P&I Club;

- "Comprehensive General Liability (CGL)" insurance covering Saipem liabilities arising out of Saipem's operations whether onshore or offshore (always in difference of conditions and/or difference of limits of the P&I coverage which is primary to the CGL). This policy is also extended to cover Saipem Group Employer's liability;
- "Directors & Officers (D&O)" policy providing financial protection for Saipem managers against the consequence of actual or alleged "wrongful acts" when acting in the scope of their managerial duties. The D&O policy covers the defence costs as well as the financial losses;
- "Cyber Insurance Protection" covers both property damage and liabilities which might arise out of a cyber-attack against Saipem information and operating systems.

Specific-to-Project policies

The size and the nature of the projects which Saipem is engaged in makes it impossible to cover related construction risks (risks of loss of or damage to the Works to be delivered) under open and permanent policies. These risks are subject to "specific-to-project" policies commonly referred to as "Construction All Risks (CAR)" policies. In most cases, these policies are provided by the Principal (the client). Alternatively, they fall under Saipem obligations. In any case, Saipem checks that the policy is suitable for the purpose of the project and in line with the market standards. These policies cover all the phases of the project from the engineering to the construction, installation and commissioning and are extended to also cover the warranty period attaching to the project.

ADDITIONAL INFORMATION

2023-2025 Long-Term Variable Incentive Plan

On May 3, 2023, the Shareholders' Meeting approved the adoption of the 2023-2025 Long-Term Variable Incentive Plan (the "Plan"), which includes the award of Saipem ordinary shares, free-of-charge, subject to the achievement of performance targets. The Plan was approved under the terms and conditions illustrated in the Information Document, prepared in accordance with Article 114-*bis* of the Consolidated Law on Finance and Article 84-*bis*, paragraph 2 of Consob Regulation No. 11971/1999, which has been made available to the public within the terms and according to the procedures provided for by the regulations in force, and on the Company's website.

Authorisation to buy-back treasury shares for the allocation to the 2023-2025 Long-Term Variable Incentive Plan

On May 3, 2023, the Shareholders' Meeting approved the proposal to authorise the buy-back of treasury shares for a period of eighteen months from the date of the Shareholders' Meeting resolution, up to a maximum of 37,000,000 ordinary shares and, in any case, up to the overall maximum amount of €59,300,000, for the 2023 allocation of the 2023-2025 Long-Term Variable Incentive Plan, under the terms and conditions described in the Board of Directors' Explanatory Report on this item of the meeting agenda, made available to the public within the terms and according to the procedures provided for by the regulations in force, and on the Company's website.

Tender offer relating to the notes representing the bong

Saipem SpA together with its subsidiary Saipem Finance International BV, hereby announce the final results of a tender offer launched by Saipem Finance to the holders of the outstanding bonds representing the "€500,000,000 2.625 per cent. Notes due 7 January 2025" issued by the Offeror and admitted to trading on the Euro MTF of the Luxembourg Stock Exchange (the "Notes") for cash up to an aggregate principal amount of €200,000,000. The Offer was launched on November 20, 2023. The expiration deadline was set at 5:00 p.m. (CET) on November 24, 2023, the Offeror announces that the Final Acceptance Amount in respect of the Notes is equal to €120,095,000 and that no Pro-Ration Factor is to be applied to the validly made offers of Notes.

Equity linked-bonds

On December 13, 2023, the Extraordinary Shareholders' Meeting of Saipem SpA, held today, authorised the convertibility into ordinary shares of the Company of the equity-linked bonds issued on September 11, 2023 and due in September 2029, with a nominal amount of €500 million.

Collaboration agreements

Saipem and Garbo, an Italian chemical company, have signed an agreement to support the industrialisation, development and international commercialisation on a global scale of a new technology for plastic recycling.
The technology, named ChemPET, is Garbo's proprietary depolymerisation technology which converts polyethylene terephthalate plastic waste, commonly known as PET, into new, high-quality PET and, therefore, of high value for the chemical and food industries. The agreement also provides for Saipem and Garbo to collaborate on the construction on an industrial scale of the first chemical plastic recycling plant in Italy, located in Cerano in the province of Novara.
Saipem and Mitsubishi Heavy Industries ("MHI") have signed an agreement for post-combustion carbon capture. It is a General License Agreement enabling Saipem to deploy Mitsubishi Heavy Industries' advanced post-combustion CO_2 capture technologies in the execution of large-scale projects. These technologies are "KM CDR Process™" and "Advanced KM CDR Process™" jointly developed with The Kansai Electric Power Co Inc.
Saipem and Valmet, a Finland-based leading global developer and supplier of process technologies, automation and services, have signed a Memorandum of Understanding (MoU) to develop joint solutions to decarbonise the industrial sectors that face significant challenges in reducing their greenhouse gas emissions, also known as hard-to-abate industries.

Regulation on Markets

Article 15 (formerly Article 36) of Consob Regulation on Markets (adopted with Resolution No. 20249 of December 28, 2017): conditions for the listing of shares of companies with control over companies established and regulated under the law of non-EU countries

With regard to the published regulations setting out conditions for the listing of shares of companies with control over companies established and regulated under the law of non-EU countries and that are deemed to be of material significance in relation to the consolidated financial statements:

i. as of December 31, 2023, the regulatory requirements of Article 15 of the Market Regulation apply to the following subsidiaries:
   - Global Petroprojects Services AG;
   - PT Saipem Indonesia;
   - Saimexicana SA de Cv;
   - Saipem America Inc;
   - Saipem Contracting Nigeria Ltd;
   - Saipem do Brasil Serviçõs de Petroleo Ltda;
   - Saipem Drilling Norway AS;
   - Saipem Guyana Inc;
   - Saipem India Projects Private Ltd;
   - Saipem Ltd;
   - Saipem Misr for Petroleum Services (S.A.E.);
   - Saipem Singapore Pte Ltd;
   - Saudi Arabian Saipem Ltd;
   - Sigurd Rück AG;
   - Snamprogetti Engineering & Contracting Co Ltd;
   - Snamprogetti Saudi Arabia Co Ltd Llc;
   - Saipem Australia Pty Ltd;

ii. procedures designed to ensure full compliance with the aforementioned regulations have been adopted.

Business outlook

Saipem has updated its strategic guidelines presented in February 2023, confirming the progressive improvement of the Group's performance and its ability to fully exploit the favourable market context. Economic and financial targets have consequently been revised.

Specifically, with reference to the year 2024, the Company expects:

- revenue of €12.7-13.3 billion;
- EBITDA margin of approx 10%;
- operating Cash Flow (net of lease payments) amounting to €740-780 million;
- capex equal to approximately €440-480 million.

Events after the reporting period

Physical Settlement Notice

On January 8, 2024, Saipem SpA delivered today the Physical Settlement Notice to all bondholders of the equity-linked bonds named “€500,000,000 Senior Unsecured Guaranteed Equity-linked bonds due 2029”. In accordance with the Physical Settlement Notice, the bondholders shall be granted the right, effective from January 26, 2024, to convert the bonds into ordinary shares of the Company according to the terms and conditions of the bonds.

Launch of the buy-back programme for Saipem ordinary shares to service the 2023-2025 Variable Long-Term Incentive Plan

On January 15, 2024, Saipem SpA has launched the buy-back programme for the Company’s ordinary shares, pursuant to Article 5 of EU Regulation No. 596/2014, as subsequently amended, concerning a maximum number of 29,500,000 shares to service the 2023 allocation of the Company's 2023-2025 Long-Term Variable Incentive Plan. As of January 29, 2024, 22,500,000 treasury shares have been purchased for a total consideration of €32,933,508 (weighted average price 1.4637).

Incident on Castorone vessel

On January 30, 2024, Saipem confirms that early this morning an incident occurred on the Castorone pipelay vessel off the waters of Australia during normal pipelaying operations. The incident did not cause injuries to personnel and localised damage to the trunkline was sustained which will be remediated. Castorone vessel did not sustain any major damages. As of February 13, 2024, the Australian Commonwealth regulator NOPSEMA (National Offshore Petroleum Safety and Environmental Management Authority) has confirmed today it is satisfied that the Castorone vessel may resume pipelay operations.

Authorisation to buy-back treasury shares for the 2024 allocation of the 2023-2025 Long-Term Variable Incentive Plan

Following the proposal of the Remuneration and Nomination Committee, the Board of Directors resolved to submit to the Shareholders' Meeting a proposal for authorisation of the buy-back of treasury shares up to a maximum of 31,900,000 ordinary shares, and in any case, up to the overall maximum amount of €77,500,000, for the 2024 allocation of the 2023-2025 Long-Term Variable Incentive Plan approved by the General Shareholders' Meeting on May 3, 2023. On the same date, the Company holds 22,898,649 treasury shares, equal to 1.15% of the share capital, earmarked for the implementation of the long-term incentive plans approved in previous years.

Additional information

In compliance with the provisions of Article 2364 of the Italian Civil Code and Article 11 of the Company's Articles of Association, the Board of Directors resolved to call the Annual General Shareholders' Meeting within 180 days from the end of the annual reporting period, as Saipem SpA is required to prepare consolidated financial statement.
Under Article 20 of the Articles of Association, pursuant to Article 2365, second paragraph of the Italian Civil Code, the Board of Directors of Saipem SpA is responsible for amending the Articles of Association to comply with legislative provisions.
Particularry, on January 3, 2024, has been updated the Article 5 of the Articles of Association of Saipem SpA following the registration at the Companies' Register of the resolution taken by the Extraordinary Shareholders' Meeting of December 13, 2023, authorising the convertibility of the equity-linked bonds named "€500,000,000 Senior Unsecured Guaranteed Equity-Linked Bonds due 2029" and the increase in the share capital, in divisible form, excluding Shareholders pre-emption rights pursuant to Article 2441, paragraph 5 of the Italian Civil Code, to be used to convert the aforementioned bonds through the issue of Saipem SpA ordinary shares.
In addition, on March 7, 2024, has been updated the Article 6 of the Articles of Association of Saipem SpA, following the recalculation of privileges enjoyed by Savings Shares, resulting from the Shares Reverse Splits resolved upon by the Board of Directors on June 8, 2022 (executing the Shareholders' Meeting resolution of May 17, 2022) and by the Shareholders' Meeting on April 28, 2017.

Reconciliation of reclassified balance sheets used in the management report with the mandatory financial statements

Reclassified statement of financial position

(€ million)	Dec. 31, 2023		Dec. 31, 2022	
Reclassified statement of financial position (where not explicitly stated, the component is obtained from the mandatory template)	Partial values from mandatory template	Values from reclassified template	Partial values from mandatory template	Values from reclassified template
A) Net property, plant and equipment		2.960		2,879
Note 15 - Property, plant and equipment	*2.960*		*2,879*	
B) Net intangible assets		666		691
Note 16 - Intangible assets	*666*		*691*	
C) Right-of-use of lease assets		428		258
Note 17 - Right-of-use of lease assets	*428*		*258*	
D) Equity investments		162		128
Note 18 - Equity investments	*211*		*229*	
Reclassified from F) - provisions for losses of investees	*(49)*		*(101)*	
E) Working capital		(648)		(542)
Note 9 - Other current financial assets	*387*		*495*	
Reclassified to M) - loan assets not related to operations	*(386)*		*(494)*	
Note 10 - Trade receivables and other assets	*2.441*		*2,182*	
Note 11 - Inventories	*256*		*211*	
Note 12 - Contract assets	*1.925*		*1,860*	
Note 13 - Current and non-current income tax assets	*390*		*318*	
Note 13 - Other current income tax assets	*146*		*141*	
Note 14 - Other current assets	*244*		*272*	
Note 20 - Other non-current assets	*52*		*30*	
Note 19 - Deferred tax assets	*257*		*345*	
Note 21 - Trade payables and other liabilities	*(2.944)*		*(2,907)*	
Note 22 - Contract liabilities	*(3.088)*		*(2,613)*	
Note 13 - Current and non-current tax liabilities	*(94)*		*(109)*	
Note 13 - Other current tax liabilities	*(192)*		*(161)*	
Note 23 - Other current liabilities	*(33)*		*(107)*	
Note 28 - Other non-current liabilities	*(3)*		*(2)*	
Note 19 - Deferred tax liabilities	*(6)*		*(3)*	
F) Provisions for risks and charges		(718)		(1,047)
Note 26 - Provisions for risks and charges	*(767)*		*(1,148)*	
Reclassified to D) - provisions for losses of investees	*49*		*101*	
G) Provisions for employee benefits		(193)		(183)
Note 27 - Provisions for employee benefits	*(193)*		*(183)*	
H) Assets held for sale	-			166
Note 30 - Discontinued operations and liabilities directly related to assets held for sale	*-*		*166*	
EMPLOYED CAPITAL, NET		**2.657**		**2,350**
I) Equity		2.394		2,068
Note 31 - Equity	*2.394*		*2,068*	
L) Non-controlling interests		2		18
Note 31 - Equity	*2*		*18*	
M) Net financial debt pre-lease liabilities		(216)		(56)
Note 7 - Cash and cash equivalents	*(2.136)*		*(2,052)*	
Note 8 - Financial assets measured at fair value through OCI	*(86)*		*(75)*	
Note 9 - Other non-current financial assets	*(1)*		*(65)*	
Note 24 - Current financial liabilities	*97*		*159*	
Note 24 - Non-current financial liabilities	*2.168*		*1,729*	
Note 24 - Current portion of non-current financial liabilities	*128*		*742*	
Reclassified from E) - financial receivables for non-operating purposes (Note 9)	*(386)*		*(494)*	
N) Lease liabilities		477		320
Note 17 - Net lease liabilities	*477*		*320*	
O) Net financial debt		261		264
FUNDING		**2.657**		**2,350**

Reclassified income statement

The reclassified income statement differs from the mandatory template solely for the following reclassification:

- the items "other revenues and income" (€22 million), relating to "reimbursements for services that are not part of core operations" (€1 million), have been recorded as reductions to the corresponding cost items in the reclassified income statement;
- the items "financial income" (€672 million), "financial expense" (-€765 million) and "derivatives" (-€74 million), which are indicated separately in the mandatory template, are stated under the item "net financial expense" (-€167 million) in the reclassified income statement;
- the item "other operating income (expense)" (€5 million), which is indicated separately under the statutory scheme, is stated under the item "purchases, services and other costs";
- the item "net income (charges) from investment" (€60 million), which is indicated separately under the statutory scheme "share of profit (loss) of equity-accounted investees" (€107 million) and "other gains (losses) from equity investments stated under the item" (-€47 million).

All other items are unchanged.

Items of the reclassified statement of cash flows

The reclassified statement of cash flows differs from the mandatory template solely for the following reclassifications:

- the items "depreciation and amortisation" (€460 million), "valuation effect using the equity method" (-€107 million), "change in employee benefit provision" (€6 million) and "net impairment losses (reversals of impairment losses) on property, plant and equipment, intangible assets, and Right-of-Use assets" (€29 million), shown separately and included in the net cash flow from operating activities in the statutory scheme, are shown net under "depreciation, amortisation and other non-cash items" (€413 million);
- the items "income taxes" (€145 million), "interest expense" (€161 million) and "interest income" (-€54 million), indicated separately and included in cash flows from working capital in the mandatory template, are shown net under the item "dividends, interests and taxes" (€252 million);
- the items regarding "trade receivables" (-€261 million), changes in "inventories" (-€45 million), "provisions for risk and charges" (-€324 million), "trade payables" (€20 million), "other contract assets and liabilities" (€463 million) and "other assets and liabilities" (€13 million), indicated separately and included in cash flows from working capital in the mandatory template, are shown net under the item "changes in working capital related to operations" (-€134 million);
- the items "dividends received" (€69 million), "interests received" (€51 million), "income taxes paid net of refunds of tax credits" (-€134 million) and "interest paid" (-€150 million), indicated separately and included in cash flows generated by operating activities in the mandatory template, are shown net under the item "dividends received, income taxes paid and interest paid and received" (-€164 million);
- the items relating to capital expenditures in "property, plant and equipment" (-€472 million) and "intangible assets" (-€10 million), indicated separately and included in cash flows from investing activities in the mandatory template, are shown net under the item "capital expenditure" (-€482 million);
- the items relating to disposal in "property, plant and equipment" (€58 million), "out-of-scope of entity and business unit" (€63 million) and "equity investments" (€24 million), indicated separately and included in cash flows of disposal, are shown net under the item "disposals and partial sales of consolidated equity, business units" (€145 million);
- the items "increase in non-current loans and borrowings" (€1.867 million), "increase (decrease) in current loans and borrowings" (-€60 million) and "decrease in non-current loans and borrowings" (-€2.042 million), indicated separately and included in net cash flows from financing activities in the mandatory template, are shown net under the item "changes in current and non-current loans and borrowings" (-235 million).

All other items are unchanged.

GLOSSARY

Financial terms

- **Adjusted EBIT** operating result net of special items.
- **Adjusted EBITDA** gross operating margin net of special items.
- **Beta** coefficient that defines the measure of the systematic risk of a financial asset, i.e., the trend of an asset's return in line with changes in the reference market. The beta is defined as the ratio between the probability of the expected return of a specific asset with the expected market return, and the variance of the market return.
- **CGU** Cash Generating Unit refers to, as part of the execution of the impairment test, the smallest identifiable group of assets that generates cash inflows or outflows, deriving from the continuous use of assets, largely independent of the cash inflows or outflows from other assets or groups of assets.
- **EBIT** earnings before interest and tax.
- **EBITDA** earnings before interest, taxes, depreciation and amortisation.
- **Headroom** (Impairment Loss) positive (or negative) excess of the recoverable amount of a CGU over the carrying amount of that unit.
- **IFRS** International Financial Reporting Standards issued by the IASB (International Accounting Standards Board) and endorsed by the European Commission. They comprise International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), and the interpretations issued by the International Financial Reporting Interpretation Committee (IFRIC) and the Standing Interpretations Committee (SIC) adopted by the IASB. The name International Financial Reporting Standards (IFRS) has been adopted by the IASB for standards issued after May 2003. Standards issued before May 2003 have maintained the denomination IAS.
- **KRI** (Key Risk Indicator) key risk indicator as a metric to measure the likelihood that the combined possibility of an event and its consequences will exceed the organisation's risk appetite and have a profoundly negative impact on the organisation's ability to succeed.
- **Leverage** measures a company's level of indebtedness, calculated as the ratio between net financial debt and equity including non-controlling interests.
- **Long-Only funds** active long-only equity managers have strategies characterised by being able to realise a gain only if the underlying market rises: if the latter falls, they can only limit their losses through a reduction in exposure and optimal (but not always feasible) stock selection.
- **OCI** (Other Comprehensive Income) items of income and expense (including reclassification adjustments) that are not recognised in profit or loss as required or permitted by IFRSs.
- **Receivables "in bonis"** total amount of receivables of a commercial nature, not expired or past due by no more than twelve months, towards clients deemed solvent.
- **ROACE** (Return on Average Capital Employed) calculated as the ratio between net result before non-controlling interests, plus net financial expense on net financial position the related tax effect and net average capital employed.
- **Special items** items of income arising from events or transactions that are non-recurring or that are not considered to be representative of the ordinary course of business.
- **WACC** Weighted Average Cost of Capital calculated as a weighted average of the cost of the group's debt capital and the cost of risk capital, defined on the basis of the Capital Asset Pricing Model (CAPM) methodology, consistent with the specific risk of Saipem's business, measured by the beta of the Saipem share.
- **Write-off** cancellation or reduction of the value of an asset.

Operational terms

- **Buckle detection** system that utilises electromagnetic waves during pipe laying in order to flag if the pipes laid on the bottom have collapsed or are deformed in any way.
- **Bundles**, bundles of cables.
- **Carbon Capture and Storage** technology which enables the carbon present in gaseous effluents from hydrocarbon combustion and treatment plants to be captured and stored over long periods of time in underground geological formations, thus reducing or eliminating carbon dioxide emissions into the atmosphere.
- **Central Processing Facility** production unit performing the first transformation of crude oil or natural gas.
- **Cold stacked** an inactive plant with skeleton crew and maintenance.
- **Commissioning** series of processes and procedures undertaken in order to start operations of a gas pipeline, associated plants and equipment.
- **Concrete coating** reinforced concrete coating for subsea pipelines in order to ballast and protect them from damage and corrosion.
- **Conventional waters**, water depths of up to 500 metres.
- **Cracking** chemical-physical process, typically employed in dedicated refinery plants, whose objective is to break down the heavy hydrocarbon molecules obtained from primary distillation into lighter fractions.

- **Debottlenecking** removal of obstacles (in rigs/fields) which leads to higher production.
- **Deck** area of a vessel or platform where process plants, equipment, accommodation modules and drilling units are located.
- **Decommissioning** a process undertaken in order to wind down the operations of a gas pipeline and its associated plant and equipment. It is performed at the end of the useful life of the plant or vessel following an incident, for technical or financial reasons, for safety or environmental reasons.
- **Deep waters** water depths of over 500 metres.
- **Downstream** all operations that follow exploration and production operations in the oil sector.
- **Drillship** vessel capable of self-propulsion, designed to carry out drilling operations in deep waters.
- **Dry-tree** wellhead located above the water on a floating production platform.
- **Dynamically Positioned Heavy Lifting Vessel** a vessel equipped with a heavy-lift crane capable of maintaining a defined position with respect to a certain reference system with high precision by means of thrusters (propellers), thereby counteracting the force of the wind, sea, currents, etc.
- **EPC** (Engineering, Procurement, Construction) a type of contract typical of the Onshore Engineering & Construction segment, comprising the provision of engineering services, procurement of materials and construction. The term "turnkey" means when a plant is provided to customer ready for use, so already operational.
- **EPCI** (Engineering, Procurement, Construction, Installation) type of contract typical of the Offshore Engineering & Construction segment, which relates to the realisation of a complex project where the global or main contractor (usually a construction company or a consortium) provides the engineering services, procurement of materials, construction of the system and its infrastructure, transport to site, installation and commissioning/preparatory activities for the start-up of operations.
- **Fabrication yard** yard at which offshore structures are fabricated.
- **Facilities auxiliary** services, structures and installations required to support the main systems.
- **Farm out** awarding of the contract by the client to another entity for a fixed period of time.
- **FDS** (Field Development Ship) combined vessel, dynamically positioned, multi-purpose crane and subsea pipeline laying capability.
- **FEED** (Front-End Engineering and Design) basic engineering and preliminary activities carried out before beginning a complex project to evaluate its technical aspects and enable an initial estimate of the investment required.
- **Field Engineer** on-site engineer
- **Flare** tall metal structure used to burn off gas produced by oil/gas separation in oil fields when it is not possible to utilise it on site or ship it elsewhere.
- **FLNG** Floating Liquefied Natural Gas unit used for the treatment, liquefaction and storage of gas which is subsequently transferred onto vessels for transportation to end-use markets.
- **Floatover** type of module installation on offshore platforms that does not require lifting operations. A specialised vessel transporting the module uses a ballast system to position itself directly above the location where the module is to be installed. Once the module is in contact with the supports, the vessel disconnects, and the module is subsequently secured to the support structure.
- **Flowline** pipeline used to connect individual wells to a manifold or to gathering and processing facilities.
- **FPSO vessel** Floating Production, Storage and Offloading system comprising a large tanker equipped with a high-capacity production facility. This system, moored at the bow to maintain a geo-stationary position, is effectively a temporarily fixed platform that uses risers to connect the subsea wellheads to the on-board processing, storage and offloading systems.
- **FPU** Floating Production Unit.
- **FSHR** (Free Standing Hybrid Risers) system consisting of a vertical steel pipe ("riser"), which is kept under tension by a floating module position near the water whose buoyancy, ensures stability. A flexible pipe (jumper) connects the upper part of the riser to the Floating Production Unit (FPU), while the riser is anchored to the sea bottom by means of an anchoring system. A rigid pipe (riser base jumper) connects the lower part of the FSHR to the Pipeline End Terminations (PLETs).
- **FSRU** (Floating Storage Regasification Unit) a floating terminal in which liquefied natural gas is stored and then re-gasified before being transported by pipeline.
- **Gas export line** pipeline for carrying gas from the subsea reservoirs to the mainland.
- **Grass Root Refinery** a refinery that is built from scratch with a planned capacity.
- **Hydrocracker** installation in which large hydrocarbon molecules are broken down into smaller ones.
- **Hydrotesting** operation involving high pressure (higher than operational pressure) water being pumped into a pipeline to ensure that it is devoid of defects.
- **Hydrotreating** refining process aimed at improving the characteristics of oil fractions.
- **Ice Class** classification that indicates the additional level of upgrading and other criteria that make a ship seaworthy to sail in sea ice.
- **International Oil Companies** privately-owned, typically publicly traded, oil companies engaged in various fields of the upstream and/or downstream oil industry.
- **Jacket** platform underside structure fixed to the seabed using piles.
- **Jack-up** mobile self-lifting unit comprising a hull and retractable legs used for offshore drilling operations.
- **J-laying** method of pipe laying that utilises an almost vertical launch ramp, making the pipe configuration resemble the letter "J". This type of pipe laying is suitable for deep waters.

- **Lay-up** a laid-up vessel whereby its class certification validity is suspended.
- **Leased FPSO** (Floating Production, Storage and Offloading) vessel for which a lease contract is in place between a client/lessee (Oil Company) and a contractor/lessor, whereby the lessee (client/Oil Company) makes lease payments to the lessor for use of the vessel for a specific period of time. At the end of the lease term, the lessee has the option to purchase the FPSO.
- **LNG** (Liquefied Natural Gas), which is obtained at atmospheric pressure by cooling the natural gas down to -160 °C. It is turned to liquid form for ease of transport from its extraction location to where it will then be transformed and used. A tonne of LNG is equivalent to 1,500 cubic metres of gas.
- **Local Content** policy whereby a group develops local capabilities, transfers its technical and managerial know-how and enhances the local labour market and businesses through its own business activities.
- **LPG** (Liquefied Petroleum Gas) produced in refineries through the fractionation of crude oil and subsequent processes, liquid petroleum gas exists in a gaseous state at ambient temperatures and atmospheric pressure but changes to a liquid state under moderate pressure at ambient temperatures, thus enabling large quantities to be stored in easy-to-handle metal pressure vessels.
- **LTI** Lost Time Injury. An LTI is any work-related injury that renders the injured person temporarily unable to perform any regular job or restricted work on any day/shift after the day or shift on which the injury occurred.
- **Marginal fields** oil fields with scarce exploitable resources or that are recording a drop in production, so it is sought to extend their use via low risk, cost effective technologies.
- **Midstream** sector comprising all those activities relating to the construction and management of the oil transport infrastructure.
- **Moon pool** an opening in the hull of a drillship for equipment to be lowered through.
- **Mooring buoy** offshore mooring system.
- **Multipipe subsea** gas/liquid gravity separation system using a series of small diameter vertical separators operating in parallel (for deep water application).
- **National Oil Companies** State-owned/controlled companies engaged in oil exploration, production, transportation and conversion.
- **NDT** Non-Destructive Testing. A series of inspections and tests used to detect structural defects conducted using methods that do not alter the material under inspection.
- **NDT Phased Array** non-destructive testing method that employs ultrasound to detect structural or welding defects.
- **Offshore/Onshore** the term offshore indicates a portion of open sea, and, by extension, the activities carried out in this area, while onshore refers to land operations.
- **Oil Services Industry** industrial sector that provides services and/or products to the National or International Oil Companies engaged in oil exploration, production, transportation and conversion.
- **Open Book Estimate** (OBE) type of contract where the lump-sum fee for the project (usually for turnkey or EPC projects) is agreed on with the client, with complete transparency, after the contract has been signed and during an advanced stage of the base engineering, on the basis of an overall project cost estimate.
- **Pig** piece of equipment used to clean, descale and survey a pipeline internally.
- **Piggyback pipeline** small-diameter pipeline, fixed to a larger pipeline, used to transport a product other than that of the main line.
- **Pile** long and heavy steel pylon driven into the seabed. A system of piles is used as the foundation for anchoring a fixed platform or other offshore structures.
- **Pipe-in-pipe** subsea pipeline system comprising 2 coaxial pipes, used to transport hot fluids (Oil&Gas). The internal pipe has the function of transporting the fluid. The space between the two pipes is insulated to reduce heat exchange with the external environment. The external pipe provides mechanical protection from the pressure of the water.
- **Pipe-in-pipe forged end** forged end of a coaxial double pipe.
- **Pipelayer** vessel used for subsea pipe laying.
- **Pipeline** pipes and auxiliary equipment used principally for transporting crude oil, oil products and natural gas to the point of delivery.
- **Pipe Tracking System** (PTS) an electronic system used to ensure the full traceability of the components of subsea pipes installed on a project.
- **Piping and Instrumentation Diagram** (P&ID) diagram showing all plant equipment, piping and instrumentation with associated shut-down and safety valves.
- **Pre Assembled Rack** (PAR) pipeline support beams.
- **Pre-commissioning** phase comprising pipeline clean-out and drying.
- **Pre-drilling template** support structure for a drilling platform.
- **Pre-Salt** layer geological formation present on the continental shelves offshore Brazil and Africa.
- **Pre-Travel Counselling** health and medical advice for anyone required to travel, providing them with adequate information on the specific risks in the country of destination and the relevant preventive measures to be taken.
- **Pulling** minor operations on oil wells due to maintenance or marginal replacements.
- **QHSE** Quality, Health, Safety, Environment.
- **Rig** drilling installation comprising the derrick, the drill deck (which supports the derrick), and ancillary installations that enable the descent, ascent and rotation of the drill unit, as well as mud extraction.
- **Riser** manifold connecting the subsea wellhead to the surface.

- **ROV** (Remotely Operated Vehicle) unmanned vehicle, piloted and powered via umbilical, used for subsea surveys and operations.
- **Shale gas** unconventional gas extracted from shale deposits.
- **Shale oil** non-conventional oil obtained from bituminous shale.
- **Shallow water** sees Conventional waters.
- **Sick Building Syndrome** a cluster of symptoms in people working in a specific workplace. The exact causes of the syndrome are not known but the presence of volatile organic compounds, formaldehyde, moulds and dust mites are thought to be contributing factors.
- **S-laying** method of pipe laying that utilises the elastic properties of steel, making the pipe configuration resemble the letter "S", with one end on the seabed and the other under tension on-board the ship. This configuration is suited to medium to shallow-water pipe laying.
- **Slug catcher** equipment for the purification of gas.
- **Smart stacking** when rig is left idle to reduce operational costs and a preservation programme is put in place.
- **Sour water**, water containing dissolved pollutants.
- **Spar** floating production system, anchored to the seabed by means of a semi-rigid mooring system, comprising a vertical cylindrical hull supporting the platform structure.
- **Spare capacity** relationship between crude oil production and production capacity, i. e. quantity of oil which is not currently needed to meet demand.
- **Spool** connection between a subsea pipeline and the platform riser, or between the ends of two pipelines.
- **Spoolsep** unit used to separate water from oil as part of the crude oil treatment process.
- **Stripping** process through which volatile compounds are removed from the liquid solution or the solid mass in which they have been diluted.
- **Subsea processing** operations performed in offshore oil and/or natural gas field developments, especially relating to the equipment and technology employed for the extraction, treatment and transportation of oil or gas below sea level.
- **Subsea tiebacks** lines connecting new oil fields with existing fixed or floating facilities.
- **Subsea treatment** a new process for the development of marginal fields. The system involves the injection and treatment of seawater directly on the seabed.
- **SURF** (Subsea, Umbilical, Risers, Flowlines) facilities, pipelines and equipment connecting the well or subsea system to a floating unit.
- **Tandem Offloading** method used for the transfer of liquids (oil or LNG) between two offshore units in a line via aerial, floating or subsea lines (unlike side-by-side offloading, where the two units are positioned next to each other).
- **Tar sands** mixture of clay, sand, mud, water and bitumen. The tar is made up primarily of high molecular weight hydrocarbons and can be transformed into various petroleum products.
- **Template** rigid and modular subsea structure where the oilfield well-heads are located.
- **Tender Assisted Drilling unit** (TAD) an offshore platform complete with drilling tower, connected to a drilling support tender vessel housing all necessary ancillary infrastructures.
- **Tendons** pulling cables used on tension leg platforms to ensure platform stability during operations.
- **Tension Leg Platform** (TLP) fixed-type floating platform held in position by a system of tendons and anchored to ballast caissons located on the seabed. These platforms are used in ultra-deep waters.
- **Termination for Convenience** the right to unilaterally terminate the contract at any time provided they pay the agreed termination fee to do so (cd. "termination fee").
- **Tie-in** connection between a production line and a subsea wellhead or simply a connection between two pipeline sections.
- **Tight oil**, oil "trapped" in liquid form deep below the earth's surface in low permeability rock formations, which it is difficult to extract using conventional methods.
- **Topside** portion of a platform above the jacket.
- **Train** series of units that achieve a complex refining, petrochemical, liquefaction or natural gas regasification process. A plant can be made up of one or more trains of equal capacity operating in parallel.
- **Trenching** burying of offshore or onshore pipelines.
- **Trunkline** oil pipeline connecting large storage facilities to the production facilities, refineries and/or onshore terminals.
- **Umbilical** flexible connecting sheath, containing flexible pipes and cables.
- **Upstream** relating to exploration and production operations.
- **Vacuum** second stage of oil distillation.
- **Warm Stacking** idle plant, but one ready to resume operations in the event that a new contract is acquired. Personnel are at full strength and ordinary maintenance is normally carried out.
- **Wellhead** fixed structure separating the well from the outside environment.
- **WHB (Wellhead Barge)** vessel equipped for drilling, workover and production (partial or total) operations, connected to process and/or storage plants.
- **Workover** major maintenance operation on a well or replacement of subsea equipment used to transport the oil to the surface.

Other terms

- **CCUS** (Carbon Capture, Utilization and Storage) covers all the solutions making it possible to reduce or fully eliminate from the atmosphere greenhouse gas emissions of polluting treatment plants.
- **ESG** (Environmental Social Governance) refers to the consideration of the operations of a company in relation of its interactions with the environment and territory, community and company management.
- **ESMA** European Securities and Markets Authority.
- **OECD** (Organisation for Economic Co-operation and Development) composed of thirty-five developed countries having in common a democratic system of government and a free market economy.
- **OPEC** Organization of the Petroleum Exporting Countries.

CONSOLIDATED NON-FINANCIAL STATEMENT

in accordance with Italian Legislative Decree No. 254 of December 30, 2016

This document constitutes the "Consolidated Non-Financial Statement" (hereinafter NFS) of the Saipem Group (hereinafter Group, Saipem, Company) as of December 31, 2023.
The NFS is the report drafted by Saipem to meet the requirements laid down in Articles 3 and 4 of Italian Legislative Decree No. 254/2016, the Italian transposition of European Directive 2014/95/EU. As laid down in Article 5 of Italian Legislative Decree No. 254/2016, the NFS is a separate report within the "Directors' Report", marked by a specific wording to ensure it is clearly identified.

This document reports on the management of non-financial aspects, the Group's policies, its activities, risks and related management methods, the main results and impacts generated in the year in terms of indicators and trend analysis regarding issues indicated by the regulation, namely environmental, social, personnel-related, human rights issues, as well as the fight against active and passive corruption. The document also integrates Saipem's commitment to concretely implementing the relative European Commission guidelines, in order to provide stakeholders with increasingly useful, complete and transparent non-financial information to understand the business of the Company.

GRI 2-3
GRI 2-5
GRI 2-12
GRI 2-13
GRI 2-14

Methodology, principles and reporting criteria

The NFS is drawn up in accordance with Global Reporting Initiative (GRI) Standards, used as reporting standards in accordance with the Legislative Decree No. 254/2016 (see the "GRI Content Index" section). The sector standard GRI 11 "Oil and gas sector 2021" is also applied as main business activity, also taken into account for the determination of material themes and information reported.
In order to guarantee transparency in relation to the Company performance and facilitate the comparability of the data and information provided to stakeholders, the document also considered the indications provided by the Sustainability Accounting Standards Board (SASB) for the identification and publication of the information deemed most significant for creating long-term value for the sector. Considering the diversified operational activities of the Group, the document refers to SASB standards in two different sectors: 1) Extractives & Minerals processing sector - Oil&Gas - Services; 2) Infrastructure sector - Engineering & Construction services.

Saipem renewed its commitment to disclosure for the fifth consecutive year, following recommendations by the Task Force on Climate-related Financial Disclosures (TCFD) of the Financial Stability Board, integrating them in the NFS document.

The information given in the NFS refers to the topics provided for in the decree, to material topics identified and the relative indicators, which reflect the relevant economic, environmental and social impacts of the organisation or which could substantially influence the assessments and decisions of the Group's stakeholders. The materiality analysis, updated annually with the direct involvement of the Company's stakeholder representatives, has led to the definition of the contents to be reported. In addition to the material topics, in this document Saipem reports on the additional matters addressed in the Sustainability Plan (Cybersecurity) and indicated by the GRI 11 "Oil and gas sector 2021" Sector Standard (Public Policy and Responsible Taxation Practices).

The NFS refers to other sections of the "Directors' Report" and the "Corporate Governance and Shareholding Structure Report" with regard to the content dealt with in detail therein and in turn it contains information that fulfils the obligations referred to in the first and second paragraphs of Article 2428 of the Italian Civil Code, limited to the analysis of information on staff and the environment. Moreover, the "Report on the Remuneration Policy and Compensation Paid" provides further details on the ESG objectives included in the long-term variable remuneration of Directors, Statutory Auditors and Managers with Group Strategic Responsibilities.
Information on the Company, activities and countries of operation are included in the section "Company profile and key operations" of the present document and in the "Directors' Report".

The NFS is drafted by the Sustainability Reporting function of Saipem SpA, in cooperation with all Saipem SpA functions, companies, operational projects and sites of the Group in charge of the various topics discussed.
Saipem's sustainability reporting system is based on specific procedures that define roles, responsibilities, tasks, information flows and validation process. In addition, the Company avails of specific IT systems to make the process as efficient, automatic, robust and integrated as possible.

The NFS was approved by the Board of Directors of Saipem SpA on March 12, 2024 and published on the website within the timeframe provided by the legislation.
The preparation of the document reports on the wider context of sustainability in which the Company operates, in terms of value chain, of future scenarios, and of sustainable development targets at a global level. The document aims at providing Company's stakeholders with complete information, balanced against expectations, timely and comparable over time and within the sector, as well as accurate and reliable; this is possible through dedicated information collection and management tools and a specific internal control system.

The method of representation of qualitative and quantitative information was chosen in order to provide a document immediately clear and understandable. With reference to the data of 2021 and 2022 reported in this document, there are no changes compared to what was previously published. The section entitled "GRI content Index" contains details of the performance indicators reported in accordance with the adopted guidelines.

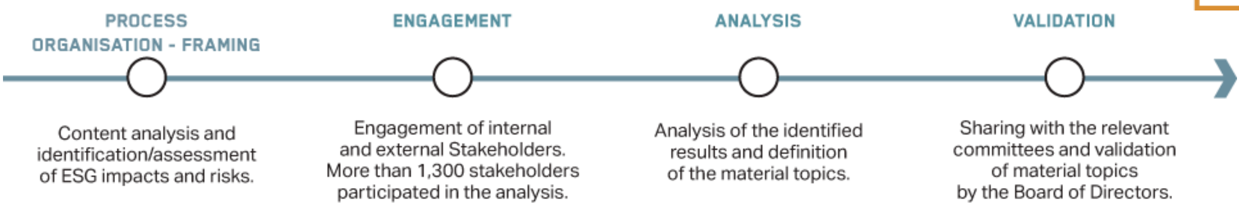
With regard to the security of data and information managed by the Company, not exclusively for the purposes of this document, Saipem has adopted security measures to ensure that all technical applications and infrastructure are completely integrated with the security systems for protection against cyber security threats, which also provide additional guarantees for the reporting systems.

The performance indicators were collected yearly and the reporting is carried out over the three years 2021-2023, unless otherwise specified. The information and quantitative data collection process has been organised in such a way as to guarantee comparability over the data and analysis of the trends over a three-year period, in order to enable correct interpretation of the information and a full overview for all the stakeholders interested in the evolution of Saipem's performance. Any changes in the collection methods from the previous year are suitably indicated in the document.
Saipem developed an articulate reporting and disclosure system to respond to stakeholders from different categories and geographical areas. Saipem has also voluntarily published the annual Sustainability Report since 2006. The document is available on the institutional website, along with other issue-specific documents, which we refer the reader to where necessary. Moreover, since 2016 the Company has published a Statement which describes the measures adopted to ensure, as required by the United Kingdom "Modern Slavery Act 2015 - Section 54", that there are no forms of modern slavery, forced labour or human trafficking within the Company or in its supply chain. Voluntarily, the Statement considers the activities of the whole Saipem Group and not only the companies operating in the United Kingdom.

The NFS is subject to specific conformity approval by an independent auditor, unique with respect to the review of the Financial Report, which in a specific and separate report expresses its certification of the conformity of the information provided pursuant to Article 3, section 10 of Legislative Decree No. 254/2016 and of the "Global Reporting Initiative Sustainability Reporting Standards" ("GRI Standards"), identified as reporting standards. The limited assurance did not apply the directives provided by the SASB and information required by EU Regulation 2020/852 on EU Taxonomy as reported in section "Sustainable activities according to the European Taxonomy", "Saipem's Net Zero programme" and in Annex I. The revision is carried out according to the procedures indicated in the section "Independent Auditors' Report" of this document. The Shareholders' Meeting of May 3, 2018, resolved to appoint KPMG SpA as the independent auditors from 2019 to 2027.
This limited review does not extend to information relating to "financial materiality"

Materiality analysis and content definition

The NFS reports on the areas laid down in the Legislative Decree No. 254/2016 deemed to be significant and relevant according to a process that considers the specific activities of Saipem and the interests of all categories of Company stakeholders, as described below. As established by the GRI Standards and in accordance with Saipem procedures, the Company implements a consultation process and analysis on material topics every year. This is aimed at identifying and giving priority to the sustainability aspects of its business that could substantially influence the assessments and decisions of its stakeholders which are considered most significant for the Company itself. The analysis is carried out with the direct involvement of representatives from all the main stakeholder categories (including employees), the Company's management and the Board of Directors.



The determination of impact materiality was carried out in accordance with the provisions of the 2021 GRI Standards. On a voluntary basis, the Group carried out a preliminary determination of financial materiality, in advance of the application that will take place in 2024 of the "double materiality" envisaged by the CSRD and illustrated in this paragraph:
- the **impact perspective** evaluates the relevance of sustainability issues in terms of impacts on the economy, the environment and people, including those on human rights, connected to Company operations and to the upstream and downstream value chain. Regarding actual impacts, the relevance is assessed based on the severity of the impact, while for potential negative impacts the severity and likelihood of the impact are assessed. As regards potential positive impacts, magnitude and likelihood are assessed;
- the **financial perspective** evaluates the sustainability aspects that generate risks or opportunities that have or can reasonably be expected to have a significant influence on the development of the Company, on its financial position, economic result, on financial flows, on access to financing or the cost of capital in the short-, medium- or long-term.

The analysis took into account Saipem's business, the evolution of its business model and strategy, and the operational and sustainability context in order to update the list of ESG topics relating to the Company's business. Based on assessments of standards and regulatory developments, both mandatory and optional, on reference sector's benchmarks and on emerging topics on a global level, the Company involved a wide selection of stakeholders in the prioritisation of a selection of topics on the basis of their impact, as assessed by them.
Also in 2023, the materiality analysis integrated, through artificial intelligence, insights from:
- sustainability and financial reports of 18 clients, 28 competitors and 12 utilities;
- analysis of 3,783 mandatory initiatives and 1,802 voluntary initiatives;
- more than 3,800 articles.

Subsequently, some categories of stakeholders were involved.

Materiality view	Type of stakeholder	No. of respondents
Financial materiality	Board of Directors	7
	Senior Managers	275
	Financial community	27
Impact materiality	Clients	20
	Employees	978
	Vendors	22
	Local communities representatives	5
	Business associations	4
TOTAL RESPONDENTS		**1,342**

A detailed representation of the main impacts determined by Saipem's operations and their significance can be found in table "Material topics and impacts". The present document details the management of the aforementioned impacts through a representation of management systems and performances reached in the Company's operations.

Finally, the materiality analysis is based on a calculation model that gives scores to the different components of the survey and allows to draw up a list of topics with a gradient score. Topics identified as "material" for the year include those with a higher rating. The new material topics that emerged are biodiversity, waste recovery & reduction, the transition to a circular economy, non-hazardous waste management and employee wellbeing. Compared to the material topics identified in 2022, net of the update on the terminology of the topics, the management of data privacy and Cybersecurity were not found to be material in 2023 (topic however included in the NFS as it is present in the Sustainability Plan).

The final results were shared preliminarily with the Sustainability, Scenarios and Governance Committee and with the Control and Risk Committee, and validated during the meeting of December 18, 2023 by the Board of Directors, whose members participated in the materiality analysis.
The topics that emerged from the materiality analysis also become the basis for the update of the Saipem Sustainability Plan, which is taken into consideration for the definition of the four-year strategic plan and of the Company targets and provide useful elements for the integrated risk management process.

The following table represents the material topics that arose during the 2023 consultation and were integrated with the relating commitments of the Company, based on Vision, Mission, corporate Policies and Management System Guidelines.

Material topics First level	Material topics Second level	Commitment
Climate change	GHG emissions; energy; air emissions; transition to renewable energy; climate change risk management; alternative fuels	Saipem Net Zero: > Net Zero for Scope 1, Scope 2 and Scope 3 by 2050; > 50% reduction in Scope 1 and 2 emissions by 2035 (based on 2018 GHG emissions); > Carbon neutrality for Scope 2 emissions by 2025.
Biodiversity	Biodiversity	Saipem is aware that biodiversity and ecosystems are the basis of human well-being in the present and future, and that their rapid decline threatens both nature and people. The Company supports the principles of "No net loss of biodiversity", "No net deforestation" and, where applicable, "Net improvement" and "Net gain" approaches, involving clients, vendors and any other potential partners or actors in the sector, aiming in general to achieve a net positive impact on biodiversity in the company's operational sites and projects, including by enhancing nature and communities in the areas in which it operates.
Water	Water	Fair and knowledgeable management of water resources focused on maximising the reuse of water where possible and reducing to a minimum water consumption in all operating sites and projects, especially when these are located in areas characterised by a particular scarcity of water.
Accidents and spills	Spills; accidents in operations and assets	Reducing and mitigating the environmental risk associated to oil and chemical spills, guaranteeing the adoption of appropriate prevention and recovery measures.
Waste	Non-hazardous waste management; waste recovery & reduction; transition to a circular economy	Saipem considers the circular economy a relevant and priority topic within its strategy and is committed to minimising the generation of waste, maximising its reuse and recycling and entrusting its transport and disposal to vendors in line with our environmental standards. The Company promotes and implements measures, also through the research and development of new materials, which allow hazardous materials to be replaced with non-dangerous alternatives.
Community development	Community development	Working responsibly and cooperating with stakeholders to create shared value, while constantly minimising the potential negative impacts the operations and presence of the Company could produce.
Human rights	Human rights; security practices	Respecting international best practices on the subject of human and labour rights and monitoring their compliance. Cooperating with vendors to contribute to the development of their own business sustainability and to reduce/minimise sustainability risks within the supply chain. Building and developing an integrated security model fully embedded in business processes and aligned with company values and applicable legislation in order to: > provide a safe and secure workplace and protect all employees, subcontractors and third parties; > protect all Company information and know-how; > protect the integrity and reputation of management and stakeholders.
Labour rights	Labour rights; supply chain management	Respecting international best practices on the subject of human and labour rights and monitoring their compliance. Cooperating with vendors to contribute to the development of their own business sustainability and to reduce/minimise sustainability risks within the supply chain.
Safe workplace	Occupational health and safety; asset integrity	Implementing measures to prevent injuries, negative health impacts and damage to assets. Designing and implementing initiatives to provide the knowledge and skills needed to enable everyone to do their job safely. Continuously improving the way the Company works, the efficiency of procedures and our management system, in line with the highest international standards and through digital transformation and innovation of processes, to be able to meet future challenges. Protecting the health of workers and guaranteeing the continuity of health services and, more generally, the continuity of the Company's operations in the various areas of the world, with particular reference to the health management of the pandemic with the aim of reducing its impact. Cooperating with vendors to contribute to the development of their own business sustainability and to reduce/minimise sustainability risks within the supply chain.
Health	Public health	Maximum attention to identifying and assessing risks relating to people's health, in order to adopt quick and effective mitigation measures. Protecting the health of staff and all people influenced by the Company's activities, taking into account both activities in execution and planned, and specific criticalities or vulnerabilities in operational scenarios.
Diversity and inclusion	Fair and inclusive work environment	Promoting the strengthening of an inclusive company culture.
Sustainable employment	Employee development; employee wellbeing, talent acquisition & retention	Maintaining an alignment between employee skills and business requirements, guaranteeing its people's well-being, and improving the Company's image in order to retain and attract talented people.
Business ethics	Business ethics; responsible operations; fair competition	Operating in conformity with the best ethical business practices.

The following table "Material topics and impacts" lists and describes the main impacts linked to the material topics, including their assessment.

Material topics and impacts

Material topics First level	Material topics Second level	Main impacts	Nature	Time horizon	Magnitude
Climate change	GHG emissions; energy; air emissions; transition to renewable energy; climate change risk management; alternative fuels	Acceleration of the transition to other efficient technologies aimed at reducing energy consumption and promoting renewable sources	+	Short term	Medium
		Increase in emissions (CO_2, climate-changing, pollutants) due to operational activities or along the value chain	-	Short term	Medium
		Improvement of cultural and environmental awareness (thanks to initiatives meant for civil society and participation in research, studies and partnerships)	+	Medium term	Medium
Biodiversity	Biodiversity	Improvement of cultural and environmental awareness (thanks to initiatives meant for civil society and participation in research, studies and partnerships)	+	Medium term	Medium
		Impacts on biodiversity due to operational activities/projects	-	Short term	High
Water	Water	Promotion of wastewater treatment and reuse	+	Short term	Medium
		Decay of ecosystem services due to the withdrawal of natural water resources (e.g. in water-stressed areas)	-	Short term	Medium
Accidents and spills	Spills; Accidents in operations and assets	Contribution to the improvement of technologies, skills and company preparation with a view to preventing spills	+	Short term	Medium
		Adverse impacts on human health or the environment due to leaks, spills and discharges of substances	-	Short term	Low
Waste	Non-hazardous waste management; waste recovery & reduction; transition to a circular economy	Negative impacts on human health or the environment due to waste produced by operational activities/projects if not disposed of responsibly	-	Short term	High
Community development	Support and development of communities	Increased well-being and local development for host communities thanks to the improvement of local infrastructure and the increase in tax revenue in the countries of operation	+	Medium term	Medium
		Increased cultural awareness on sustainability issues in the local contexts in which Saipem operates	+	Medium term	Medium
		Development of the local market (and local vendors) following the acquisition of projects in remote areas	+	Short term	Medium
		Impacts on the traditional socio-economic/cultural context due to Saipem's presence and activities in the area	-	Short term	High
Human rights	Human rights; Security practices	Increase in awareness and knowledge of human and labour rights, including in countries where dialogue with workers is not guaranteed	+	Short term	Medium
		Violation of human and workers' rights following non-compliance with decent working conditions along the supply chain and/or value chain and following security practices that do not comply with the law	-	Short term	Low
Labour rights	Labour rights; supply chain management	Violation of human and workers' rights following non-compliance with decent working conditions along the supply chain and/or value chain and following security practices that do not comply with the law	-	Short term	Low
		Contribution to the development of skills and opportunities in local contexts	+	Medium term	Medium
		Spreading ESG awareness and culture	+	Short term	Medium
		Increase in awareness and knowledge of human and labour rights, including in countries where dialogue with workers is not guaranteed	+	Short term	Medium
Safe workplace Climate change	Occupational health and safety GHG emissions; energy; air emissions; transition to renewable energy; climate change risk management; alternative fuels	Contribution to technological improvement and innovation of HSE practices	+	Medium term	Medium
		Increase in the health and safety culture and living conditions of local communities	+	Medium term	Medium
		Impacts on people's health and the environment due to unexpected damage to assets and/or exposure to risk factors associated with the nature and context of the activities carried out	-	Short term	Low
		Acceleration of the transition to other efficient technologies aimed at reducing energy consumption and promoting renewable sources	-	Short term	Low

Material topics First level	Material topics Second level	Main impacts	Nature	Time horizon	Magnitude
Health	Public health	Increase in the health and safety culture and the living conditions of local communities in the territories in which Saipem operates, thanks to local partnerships and collaborations	+	Medium term	Medium
		Contribution to technological improvement and innovation of HSE practices thanks to relationships with various academic institutions and participation in sector associations	+	Medium term	Medium
		Impacts on people's health and the environment due to unexpected damage to assets and/or exposure to risk factors associated with the nature and context of the activities carried out	-	Short term	Low
Diversity and inclusion	Fair and inclusive work environment	Increase in diversity, equity and inclusion by promoting and strengthening an inclusive culture	+	Medium term	High
		Non-balance of the male/female workforce at local level due to less attractiveness for women because of the nature of Saipem activities	-	Long-term	Low
Sustainable employment	Employee development; talent acquisition & retention; employee wellbeing	Increase in worker well-being through the welfare tools offered	+	Short term	High
		Increase in diversity, equity and inclusion by promoting and strengthening an inclusive culture	+	Medium term	High
		Contribution to training, increase in hard and soft skills	+	Short term	High
		Non-balance of the male/female workforce at local level due to lower attractiveness for women because of the nature of Saipem activities	-	Long-term	Low
Business ethics	Business ethics; responsible operations; fair competition	Reduction of illicit practices in the areas of operation thanks to enforcement actions	+	Medium term	Medium
		Dissemination of best practices/procedures in the legal field also oriented towards sustainability issues	+	Medium term	Medium

The quantification model is in line with the metrics of the Integrated Risk Management process.
The extent of an **actual positive impact** depends on the scale and scope of the impact itself, while the extent of a **potential positive impact** depends both on the scale and scope of the impact itself and on its likelihood.
The extent of an **actual negative impact** depends on the severity of the impact itself (scale, scope and irremediable character), while the extent of a **potential negative impact** depends on both its severity and its likelihood. All negative impacts that can be linked to human rights have had a further multiplication factor in order to make severity prevail over likelihood as indicated by the GRI. The magnitude considers the mitigation actions implemented by the Company which are described in the various paragraphs of the NFS.
Below, in the “Material topics and risks” table, they are associated to material topics and related potential financial effects.

Material topics and risks

Material topics First level	Material topics Second level	Main risks	Potential financial impacts
Climate change	GHG emissions; energy; air emissions; transition to renewable energy; climate change risk management; alternative fuels	Strategic - Competitive positioning Strategic - Emerging ESG trends (energy transition) Strategic - Market trends Strategic - Technological innovation and intellectual property Asset Management - Availability of suitable assets and disposal (fleet and sites) Country - Natural events/severe environment HSE - Operational, asset and transport incidents HSE - Environmental incidents (including pollution) Partnership - Other 3rd party and stakeholder relations	Evolution or change in the competitive context, increase in market competitiveness, adequate competitive positioning of Saipem (in terms of energy transition/renewable projects and use of alternative fuels; long-term value creation and support for the local economy). Evolution of regulations regarding climate change and energy transition (e.g. greenhouse gas emissions and reduction, energy use and efficiency, use of alternative fuels, etc.). Possible fluctuation in demand and clients' orders (energy transition/renewable/infrastructure projects, use of alternative fuels and energy efficiency). Evolution of the technological scenario and launch of innovative technologies on the market. Management and protection of the intellectual properties of the Company or third parties in new technologies application (in terms of energy transition technologies, use of alternative/new fuels, support tools for the mitigation of air emissions). Availability of fleets, yards, vessels, vehicles, services or infrastructure for project execution. Effects on activities, resources or people due to natural/meteorological events/harsh environments. Operations and asset integrity.

Material topics First level	Material topics Second level	Main risks	Potential financial impacts
Biodiversity	Biodiversity	Strategic - Emerging ESG trends (energy transition) Country - Natural events/difficult environment	Evolution of regulations relating to other environmental issues (for example, biodiversity, pollution, etc.). Effects on activities, resources or people due to natural/meteorological events/harsh environments.
Water	Water	Strategic - Emerging ESG trends (energy transition)	Evolution of regulations on environmental issues.
Accidents and spills	Spills; Accidents in operations and assets	HSE - Health and safety HSE - Environmental incidents (including pollution) HSE - Logistics activities and incidents Country - Environmental restrictions/difficult environment	Occupational health and safety management system and potential impacts on the health of workers and people living near Saipem industrial sites. Effects on biodiversity, forests and water resources due to Saipem's activities, correct management of natural resources and waste. Ability to meet environmental/emissions targets. Asset functioning and integrity. Effects on activities, resources or people due to adverse natural/meteorological events/environmental events.
Waste	Non-hazardous waste management; waste recovery & reduction; transition to a circular economy	Strategic - Emerging ESG trends (energy transition)	Evolution of regulations on environmental issues.
Community development	Support and development of communities	Country - Local content/limits Partnership - Other 3rd party and stakeholder relations HSE - Environmental incidents (including pollution)	Contribution to the local economy, impact on long-term value creation and community relations. Relations with stakeholders and partners. Effects on biodiversity, forests and water resources due to Saipem's activities; correct management of natural resources and waste. Ability to meet environmental/emissions targets.
Human rights	Human rights; Security practices	Compliance - Integrity Country - Social and political instability/geopolitical context Strategic - Emerging ESG trends (Social)	Ethical behaviour or fraudulent activities committed by employees, vendors and third parties as part of Saipem's activities. Global and local security: changes in the geopolitical scenario; events that impact political, social and economic stability.
Labour rights	Labour rights; supply chain management	People - Turnover and availability of resources (and know-how) Litigations - Other litigations (e.g. labour)	Align the skills portfolio with the business and its new long-term positioning (including diversity objectives). Ability to attract talented profiles from the labour market, to retain key skills internally and to develop and manage adequate succession plans. Labour litigations.
Safe workplace	Occupational Health and Safety	HSE - Health and safety People - Know-how and skills Strategic - Technological innovation and intellectual property	Occupational health and safety management system and potential impacts on the health of workers and people living near Saipem industrial sites. Align the skills portfolio with the business and its new long-term positioning (including diversity objectives). Evolution of the technological scenario and launch of innovative technologies on the market. Management and protection of the intellectual properties of the Company or third parties in new technologies application (in terms of energy transition technologies, use of alternative/new fuels, support tools for the mitigation of air emissions).
Health	Public health	HSE - Health and safety Other external contexts - Biological/Pandemic	Occupational health and safety management system and potential impacts on the health of workers and people living near Saipem industrial sites. Start of pandemics or epidemics and new pathologies in the country in which Saipem operates.
Diversity and inclusion	Fair and inclusive work environment	People - Turnover and availability of resources (and know-how) Strategic - Emerging ESG trends	Ability to attract talented profiles from the labour market, to retain key skills internally and to develop and manage adequate succession plans. Evolution of social regulations (human rights, diversity and inclusion, etc.).
Sustainable employment	Employee development; talent acquisition & retention; employee wellbeing	People - Turnover and availability of resources (and know-how)	Align the skills portfolio with the business and its new long-term positioning (including diversity objectives). Ability to attract talented profiles from the labour market, to retain key skills internally and to develop and manage adequate succession plans.

Material topics First level	Material topics Second level	Main risks	Potential financial impactsi
Business ethics	Business ethics; responsible operations; unfair competition	Compliance - Integrity Compliance - Corruption Partnership - Other 3rd party and stakeholder relations Supply Chain - Vendors/subcontractors performance Supply chain - Vendor/subcontractor performance	Ethical behaviour or fraudulent activities committed by employees, vendors and third parties as part of Saipem's activities. Relations with stakeholders and partners. ESG performance of vendors/subcontractors and compliance with contractual requirements.

Reporting boundary

As prescribed by Italian Legislative Decree No. 254/2016, the NFS contains the information and performance indicators for Saipem SpA and the fully consolidated subsidiaries as described in section "Structure of the Saipem Group". These indicators are marked by the wording "Full consolidated".

To ensure the understanding of the Company's activities, progress, results and the impact it has produced, i.e. to provide the information necessary to ensure the understanding of the activities of the whole Saipem Group, and also to guarantee the comparability of its performance in relation to the information published in other corporate documents, in addition to the companies consolidated boundary (referred to as the "consolidated boundary" in this document), the indicators are also given with a broader reporting boundary, including subsidiaries that are not fully consolidated and those in joint operation, joint control or affiliated companies in which Saipem has control over the operations. These indicators are marked by the wording "Group Total".

Unless otherwise specified, the "Group Total" data corresponds to the "Fully Consolidated" perimeter, as some issues are managed centrally and all data falls within the "Fully Consolidated" perimeter.

Any changes in the reporting boundary from the previous year are described in the "Changes in consolidation scope" section of the "Annual Report".

As regards the safety data, these are accounted for separately for Saipem and its subcontractors. On the other hand, environmental indicators also include the data for subcontractors operating on Saipem and partner sites in activities where Saipem is responsible for HSE management.
Please also note that companies that do not have significant business activities are excluded from relations with local stakeholders.

The reporting process for the indicators reported in the present document is based on a capillary collection per single site/operational project, with peculiarities given by the management model of the topics to which they refer, in order to allow consistent and complete monitoring and control by the responsible functions of the different areas and at all hierarchical and geographical levels. Those indicators that by characteristics inherent to their management model have an exclusively centralised origin of data, are here excluded.

For a description of the risks identified by the Company in relation to the five areas for discussion laid down in Legislative Decree No. 254/2016 and the topics identified as material for the Company, in addition to what explained in the specific sections of the NFS, reference is also made to the "Risk management" section of the "Directors' Report" for a more complete description integrated into Saipem's overall Integrated Risk Management system and that of its subsidiaries.
For policy description, reference for each topic is included in the specific section, where the management system is described.

CORRESPONDENCE TABLE

Areas laid down in D.Lgs. No. 254/2016	Material topics First level	Material topics Second level	GRI Sector Standards	GRI Standards	NFS sections
Company management and organisation model Article 3.1, subsection a Policies Article 3.1, subsection b				GRI 2: General Disclosures 2021 GRI 201: Economic Performance 2016 GRI 204: Procurement Practices 2016	Company management and organisation model Company profile and key operations Governance of business sustainability Economic value generated and distributed Supply chain management
Environmental topics: - environmental impacts Article 3.2, subsection c - energy and emissions Article 3.2, subsection a; Article 3.2, subsection b - water resources Article 3.2, subsection a	Climate change	GHG emissions; energy; air emissions; transition to renewable energy; climate change risk management; alternative fuels	Topic 11.1 GHG Emissions Topic 11.2 Climate adaptation, resilience, and transition Topic 11.3 Air emissions	GRI 201: Economic Performance 2016 GRI 302: Energy 2016 GRI 305: Emissions 2016 GRI 416: Customer Health and Safety 2016	GHG emissions Preserving the air quality
	Biodiversity	Biodiversity	Topic 11.4 Biodiversity	GRI 304: Biodiversity 2016	Biodiversity
	Water	Water	Topic 11.6 Water and effluents	GRI 303: Water and Effluents 2018	Water resource management
	Accidents and spills	Spills; Accidents in operations and assets	Topic 11.8 Asset integrity and critical incident management	GRI 306: Effluents and Waste 2016	Spill prevention and response
	Waste	Non-hazardous waste management; waste recovery & reduction; transition to a circular economy	Topic 11.5 Waste	GRI 306: Waste 2020	Waste management
Human resources management Article 3.2, subsection d Impacts on health and safety Article 3.2, subsection c	Labour rights	Labour rights; supply chain management	Topic 11.10 Employment practices Topic 11.13 Freedom of association and collective bargaining	GRI 401: Employment 2016 GRI 402: Labour/Management Relations 2016 GRI 404: Training and Education 2016 GRI 405: Diversity and Equal Opportunity 2016 GRI 406: Non discrimination 2016 GRI 413: Local Communities 2016 GRI 414: Supplier social assessment 2016 GRI 416: Customer health and safety 2016	Human resource policies and management Equal treatment and enhancement of differences
	Safe workplace	Occupational health and safety; asset integrity	Topic 11.9 Occupational health and safety Topic 11.3 Air emissions	GRI 305: Emissions 2016 GRI 403: Occupational Health and Safety 2018 GRI 416: Customer health and safety 2016	Safeguarding the health and safety of people
	Health	Public health	Topic 11.9 Occupational health and safety	GRI 403: Occupational Health and Safety 2018	Safeguarding the health and safety of people
	Diversity and inclusion	Fair and inclusive work environment	Topic 11.11 Non-discrimination and equal opportunity	GRI 202: Market Presence 2016 GRI 401: Employment 2016 GRI 402: Labour/Management Relations 2016 (not included in the GRI) GRI 404: Training and Education 2016 GRI 405: Diversity and Equal Opportunity 2016 GRI 406: Non discrimination 2016	Local content (in Country Value) Equal treatment and enhancement of differences Human resource policies and management Safeguarding the health and safety of people Governance of business sustainability Reporting suspected violations

Areas laid down in D.Lgs. No. 254/2016	Material topics First level	Material topics Second level	GRI Sector Standards	GRI Standards	NFS sections
Human resources management Article 3.2, subsection d Impacts on health and safety Article 3.2, subsection c	Sustainable employment	Employee development; employee wellbeing; talent acquisition & retention	Topic 11.10 Employment practices Topic 11.9 Occupational health and safety	GRI 401: Employment 2016 GRI 402: Labour/Management Relations 2016 GRI 403: Occupational Health and Safety GRI 404: Training and Education 2016 GRI 414: Supplier Social Assessment 2016	Equal treatment and enhancement of differences Human resource policies and management
Social aspects Article 3.2, subsection d	Community development	Support and development of communities	Topic 11.14 Economic impacts Topic 11.15 Local communities Topic 11.17 Rights of Indigenous peoples	GRI 201: Economic performance 2016 GRI 202: Market Presence 2016 GRI 203: Indirect Economic Impacts 2016 GRI 204: Procurement Practices 2016	Local content (in Country Value) Creation of sustainable value over time Supply chain management A sustainable supply chain Security practices
Respect for human rights Article 3.2, subsection e	Human rights	Human rights; security practices	Topic 11.12 Forced labour and modern slavery Topic 11.18 Conflict and security	GRI 409: Forced or Compulsory Labour 2016 GRI 410: Security Practices 2016 GRI 414: Supplier Social Assessment 201	Reporting suspected violations Saipem people and all subsections. Respect for Human and labour rights Security and cybersecurity practices
Fighting corruption Article 3.2, subsection f	Business ethics	Business ethics; responsible operations; fair competition	Topic 11.19 Anti-competitive behaviour Topic 11.20 Anti-corruption	GRI 205: Anti-corruption 2016 GRI 206: Anticompetitive behaviour 2016	Fighting corruption

SUSTAINABILITY PLAN

The section summarises the 2023 results of the objectives set, also including the objectives of the Saipem 2023-2026 Sustainability Plan approved by the Board of Directors in September 2023, and the main new objectives.
The four-year "Our Journey to a Sustainable Business" Sustainability Plan was drawn up with the aim of implementing an integrated strategy that combines the business and financial objectives of the Plan with a set of ESG factors. It sets out the commitments undertaken by the Company in the Sustainability Policy in terms of qualitative and quantitative objectives measurable over time, in order to create value for all stakeholders in the short and long term.
The annual update of the Sustainability Plan is guided by the results of the materiality analysis, as well as by the evolution of the international context and by the inputs and requests of stakeholders, such as customers and the financial community. The objectives defined in the Plan contribute to the achievement of the Sustainable Development Goals (SDGs) of the United Nations 2030 Agenda, in particular to 12 SDGs which are more pertinent to Saipem's business and in line with the Group's strategic guidelines.
The Plan is divided into 3 pillars including the various strategic ESG areas, indicating specific objectives and related implementation programmes for each: 1) Net Zero, 2) Carbon Neutral Project, 3) Biodiversity and pollution prevention, 4) Sustainable employment, 5) Diversity and inclusion, 6) Health and safety, 7) Local impact, 8) Responsible supply chain, 9) Business ethics, 10) Cybersecurity, 11) Digital and Innovation.
The following table shows with the indication [Incentive scheme] the **objectives within which the targets of the management's short and long-term variable incentive plan were defined.**

CLIMATE CHANGE MITIGATION &ENVIRONMENT PROTECTION

MATERIAL TOPIC

CLIMATE CHANGE
BIODIVERSITY
WATER
ACCIDENTS AND SPILLS
WASTE

CONTRIBUTION TO THE SDGS

2023-2026 Goals	2023 Results	Status	Reference	2024-2027 Plan
GHG emissions avoided through energy management initiatives (38 kt of CO_2 eq for 2023 and 138 kt of CO_2 eq for the period 2023-2025) [Incentive scheme]	47 kt of CO_2 eq avoided through energy management initiatives	■	GHG emissions	Extended to 2027
GHG emissions offsetting thanks to Saipem's offsetting strategy (250 kt of CO_2 eq for the period 2023-2025) [Incentive scheme]	100 kt of CO_2 eq acquired, of which 70 kt from REDD+ projects in carbon credits	■	Saipem's Net Zero programme	New targets in new objectives
Carbon Neutrality for Scope 2 by 2025: activate the purchase of 100% renewable energy, preferably certified, in all offices, where applicable (including I-REC certificates) and offsetting the remaining share of emissions	Finalised an offsetting credit agreement with 3 companies and purchases (see objective above)	■	Saipem's Net Zero programme	Confirmed
Assess introduction of an internal carbon price shadow in investment decision-making processes (2024*)	Ongoing analysis	■	Saipem's Net Zero programme, sub-paragraph Internal Carbon Pricing	Extended to 2024
Systematise the mapping of operating sites in areas sensitive to biodiversity in 2023	Mapping of Saipem operational sites in sensitive areas according to IUCN categories for biodiversity and according to the UNESCO World Heritage List of Protected Areas for Biodiversity with Geographic Information System (GIS)	■	Biodiversity	-

2023-2026 Goals	2023 Results	Status	Reference	2024-2027 Plan
Map the operating sites of the main suppliers in biodiversity sensitive areas by 2025	Definition of a list of significant suppliers and ongoing analysis through external partners	■	Protecting the environment and minimising environmental impacts, biodiversity	Confirmed
Continue spill mapping and risk analysis with 2 new Oil Spill Mappings and Risk Assessments in the ABSER Business Line in 2023	Implementation of 2 new Oil Spill and Risk Assessments	■	Protecting the environment and minimising environmental impacts. Spill prevention and response	-
Continue efforts to reduce waste and increase the types of recyclable waste sent for recycling in 2023**	Maintaining 100 per cent recycled waste types at most applicable sites	■	Protecting the environment and minimising environmental impacts. Waste management	-

(*) Target extended to 2024.
(**) Target year brought forward from 2026 to 2023.

New goals
Listed below are the main new objectives defined in the 2024-2027 plan.

- Renewal of third-party certification for the Net Zero program (2024)
- GHG emissions avoided thanks to energy management initiatives (47 kt of CO_2 eq for 2024) **[Incentive scheme]**
- GHG emissions avoided thanks to energy management initiatives (163 kt of CO_2 eq for 2024-2026) **[Incentive scheme]**
- GHG emissions offsetting thanks to Saipem's offsetting strategy (250 kt of CO_2 eq for the period 2024-2026) **[Incentive scheme]**
- Structure a transformation programme to strengthen partnerships with clients and vendors, improve traceability of emissions of acquired goods and services' emissions, to redesign a resilient and transparent Supply Chain in compliance with CBAM (Carbon Border Adjustment Mechanism) regulation in anticipation of regulatory evolution (2024-2025)
- Continue participating in the SAF programme (2024-2027)
- Issuance of corporate criteria/guidelines for the selection of offset portfolio projects (2024-2025)
- Set interim targets for the period on Scope 3 greenhouse gas emissions (2026)
- Map clients' emissions (2024)
- Certification of a sustainable event in line with UNI EN ISO 20121:2012 (2026)
- Organisation of 2 low impact events with emissions offsetting in Milan and Fano, Italy (2024)
- Installation of a potable water system on board the FDS (2024)

The objectives still active, also listed in previous versions of the plan, have been maintained or updated according to the "Plan 2024-2027" column.

PEOPLE CENTRALITY

SAIPEM MATERIAL TOPIC

SAFE WORKPLACE
HEALTH
LABOUR RIGHTS
DIVERSITY & INCLUSION
SUSTAINABLE EMPLOYMENT
HUMAN RIGHTS

CONTRIBUTION TO THE SDGS

2023-2026 Goals	2023 Results	Status	Reference	2024-2027 Plan
Maintain a TRIFR and HLFR no higher than the average of the last 5 years each year until 2026. For 2023, the average of the last 5 years' TRIFR is 0.43 and HLFR is 0.98 **[Incentive scheme]**	In 2023, the TRIFR stood at 0.32 and the HLFR at 0.74	■	People safety	Confirmed by new targets in the "New objectives" section

2023-2026 Goals	2023 Results	Status	Reference	2024-2027 Plan
Maintain a TRIFR and HLFR for subcontractors no greater than the 5-year average for each year through 2026. For 2023, the average of the last 5 years of the TRIFR corresponds to 0.32 and stands at 0.57 for HLFR	The TRIFR as a whole was 0.23 while HLFR was 0.44	■	Safeguarding the health and safety of people	Confirmed by new targets in the "New objectives" section
Involve corporate management in LiHS	In 2023, 750 managers took part in the LiHS Workshop	■	Safeguarding the health and safety of people	The objective for 2027 is included in the "New objectives" section
Implement innovative actions to further strengthen the safety performance: such as the Fire Prevention Campaign in 2023	In 2023, initiatives aimed at promoting safety in the workplace were implemented	■	Safeguarding the health and safety of people	The objective for 2027 is included in the "New objectives" section
Identify innovation initiatives aimed at eliminating the risk of working at heights and falling objects by 2025	The "Safety Step up" project was continued in 2023 to identify innovation initiatives	■	Safeguarding the health and safety of people	Maintained
Implementation of the "Digital Permit to Work" (E-PTW) on board 100% of the Saipem fleet by 2026	In 2023, 32% of the Saipem fleet had the Digital Permit to Work on board. The implementation of E-PTW on board the Saipem fleet is going on	■	Safeguarding the health and safety of people	Target modified
Improve the efficiency and use of telecardiology services	In 2023, the use rate was 75% of the identified sites	■	Safeguarding the health and safety of people	-
Extend application of telehealth services (2023-2026)	In 2023, telepsychology and teledermatology services were defined and launched in all selected sites	■	Employee health	-
Launch initiatives for employee health on the following topics: mental health, cardiovascular risk prevention and healthy eating in the 2023-2026 period	In 2023, 14 events were carried out on topics such as diabetes, cancer, hepatitis	■	Employee health	Maintained
Set up Smart Clinics for Fano and Arbatax sites in the 2023-2026 period	The activities for the Smart Clinic in Fano are underway	■	Employee health	Confirmed
Implement a methodology to identify countries in which to launch health related sustainability initiatives in the 2023-2026 period	A methodology has been developed in 2023 and is being applied in projects in India and Indonesia	■	Industrial relations	-
Reviewing and updating the contents of the "Sì viaggiare" application for public health services	The application has been updated	■	-	Completed
Launch of the 'Fondo Nuove Competenze' training project for all Saipem Italy employees, with the aim of involving 50% of employees	Training activities were implemented and concluded, involving 85% of the target employees	■	Industrial relations	Completed
Introduction of an onboarding programme for new employees	Training, mentoring and job rotation for new recruits was introduced	■	Human Capital	Completed
Ensure continuation of the "Sinergia Programme"	The programme continued involving five high schools	■	Human Capital	Completed
Implementation of certified Project Management training courses by the Saipem Academy	76 project management diplomas were delivered.	■	Human Capital	Completed
Definition of a set of KPIs on Diversity & Inclusion to guarantee the ongoing monitoring of that topic in 2023	A set of KPIs has been defined	■	Industrial relations	Completed
Prepare a feasibility study for a "Global Employment Guideline" in 2023	Feasibility study carried out	■	Equal treatment and enhancement of differences	Completed
Increase the number of women with STEM backgrounds employed by Saipem SpA by 2025 **[Incentive scheme]**	Activities were developed with universities and the "Role Model" project was continued	■	Equal treatment and enhancement of differences	Confirmed
Obtain Gender Equality certification in line with Italian Reference Practice No. 125:2022 in 2023	Certification was obtained in November	■	Equal treatment and enhancement of differences	Completed

2023-2026 Goals	2023 Results	Status	Reference	2024-2027 Plan
Maintain ISO 30415 - Human Resource Management Diversity and Inclusion certification in 2023	The certificate was maintained		Equal treatment and enhancement of differences	Confirmed
Adopt a Gender Equality criterion in the recruitment process for structural positions in 2025 **[Incentive scheme]**	The criteria for the recruiting process have been defined		Equal treatment and enhancement of differences	Confirmed

New goals

Listed below are the new objectives defined in the 2024-2027 plan.

- Maintain a TRIFR and HLFR no greater than the 5-year average each year through 2027. For 2024, the average of the last 5 years of the TRIFR corresponds to 0.41 and stands at 0.92 for HLFR **[Incentive Scheme]**
- Maintain a TRIFR and HLFR for subcontractors no greater than the 5-year average for each year through 2027. For 2024, the average of the last 5 years of the TRIFR corresponds to 0.29 and stands at 0.55 for HLFR
- Develop and deliver a new HSE training initiative based on Human Performance principles (2027)
- Strengthen the leadership of Saipem and its partners in the safety field through engagement initiatives with key stakeholders such as clients and suppliers (2027)
- Launch of new medical check-ups for selected segments of Italian employees (2024)
- Introduction of the Hepatitis C Virus screening test in protocols (2027)
- Adoption of a Global Employment guideline (2025)
- Launch of a mentoring programme (2024)
- Parental Onboarding programme: feasibility study (2024) and implementation (2026)
- Completion of the first edition of the HSE Master and launch of a new edition (2024)
- Launch of the Saipem ITS (Istituto Tecnico Superiore) in the Marche region, Italy (2026)
- Participation in the launch of the "Centro Orientamento Nazionale" in Italy (2026)
- Maintenance of SA8000 certification (2024)
- Human rights risk assessment on all operations sites (2024)

The objectives still active, also listed in previous versions of the plan, have been maintained or updated according to the "Plan 2024-2027" column.

VALUE CREATION

SAIPEM MATERIAL TOPIC

BUSINESS ETHICS
HUMAN RIGHTS
CLIMATE CHANGE
COMMUNITY DEVELOPMENT
LABOUR RIGHTS

CONTRIBUTION TO THE SDGS

2023-2026 Goals	2023 Results	Status	Reference	2024-2027 Plan
Extend the number of suppliers registered in Open-es and strengthen information and data available on the platform (2023-2026)	Onboarding was carried out for about 800 international suppliers involved		Saipem's Net Zero programme	The Open-es platform was adopted for the vendor qualification process
Extend the number of suppliers registered in Carbon Tracker and strengthen information and data available on the platform (2023-2026)	In June 2023, one meeting was carried out with 250 suppliers, in addition 30 one-to-one meetings were carried out with as many suppliers		Saipem's Net Zero programme	Confirmed
Increase awareness on human and labour rights issues with Saipem's main contractors in 2023	70% of the target suppliers participated in the training		A sustainable supply chain	Confirmed on new target vendors
Conduct (desktop) audits on Saipem suppliers on human and labour rights 2023	Audits were carried out on 10 main suppliers		A sustainable supply chain	New objective with updated target
Strengthen skills on sustainability in the Supply Chain function through specific training by 2024	A pilot training was delivered to 39 resources.		Respect for Human and labour rights	Confirmed

2023-2026 Goals	2023 Results	Status	Reference	2024-2027 Plan
Carry out new market surveys to identify possible environmental requirements applicable to procurement processes in the 2023-2026 period	2 new market surveys were carried out on equipment for our fleet and a survey on contracting services	■	Respect for Human and labour rights	Confirmed
Strengthen the supplier qualification process on ESG issues when updating the company qualification system (2023)	In the process of completion following decision to join, by invitation, the Open Es platform for the ESG part of supplier qualification	■	A sustainable supply chain	Objective nearing completion
Continue the training activity on Anti-Corruption and 231 Compliance for at risk personnel, with 100% coverage of the countries included in the training plan in 2023 **[Incentive scheme]**	Training was carried out for 18 countries and an update was performed for 2 countries	■		Objective confirmed with updated target
Implement a job rotation program for recent graduates to ensure they make experience in Control and Compliance Functions by 2025 **[Incentive scheme]**	The implementation of the programme involving 16 new recruits has begun	■	Human Capital	Confirmed
Maintain the "detection and response" process in accordance with ISO/IEC 27001 with the confirmation of the certification in 2023	Certification confirmed in February 2023.	■		New objective with updated target to obtain new certification
Continue the public health initiatives, for example those linked to preventing malaria and promotion and awareness of health topics in 2023	Numerous health promotion initiatives were organised in the region, including malaria prevention	■		New objective with updated target
Develop a methodology to monitor the effectiveness of initiatives on the ground in the 2023-2026 period	A methodology has been developed and will be applied to the initiatives planned for 2025	■		Maintained
Implement a biodiversity protection initiative ("Seabin initiative" pilot project) in 2023	Activity completed	■		New objective with updated target

■ Target achieved or, for objectives in 2024-2025-2026, underway as per plan.
■ Target partially reached or in progress.

New goals

Listed below are the new objectives defined in the 2024-2027 plan.

- Increase in the number of suppliers on the Carbon Tracker platform: 800 vendors by 2026
- Adopt minimum environmental requirements in purchasing processes: launch of 2 new market surveys (2024)
- Training of supply chain personnel on ESG issues (2024)
- Conduct human and labour rights audits of suppliers and employment agencies (11 audits) (2024)
- Awareness-raising initiatives on human and labour rights, involving 50% of key subcontractors in high-risk countries (2024)
- Implement the 2024 Local Community Initiatives Plan as planned
- Installation of a new seabin in the Arbatax area, Italy, and renewal of the seabin installed in 2023 in Venice, Italy (2024)

RELATIONS WITH STAKEHOLDERS

GRI 2-29

Pursuing a constant dialogue and sharing objectives with all stakeholders are the means through which it is possible for the Company to create shared value. The approach developed by Saipem over time aims to ensure open and transparent relations between all parties involved, promoting positive and mutually advantageous interactions in relations with all of its stakeholders, including local ones, in the territories in which Saipem operates.
The principles and responsibilities at the basis of Saipem's stakeholder engagement process are defined in the "Stakeholder Engagement" Management System Guideline, a corporate governance tool applied to the entire Group, the relations with the stakeholders in line with the cornerstones of the Group's Sustainability Policy, available on the company intranet.

The stakeholder engagement process is structured as follows:

STAKEHOLDER ANALYSIS AND IDENTIFICATION → DEFINITION OF THE RELATIONS STRATEGY → STAKEHOLDER ENGAGEMENT → MONITORING AND REPORTING

To identify material topics, stakeholder engagement is a key element (refer to the "Materiality analysis and content definition" section for information on the type and number of stakeholders involved in the process).
Below are listed the main categories of stakeholders of the Company, the engagement approach adopted and the main engagement activities implemented.

Financial community

The Company is committed to maintaining a continuous dialogue with its financial community, to which it guarantees maximum transparency and fair access to confidential information. Individual shareholders can liaise directly with the Company Secretariat.

Non-financial information is increasingly analysed by investors and the financial market, who look more analytically at the ability of a company to develop sustainable business strategies and plans over time, with measurable objectives and concrete actions that demonstrate the company's ability to manage risks and exploit the opportunities of changing markets and scenarios.

The Company is also committed to developing and maintaining long-term relationships with insurers and banks, with whom it communicates on security and loss prevention initiatives and their results in order to secure competitive terms and conditions. The risk transfer process identifies the insurance capacities for appropriately covering our risk profile and exposures.

MAIN ENGAGEMENT ACTIONS

- Organisation of 4 post-results roadshows and participation in conferences and reverse roadshows, for a total of 16 days of meetings.
- Engagement activities with 23 financial stakeholders on ESG topics.
- Approximately 760 people took part in four conference calls and webcasts on the quarterly and yearly financial results.
- Approximately 200 interactions with investors during in-person or virtual meetings.
- Periodic publication of information through press releases and presentations.

ESG rating and indexes

ESG analysts monitor Saipem's performance in relation to environmental, social and governance criteria. Also, for 2023, Saipem has maintained leadership positions and remained well above the average for the reference sector, demonstrating a distinctive commitment to the sustainability of its business. "ESG Indexes and Rating" section of the 2023 Sustainability Report provides more details on indexes and analysis on the sector.
In particular, we note the inclusion of Saipem for the seventh consecutive year in the Dow Jones Sustainability Indexes (World and Europe) with the highest score in the Energy Equipment & Services sector (77 compared to the sector average of 25), following the Corporate Sustainability Assessment conducted by S&P Global.

Clients

Clients are one of Saipem's fundamental stakeholders, and guaranteeing their satisfaction is important both in terms of the profitability of projects and the effectiveness, efficiency and sustainability of the processes adopted for their implementation. In addition to constant reporting and frequent meetings on operational projects, specific customer satisfaction monitoring and analysis systems are implemented in each business line, to improve Saipem's operational management and performance in meeting the needs of clients and maintaining closer relations with them. Relationship with clients is aimed at understanding their requirements and expectations from the perspective of solution providers and with a focus on energy transition, including through defining partnerships and collaborations.

Direct assessment is regularly performed with the involvement of clients, through specific meetings and/or gathering information through satisfaction questionnaires. Furthermore, indirect assessment is performed without the explicit involvement of clients, through regular monitoring and the analysis of specific satisfaction indicators. All the results obtained through the customer satisfaction system are regularly reviewed by the Company Management to identify the critical areas and any preventive or improvement measures.

During 2023, the Customer Relationship Management system, which centralises workflows, data and insights on business initiatives, clients and markets in a collaborative digital platform, and which employs more than 300 colleagues, was further developed to enable the listening of clients and improve relationships. Specifically, the implementation of a new digital management function of the Project Customer Satisfaction process described above has ended, with the possibility of configuring questionnaires based on the peculiarities of the Business Line and of the specific project, with automatic return and logging of responses and multidimensional display of analytics.

MAIN ENGAGEMENT ACTIONS

- Involvement of clients through a customer satisfaction monitoring system (21 evaluations of clients involved through customer satisfaction questionnaires). 90% of interviewees expressed satisfaction for Saipem's conduct (i.e.: they assigned an overall score greater than or equal to 6 on a scale of 0 to 10), while 62% of interviewees stated that they were completely satisfied with the company's activities (i.e. they assigned an overall score of 9 or higher on a scale of 0 to 10).
- Partnerships and agreements signed with clients for the joint development of technological innovations, including those aimed at new renewable energy markets and the sustainable use of resources.
- Joining the "Net Zero Pact", an initiative created by SSE with 10 other founding partners as a legacy of COP26, which brings together different companies at all levels of the energy sector – including civil, maritime, renewable energy, electrical engineering and others – which are committed to a fair and equitable transition to net zero carbon emissions.
- Involvement of some clients in update events on the values of the new Health and Safety Vision 2023.
- 23 clients involved in the reputation analysis update.

Institutions and trade associations

Saipem has always been engaged in a constructive and transparent dialogue with central and local institutions, and with trade associations in host countries.
The activity of interest representation is carried out by the Company with the will to create a climate of effective collaboration in a logic of constructive and beneficial dialogue for all parties involved, often on relevant issues of general interest, direct and/or indirect.

The Public Affairs function is responsible for institutional dialogue, guaranteeing uniform and coherent relational strategies and communication to external parties.

By virtue of the strong international orientation of the Group, Saipem collaborates and maintains close relations with the Italian diplomatic network, engaging in a constant dialogue with the Ministry of Foreign Affairs and International Cooperation and with foreign diplomatic institutions in Italy. With this in mind, Saipem believes it is important to make its operations and its achievements in industry known to institutions.
In 2023, Saipem participated in several institutional meetings and international round tables.
Among the main memberships, we highlight that to industrial associations and specifically Assolombarda, aimed at receiving support mainly in industrial relations management, also at local level, and updates on operational issues in the sector, as well as at increasing the industrial system's knowledge of the company and of its services. As part of its membership in the World Energy Council (WEC), Saipem participates in the first bilateral workshop organised in Washington to establish a dialogue with US institutions, in particular the Department of State and the Department of Energy, on possible collaborations between Italy and the USA to face the challenges of the transition. Saipem also contributes to the dialogue with international stakeholders on the industrial and economic level through its membership in ISPI, in Associazione Italia ASEAN and in the Ambrosetti Forum.

Other participations worth mentioning are those in sector associations such as IADC (International Association of Drilling Contractors), IMCA (International Maritime Contractors Association), IOGP (International Association of Oil and Gas producers) and Windeurope. Total membership fees spent in 2023 amounted to €1.1 million.

More details on collaborations with international associations and organisations on climate change can be found in the section "The contribution to mitigating climate change".

MAIN ENGAGEMENT ACTIONS

On the occasion of COP28, Saipem also organised a collateral event within the Italian Pavilion, managed by the Ministry of the Environment and Energy Security (MASE), to discuss topics such as innovation and technology for achieving decarbonisation targets. The event, entitled "Engineering for a Sustainable Future. Decarbonisation Technologies and Solutions", was the opportunity to present the company's most innovative solutions.

Saipem collaborated with the Ministry of Foreign Affairs and International Cooperation, with the Ministry of the Environment and Energy Security and with the Ministry of Business and Made in Italy by participating in working groups; in particular with the Coordination Table C.EN.TRA Energy Climate and Ecological Transition, which in 2023 has resumed its work and technical discussions on projects of national interest in which Saipem is involved. In June 2023 Saipem participated in the Italy Uzbekistan Business Forum, organised by the Ministry of Foreign Affairs, Confindustria and the Italian Trade Agency, following which it signed a Memorandum of Understanding to cooperate in the field of natural gas, CO_2 capture and hydrogen, with the ambition of carrying out a transfer of know-how and skills:

- in October 2023, as part of the Italy Mozambique Business Forum organised by Confindustria, the Ministry of Economy and Finance of Mozambique and a delegation of Mozambican entrepreneurs participated in a meeting at the Saipem headquarters to promote the participation of small and medium-sized Mozambican enterprises to the projects planned in the country, with a view to valorising local content and supporting the socio-economic development of Mozambique;
- lastly, Saipem welcomed some representatives of the Ministry of Energy of Oman to its headquarters in Milan to explore possible collaboration opportunities in the field of green hydrogen in light of the country's strategies, and a delegation from Canada, accompanied by the Italian Embassy, to evaluate financial support opportunities for projects in the CCUS context.

Furthermore, the Company actively participates in the Gas Industry Advisory Committee (GIAC) and its Technical, Economic and Regulatory sub-committees, within the international organisation of the East Mediterranean Gas Forum, whose purpose is to promote cooperation and investment in the area and to initiate a structured and systematic political dialogue on natural gas.

In 2023, the Saipem Group was an active member of 112 national and international business and trade associations. In particular, the parent is a member of 57 associations and organisations.

Employees

In its relationship with its employees, the Company's priority commitment is to recruit and retain talented people, promoting their development, motivation and skills, guaranteeing safe and healthy workplaces, and stable relations with trade unions in order to maintain an open and collaborative dialogue. The Company is committed to supporting people's diversity and inclusion in all their forms. Actions aimed at promoting equity are a priority for Saipem and a duty towards company population.

MAIN ENGAGEMENT ACTIONS

- Involvement of more than 3,000 employees through a training programme called STEP (Saipem Training Enabling People), focused on digital and energy transition, thanks to the opportunities offered by the "New Skills Fund", **established by ANPAL (National Agency for Labour Policies) and connected to the Recovery Fund**.
- Employees involved in events on HSE issues (LiHS programme, World Environment Day celebration, drug and alcohol prevention programme, cardiovascular disease prevention programme, etc.). For example, over 350 people including Saipem employees and their families, partners from the Middle East and the Italian community in the United Arab Emirates were involved in the cascading process of the new Health & Safety Vision.
- Corporate volunteering initiative (in collaboration with **Plastic Free Odv Onlus** at the Cassinis park in Milan, near the new Saipem headquarters in Milan Rogoredo).
- Raising awareness on Diversity and Inclusion issues in partnership with the Valore D Association.
- Launch of a Diversity & Inclusion themed survey in Italy to track the level of satisfaction and awareness among employees on the topic of gender equality in the workplace.
- Delivery of the Welcome to Saipem programme to new hires, to present Saipem's business, its values and some company processes.
- Employee involvement through the 2023 Strategy Line Up meeting, an event to share the company strategy and objectives.
- Involvement of approximately 6,000 employees via virtual focus groups to update the leadership model.

Local communities
The Company is committed to contribute to the progress of the local communities, to the social, economic and cultural development and improvement of their living conditions. Each operating company or project adopts a targeted approach that takes into account the role of the company and the specific context in which it operates, adopting for this purpose an open and transparent dialogue with the communities living in the host territories.
Local communities are actively involved in the implementation of local development projects and the Company provides proactive support in crisis and emergency situations.

MAIN ENGAGEMENT ACTIONS
- 48 development initiatives for local communities in 12 countries (Angola, Saudi Arabia, Azerbaijan, Brazil, Guyana, India, Indonesia, Italy, Kazakhstan, Mozambique, Nigeria, Senegal) which reached a total of more than 1 beneficiaries. Invested more than €1.2 million in these initiatives.
- Provide support with disease control (e.g., Malaria Control Program in Angola).
- HSE awareness events involving local communities (in Angola and Indonesia).
- Promoting environmental awareness and the importance of conservation of the environment and pollution reduction (e.g. in Italy, Saudi Arabia, Azerbaijan, Indonesia).
- Cooperation with local schools and universities in many countries to encourage the development of human capital (e.g. training courses, internships, research projects, lectures at universities, provision of scholarships in Angola, Italy, Indonesia, Brazil, Nigeria, Kazakhstan, etc.).
- Partnerships and agreements with research centres and universities for sharing knowledge and the joint development of technological innovations, also through the organisation of Talent Attraction initiatives in order to connect companies and educational institutions such as the La Sapienza University of Rome, the Polytechnic of Bari, the IUAV University of Venice, the University of Bologna, the University of Pavia and the Federico II University of Naples.
- Awarding of scholarships (University of Trieste) and partnership for the creation of three-year courses and master's degree courses in "Engineering for industrial sustainability" and "Green industrial engineering" (Polytechnic University of Marche), creation of the HSEQ SYNERGY Master, in collaboration with the QUINN Consortium, which aims to train 15 young graduates.

Local organisations and NGOs
The Company is committed to providing adequate information to local and non-governmental organisations interested in Saipem operations. The regular publication of information, objectives and results on topics of interest through Saipem's institutional channels is the main and most extensively tool used. It is also of interest to Saipem, with a view to creating shared value and local development, to facilitate and participate in development projects. In order to identify and implement them, it has to interact with organizations of proven experience and integrity with whom to establish short- and medium-term collaborative relationships.

MAIN ENGAGEMENT ACTIONS
- Community initiatives developed through partnerships and cooperation with non-governmental organisations (e.g. Plastic Free in Italy).
- The collaboration with One Ocean Foundation continued.
- Participation in the World Congress on Health and Safety at Work organised by the International Labour Organization (ILO) and the International Social Security Association (ISSA).
- Participation in the Sustainable Procurement working table of the Italian Network of UN Global Compact and in the Target Gender Equality accelerator.

Vendors
Saipem believes in sharing sustainable value along its entire supply chain. The relationship with its suppliers is based on mutual trust and ethical behaviour, in order to have a strong and reliable supply chain. From this point of view, the Company is committed to developing and maintaining long-term relationships with its suppliers, whose reliability from a technical, financial, organizational and ethical point of view is guaranteed by a structured evaluation and management process.
Vendors are also proactively involved in initiatives to strengthen their knowledge on HSE, human and workers' rights. Vendors are also fundamental partners for reducing our environmental footprint with whom the Company collaborates continuously and proactively.

MAIN ENGAGEMENT ACTIONS
- Subcontractors involved in HSE initiatives (Saudi Arabia, Kuwait, Azerbaijan).
- 117 vendors involved in training activities on human and labour rights.
- More than 1,100 vendors involved in activities to promote sustainable practices in the supply chain.

Future generations
Saipem is committed to the education and training of the new generations through investments in the local system and in education programs in the contexts in which the company operates.

Our commitment to young talent takes the form of opportunities to join the company, and personal and professional growth through empowerment and tutoring initiatives, as well as support in career guidance and the dissemination of corporate culture.
Moreover, the Company is committed to building a concrete and lasting partnership with schools and universities, encouraging the integration of knowledge with work experience.

MAIN ENGAGEMENT ACTIONS

- Events for attracting talented people to foster the connection between the world of work and the world of education, with a specific focus on STEM (e.g. Synergy programme).
- Partnerships with many universities in countries where we operate (e.g., Archimedes project in Brazil, ERSAI scholarships in Kazakhstan, various activities carried out in collaboration with the Milan Polytechnic in Italy).
- Vocational training courses for young people to help them enter the labour market (e.g. in Guyana, Nigeria, Kazakhstan).
- Improvement of educational facilities to ensure a safe and effective learning environment (e.g. in India, Indonesia and Oman).
- Participation and support in the 21st edition of the Premio Socialis: recognition for the best Italian degree theses on CSR and sustainable development issues.
- As part of the partnership signed with the Carlo Bo University of Urbino, at the beginning of 2023, 38 students of different nationalities and five professors visited our FDS 2 vessel (at that time moored in Genoa, Italy). The interactive online visit was held on board the Saipem 7000 in October 2023, in which approximately 27,000 students participated.

SAIPEM'S BUSINESS

Company profile and key operations

GRI 2-4, 2-6
SASB IF0301-A/B/C
SASB EM-SV-000. A/B/C/D
SASB IF-EN-000.C

Saipem Group is a global leader in the engineering and construction of major projects for the energy and infrastructure sectors, both offshore and onshore. The Company is present in more than 50 countries, with 8 fabrication yards and a marine fleet composed, at the end of 2023, of 21 construction vessels and 15 drilling vessels, of which 8 owned by Saipem. For details about the events recorded in the year leading to changes in the fleet composition compared to the previous year, please see the "Director's Report". The Company works in Europe, Americas, CSI, Africa, Middle East, Far East and Oceania and has specialist skills in the management of complex projects, from design to decommissioning, in extreme environments, remote areas and deep waters.

The market conditions in which the Group operates are described in the "Market conditions" section of this Annual Report.

To foster energy transition, responding to and anticipating current and future market needs, the Group has made innovation and digitalisation key elements of its strategy. A commitment affecting both the conventional business linked to fossil fuel sources and to the development of new technologies for the emerging renewable energy markets.

The Group business model enhances the synergies between the different business areas and the external context in which it operates, aiming to constantly identify new solutions to increase operational efficiency, reduce the environmental impacts of operations and products supplied to clients, and to improve the safety of staff and vendors. The section "Organisational structure" of the present Annual Report lays out the Group's organisational configuration.

Additional information on the company profile and the operations by business Division is available in paragraph "Organisational structure" of the Annual Report and in section "Issuer's profile" of the Report on Corporate Governance and Shareholding Structure 2023.

Metrics of operational activities in the year	Unit of measurement	2023
Total backlog [a]	(€ million)	29,802

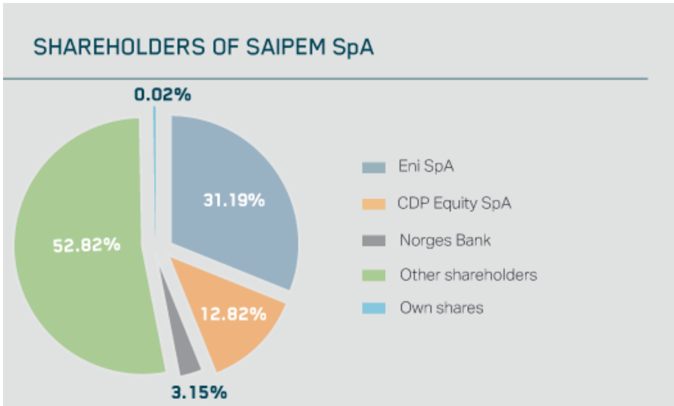
(a) Does not include Onshore Drilling.

Core business revenue by business

(€ million)	2023	2022
Asset Based Services	6,069	5,026
Energy Carriers	5,062	4,389
Offshore Drilling	743	565

Shareholding

Saipem is a company subject to the joint control of Eni SpA and CDP Equity SpA. As of December 31, 2023, the share capital of Saipem SpA amounted to €501,669,790.83, broken down into No. 1,995,557,732 ordinary share and No. 1,059 savings shares, none with a nominal amount. Based on information available and communication received pursuing Consob Resolution 11971/1999 (Issuers' Regulation), as of December 31, 2023, 31.19% of the share capital of Saipem SpA was owned by Eni SpA, 12.82% is owned by Cassa Depositi e Prestiti (CDP) SpA, a company controlled by the Italian Ministry of Economy and Finance, through the subsidiary CDP Equity SpA, while the remaining is distributed among private shareholders, among which Norges Bank holds a significant share of 3.15%.



Company management and organisation model

With a view to continuously improving corporate performance and processes, the process of consolidating the operational and corporate governance model defined by Saipem in 2022 continued in 2023. It involved

the identification of distinct Business Lines, each with dynamics, objectives and skills specific for technical and economic development of offers and the management of projects acquired in the assigned business sector:
- Asset Based Services: development of asset-based projects and services in the drilling and offshore sector;
- Energy Carriers: design and construction of complex plants or their low carbon reconversion;
- Robotics & Industrialized Solutions: development of modular, repeatable, scalable plants and monitoring and maintenance services based on digital technologies;
- Sustainable Infrastructures: project development in the new ecosystem of energy transition and sustainable mobility.

In February 2023, the Company established the Offshore Wind business line with the aim of consolidating Saipem's role in the offshore wind sector through the unitary management and development of the business and market opportunities.
During 2023, in continuity with the pursuit of the objectives of innovation, effectiveness and efficiency at the heart of the Saipem culture, the following main organisational interventions were carried out:
- update of the Overseas Operating Model with the definition of the role of Country Manager, responsible for representing Saipem in the various countries, ensuring governance and coordination between the Managing Directors of the various companies in the country and the central organisational structures of Saipem SpA;
- review of the organisational structure of the Commercial Function with the establishment of a unitary Business Development unit, structured by geographical areas;
- updating of Saipem's Privacy Organisation Model, also on the basis of the elements deriving from the progressive consolidation of the interpretations concerning the European Regulation 679/2016 - GDPR;
- integration of the Sustainability activities into the People, Safety and Environment Function, in order to maximise the operational synergies with the units governing HSE and HR, which underpin the key features of Saipem's Sustainability Plan;
- reorganisation of the Fano operations centre in order to enhance and strengthen its activities and key competencies;
- optimisation of the organisational structure of the HSE and Business Operations and Maintenance areas, in order to strengthen corporate focus on Asset Integrity activities;
- in the context of the General Counsel structure: (i) centralization of contract management activities, both in the commercial and executive phases, guaranteeing the concentration of legal and contractual activities and negotiation support in a single function; (ii) updating the organisational structure to oversee legal assistance and consultancy activities;
- reorganisation of the Cybersecurity Operations with the aim of ensuring greater segregation between policy, governance and control activities with respect to the execution of operational activities;
- launch and development of the "Cost Baseline Transformation" programme to reduce the baseline of Company costs not directly related to projects, generating positive impacts on their efficiency and performance, with a view to ensuring profitable and sustainable growth for Saipem over time;
- establishment of the Diversity and Inclusion Committee with the aim of ensuring the promotion and adoption of the gender equality principles included in company policies within Saipem, and guaranteeing the constant application of all the elements and requirements of Uni PdR 125:2022.

Development of the market scenario and strategy

The forecast information contained in this paragraph must be seen as "forward-looking statements", since they depend on the occurrence of events and future developments that are beyond the control of the Company; in particular, the information could be reviewed following the evolution of the on-going Russian-Ukrainian and Israeli-Palestinian crises and as a result of the situation in the reference market.

The current context is characterised by a positive cycle in the reference markets for Saipem, in particular that of Oil&Gas, globally triggered by the growing need to access safe and sustainable energy sources. In 2023, the world economy, according to the International Monetary Fund, grew by 3.0% compared to 2022, driven by strong growth in India (+6.3% in 2023) and in the emerging Asian countries, capable of compensate for a slowdown in some advanced economies, in particular that of the Euro area. This trend has manifested itself despite some significant factors impacting the global scenario, such as the worsening of geopolitical instability, burdened by the Israeli-Palestinian crisis and ongoing conflict in Ukraine, and the persistence of high inflation rates, however, decreasing compared to the previous year and expected to decrease further.
In 2023, the energy sector, one of the most impacted by the crisis of the 2020-2022 period, consolidated, with ever greater solidity, the recovery begun in previous years, supported by growing attention to the security of energy supplies. This dynamic has favoured the growth in demand for traditional energy sources, such as oil and gas, and has moved in a more balanced market context, with Brent crude oil settling at around 80 dollars a barrel. Overall, the signals that emerged during the year have gradually translated into a further increase in investment in the Oil&Gas segment, now firmly above pre-COVID values. This growth was

recorded in all geographical areas and with particular intensity in Africa and South America. In addition to the inflationary dynamics that continued into 2023, investments in energy infrastructures contributed to supporting this trend, as a strategy for mitigating supply risks, in particular in some geographical areas, such as Europe, which are continuing in the process of energy source diversification. The main oil companies have moved in this direction, also through mergers and acquisitions, to guarantee a growing supply of fossil fuels, on the one hand pursuing a strategy aimed at maintaining the solidity of their financial structure, and on the other continuing in the process of diversifying its investment portfolio in the field of energy transition, so as to respond to the growing pressure from the market in this area and to its objectives of CO_2 emission reduction.

The expectations for the Oil&Gas sector in coming years are positive in different regions (for example, Africa and the Middle East, areas where Saipem has a historical presence), and across the different reference markets of Saipem, starting from the most reactive to the oil and gas price trend, such as Offshore E&C and Offshore Drilling, to the Onshore E&C market, diversified between upstream, midstream and downstream activities. Saipem's unique capabilities in the Oil&Gas value chain will be directed towards an ever greater focus on the delivery of integrated projects between Offshore and Onshore, as for the recent award of the Hail&Gasha project in the United Arab Emirates (UAE). Furthermore, particular interest will be placed on the execution of the record backlog linked to the traditional Offshore Construction markets, simultaneously exploring the opportunities offered by the decommissioning of large platforms, especially in the North Sea. In the Offshore Wind market, we will continue to implement a multi-phase strategy, consolidating the experience gained so far thanks to the completed foundation installation projects, and then expanding along the value chain, in parallel with market development expected in the coming years. This market, despite the slowdown experienced during 2023 due to limited supply chain capacity, increased cost of materials and high interest rates, is still expected to grow strongly in the short- to medium-term. In the Onshore Construction sector we will continue with a selective commercial approach, pursuing opportunities in collaboration with the Offshore business, and focused on upstream projects and energy transition products linked to natural gas and its downstream, such as Liquefied Natural Gas (LNG) and green and blue ammonia, as well as biorefineries and carbon capture, storage and utilisation (CCUS) hubs. A growing contribution will be provided by modular solutions such as the proprietary BlueEnzyme™ in the CCUS field and Flatfish in the Sonsub field. While in the field of sustainable infrastructures a growth strategy will be pursued towards foreign markets, after having consolidated its positioning in the market Italian.

An analysis of the market context shows a gradually changing world over the longer term, strongly dependent on the scenario considered. In defining its strategies, Saipem analyses long-term energy scenarios, provided by a third party (Rystad Energy). In the central scenario (which foresees a temperature increase of 1.9 °C at the end of the century – in line with a C3[1] category scenario as identified by the International Panel for Climate Change (IPCC) in its Sixth Assessment Report) the energy mix gradually evolves by expanding towards renewable energy sources, with energy from fossil sources reaching its peak respectively at the end of the decade for oil and in the middle of the next decade for gas. In this scenario, global energy demand will grow until 2030, and then settle in the long term at values comparable to those of 2023, thanks to greater process efficiency and the transition of energy transport from molecules (e.g. oil, gas) to electrons (renewable sources). Furthermore, the ever-increasing commitment by governments in the main countries to progressively reduce climate-altering emissions is expected to continue to support a gradual shift in the use of traditional energy sources, favouring renewables and low-carbon sources. These commitments, which are also supported by the ESG choices of financial investors and pressure from public opinion, have led to the announcement of several emission reduction initiatives by countries and companies in different areas of the planet. The achievement of these objectives is mainly based on the development and use of a range of new technologies in areas such as renewable energy, the decarbonisation of various industrial sectors (e.g. agriculture, steel and cement production, transport), energy efficiency and the circular economy. The use of these innovative solutions in building new energy infrastructures and reducing carbon emissions is expected to create a significant market that is of particular interest to Saipem, which already has the skills and experience in this context, representing a competitive advantage in the new energy transition areas. In particular, Saipem continues to focus its efforts on certain key areas, such as:
- technology partnerships, patents and pilot plants on various green plant technologies (e.g. Bluenzyme™ for CO_2 capture, Star 1 and Hexafloat for floating wind power);
- innovative robotic solutions (e.g. subsea drones like the Flatfish), to offer low carbon footprint monitoring and maintenance services;
- proven experience and track record on plants and technologies that will be of primary importance in the strategies of CO_2 capture and hybridization of energy sources (e.g., treatment of CO_2 coming from wells, refineries that will evolve into biorefineries, ammonia plants);
- a solid reputation with the main Oil&Gas operators that are playing a key role today in the implementation of the energy transition.

(1) In the C3 scenarios, the global warming is kept below the highest threshold established by the Paris Agreement with a percentage of 67% and requires cutting emissions to 44 Gt of CO_2 eq (2030), 29 (2040) and 20 (2050) reaching peaks in CO_2 and other greenhouse gases as in C2. Carbon neutrality will only be truly achieved in 2070-2075.

In the outlined context, the main focus of Saipem's energy transition strategy is divided into the following reference markets:
- LNG, as a transition energy carrier;
- low-carbon fertilisers such as green and blue ammonia, for sustainable growth, guaranteeing greater access to food and consolidating its positioning in this sector;
- Carbon dioxide capture and sequestration, with long-term growth expectations and a number of initiatives already at an advanced stage in several countries. The market is also expected to evolve in sectors other than Oil and Gas, such as hard-to-abate electricity, steel and cement production, leveraging, in addition to its know-how on the subject, also on proprietary enzymatic technology;
- Hydrogen and new energy carriers based on it, such as ammonia, methanol and electrofuels (e-fuels), primarily if produced from zero-impact energy sources. This market is also expected to expand strongly in the coming decades, also supporting the decarbonisation of air and marine transport;
- chemical recycling market of plastic, both through depolymerisation and plastic-to-liquid conversion, with dedicated technological development initiatives;
- offshore wind, for which significant investments are foreseen by operators, requiring an ever-growing need for skills and competencies along the whole value chain. In addition, Saipem will continue to invest in the development of offshore wind technologies, focusing on the proprietary technologies Star 1 and Hexafloat.

Moreover, Saipem will continue the process of decarbonising its fleet, thanks to agreement signed with Eni Sustainable Mobility in 2023: it will promote the use of biofuels on its offshore construction and drilling fleet, in order to significantly reduce its carbon footprint during operations.
Finally, particular emphasis has been laid on the smart and sustainable infrastructure market, in particular those with a high technological and sustainable content associated with the Italian Recovery and Resilience Plan (PNRR). Saipem has consolidated experience in the sector on several significant projects both in Italy and abroad, and all the credentials in place to take up interesting business opportunities over the coming years.

SASB IF-EN-410b.1
SASB IF-EN-410b.3

Sustainable activities according to the EU Taxonomy

The European Taxonomy (hereinafter also referred to as the "Regulation" or "Taxonomy") is a unified system for the classification of environmentally sustainable economic activities, established by the European Union with Regulation 2020/852, in force from 12 July 2020. This system aims to identify economic activities that are sustainable from an environmental point of view, in order to guide the choices of all financial market participants by promoting sustainable investments, preventing the greenwashing phenomenon, as well as supporting the objectives of the European Green Deal.

The Taxonomy establishes six environmental objectives (climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, protection and restoration of biodiversity and ecosystems) and defines an economic activity as environmentally sustainable if:
- it contributes substantially to the achievement of one or more of the six environmental objectives;
- it does not cause significant harm to any of the additional environmental objectives;
- it is carried out in compliance with the minimum safeguard guarantees.

This information is drawn up in compliance with Regulation (EU) 2020/852 and the relevant applicable delegated acts, in particular:
- the Delegated Regulation on climate 2021/2139 which introduces economic activities and the related technical screening criteria for the objectives of mitigation and adaptation to climate change;
- the Regulation relating to the Article 8, also defined as "Delegated Regulation on disclosure" 2021/2178;
- the EU Delegated Regulation 2022/1214 concerning economic activities in certain energy sectors, which integrates the Delegated Regulation on the climate and the Delegated Regulation on Article 8;
- the Delegated Regulation 2023/2485 which introduces further technical screening criteria and activities falling within the first two objectives, integrating the Delegated Regulation on climate;
- the Delegated Regulation 2023/2486 which introduces the list of economic activities for the remaining four environmental objectives.

Identification of Taxonomy-eligible activities

The European Taxonomy defines as eligible the economic activities included in the Delegated Regulation on climate (and subsequent amendments) and in the Delegated Regulation on the remaining environmental objectives. Saipem has therefore identified within its business the activities carried out in line with the provisions of the above-mentioned Delegated Regulations and determined their eligibility.
During 2023, Saipem selected the main projects awarded by its clients that fall under the classification of economic activities eligible for the European Taxonomy, in particular for the objective of mitigating climate change (Annex I of the Delegated Regulation on Climate).

In addition, the engineering and construction projects that Saipem carries out in the natural gas sector and which represent approximately 55% of its revenue, were analysed. Saipem's involvement in the sector concerns the natural gas value chain (extraction, treatment, storage, transportation, etc.), which is excluded from the Commission Delegated Regulation (EU) 2022/1214 on gas and nuclear, for which the eligible activities are exclusively those of electricity production (ref. "4.29 Electricity generation from fossil gaseous fuels - Construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels").

Finally, in light of the regulatory updates contained in Commission Delegated Regulation (EU) 2023/2486, Saipem carried out a screening of the activities relating to the remaining four objectives ("sustainable use and protection of water and marine resources"; "transition towards a circular economy"; "pollution prevention and control"; "protection and restoration of biodiversity and ecosystems"), in order to assess the eligibility of its activities for the financial year 2023. The eligibility assessment for these new objectives expands the panel of economic activities identified by the Taxonomy and which closely affect Saipem's business. The main eligible Saipem projects fall within the objectives of "transition to a circular economy" and "pollution prevention and control".

As an engineering and construction company, Saipem has an important role in supporting its clients also in the design and construction of plants and structures in line with the environmental sustainability requirements. Therefore, in accordance with the Delegated Regulation 2021/2139 recital (37), some Saipem activities have been included as they are preparatory to client's activity. This is, for example, the case of "Production of anhydrous ammonia" (activity 3.15), for which Saipem has a proprietary technology that improves the efficiency of urea plants, but also the analysis and feasibility studies carried out in various areas falling within the eligibility classification for Taxonomy.

The CCM 6.14 "Infrastructures for railway transport" activity is one of those to undergo most of the changes following the update of Annex I published in 2023. Such changes, however, do not affect the eligibility of the activities already identified by Saipem which fall within the existing description.

Regarding Saipem's activities eligible according to the 4 new environmental objectives, the following projects are worth mentioning:

- Conversion of the Scarabeo 5 semi-submersible drilling unit into an FPU (Floating Production Unit) separation and upgrading plant which falls within the activity "5.3 Preparation for re-use of end-of-life products and product components" relating to the objective of transition to a circular economy.
- Use of underwater drones to carry out monitoring, predictive and non-predictive maintenance and pollution prevention activities which fall within the activities "4.1 Provision of IT/OT (information technology/operational technologies) data-driven solutions", relating to the objective of transition to a circular economy and "2.4 Remediation of contaminated sites and areas", relating to the objective of pollution prevention and control.
- Decommissioning of offshore platforms such as the Thistle A and Heather Jacket EPRD projects in the North Sea for the client EnQuest, falling within the activity "3.3 Demolition of buildings and other structures", relating to the objective of transition to a circular economy.

Below are the main eligible activities as described by the Regulations:

TABLE 1. ELIGIBLE ECONOMIC ACTIVITIES

Objective	Economic activities according to Taxonomy	Description of Saipem activities
Climate change mitigation (CCM)	3.6 Manufacture of other low carbon technologies	Carbon capture and other low carbon technologies projects
	3.10 Manufacture of hydrogen	Hydrogen projects
	3.15 Manufacture of anhydrous ammonia	Ammonia and urea projects
	3.17 Manufacture of plastics in primary forms	Plastic recycling projects
	4.1 Electricity generation using solar photovoltaic technology	Photovoltaic projects
	4.3 Electricity generation from wind power	Offshore wind farms projects
	4.13 Manufacture of biogas and biofuels for use in transport and of bioliquids	Biogas plant/bioenergy projects
	4.14 Transmission and distribution networks for renewable and low-carbon gases	Projects relating to the construction of pipelines for hydrogen transportation
	5.1 Construction, extension and operation of water collection, treatment and supply systems	Water pipe construction projects
	5.9 Material recovery from non-hazardous waste	Circularity projects and recovery of materials
	5.11 Transport of CO_2	Projects relating to the construction of pipelines for CO_2 transportation
	5.12 Underground permanent geological storage of CO_2	Projects relating to underground CO_2 storage
	6.14 Infrastructure for rail transport	Rail infrastructure construction projects
Transition to a circular economy (CE)	3.3 Demolition of buildings and other structures	Decommissioning projects
	4.1 Provision of IT/OT (information technology/operational technologies) data-driven solutions	Use of underwater drones for monitoring and maintenance activities
	5.2 Sale of spare parts	Sale of spare parts for ammonia and urea systems
	5.3 Preparation for re-use of end-of-life products and product components	Asset conversion project
Pollution prevention and control (PPC)	2.4 Remediation of contaminated sites and areas	Spill prevention and control systems

Analysis of alignment to Taxonomy

An economic activity is considered aligned with the European Taxonomy if it contributes substantially to at least one of the six environmental objectives, does not cause significant harm to any of the other five environmental objectives and respects the minimum safeguard guarantees.
After the identification of the eligible economic activities, specific analyses were conducted of the technical criteria established, according to the Regulation and Annex I of the Delegated Regulation on Climate, for the main projects relating to each of the identified activities, in order to evaluate the alignment. This verification was carried out by the competent company and project functions, including the Environment, Sustainability, Engineering functions, and with the direct involvement of the Project Management (Project Manager/Director) and is supported by the collection of specific data and by the analysis of the project documentation, with particular focus on the Environmental and Social Impact Assessment (ESIA) documents and other technical documents.

Substantial contribution to the climate change mitigation objective

ANALYSIS OF THE SUBSTANTIAL CONTRIBUTION FOR THE ACTIVITY 4.1

The requests relating to the substantial contribution criterion for activity 4.1 require that the activity produces electricity using solar photovoltaic technology. Within the scope of analysis, Saipem considered projects relating to the design, installation and maintenance of photovoltaic systems, which meet the required criteria.

ANALYSIS OF THE SUBSTANTIAL CONTRIBUTION FOR THE ACTIVITY 4.3

In compliance with the requirements of the substantial contribution criterion of the Delegated Regulation on Climate, only projects relating to the construction or management of plants for the production of electricity from wind energy are considered. Projects relating to the construction and installation of structures for offshore wind fields have been included within this category.

ANALYSIS OF THE SUBSTANTIAL CONTRIBUTION FOR THE ACTIVITY 6.14

Activity 6.14 carried out by Saipem meets the substantial contribution criteria as the infrastructures for rail transport consist of: electrified trackside infrastructure and associated subsystems, and infrastructure and installations dedicated to the transfer of passengers from other modes of transport to rail, not used for transportation or storage of fossil fuels.

Verification of the "DNSH" criteria for the other 5 environmental objectives

The analysis to verify compliance with the criteria that Do Not Significant Harm (DNSH) was conducted starting from a verification at individual project level, as for the verification of substantial contribution, with possible in-depth analysis by geographical area in order to identify potential non-compliance.

CLIMATE CHANGE ADAPTATION

The DNSH climate change adaptation criterion is the same for activities 4.1, 4.3 and 6.14 and requires compliance with Appendix A of Delegated Regulation 2021/2139, which requires the presence of a robust climate and vulnerability risk assessment and an evaluation of adaptation solutions. Saipem identifies, for each project included in the above-mentioned activities, the climate risks considered relevant among those indicated in Appendix A, as well as the actions to reduce negative consequences. Risks and opportunities related to the impact of climate in projects are identified, assessed and consolidated through a risk register created for each project.
The approach adopted is therefore compliant with the requirements of this DNSH criterion.

SUSTAINABLE USE AND PROTECTION OF WATERS AND MARINE RESOURCES

Regarding the objective of sustainable use and protection of waters and marine resources, a verification of compliance with Appendix B in the Delegated Regulation on Climate is required for activity 6.14. For these infrastructures, the potential impacts and mitigation solutions of the works on water were already identified as part of the environmental impact studies carried out.
This DNSH is not applicable for activity 4.1. For activity 4.3, the criterion refers instead exclusively to offshore plants, therefore it is applicable to Saipem. This requirement specifies that adequate measures are adopted to prevent or mitigate noise impacts in the marine environment. In this regard, the potential impacts are considered in the Environmental Management Plan or other documents, which establish monitoring actions for noise disturbance, as well as measures for its minimisation. Compliance with the DNSH criterion relating to the objective of sustainable use and protection of waters and marine resources is therefore confirmed for activities 4.3 and 6.14.
For further information on how Saipem manages water resources, please refer to the paragraph "Water resource management".

TRANSITION TO A CIRCULAR ECONOMY

For activities 4.1 and 4.3, the DNSH criterion relating to the transition towards a circular economy required the examination of techniques aimed at promoting the circular economy by assessing the availability and use of highly durable, recyclable and easily restored equipment and components. In this regard, Saipem evaluates materials and equipment used for the realisation of the various projects by considering, where possible, circularity options when purchasing them or the reuse of the equipment in future projects.
For activity 6.14, Saipem proceeded to verify that the waste production from construction and demolition activities occurred according to the best available techniques, and that at least 70% (by weight) of such non-hazardous waste were prepared for reuse, recycling and recovery of other materials. Furthermore, the alignment assessment of these projects took into account the update introduced by the amendment to Annex I of Delegated Act 2021/2139.
For further information relating to the waste produced, its recycling and disposal, see the paragraph "Waste management" in the chapter "Protecting the environment and minimising environmental impacts".
For the three economic activities mentioned above, the techniques, analyses, procedures and management systems adopted by the Company are deemed compliant with the DNSH requirements for the transition towards a circular economy.

POLLUTION PREVENTION AND CONTROL

The DNSH pollution prevention and control is relevant only for activity 6.14. Before construction and after construction noise studies are carried out in railway infrastructure projects; furthermore, impact mitigation measures during construction works are considered.
With the publication of Delegated Regulation 2023/2485, a change to the DNSH requirements for activity 6.14 was introduced. Specifically, it Is asked to verify compliance with the criteria indicated in Appendix C of the Delegated Climate Regulation. However, this integration does not apply to Saipem as component manufacturing is not included in project execution. The requirements of the DNSH pollution prevention and control are therefore respected.

PROTECTION AND RESTORATION OF BIODIVERSITY AND ECOSYSTEMS

The DNSH criterion for activities 4.1, 4.3 and 6.14 refers to Appendix D of the Delegated Regulation 2021/2139, which requires to carry out an assessment of impacts on biodiversity and ecosystems. Eligible projects are subject to Environmental Impact Assessments – sometimes provided by clients – which contain the relevant proposals for measures to prevent and mitigate negative impacts in particular regarding fish resources, marine mammals and avian fauna. Furthermore, no significant impacts on habitats and species in protected areas have been identified. Even for those projects located in the vicinity of Natura 2000 sites, the potential effects of construction were considered such as not to compromise the conservation status of the sites. With regard to activity 4.3, and specifically in the case of offshore wind farms, Saipem implements adequate considerations on actions that could impact the integrity of the seabed and biodiversity, formalised in specific environmental management plans. The DNSH criteria for activity 6.14 have been integrated into Delegated Regulation 2023/2485 with additional requirements. In particular when constructing infrastructures, Saipem does not have significant impacts on Natura 2000 sites and does not jeopardise the recovery or maintenance of protected species in the areas in which it operates. Compliance with the DNSH requirements is therefore guaranteed for all the aforementioned activities.

Eligible but not aligned activities

The alignment analysis performed through the evaluation of the applicable criteria, the verification of specific data and the analysis of the project documentation as a whole was carried out with a materiality-based approach to the activity. For minor activities, for which information retrieval was difficult and whose impact on KPI construction was not substantial, the analysis of alignment with the technical criteria was not carried out.
Furthermore, in line with the disclosure obligations envisaged with the update of the reference regulatory framework and the publication of Delegated Regulation 2023/2486, Saipem has taken into consideration the list of criteria useful for determining whether an economic activity provides substantial contribution to the remaining four objectives of the Taxonomy in order to identify new eligible economic activities. These activities have been set out in the previous paragraphs and are not subject to verification for alignment for the year 2023 as per the Regulation.

Minimum safeguards

Saipem has examined the respect of minimum safeguard guarantees (Minimum Safeguards) regarding human rights, taxation, fair competition and corruption, in order to guarantee compliance with the Article 3, letter c) of Regulation 2020/852. The analysis was conducted through a self-assessment carried out following an in-depth analysis of company documents and procedures in order to guarantee the alignment of Saipem's operations with the provisions of the OECD Guidelines for multinational companies, the United Nations Guiding Principles on business and human rights and the fundamental ILO conventions. The guidelines identified by the Platform on Sustainable Finance in the "Final Report on Minimum Safeguards" published in October 2022 were also taken into consideration.
The European Commission has recognised a link between the minimum safeguard guarantees established by the Taxonomy and the SFDR (Sustainable Financial Disclosure Regulation) principle of "not causing significant harm", highlighted in the FAQ published in June 2023[2]. What has been identified implies that social and personnel issues, respect for human rights and issues relating to the fight against active and passive corruption comply with the PAI (Principal Adverse Impact or Main indicators of negative impact). Therefore, the possibility of considering some additional indicators among the minimum safeguard guarantees is introduced, namely:

- the unadjusted gender pay gap;
- Board gender diversity;
- involvement in the sector of controversial weapons (which include anti-personnel mines, cluster munitions, chemical weapons and biological weapons).

Saipem is not involved in the manufacture or sale of controversial weapons.
For further information on the remaining indicators, please refer to the paragraphs "Governance of business sustainability", "Workforce trends" and "Equal treatment and enhancement of differences" of this NFS.

Human Rights, including labour rights
Saipem's commitment to these issues and the actions implemented are described in the "Operate responsibly" chapter of this document.

Taxation
The tax policy and strategy are described in the paragraph “Tax transparency”.

Anti-corruption
For all information relating to Saipem's anti-corruption system, please refer to the "Fighting corruption" paragraph of this document.

Fair competition
Saipem shows its commitment to promoting fair competition in its Code of Ethics, highlighting how the Company's commercial and corporate activities must be carried out in a transparent, honest and fair manner, in good faith and in full compliance with competition regulations. Furthermore, Saipem adopts vendor selection policies in order to guarantee the quality, costs and necessary supply of products and services through a diversified network of commercial partners, preferring competitive selection processes and encouraging the rotation of its suppliers.

(2) Commission Notice on the interpretation and implementation of certain legal provisions of the EU Taxonomy Regulation and links to the Sustainable Finance Disclosure Regulation (2023/C 211/01).

Please also refer to the "Legal proceedings" chapter in the Annual Financial Report for the relevant information.

In conclusion, Saipem carries out its economic activities in compliance with the minimum safeguard guarantees, in line with the requirements of the Article 3, letter c) of Regulation 2020/852.

EU Taxonomy reporting and KPI calculation criteria

The tables in Annex I include information relating to the indicators listed in the templates provided in Annex V of Delegated Regulation 2023/2486, which makes changes to Delegated Regulation 2021/2178, as well as to the templates included in EU Delegated Regulation 2022/1214, for economic activities in specific energy sectors such as gas and nuclear.

The proportion of economic activities eligible and aligned with the Taxonomy with respect to Turnover, CapEx, OpEx is calculated in accordance with the regulatory requirements and according to the accounting criteria specified in Annex I of the Delegated Regulation (EU) 2021/2178 and the Annex V of Delegated Regulation 2023/2486.

Below are the main results and the note on accounting standards.

PROPORTION OF TURNOVER FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES - 2023

Economic activities	Code	Turnover (k€)	Proportion of turnover %
Taxonomy eligible activities		**1,411,016**	**11.88**
Environmentally sustainable activities (Taxonomy-aligned)		**777,839**	**6.55**
Electricity generation using solar photovoltaic technology	CCM 4.1	7,644	0.06
Electricity generation from wind power	CCM 4.3	465,496	3.92
Infrastructure for rail transport	CCM 6.14	304,699	2.57
Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)		**633,177**	**5.33**
Manufacture of other low carbon technologies	CCM 3.6	11,226	0.10
Manufacture of anhydrous ammonia	CCM 3.15	263,412	2.22
Manufacture of biogas and biofuels for use in transport and of bioliquids	CCM 4.13	22,994	0.19
Transmission and distribution networks for renewable and low-carbon gases	CCM 4.14	101,849	0.86
Infrastructure for rail transport	CCM 6.14	34,537	0.29
Demolition of buildings and other structures	CE 3.3	5,251	0.04
Provision of IT/OT (information technology/operational technologies) data-driven solutions	CE 4.1	17,851	0.15
Preparation for re-use of end-of-life products and product components	CE 5.3	155,551	1.31
Remediation of contaminated sites and areas	PPC 2.4	12,339	0.10
Other (*)		8,167	0.07

(*) Other eligible activities include: manufacture of low carbon technologies for transport; manufacture of hydrogen; manufacture of plastics in primary forms; electricity generation using solar photovoltaic technology (not aligned); electricity generation from wind power (not aligned); electricity generation from ocean energy technologies; construction, extension and operation of water collection, treatment and supply systems; material recovery from non-hazardous waste; transport of CO_2; underground permanent geological storage of CO_2; retrofitting of sea and coastal freight and passenger water transport; infrastructure enabling low-carbon water transport; close to market research, development and innovation and sale of spare parts.

PROPORTION OF CAPEX FROM PRODUCTS AND SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES - 2023

Economic activities	Code	CapEx (k€)	Proportion of CapEx (%)
Taxonomy eligible activities		**161,353**	**20.34**
Environmentally sustainable activities (Taxonomy-aligned)		**107,151**	**13.51**
Electricity generation from wind power	CCM 4.3	107,151	13.51
Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)		**54,202**	**6.83**
Electricity generation from wind power	CCM 4.3	2,576	0.32
Transport of CO_2	CCM 5.11	7,589	0.96
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	4,219	0.53
Installation, maintenance and repair of technology for renewable energies	CCM 7.6	1,333	0.17
Purchase and ownership of buildings	CCM 7.7	31,085	3.92
Demolition of buildings and other structures	CE 3.3	1,131	0.14
Provision of IT/OT (information technology/operational technologies) data-driven solutions	CE 4.1	5,258	0.66
Other (*)		1,011	0.13

(*) Other eligible activities include: transmission and distribution networks for renewable and low-carbon gases; close to market research, development and innovation and remediation of contaminated sites and areas.

PROPORTION OF OPERATIONS EXPENDITURE (OPEX) FROM PRODUCTS AND SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES -2023

Economic activities	Code	OpEx (k€)	Proportion of OpEx (%)
Taxonomy eligible activities		**360,036**	**25.12**
Environmentally sustainable activities (Taxonomy-aligned)		**305,526**	**21.32**
Electricity generation from wind power	CCM 4.3	304,592	21.25
Infrastructure for rail transport	CCM 6.14	934	0.07
Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)		**54,510**	**3.80**
Conservation forestry	CCM 1.4	485	0.03
Manufacture of other low carbon technologies	CCM 3.6	1,379	0.10
Manufacture of anhydrous ammonia	CCM 3.15	12,052	0.84
Manufacture of plastics in primary forms	CCM 3.17	376	0.03
Electricity generation from wind power	CCM 4.3	4,817	0.34
Transmission and distribution networks for renewable and low-carbon gases	CCM 4.14	21,042	1.47
Transport of CO_2	CCM 5.11	575	0.04
Close to market research, development and innovation	CCM 9.1	1,491	0.10
Provision of IT/OT (information technology/operational technologies) data-driven solutions	CE 4.1	5,808	0.40
Preparation for re-use of end-of-life products and product components	CE 5.3	6,164	0.43
Other (*)		321	0.02

(*) Other eligible activities include: electricity generation using solar photovoltaic technology; electricity generation from geothermal energy; manufacture of biogas and biofuels for use in transport and of bioliquids; construction, extension and operation of water collection, treatment and supply systems and remediation of contaminated sites and areas.

ACCOUNTING POLICY

The KPIs were calculated in accordance with the requirements of the Commission Delegated Regulation (EU) 2021/2178 of July 6, 2021.

The turnover KPIs were determined as follows:

- **denominator:** the core business revenue (reference to income statement) and
- **numerator:** the revenues of the Taxonomy eligible and/or aligned projects.

The CapEx KPIs were determined as follows:

- **denominator:** the additions to ROU, tangible and intangible assets during 2023 (reference to Note 15 "Property, plant and equipment", Note 16 "Intangible assets" and Note 17 "Right-of-Use assets, lease assets and lease liabilities") and
- **numerator**: the part of the mentioned additions referred to:
  - assets or processes associated with Taxonomy eligible and aligned projects or
  - Taxonomy-related CapEx initiatives of the technology plan (CapEx Plan) or

- the CapEx initiatives of the Net Zero plan or in any case falling within the definition of CapEx c) as per Delegated Regulation (EU) 2021/2178.

OpEx KPIs, which must include research and development direct costs not capitalised, short-term lease, maintenance and repair of assets and any other direct expense related to daily maintenance of property, plant and equipment needed to ensure the continuous and effective operation of these assets, were determined as follows:

> **denominator:** the relevant direct non-capitalised costs that relate to research and development, short-term lease, maintenance and repair of assets

> **numerator:** the part of the above-mentioned costs referred to:
  - assets or processes associated with Taxonomy eligible and aligned projects or
  - Taxonomy-related OpEx initiatives of the technology plan (CapEx Plan) or
  - OpEx initiatives of the Net Zero plan.

The short-term lease costs include also the components related to Lease variable payments and low value lease, which pertain to the same cost nature.
The maintenance and repair costs of assets were quantified using the specific approach for each Saipem Business Line in order to allow these costs identification in the most coherent and effective way considering the peculiarity of each performed activity.

The Taxonomy-related KPIs were calculated on related project or job basis for each Taxonomy-eligible economic activity.

Any double counting was avoided through the application of the careful analysis and definition of the overall process at company level to identify and map all taxonomy-related activities. Each value is associated with only one Taxonomy-related economic activity and referred to a single cost/revenue object clearly identified in the accounting system and considered only once in the analysis. In particular, the value of any short-term lease costs included in the CapEx Plan and accounted for on jobs eligible for the Taxonomy was verified in order to avoid double counting.

CONTEXTUAL INFORMATION

The numerator of the turnover KPI includes exclusively the revenues from the contracts with customers.
The percentage of turnover relating to activities aligned on the turnover relating to activities eligible for the Taxonomy is 55%: a sharp decline compared to 91% in the previous year, due to the completion of some offshore wind installation projects.

Breakdown of CapEx KPI numerator by accounting category.

Accounting category	Percentage share
Additions to property, plant and equipment	62.5
Additions to intangible assets, including:	0
- related to business combinations	0
Additions to capitalised right-of-use assets	37.5

Breakdown of CapEx KPI numerator according to classification provided in Delegated Regulation (UE) 2021/2178.

Type	Percentage share
Related to assets or processes that are associated with Taxonomy-eligible or aligned economic activities	75.6
Part of a plan to expand Taxonomy-aligned economic activities (CapEx Plan)	0.3
Related to the purchase of output from Taxonomy-aligned economic activities and individual measures enabling the target activities to become low-carbon or to lead to greenhouse gas reductions	24.1

The percentage of capital expenditure (CapEx) aligned on the capital expenditures (CapEx) eligible for the Taxonomy is 66%.

Breakdown of OpEx KPI numerator.

Main expenses	Percentage share
Short-term lease	90.0
Maintenance and repair of assets	5.9
Net Zero Plan	0.2
R&D (part of Technology Plan)	3.9

The percentage of operating expenditure (OpEx) aligned on the operating expenditures (OpEx) eligible for the Taxonomy is 85%.

CAPEX PLAN

Saipem Taxonomy-related CapEx plan is a part of the Company's Technology Innovation Plan (Technology Plan) which aims to expand the Taxonomy-aligned economic activities. Depending on the specific type of projects and investments, the effort is divided between Research & Development (OpEx) and Technological Investments (CapEx).

The Plan is the document that sets out the short, medium and long-term technology innovation activities aiming to respond to Saipem's business needs for the four-year reference period. At the same time, it presents the strategic framework and the strategic innovation directives adopted, the four-year spending and investment plan (with particular focus on the first year of the plan), collaborations with third parties to achieve the plan's objectives and the existing ones, the results achieved in the previous technology plan.

The approval of the Saipem's four-year Technology Plan coincides with the approval of the Strategic Plan, of which the Technology Plan is a part, and with which it is aligned on the main directives. The processes for the approval of the Technology Plan are set out in relevant regulatory documents.

The technological innovation proposals identified are selected on the basis of the criteria listed below:

- business strategies/opportunities;
- market analysis;
- technical-economic evaluation of the chosen option and comparison with the alternatives;
- technology portfolio analysis;
- indications from the technological risk assessment of technologies (including third party ones) applied to the project;
- technology checks (Intellectual Property strategy);
- Identification and availability of the required resources.

The 2024-2027 Technological Plan confirms the dual strategy of the Company which sees its technological investments concentrated on the one hand on maintaining our competitiveness in the Oil & Gas sector, and on the other on the frontier of the energy transition with increasingly digital means, technologies and processes oriented since their conception to environmental sustainability.

The Company has undertaken various actions towards the energy transition with a strategy characterised by 4 main pillars:

1. Decarbonisation of highly carbon-intensive industries (hard-to-abate): this means still producing energy/products through fossil fuels, but significantly reducing the related climate-changing emissions. This applies not only to the Oil&Gas industry, but also to highly energy-intensive ones such as steel mills, paper mills and cement factories.
2. Renewable Energy: primarily wind, but also floating solar energy, are particularly relevant for Saipem; their systemic integration could allow greater independence from the intermittent nature of most renewables, possibly also through the production of hydrogen.
3. Hydrogen: can act as a chemical intermediate product with low carbon content and, as an energy carrier, it could progressively replace natural gas, especially for applications that are difficult to electrify.
4. "Low Carbon" fuels, Biomass conversion and Circular Economy: embracing these models means trying to safeguard the environment by improving resource management, eliminating waste through more efficient design and maximising the circulation of products.

The four areas are closely interconnected and overlapping is very frequent.

At the same time, attention is also paid to longer-term prospective issues, such as innovative nuclear energy technologies, the recovery/extraction of strategic critical minerals, the management of water resources and the conception of new sustainable infrastructures.

The main objective of the Technological Plan is to gradually bring to full development the various technological solutions identified in the previous plans for the various sectors, so as to be ready for their full commercialisation by the end of the Plan.

The total Taxonomy-related CapEx during 2023 is about €14 million while the value for the entire period of the plan (2024-2027) is €67 million.

Sustainable development partnerships

In 2023, several partnership agreements were drawn up as part of the sustainable development of the Company's business, especially in the field of energy decarbonisation. The most relevant ones are detailed below, as well as some already active in the field and which gave interesting results during the year:

- With regard to the development of the “Saipem CO_2 Solutions” proprietary technology, Saipem is actively participating in the “ACCSESS” innovation project, funded by the European Community, which started in 2021 and involves 18 European partners. The project is demonstrating the possibility of capturing CO_2 from gaseous effluents from various hard-to-abate industries such as paper mills, cement and waste treatment plants. Tests began in 2023 and will continue in 2024 for CO_2 capture campaigns. In the field of marine wind technologies, Saipem and Seaway7 announced that they have entered into a commercial collaboration agreement to jointly identify, propose and execute offshore wind projects on fixed foundations.
- In 2023, Saipem also applied to the “COREu” innovation project, financed by the European Community. The project, coordinated by Sintef (as ACCESS), was accepted and the related Grant Agreement was signed in December 2023. COREu which will start in 2024 and will have a duration of 5 years, aims to demonstrate key technologies for the entire CCS value chain, supporting the development of links between CO_2 emitters and storage sites in Central and Western Europe.
- Furthermore, a particular effort was dedicated to the optimisation of the manufacturing sequence, in the floating wind sector, which led to the launch in 2023 of the Joint Industry Project called RECIF, with the support of the French organisations ADEME and CORIMER (French Orientation Council for Research and Innovation of the marine industrial sector), and whose objective is the development of specific blocks for the optimisation of manufacturing.
- Saipem is participating, together with a number of other partners, in the 'Floatech' programme, funded by the European Union as part of 'Horizon 2020', to increase the cost competitiveness of marine wind energy by developing aero-hydrodynamic modelling coupled with active control technologies.
- In 2023, Saipem also applied to the Floatfarm innovation project, financed by the European Community. The project was accepted and the related Grant Agreement was signed in December 2023; Floatfarm aims to significantly consolidate and make competitive the floating wind technology, and we will have the opportunity to further enhance the technological maturity of Star 1.
- Saipem is also involved in the development of floating substations in collaboration with Siemens Energy.
- In February 2023, Eni Sustainable Mobility and Saipem signed a Memorandum of Understanding (MoU) with the aim of using biogenic fuels on Saipem's drilling and construction vessels, with particular reference to operations in the Mediterranean Sea area.
- In March 2023, Saipem and Garbo, an Italian chemical company, signed an agreement to support the industrialisation, development and global marketing of a new technology for plastic recycling. The agreement also provides for collaboration between Saipem and Garbo for the construction of the first chemical plastic recycling industrial plant in Italy, located in Cerano in the province of Novara.
- In November 2023, Eni and Saipem signed an agreement for the development of biorefining. The agreement supports the transformation process of traditional refineries and the development of new Eni biorefineries. The agreement aims in particular at the study and possible construction of plants for the production of biojet, sustainable aviation fuel, and HVO diesel biofuel, produced 100% from renewable raw materials.
- In 2023, Saipem continued its collaboration in the Puglia Green Hydrogen Valley, which saw Sosteneo (Generali Investments) joining the project. The project aims at helping the acceleration of the spread of green hydrogen in the national energy mix in order to reach the Italian and European targets of climate neutrality by 2050.
- Regarding the Hydrone robotic platform, the Company continues its collaboration with WSense for the development of intelligent submarine units that act as intelligent communication nodes, also able to communicate with each other through underwater channels (e.g. optical and acoustic channels) strongly integrated with Saipem’s subsea robotic systems.
- Saipem participated in the 'AIPlan4EU' project, funded by the “Horizon 2020” European programme, for the joint development of artificial intelligence protocols and applications for the automatic planning of autonomous drone missions, which will also be used for the Hydrone platform.
- Saipem, in partnership with ISME, an inter-university centre including the universities of Genoa and Pisa, was also assigned a project within the PNRM (National Plan for Military Research) with the aim of developing a special underwater robotic system (Hydrone-D) for the identification and deactivation of mines and other defence activities (AWS and "seabed warfare").

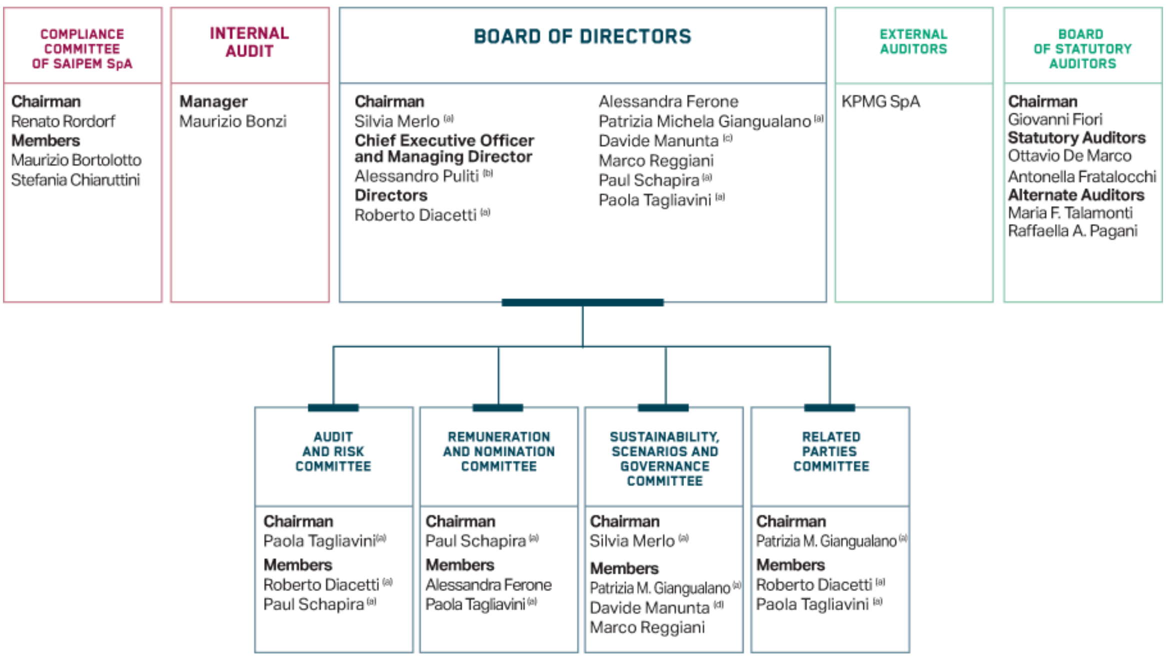
GOVERNANCE, CONTROL AND RISK MANAGEMENT SYSTEM

Governance

The Company undertakes to maintain and strengthen a governance system in line with international best practice standards, able to deal with the complex situations in which Saipem operates, and with the challenges it faces for sustainable development, in accordance with mandatory principles defined in the Code of Ethics.
More information is available in the "Code of Ethics" section of the Corporate Governance and Shareholding Structure Report 2023 and in the subsequent sections of this chapter.

Saipem adopts a system of Corporate Governance that is based on the applicable general and special regulations, the Articles of Association, the Code of Ethics, the recommendations contained in the Corporate Governance Code approved by the Corporate Governance Committee of the Italian Stock Exchange – which came into force on January 1, 2021 – and the best practices on the subject.
Saipem's system of Corporate Governance is based on the central role of the Board of Directors, on transparency and the effectiveness of the internal audit system.
It should be noted that the Sustainability, Scenarios and Governance Committee and the Audit and Risk Committee are responsible for examining the "non-financial disclosures" governed by Legislative Decree No. 254 of December 30, 2016.
In particular, the Sustainability, Scenarios and Governance Committee is responsible for: *"verifying the general approach of the non-financial statement and the articulation of its contents, as well as the completeness and transparency of the information provided with the same statement, reporting the outcome of its assessments, through its Chairman, to the Audit and Risk Committee, which is called upon to assess the suitability of the periodic non-financial information to correctly represent the company's business model, strategies, the impact of its activities and the performance achieved"*.
Consequently, the Audit and Risk Committee has the task of assessing *"the suitability of periodic financial and non-financial information to fairly present the company's business model, strategies, the impact of its activities and the performance achieved, cooperating, for periodic non-financial information, with the Sustainability, Scenarios and Governance Committee"*.
For a more detailed description of the governance of the aspects required by Italian Legislative Decree No. 254/2016, refer to the "Corporate Governance and Shareholding Structure Report 2023", and in particular to the sections regarding the Board of Directors and Internal Control and Risk Management. The above-mentioned document is included in the "Governance - Documents - Corporate Governance" section of the Company's website.

MANAGEMENT AND CONTROL BODIES



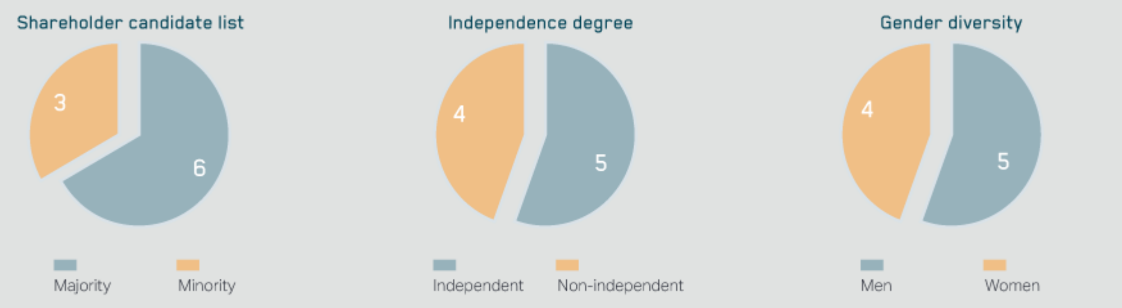
(a) Independent. (b) Appointed by co-optation on August 31, 2022 and subsequently confirmed, on May 3, 2023, (i) by the Shareholders' Meeting as Director and (ii) by the Board of Directors as Chief Executive Officer. (c) Appointed by co-optation on October 26, 2022 and confirmed as a member of the Board of Directors by the Shareholders' Meeting of May 3, 2023. (d) Appointed on October 26, 2022 and confirmed by the Board of Directors on May 3, 2023, as a member of the Sustainability, Scenarios and Governance Committee.

Governance of business sustainability

GRI 2-9
GRI 405-1

The Board of Directors was appointed by the Shareholders' Meeting on April 30, 2021 for three financial years and will expire on the date of the Meeting called for the approval of the financial statements for the year ending December 31, 2023. The appointment of Directors occurs pursuant to Article 19 of Articles of Association, through voting from a list, so as to allow the appointment of minority interest representatives and to ensure gender balance. The majority of directors are aged over 50.
It should be noted that, on August 31, 2022, following the resignation of Pier Francesco Ragni (notified on August 19, 2022), the Company's Board of Directors appointed Alessandro Puliti as director to replace him, by co-opting pursuant to and for the purposes of the Article 2386, first paragraph, of the civil code.
Also during the meeting of August 31, 2022, the then Chief Executive Officer Francesco Caio resigned with immediate effect and the Board of Directors therefore appointed Alessandro Puliti as Chief Executive Officer, former General Manager of the Company.
In light of the above, the composition of the Board of Directors had to be integrated and the number of its members brought to nine, as set by the Shareholders' Meeting on April 30, 2021. On October 26, 2022, the Board of Directors therefore appointed by co-optation, pursuant to Article 2386, first paragraph, of the civil code, Davide Manunta as non-executive and non-independent director. Mr. Manunta was also appointed member of the Sustainability, Scenarios and Governance Committee.
Pursuant to Article 2386 of the Italian Civil Code, the Shareholders' Meeting of May 3, 2023 appointed Alessandro Puliti and Davide Manunta as members of the Board of Directors, whose mandate will expire together with the directors in office, and therefore on the occasion of the Shareholders' Meeting called for the approval of the financial statements for the 2023. The Board of Directors, again on May 3, 2023, confirmed (i) Alessandro Puliti as Chief Executive Officer and Director in charge of establishing and maintaining the Company's Internal Control and Risk Management System and (ii) Davide Manunta as member of the Sustainability, Scenarios and Governance Committee.
The curriculum with the personal and professional characteristics of the directors is available on the website www.saipem.com in the "Governance - Board of Directors" section.
The responsibilities of the Board of Directors include the definition, at the request of the Chief Executive Officer-CEO, of the strategic lines and objectives of the Company and the Group, including their sustainability policies.
The Board of Directors appointed by the Shareholders' Meeting of April 30, 2021 has in its current composition competences related to evaluations and decisions linked to sustainability issues, connected to the exercise of company business and its dynamics of interaction with all stakeholders.
Notably the Board of Directors guides the Company by pursuing its sustainable success and, consistently with this objective, defines, at the proposal of the CEO, the strategic lines and objectives of the Company and the Group, including policies for sustainability and monitors their implementation.
The Board, 88% of which is made up of members over 50 years of age and 12% of which is made up of members between 30 and 50 years of age, is also adequately equipped with expertise in the field of the Code of Ethics, national and international regulations and best practices.
75% of Board committees are chaired by a female director.

COMPOSITION OF THE BOARD OF DIRECTORS



With regard to the formation and information to the members of the new Board of Directors appointed by the Shareholders' Meeting of April 30, 2021, the Company has prepared and implemented a "Board Induction" programme (that can be off-site as well), in order to allow the directors to progressively deepen their knowledge of the Company from both an industrial/operational/commercial standpoint and from a financial and governance compliance perspective. The following induction sessions were held among others, which also involved the Board of Statutory Auditors:
- September 20, 2023: induction session on the 2023-2026 Sustainability Plan;
- November 22, 2023: an off-site Board of Directors' Meeting was organised on board the vessel Saipem 7000;

- December 18, 2023: induction session on digital transformation "Digital Transformation Roadmap 2027", which also covered cybersecurity issues.

Note that the Board of Directors is periodically updated on corporate risk methodologies during meetings to allow the presentation of Risk Assessment results, and on the quarterly monitoring of the Key Risk Indicators.

In order to carry out its duties more efficiently, the Board has established:

- a Remuneration and Nomination Committee (composed of mostly independent, non-executive Directors exclusively);
- an Audit and Risk Committee (composed of independent, non-executive Directors exclusively), whose task is, among others, to assess whether the periodic financial and non-financial information correctly represents the business model, corporate strategies and the impact and performance of its business operations and to examine the content of the periodic non-financial information of importance for the Internal Control and Risk Management System;
- a Related Parties Committee (composed of independent, non-executive Directors exclusively);
- a Sustainability, Scenarios and Governance Committee (composed of four non-executive Directors, two of which are independent, and chaired by the Chairman of Saipem's Board of Directors, who is independent). In particular, the Sustainability, Scenarios and Governance Committee is tasked with facilitating the Board of Directors with advisory, preparatory and consultative functions, for its evaluations and decisions on sustainability issues, also related to Environmental, Social & Governance (ESG), connected to the performance of the company's activities, to the dynamics of interactions with all the stakeholders, to the company's Social responsibility, to the review of scenarios for the preparation of the strategic plan, based also on an analysis of issues relevant to the generation of value over the long term and to the Company's and Group's corporate governance.

Further details on the composition, appointment, responsibilities, activities and formation of the Board of Directors and internal Committees can be found in the section "Corporate Governance and Shareholding Structure Report 2023".

THE MAIN SUSTAINABILITY TOPICS FACED BY THE BOARD OF DIRECTORS IN 2023

- The Board of Directors met 14 times during 2023. In some of the meetings (8 out of 14 meetings), the following topics were discussed:

Addressed topic	Corresponding ESG topic
Sharing of the materiality analysis results for 2022 (January 2023) and 2023 (December 2023). 2023-2026 Sustainability Plan. Periodic analysis of Risk Assessment results; 2022 Consolidated Non-Financial Statement and 2022 Sustainability Report.	Climate change, Biodiversity, Water, Incidents and Spills, Waste, Community Development, Human rights, Labour rights, Safe workplace, Health, Diversity and Inclusion, Sustainable Employment, Business Ethics, Innovation, Cybersecurity.
Non-profit and local community initiatives plan: 2023 guidelines and budget.	Community Development.
2023 Report on Remuneration Policy and Compensation Paid.	Climate change, Business ethics, Diversity and inclusion.
Trends of health, safety and environment performance.	Safe workplace.
Human Rights and Modern Slavery Statement 2022.	Human Rights, Labour rights.
Update of Model 231.	Business Ethics.

Incentive system

Given the transversal nature of this topic, the sustainability objectives are defined, and must be disseminated within the Company, consistently with the various operational contexts and the requests emerging from stakeholder consultations and other contextual evidence. The Board of Directors approves the management performance plan, at the proposal of the Compensation and Nomination Committee, through which the Company's objectives are assigned to the CEO and General Director. The plan is drafted on the basis of the company's strategic plan and, for the part concerning objectives on ESG issues, considers the areas that were deemed to be of highest priority by the company's stakeholders. The objectives are then transferred with a cascade process to the management of the organisation and are set out in the Short- and Long-Term Variable Incentive Plans, described in detail in the "Report on Remuneration Policy and Compensation Paid" available on the Company website.

The active and regular involvement of stakeholders in the determination of priorities (including, for example, through materiality analysis) and the creation of an advanced monitoring system to monitor and report on company ESG performances also confirm that ESG/Sustainability factors represent a commitment the Company adopts towards stakeholders with a view to creating shared value in the long term. In terms of the Company's position to be an energy transition leader, the objective to reduce Scope 1 & 2 GHG emissions by

50% by 2035 (the reference value is calculated compared to 2018), and to reach Carbon Neutrality for Scope 2 emissions by 2025.

Risk management

The model for the integrated management of corporate risks, within the framework of the Internal Control and Risk Management System (SCIGR) has been defined in compliance with the principles and with international best practices, the Model follows an organic and concise vision of the risks to which the Company is exposed, greater consistency of methodologies and tools to support risk management, and strengthening of awareness at all levels to the effect that an appropriate assessment and management of risks of various types can have a positive impact on the achievement of objectives and on the Company's value.

At company level, Integrated Risk Management, developed in accordance with the “CoSO Report” reference framework and national and international best practices, involves the identification, assessment and analysis of risks. It provides an assessment of the strategic, external and operational risk events at Corporate, Business Lines and Subsidiaries level and the monitoring of the Top Risks, supplying an update of the risk profile for Saipem in relation to strategic and management objectives. The risk assessment is regularly performed and updated on a six-month basis through several meetings and workshops conducted with the managers of the organisations.

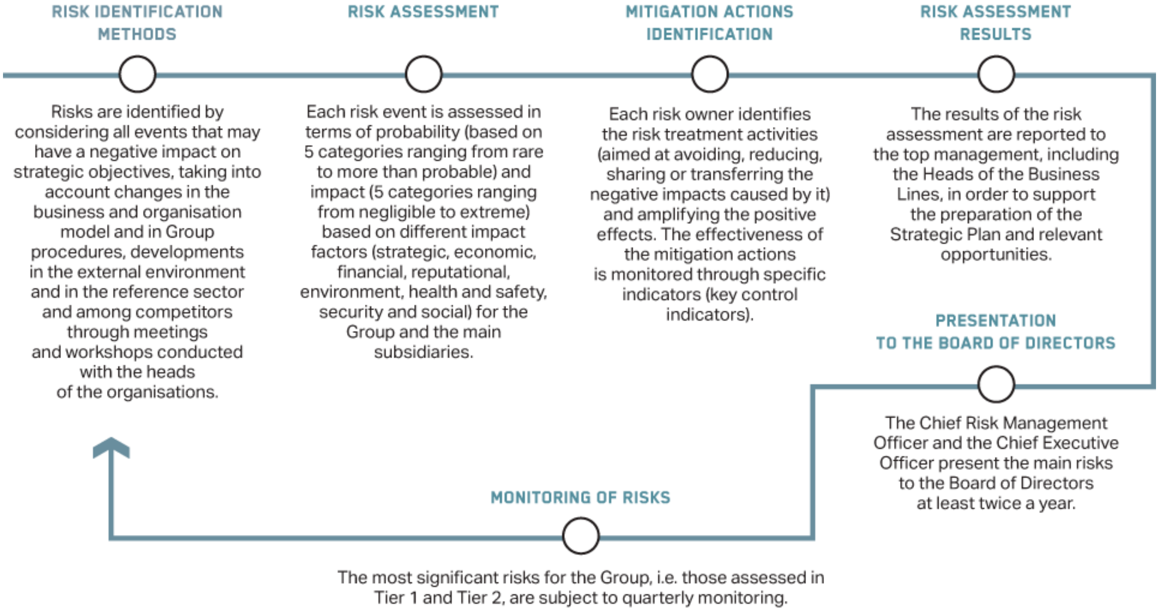
Given the geopolitical context of extreme uncertainty that characterised 2023, Saipem has carefully monitored the situation at a global level through the "social & political instability/geopolitical context" risk, seen as an emerging risk notably with regards to the Israeli-Palestinian conflict and its possible extension to the entire Gulf area, situations of potential escalation of other open war fronts (China/Taiwan, etc.), strengthening of the economic polarisations already emerged following the Russian-Ukrainian conflict.
In particular, for each country in which Saipem operates, specific monitoring is carried out aimed at analysing the situation both from a security point of view and from the socio-economic trend of the country, in coordination with the Crisis Unit of the Ministry of Foreign Affairs, in order to verify the adequacy of the Security Model adopted by Saipem also in relation to Supply Chain issues.
A quick and unexpected worsening of the risk scenarios – both onshore and offshore – of the countries in which Saipem operates could in fact impact on operations, as well as involve interruptions in the supply chain, with negative consequences on the operational continuity of the Group.

Cyber risk is constantly growing all around the world, thanks also to the increasing availability of attack tools that make use of Artificial Intelligence (AI). The improper use of Artificial Intelligence systems by malicious actors could amplify the negative effects deriving, for example, from cyber attacks via malware and phishing activities. The supply chain is particularly targeted, its vulnerabilities being exploited to penetrate the defensive measures implemented by companies.
Saipem is adopting a supplier evaluation model based on precise cybersecurity requirements.
In 2023 Saipem started establishing an internal and multidisciplinary working group on Artificial Intelligence - AI (Machine Learning, Fuzzy systems, Evolutionary algorithms). This working group, in which the Integrated Risk Management and Compliance Function is also involved, is currently aimed at monitoring regulatory developments at European and Italian level (e.g. AI Act currently being prepared by the European institutions), in order to regulate the adoption of these technologies on the European market, as well as to analyse emerging risks and evaluate any impacts of the implementation of such tools/projects within the company.

A process has been established for monitoring the main risks of the Group on a quarterly basis through specific risk and control indicators, which make it possible to monitor the evolution of the risk and the effectiveness of the related mitigation activities.

With this assumption, Saipem has decided to take a risk management perspective that includes ESG topics right from the offer phase. In particular, we have started an environmental risk assessment process which, starting from some basic information (e.g. type, location, cost, hours worked, etc., of the project), first analyses the greenhouse gas emissions that will be generated by the planned project. It is essential to appropriately evaluate prospective GHG emissions to estimate any impacts both on the company objectives and on the increasingly restrictive ones that countries are setting themselves to limit the risks related to climate change.

Integrated Risk Management process



Events that involve risks

As described in the "Risk management" section, Saipem is exposed to strategic, operational, and external risk factors that may be associated with both business activities and the business sector in which it operates. The occurrence of such risks could have negative effects on the Group's business and operations and on its financial position, performance and cash flow.
The following are the main risk factors identified, analysed, assessed and managed by Saipem management.

List of risks

1. Financial risks
2. Country risk
3. Biological/pandemic risk
4. Risks related to the supply chain
5. Cyber risks
6. Strategic risks and project acquisition risks
7. Project execution risks
8. IT risks
9. Risks associated with legal proceedings (legal, administrative, tax and labour)
10. Risks related to asset management
11. Risks related to human resources
12. HSE risks
13. Risks related to client contract management
14. Compliance risks

Internal Control and Risk Management System

Saipem's Internal Control and Risk Management System (SCIGR) consists of the set of rules, procedures and organisational structures that aim to assure an effective and efficient identification, measuring, management and monitoring of the main risks, in order to contribute to the sustainable success of the company.
The structure of Saipem's internal control system, which is an integral part of the Company's Organisational and Management Model, is governed by the "Internal Control and Risk Management System" Management System Guideline and is based on the principles contained in the Code of Ethics and the Corporate Governance Code, taking the applicable legislation, the CoSO Report and national and international best practices into account.
The Internal Control and Risk Management System involves, in various roles, the administrative bodies, compliance bodies, control bodies, the management and all the personnel.

Saipem undertakes to guarantee the integrity, transparency, correctness and efficiency of its processes by adopting suitable tools, standards and regulations for the conducting of the activity and the exercising of powers, and it promotes rules of conduct inspired by the general principles of traceability and separation of the activities.

For some time now, Saipem has been committed to fostering the development, and dissemination to all company personnel, of a sense of awareness of the importance of matters concerning internal control. The internal control system is subjected over time to auditing and updating, with a view to ensuring that it continues to be adequate to safeguard the main areas of corporate risk, in line with the typical characteristics of the operating sectors and the organisational framework of the company, and in function of any legal and regulatory updates.

In this context, Saipem handles, through special internal regulations, the reception – through easily accessible information channels –, analysis and processing of reports sent or transmitted by anyone, even in confidential or anonymous form (the so-called Whistleblowing), on problems regarding internal control, financial reporting, administrative liability of the company, fraud or other matters. Saipem fully guarantees the protection of anyone making a report in good faith and submits the results of the preliminary investigations to senior management and to the appointed control and supervision bodies. The internal control system is subjected over time to auditing and updating, with a view to ensuring that it continues to be adequate to safeguard the main areas of corporate risk, in line with the typical characteristics of its operating sectors and organisational framework, and in function of any legal and regulatory updates

Internal Audit Function

The Head of the Internal Audit Function reports hierarchically to the Board of Directors and, therefore to the Chairman, except for those duties that fall under the remit of the Audit and Risk Committee and to the Chief Executive Officer-CEO, in his capacity as Officer responsible for the Internal Control and Risk Management System (SCIGR). He is appointed for overseeing that the SCIGR is fully operational and effective

During the 2023, the Internal Audit function carried out the Audit Plan approved by the Board of Directors on March 7, 2023, including checks on the reliability of the information systems, including the accounting reporting systems, and provided regular and periodic information regarding its implementation to the Audit and Risk Committee, the Board of Statutory Auditors and the Compliance Committee insofar as it falls within their remit. On March 12, 2024, the Head of the Internal Audit function released his annual report on the main results of the activities carried out by the Saipem Internal Audit function (referring to the period January 1-December 31, 2023 with update to the date of its issue) and, in this area also expressed an assessment of the adequacy of the Internal Control and Risk Management System based on the results of the monitoring activities carried out in the reference period.

Main responsibilities of the Internal Audit Department are: (i) supervise the verification of the operation and suitability of the Internal Control and Risk Management System of Saipem SpA and its subsidiaries, also to support the assessment by company bodies and relevant structures through the integrated planning of audit and supervision initiatives and 231 Model compliance, the performance of interventions, including unplanned ones, and monitoring of corrective action implementation; (ii) ensure specialised support to the Management regarding the Internal Control and Risk Management System in order to facilitate the effectiveness, efficiency and integration of controls in company processes; (iii) contribute to independent monitoring required by the internal control models adopted by the Company; (iv) ensure the management of investigations on whistleblowing reports, including anonymous ones.

Control activities on non-financial reporting

In order to further strengthen the reliability, timeliness, and completeness of the reporting process, Saipem has developed an Internal Control System dedicated to non-financial reporting.
A dedicated function has been created which is responsible for coordinating and planning the tasks necessary for the functioning of the control system and specific internal procedures have been issued (a dedicated Management System Guideline and a Risk and Control Matrix for the Group).

A minimum set of controls and monitoring has been defined for the Group; it has been broken down by macro-processes, sub-processes and indicators, as well as by type of site/asset, to be implemented according to the scope of application. Particular focus on the site/asset is fundamental as there are specificities in non-financial reporting processes, in particular for the collection of primary data.

The operating phases of Control System are the following:
1) definition of the scope of application through quantitative assessments (identification of relevant Group companies and significant non-financial indicators);
2) identification and evaluation of controls. Specific control activities are identified, which may include approvals, authorisations, verifications, reconciliations, reviews of operational performance, confirmation of assumptions and estimates, and separation of duties. Controls may be manual or automated,

depending on the method and tools used to perform them, and may also be preventive or detective, depending on the position of the control in the reporting flow;
3) monitoring activities and corrective actions. Monitoring is a set of tasks aimed at verifying that the Internal Control System is correctly designed and operational. Two types of monitoring are foreseen: ongoing monitoring and independent monitoring. Ongoing monitoring is carried out on an annual basis by the head of the organisational unit managing the phase or task on which the risk lies. Independent monitoring is carried out on a six-month basis with the assistance of Saipem's Internal Audit Function;
4) internal control system reporting and assessment. A summary report on the Internal Control System on non-financial reporting is prepared, describing the main findings of ongoing and independent monitoring activities. In 2023, this report was shared with both the Sustainability, Scenarios and Governance Committee and the Audit and Risk Committee.

The System has been operational since 2019 and is progressively expanded year after year, by including companies and indicators to the scope of application.
Since the introduction of the System to date, some reporting processes have been strengthened, additions have been made to some company procedures, new indicators have been integrated into the company's IT systems and some calculations previously done manually have been automated. In addition, a major effort has been made to formalise existing control activities, especially to design appropriate monitoring activities when not already foreseen.

In order to further strengthen the effectiveness of operational processes related to ESG, the Internal Audit function – starting from 2021 – has included, within the work programmes used for independent audit and monitoring interventions on companies, branches and some relevant processes, the integration of a set of verifications on ESG issues.
Such issues are mainly related to respect for human rights, sustainable supply chain, diversity and environment.
These tests are carried out on a sample of companies and/or processes included in the annual audit plan approved by the Board of Directors.
The analyses conducted, the results of which were presented to the Audit and Risk Committee as part of the regular and periodic reporting on the implementation of the Audit Plan, did not reveal any particular critical issues in this regard.

Regulatory System

In order to allow the concrete implementation of what is stated in the mission and to guarantee integrity, transparency, correctness and effectiveness of its processes, Saipem adopts rules for the performance of corporate activities and the exercise of powers, ensuring compliance with the general principles of traceability and segregation. Saipem Regulatory System is a dynamic system that provides for continuous improvement in accordance with the evolution of the internal and external context and is based on a process logic. Therefore, regardless of the placement of the activities in Saipem's organisational and corporate structure, all activities are traced back to a map of transversal processes and/or topics. Through its Regulatory System, Saipem promotes the integration of compliance principles within corporate processes. The regulatory documents contain the control principles that the people involved in the regulated process are required to comply with in order to operate in conformity with current laws and regulations. The complete Saipem's regulatory system is based on and is consistent with a wider reference framework which includes: legal provisions, Articles of Association, Corporate Governance Code, CoSO Report, Organisation, Management and Control Model, and the basic principles of Internal Control Systems.

"Model 231 (including the Code of Ethics)"

In 2004, the Board of Directors of Saipem SpA resolved to adopt its own organisation, management and control model pursuant to Italian Legislative Decree No. 231/2001, "Model 231 (includes the Code of Ethics)" (hereinafter, the "Model 231"), aimed at preventing the commission of crimes sanctioned by Italian Legislative Decree No. 231/2001 "Provisions on the administrative liability of legal persons, companies and associations, including those without legal personality", in accordance with Article 11 of law September 29, 2000, No. 300".
Later, through specific projects, Model 231 was updated to reflect changes in the legislation and in the corporate organisation of Saipem SpA. In particular, the subsequent updates of Model 231 have taken into account the following:
- changes in the corporate organisation of Saipem SpA;
- changes in case law and jurisprudence;
- the considerations arising from the implementation of Model 231, including case law indications;
- practices of Italian and foreign companies with regard to these models;
- the results of supervision activities and the findings of internal audit activities;
- the evolution of the legislative framework and the Confindustria Guidelines.

Model 231 is the tool through which Saipem clearly defines its values, principles and responsibilities with a view to maximising the efficiency, reliability and reputation of Saipem, which are key factors for its success, and in order to improve the conditions in which it works.
Model 231 includes the Code of Ethics that represents a general mandatory principle. Saipem's Code of Ethics clearly defines, in compliance with the law, the values that the Company recognises, accepts and shares in the conducting of its activities; it also establishes the responsibilities assumed towards stakeholders, both internal and external. Compliance with the Code of Ethics by Saipem's directors, statutory auditors, management and employees as well as by all those who operate in Italy and abroad to achieve Saipem's objectives ("Saipem's People"), each within their own functions and responsibilities, is of paramount importance – also pursuant to and for the effects of legal and contractual provisions governing the relationship with Saipem – for Saipem's efficiency, reliability and reputation, which are all crucial factors for its success and for improving the social situation in which Saipem operates. All Saipem People, without any distinction or exception whatsoever, must respect the principles and contents of the Code of Ethics in their actions and behaviours in the context of their functions and tasks, aware that compliance with the Code of Ethics is fundamental for the quality of their working and professional performance. Relations among Saipem People, at all levels, shall be characterised by honesty, fairness, cooperation, loyalty and mutual respect. Compliance with the rules of the Code of Ethics must be considered an essential part of contractual obligations for all Saipem Personnel, pursuant to and for the effects of the applicable law. The Compliance Committee monitors the effectiveness of Model 231. The Committee also acts as the Guarantor of the Code of Ethics. It is compulsory for all Saipem Personnel to communicate in a timely manner any cases, or requests, of violation of Model 231 to their immediate superiors or to the body to which they belong and to the Compliance Committee. The reporting parties in good faith are protected against any form of retaliation, discrimination or penalisation and in any case confidentiality on their identity shall be ensured, without prejudice to the obligations according to law and the protection of the rights of the company or of the individuals wrongly accused or accused in bad faith.

During 2023, Model 231 (includes the Code of Ethics) of Saipem SpA was updated to incorporate organisational and legislative changes; a first update was approved by the Board of Directors on June 27, 2023. In relation to new regulations and amendments, we note in particular: Italian Legislative Decree No. 156/2022 "Additional and corrective provisions of the Legislative Decree of July 14, 2020, No. 75, implementing Directive (EU) 2017/1371, relating to the fight against fraud to the financial interests by means of criminal law"; Italian Legislative Decree No. 19/2023 "Implementation of Directive (EU) 2019/2121 of the European Parliament and of the Council, of November 27, 2019, which amends Directive (EU) 2017/1132 relating to cross-border transformations, mergers and divisions; Italian Legislative Decree No. 24/2023 "Implementation of Directive (EU) 2019/1937 of the European Parliament and of the Council of October 23, 2019 concerning the protection of persons who report breaches of Union law and containing provisions concerning the protection of persons who report breaches of national regulatory provisions".
A second update of Model 231 (includes Code of Ethics) of Saipem SpA was approved by the Board of Directors of Saipem SpA on December 18, 2023; in relation to regulatory interventions, particular mention should be made of the law of October 9, 2023, No. 137 "Conversion into law, with amendments, of the Legislative Decree of August 10, 2023, No. 105, containing urgent provisions on criminal trials, civil trials, fighting forest fires, recovery from addictions, health and culture, as well as on matters of judiciary and public administration personnel". It introduced in the catalogue of the predicate crimes of Legislative Decree No. 231/2001 the crimes of: disrupting the freedom of auctions (Article 353, criminal code), disrupting the freedom of the procedure for choosing the contractor (Article 353-*bis*, criminal code) and fraudulent transfer of values (Article 512-*bis*, criminal code).

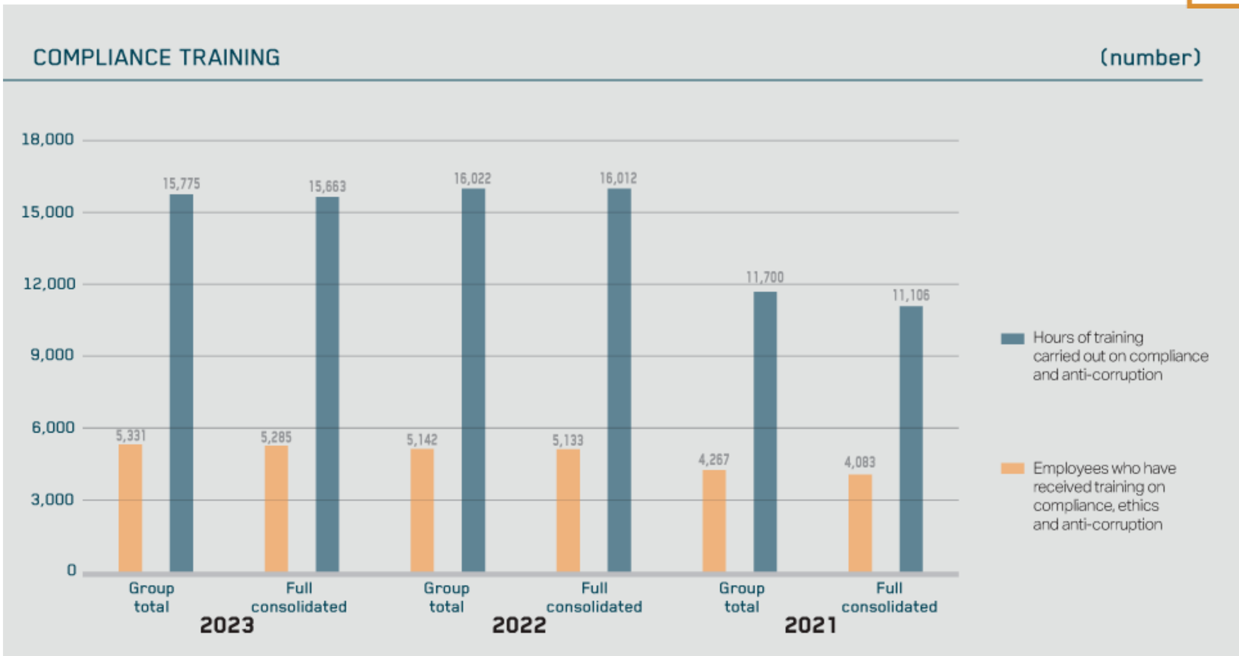
Fighting corruption

GRI 205-2
GRI 205-3
GRI 415-1
SASB
EM-SV-510a.2
SASB
IF-EN-510a.3

Saipem has always conducted its business with openness, fairness, transparency, integrity and in full observance of laws and regulations. In this context, corruption is an intolerable impediment to the efficiency of business and to fair competition.
Among the various initiatives, Saipem has designed an "Anti-Corruption Compliance Programme", a detailed system of regulations and controls for the purpose of preventing corruption, in line with international best practices and with the principle of "zero tolerance" expressed in the Code of Ethics.
In particular, Saipem's Code of Ethics (included in Model 231) establishes that "bribes, illegitimate favours, collusion, requests for personal or career benefits for oneself or others, either directly or through third parties, are prohibited without any exception".
In particular, Saipem's "Anti-Corruption Compliance Programme" is dynamic and is constantly focused on the evolution of the national and international framework of regulations and best practices.
Over the course of the years, in a perspective of continuous improvement, the "Anti-Corruption Compliance Programme" has been constantly updated in line with the reference provisions (including among others the United Nations Convention against Corruption, the Organisation for Economic Co-operation and Development Convention on Combating the Bribery of Foreign Public Officials in International Business

Transactions, Italian Legislative Decree No. 231 of June 8, 2001, the US Foreign Corrupt Practices Act, the UK Bribery Act and the French Sapin 2 law).
More specifically, the Board of Directors of Saipem SpA approved the “Anti-Corruption Management System Guideline” (Anti-Corruption MSG) on April 23, 2012. This repealed and replaced the previous Anti-Corruption Compliance Guidelines to optimise the compliance system in force. All the detailed anti-corruption procedures for specific risk areas were then updated (inter alia, the procedures for joint venture agreements, sponsorship, gifts, non-profit initiatives, vendors and consultants, relations with public administration and merger & acquisition operations).
During 2023, Saipem SpA has updated the “Anti-Corruption Management System Guideline” with a view to regularly improving the “Anti-Corruption Compliance Programme” and Saipem’s Corporate Governance systems on Anti-Corruption issues. The revision of the procedure has been issued in early January 2024.
The adoption and implementation of the aforementioned MSG are obligatory for Saipem SpA and all its subsidiaries.
All Saipem personnel are responsible for complying with the anti-corruption laws: for this reason all documents relating to this topic are easily accessible on the Company’s website and intranet portal. In this context, a particularly important role is played by the managers, who are called upon to enforce observance of the anti-corruption procedures, also by their collaborators.
Furthermore, Saipem was among the first Italian companies to achieve the international certificate ISO 37001:2016 "Anti-bribery management systems", valid for the whole Group. This certification, awarded by an independent accredited body, identifies a management standard that helps organisations in the fight against corruption, establishing a culture of integrity, transparency and compliance. The certification process, which included an audit phase that began in January 2018 and ended in April 2018, took into consideration such factors as the organisational structure, local presence, processes and services.
Subsequently, the audit activities necessary for the recertification were carried out and on April 28, 2021, the new certificate ISO 37001: 2016 was issued with a three-year validity and expiring on April 27, 2024.
Aware that the primary element for developing an effective strategy to combat the phenomenon of corruption lies in fostering thorough knowledge of the tools for its prevention, Saipem considers training and awareness-raising activities of paramount importance and confirms the strategic importance of these also to promote and disseminate knowledge on Compliance, Ethics and anti-corruption.
In 2023, 17% of employees for the full consolidated perimeter and 18% for the Group perimeter was trained on these issues, 2 percentage points higher than the previous year. Training hours delivered in these areas amounted to 15,775 for the Group perimeter and 15,663 for the full consolidated perimeter, down for both perimeters compared to the total number of training hours delivered the previous year.
Moreover, the Internal Audit function of Saipem shall independently review and assess the internal control system with a view to verifying compliance with the requirements of the Anti-corruption MSG, on the basis of its own annual audit programme approved by the Board of Directors of Saipem SpA.
Any violation, alleged or confirmed, of the anti-corruption laws or procedures must be reported immediately via one of the channels indicated in the procedure “Whistleblowing reports received by Saipem and its subsidiaries”, available on the Company website and intranet portal. Disciplinary measures are provided for people in Saipem who violate the anti-corruption regulations and omit to report violations that they are aware of.
In 2023, no confirmed cases of corruption were reported.
More information on legal proceedings in which the Group is involved is available in Note 33 to the Notes to the consolidated financial statements, “Guarantees, commitments and risks - Legal proceedings”.

Saipem requests compliance by Business Partners with the applicable laws, including the anti-corruption laws pertinent to the business activities carried out with Saipem, and the commitment to follow the reference principles contained in the Anti-Corruption MSG.
It should also be noted that Saipem does not make direct or indirect contributions, in whatever form, to political parties, movements, committees, political organisations, or to their representatives and candidates. Direct or indirect contributions may be made to trade unions and their representatives, to the extent this is provided for by mandatory legislative requirements or applicable collective labour contracts.



(No.)	2023 Group Total	2023 Full consolidated	2022 Group Total	2022 Full consolidated	2021 Group Total	2021 Full consolidated
Employees who have received training on compliance [1]						
For category of employees						
Blue collars	52	48	72	72	33	22
White collars	3,364	3,342	3,177	3,171	2,578	2,447
Managers	1,672	1,672	1,711	1,708	1,486	1,444
Senior managers	223	223	182	182	170	170
For geographical area						
Americas	176	176	247	247	189	189
CIS	25	25	175	175	2	1
Europe	3,290	3,290	2,888	2,887	2,823	2,810
Middle East	1,068	1,067	713	709	678	634
North Africa	34	34	24	24	35	35
Sub-Saharan Africa	342	317	248	243	400	273
Far East	376	376	848	848	141	141

(1) Please note that the figures relate to companies with which the employees are formally part of the workforce.

GRI 406-1

Reporting suspected violations

A fundamental part of Saipem's structured system for managing stakeholder complaints is the reporting management process ("whistleblowing") governed by a special Corporate Standard made available to all employees (through various means, among which the intranet and company notice boards) and external stakeholders (published on the Company's website).
The term "report" refers to any information, new, fact or conduct which in any way is brought to the attention of Saipem staff regarding possible violations, behaviour and practices that do not conform to the provisions in the Code of Ethics and/or which may cause damage or injury to Saipem SpA (even if only to its image) or any of its subsidiaries, on the part of employees, directors, officers, auditing companies of Saipem SpA and its subsidiaries and third parties in a business relationship with these companies, in one or more of the following areas: the internal control system, accounting, internal accounting controls, auditing, fraud, administrative responsibilities under Legislative Decree No. 231/2001, and others (such as violations of the Code of Ethics, mobbing, theft, security, and so on). Saipem has prepared various channels of communication as a way to facilitate the sending of reports, including, but not necessarily limited to, regular post, fax numbers, yellow boxes, e-mail, and communication tools on the intranet/internet sites of Saipem SpA and its subsidiaries. The Internal Audit function ensures that all appropriate controls are in place for any facts that have been reported, guaranteeing: (I) that these are carried out in the shortest time possible and respecting the completeness and accuracy of the investigation; (ii) the utmost confidentiality with methods suitable for protecting the person reporting. The investigations are composed of the following phases: (a) preliminary control; (b) verification; (c) audit; (d) monitoring of corrective actions. The Internal Audit

prepares a quarterly report on reports received that, following examination by the Saipem Board of Statutory Auditors, is transmitted to the relevant people for suitable assessment.

The following files were opened in 2023: 11 whistleblowing report files on discrimination issues, of which 3 are still open and the remaining 8 are closed; 1 whistleblowing report file on local communities issues, already closed; 37 whistleblowing report files on workers' rights issues, of which 3 are still open and the remaining 34 are closed; 54 whistleblowing report files on mobbing/harassment issues, of which 17 still open and the remaining 37 are closed. All 103 cases were transmitted to the pertinent company bodies (Board of Auditors of Saipem SpA, Supervisory Board of Saipem SpA and the Compliance Committees of the companies affected by the reports).

With regard to the discrimination issues, with reference to the 8 closed cases, in 2 cases the competent Company bodies decided to dismiss them on the basis of the investigation carried out, deeming that there was no violation of the Code of Ethics with reference to the facts reported; in one case, though without violation, corrective action was taken, whilst violation was confirmed in 2 cases. The corrective actions identified were the following: evaluation of disciplinary measures, awareness-raising on compliance with the Code of Ethics of the Saipem Group, transfer of an employee and various initiatives aimed at improving the quality of life on board a vessel for all personnel embarked.
Two cases reported in the year 2022 regarding discrimination issues that were still pending as of the last reporting date were closed in 2023. With reference to the 2 closed cases, in 1 case the competent Company bodies decided to dismiss it on the basis of the investigation carried out, deeming that there was no violation of the Code of Ethics with reference to the facts reported, violation was confirmed in 1 case. The corrective action identified consisted of an awareness-raising activity on compliance with the Group Code of Ethics intended for the reported person.

(No.)	2023	2022	2021
Number of cases reported			
Total, of which:	226	137	158
- founded or partially founded	54	34	49
- unfounded	135	103	109
- open	37	-	-

(No.)	2023	2022	2021
Files on cases of discrimination			
Total, of which:	11	5	2
- founded or partially founded	2	2	-
- unfounded	6	3	2
- open	3	-	-
Files regarding violations of the rights of local communities			
Total, of which:	1	1	-
- founded or partially founded	-	-	-
- unfounded	1	1	-
- open	-	-	-
Files regarding mobbing and harassment			
Total, of which:	54	24	35
- founded or partially founded	16	9	14
- unfounded	21	15	21
- open	17	-	-
Files in relation to other workers' rights			
Total, of which:	37	29	22
- founded or partially founded	3	7	3
- unfounded	31	22	19
- open	3	-	-

Data of 2021 and 2022 have been updated as of December 31, 2023.
(*) Note: starting from the year 2021 the company has included a new reporting category in order to provide even more detailed information to its stakeholders. The category "Mobbing and harassment" includes mobbing, assaults, abuse, offensive conduct, verbal harassment, threats.

With regard to the issues of workers' rights, with reference to the 34 closed cases, in 19 cases the competent company bodies decided to dismiss them on the basis of the investigation carried out, deeming that there was no violation of the Code of Ethics with reference to the facts reported, whilst violation was confirmed in 3 cases and in 12 case, though without violation, corrective action was taken. The corrective actions were the following: evaluation of disciplinary measures of various kinds, evaluation of measures against suppliers and monitoring of the correct payment of contributions and salaries of their employees, raising awareness regarding the correct management of the services provided, request for a legal opinion regarding the correct management of a particular type of contract, preparation of a procedure for managing the overtime approval process, cancellation of incorrect disciplinary measures and accreditation of a law firm.

It should also be noted that 3 workers' rights cases reported in 2022 were closed in 2023; they were still open at the time of the last reporting. With reference to the 3 closed cases, in 2 cases the competent Company bodies decided to dismiss them on the basis of the investigation carried out, deeming that there was no violation of the Code of Ethics with reference to the facts reported, violation was confirmed in 1 case. The corrective action identified concerned the adoption of measures aimed at overcoming deficiencies in compliance with the local law on working hours.

In the area of mobbing/harassment, the competent company bodies dismissed 13 of the 37 cases closed in the year on the basis of the investigation carried out, deeming that the events reported did not represent a violation of the Code of Ethics, while a violation was confirmed in 16 cases and corrective actions were implemented even in the absence of violations in 8 case. The corrective actions were the following: evaluation of disciplinary measures of various kinds, awareness-raising activities on sexual harassment and compliance with the Code of Ethics, training regarding Model 231, communications to suppliers aimed at reminding them to comply with the Code of Ethics, removal of an employee from a project, carrying out periodic analyses on the working environment and monitoring an employee's behaviour.

10 cases reported in 2022 regarding mobbing/harassment issues that were still pending as of the last reporting date were closed in 2023. The competent company bodies dismissed 5 of the 10 cases closed in the year on the basis of the investigation carried out, deeming that there was no violation of the Code of Ethics, while a violation was confirmed in 3 cases and corrective actions were implemented even in the absence of violations in 2 cases. The corrective actions were as follows: evaluation of a disciplinary measure and an awareness-raising activity on compliance with the Code of Ethics.

As regards issues on the relations with local communities, with reference to the closed case, the competent company bodies decided to dismiss it on the basis of the investigations carried out, deeming that there was no violation of the Code of Ethics with reference to the facts reported.

OPERATE RESPONSIBLY

How Saipem's business model creates value

GRI 201-1
GRI 201-4

Knowledge of the external context, and active listening to all interlocutors, helps to create long-term sustainable value, combining economic and social growth.
Through the Company's activities, its relations with stakeholders in all territories, its cooperations and partnerships, Saipem's business model promotes sustainable development, fully in line with the indications of the United Nations Global Compact, of which Saipem has been an active member since 2016, which underline the importance of the increasing integration of sustainability into strategic corporate choices. More information on the business model of the organisation are available in the "Directors' Report" of the Annual Report, specifically in the chapters "Asset Based Services and Offshore Wind", "Energy Carriers, Sustainable Infrastructure and Robotics & Industrialized Solutions" and "Offshore Drilling".

Economic value generated and distributed

GRI 201-1

Saipem produces economic value through its activities and redistributes part of that value, contributing to the economic growth of the social and environmental context it operates in.
In 2023 Saipem generated economic value worth €12,063 million, an increase of 16% compared to the previous year. €11,878 million was distributed to stakeholders in the form of payments and other forms of transfer. The main beneficiaries of this value were the supply chain, to whom €9,231 million (78% of the overall value distributed, compared to 73% in 2022) and employees, to whom €1,736 million were distributed (€1,656 million in the previous year), equal to 15% of the total. The amount distributed to suppliers of capital is €765 million, equal to 6% of the value distributed, compared to €1,075 million in 2022, equal to 10%.
The share destined to the public administration – in the form of taxes and charges – was €145 million (1% of the distributed value).

Economic value generated and distributed

(€ million)	2023	2022 (*)
Core business revenue	11,874	9,980
Other revenue and income	24	11
Financial income	672	1,008
Derivative financial instruments	(74)	(128)
Net reversals (impairment losses) on trade receivables and other assets	1	32
Other operating income (expense)	(5)	7
Gains (losses) on equity investments	60	(65)
(Gross) economic value generated	**12,552**	**10,845**
Depreciation, amortisation, and impairment losses	(489)	(445)
Economic value generated (net of depreciation, amortisation and impairment losses)	**12,063**	**10,400**
Economic value distributed	**11,878**	**10,715**
- of which Operating expenses (purchases, services and other costs)	9,231	7,830
- of which Wages and employee benefits (personnel expenses)	1,736	1,656
- of which to the Community (*)	1	1
- of which Capital providers (interest on loans)	765	1,075
- of which to the Public Administration (taxes)	145	153
Economic value retained in the Group on continuing operations	185	(315)
Economic value of discontinued operations	(6)	106
Economic value retained in the Group	**179**	**(209)**

(*) These are understood to be the local communities in the countries the group operates in, for socio-economic development projects, environmental protection, as well as cultural, humanitarian, scientific and sporting initiatives (€0.6 million in 2022; €1.2 million in 2023).

Tax transparency

GRI 207-1
GRI 207-2
GRI 207-3
GRI 207-4

During 2023, Saipem revised and updated the Group Tax Strategy with the aim to integrate the guidelines and key principles that inspire corporate operations in the management of the tax variable.

This document, drawn up in compliance with the Code of Ethics and the Group Sustainability Policy, was approved by the Company's Board of Directors, which defines the objectives contained therein (so-called "Tone at the top principle") and guarantees its application within the entire Group with the responsibility of spreading a corporate culture based on the values of honesty and integrity and on the principle of legality.

In particular, the Tax Strategy, published on the Company website, intends to guarantee the correct and timely payment of taxes due by law, the execution of tax obligations and the containment of tax risk, that is the risk of operating in violation of tax laws or in contrast with the principles or purposes of the tax law.

To guarantee the implementation of these principles and goals, the Group:
- is committed to promptly applying the fiscal regulations of the countries in which it operates, and ensures compliance with the spirit and purpose that rules or systems set forth for specific tax issues;
- does not use, at either a domestic or cross-border level, artificial schemes or structures to obtain fiscal convenience and, unless justified by operating requirements, it does not establish or localise residence of its subsidiaries in States which do not adopt international standards with regards the exchange of information on fiscal matters.
- is committed to guaranteeing a consistency between the place in which value is produced and the place of taxation, by not transferring the value it creates towards low-tax jurisdictions;
- does not make investments in tax havens for the purpose of reducing its tax burden, as it only does so for business initiatives;
- for tax purposes, it manages intragroup relations in accordance with the "arm's length principle" as defined by the OCSE, with the aim of aligning as correctly as possible the transfer conditions and prices with the places in which the value is created by the Group.

In order to strengthen the Internal Control and Risk Management System and ensure correct and continuous management of taxation, the Tax Control Framework (TCF) was implemented and adopted, in line with the principles and guidelines contained in the Group Tax Strategy.
This system, entered into operation starting from 2022 for Saipem SpA and extended in 2023 to Servizi Energia Italia SpA, envisages a governance model aimed at ensuring that the tax function is involved in the preliminary assessment of the tax impacts of strategic and operational business transactions, both planned and to be implemented, and that Top Management is informed about the tax consequences of these transactions, ensuring that every decision taken is consistent with the Group's Tax Strategy.

The TCF therefore ensures supervision of the areas in which fiscal risk may occur and, specifically, monitors and manages:
- the tax compliance risk, i.e. the risk of not correctly carrying out the tax obligations required by law;
- interpretative tax risk, i.e. the risk deriving from the interpretation of tax legislation;
- the tax fraud risk, i.e. the risk of incurring a violation that constitutes a fraudulent tax crime, with particular regard to the predicate offences pursuant to Italian Legislative Decree No. 231/2001.

Furthermore, this system is based on three lines of defence, as illustrated below:
- first level monitoring entrusted to the Management of the operational structures affected by fiscal risks;
- second level monitoring carried out by the Tax Risk Manager and aimed at evaluating the adequacy and effectiveness of first level controls in the tax field, as well as, by competence, by the company functions responsible for ensuring compliance with specific regulations (e.g. Law No. 262/2005);
- third level monitoring performed by the Internal Audit on the adequacy of the Internal Control and Risk Management System.

The results of the monitoring activities on the operation and correct functioning of the Tax Control Framework, as well as the main aspects that characterised the management of tax risk, are reported annually through a specific report intended for the Board of Directors and the Control Bodies.
Finally, in December, following the approval resolutions of the respective boards of directors, Saipem SpA and Servizi Energia Italia SpA presented an application to join the Collaborative Compliance regime with the Revenue Agency pursuant to Italian Legislative Decree No. 128/2015, in order to establish a collaborative relationship with the Financial Administration that aims to reduce the level of uncertainty on relevant tax issues through constant and preventive dialogue.

Country-by-Country Report
The information and data reported in this paragraph were developed on the basis of the Country-by-Country Report ("CbCR") prepared and presented to Italian tax Authorities by Saipem SpA in its capacity as Parent Company of the Saipem Group.
As part of the BEPS (Base Erosion and Profit Shifting) project published by the OECD (Organisation for Economic Co-operation and Development), Action 13 (Transfer Pricing Documentation and Country-by-Country Reporting) provides for the drafting by multinationals (whose total revenue resulting from the consolidated financial statements relating to the previous tax period are equal to or greater than €750 million) of a report known as "BEPS Country-by-Country Report" ("CbCR") which collects data on aggregate turnover, profit and taxes with reference to the tax jurisdictions in which they operate.
Pursuant to Law No. 208/2015, implemented by Decree 23/2017 of the Ministry of Economy and Finance, Saipem SpA annually transmits to the Italian Revenue Agency its CbCR containing the data on jurisdictions in which the Group operates, in accordance with the reporting model approved by the OECD. The subjective scope of reporting includes all companies directly or indirectly controlled by Saipem SpA, fully consolidated.

The data relating to the branches, i.e. the permanent establishments (PE) of the companies within the scope, are reported with reference to the tax jurisdictions where they are actually registered and operate. Therefore, with reference to the jurisdiction of tax residence of those companies, the relevant data excludes that relating to their foreign branches or PEs. The data presented in the report are aggregated by tax jurisdiction and are extracted from the management system used by Saipem SpA for the preparation of the consolidated financial statements. The data therefore corresponds to what is contained in the financial reporting models ("reporting package") that the companies within the scope send to the Parent Company at the closing of the financial statements and which are certified by the auditor.
The reporting period corresponds to the 2022 fiscal year of the Parent Company Saipem SpA, coinciding with the calendar year.
The reporting is structured in tables referring to each of the tax jurisdictions in which Saipem conducts operational activities. The data contained in each country presentation are obtained by aggregating those extracted from the Reporting Package of all Saipem SpA subsidiaries having tax residence in the country or operating there through a branch or PE.

Year 2022							
	Revenues						
Tax jurisdiction	Non-Related Parties	Related Parties	Total	Profits (Losses) before income taxes	Paid income taxes (based on cash accounting	Accrued income taxes (current year)	Number of employees
Albania	0.04	0.00	0.04	0.00	0.00	0.00	0
Algeria	4.10	(0.06)	4.05	(4.04)	17.09	15.56	12
Angola	182.60	50.42	233.02	(0.45)	10.11	10.11	1,237
Argentina	28.97	0.01	28.98	(9.67)	2.01	0.00	114
Australia	26.01	10.35	36.36	(30.61)	0.00	0.00	31
Austria	0.13	0.00	0.13	(0.10)	0.33	0.00	1
Azerbaijan	234.63	(0.07)	234.56	81.14	12.74	15.63	912
Bolivia	11.63	0.06	11.69	(4.28)	0.00	0.00	90
Brazil	283.25	20.48	303.72	(24.10)	5.84	0.00	402
Bulgaria	0.00	0.00	0.00	(0.05)	(0.01)	0.00	2
Canada	0.16	0.11	0.27	(1.43)	0.00	0.00	15
Chile	17.93	0.19	18.13	8.00	(0.91)	2.05	74
China	0.14	2.70	2.85	0.32	0.00	0.00	24
Colombia	51.04	0.02	51.06	(6.18)	1.90	0.00	335
Congo	30.24	4.63	34.86	7.99	0.90	0.93	172
Croatia	0.00	0.00	0.00	0.00	0.00	0.00	0
Cyprus	0.00	3.08	3.08	0.25	0.03	(0.13)	163
Denmark	24.20	0.00	24.20	2.62	0.00	0.00	30
Ecuador	14.43	0.00	14.43	2.63	0.36	0.51	121
Egypt	126.00	94.58	220.58	16.76	0.19	0.33	444
Equatorial Guinea	1.48	0.00	1.48	0.22	0.15	3.47	0
France	1,427.95	511.08	1,939.03	(68.09)	18.62	20.56	1,615
Gabon	0.01	0.00	0.01	0.00	0.00	0.00	0
Georgia	0.00	0.00	0.00	(0.01)	0.00	0.00	0
Ghana	18.43	0.35	18.77	0.65	1.79	0.18	28
Greece	20.69	0.00	20.69	(1.87)	0.00	0.00	0
Guyana	195.95	5.08	201.03	38.20	13.85	6.01	374
India	8.08	73.92	82.00	17.14	4.64	4.60	1,969
Indonesia	356.53	345.35	701.88	51.09	15.94	15.89	3,759
Iran	0.01	0.00	0.01	(0.01)	0.12	0.18	0
Iraq	16.60	0.72	17.32	1.22	0.93	1.21	48
Israel	53.02	0.38	53.40	(17.84)	0.14	0.00	18
Italy	1,831.40	1,856.92	3,688.32	(353.76)	(8.61)	15.96	4,301
Ivory Coast	9.38	0.00	9.38	(0.13)	0.00	0.00	144
Kazakhstan	2.04	3.91	5.95	(6.47)	(2.77)	0.67	89
Korean Republic	0.01	0.62	0.63	0.03	0.00	0.01	12
Kuwait	160.46	0.00	160.46	40.41	0.00	0.00	497
Libya	1.37	0.03	1.41	0.26	0.00	0.27	26
Luxembourg	0.09	5.52	5.62	(22.04)	0.00	0.00	10
Malaysia	0.08	0.99	1.07	1.71	0.00	0.00	9
Mauritania	140.90	0.00	140.90	2.41	0.08	2.41	1
Mexico	59.70	3.41	63.11	78.36	0.22	0.00	284
Morocco	1.05	0.00	1.05	0.98	0.02	0.31	0

	Year 2022						
	Revenues						
Tax jurisdiction	Non-Related Parties	Related Parties	Total	Profits (Losses) before income taxes	Paid income taxes (based on cash accounting	Accrued income taxes (current year)	Number of employees
Mozambique	68.89	3.51	72.40	56.41	2.26	5.07	42
Netherlands	257.38	840.37	1.097.75	396.82	8.85	13.24	360
Nigeria	96.72	8.32	105.04	(50.15)	17.02	11.86	1,504
Norway	61.69	69.32	131.02	(27.63)	0.11	0.01	388
Oman	75.80	0.00	75.80	9.95	0.81	(0.40)	167
Panama	0.00	0.00	0.00	(0.02)	0.00	0.00	0
Peru	20.27	1.04	21.31	(14.89)	0.03	0.00	332
Poland	11.78	0.00	11.78	(2.87)	0.00	0.00	0
Portogallo	162.43	435.45	597.88	15.45	9.17	10.08	98
Qatar	1,012.75	0.61	1,013.37	(39.56)	0.00	4.93	1,006
Romania	4.23	114.61	118.85	12.41	0.59	1.94	166
Russian Federation	107.14	0.00	107.14	62.59	1.37	2.19	567
Saudi Arabia	2,283.42	292.04	2,575.46	309.34	10.61	22.33	6,092
Senegal	0.00	0.00	0.00	0.36	0.02	0.36	280
Serbia	0.45	0.00	0.45	(0.28)	0.35	(0.06)	0
Singapore	0.41	1.20	1.61	(0.92)	0.00	0.00	3
South Africa	0.00	0.00	0.00	(0.11)	0.00	0.00	0
Spain	(0.41)	0.70	0.30	(3.30)	0.00	0.00	230
Switzerland	75.07	275.37	350.43	(0.22)	2.10	1.92	338
Thailand	232.77	3.96	236.73	(133.28)	7.90	0.50	172
Trinidad and Tobago	0.01	0.00	0.01	0.00	0.00	0.00	0
Tunisia	0.00	0.00	0.00	(0.07)	(0.07)	0.00	0
Turkey	91.19	0.00	91.19	0.81	4.49	0.00	326
Turkmenistan	0.00	0.00	0.00	(0.02)	0.00	0.00	0
Uganda	0.00	0.00	0.00	(0.09)	0.00	0.00	1
United Arab Emirates	272.14	89.85	361.99	11.91	0.00	0.00	1,326
United Kingdom	505.61	163.73	669.34	(82.25)	0.00	0.00	763
United States	96.24	76.39	172.62	(2.62)	0.59	1.22	330
Venezuela	0.04	0.00	0.05	(1.06)	0.00	0.00	8

The aggregate data by tax jurisdiction is as follows:

- **Total revenues**: the sum of revenue generated in the tax jurisdiction in the reference year by all Group entities resident or operating there through branches or PEs is indicated, with separate evidence of revenue generated by transactions with third parties ("Unrelated parties") and intra-group transactions ("Related parties"). Revenue include all positive income elements, such as, for example: revenue from the sale of products and the provision of services, royalties received for the rights to use industrial patents, active interests, capital gains on the sale of plant, property and equipment, intangible assets and equity investments, unrealised gains (such as the fair value of non-hedging derivatives); however, intra-group dividends are excluded. Furthermore, positive income components recognised in the overall result are excluded.
- **Profits (Losses) before income taxes**: the sum of profits and losses before income taxes recorded in the reference year by all Group entities resident in the tax jurisdiction or operating there through branches or PEs is indicated. The result before taxes, consistently with the criterion for revenue representation, excludes intra-group dividends received by the holding companies.
- **Income taxes paid (based on cash accounting)**: the income taxes paid in cash in the reference year by all Group entities resident in the tax jurisdiction or operating there through branches or PEs, both to the tax jurisdiction of residence and all other tax jurisdictions. Entities, as tax withholding agents are charged with withholding taxes paid by other companies of the Group: such taxes are applied on the compensation paid by the latter to the former mainly for the provision of services.
- **Income taxes accrued (current year)**: current taxes accrued on the pre-tax result for the financial year are indicated, recorded by all Group entities resident in the tax jurisdiction or operating there through branches or PEs. Deferred tax assets or liabilities and the recognition of uncertain tax treatments are excluded.
- **Number of employees**: represents the total average number of employees, calculated for the period under observation and on an FTE basis, i.e. full-time equivalent, employed by all entities (including branches and PEs) within the Group and resident for tax purposes in a specific tax jurisdiction.
- **Reporting currency**: the reporting currency is the euro. Amounts are indicated in € million. Values in currencies other than the euro are converted using the average exchange rate recorded in the year under observation.

- **Sector of activity**: for each entity of the Group (company, branch or PE) the main economic activity carried out, according to the OECD indications on Country-by-Country reporting, is indicated.

Further details on the operational activities of each entity are available in Annex II.

GRI 2-6
GRI 204-1

Supply chain management

In executing its operational projects, and in the normal course of its activities, the Saipem Group relies on numerous vendors of works, goods and services. Saipem is committed to maintaining and improving relations with the companies that work with and for Saipem to make them lasting, mutually profitable and reliable for both parties.
Saipem's business is characterised by a highly complex global supply chain, covering different geographical areas and different industrial sectors. To date, the Group registers almost 22,000 qualified suppliers, with a prevalence (31%) of suppliers in the European area. In over 60 years of business in numerous countries in the world, Saipem has created a consistent network of partners and vendors; more than 6,000 vendors have worked with Saipem for at least 10 years.
The product categories of works, goods and services required to perform Saipem's activities, classified to define uniform vendor-product combinations, total more than 1,600, of which approximately 900 are classified as critical categories, i.e. deemed essential for the development of the Company's core business. In 2023, those most represented in terms of amount purchased are related to mechanical assembly, chartering of vessels, purchase of package systems for ballast water treatment, construction of onshore pipelines, personnel services. During the year, purchases were made mainly from vendors located in Europe, Middle East and Central Asia.

The complexity and heterogeneity of the Company's supply chain lead to the need for a system guaranteeing an alignment between the Saipem standards and those adopted by its vendors, to prevent and mitigate risks and ensure an appropriate and resilient supply chain that can cope with the needs of current operational projects and potential acquisitions and developments in market conditions.
Saipem demands that its vendors apply the highest standards in relation to health and safety, combating bribery and corruption, respect for human rights and environmental protection.
The procurement process, aiming to satisfy the needs expressed by the Group's different units, aims to maximise the overall value for Saipem, guaranteeing the availability and quality of the vendors, the correct management of contracts, logistic flows and post-order activities. The process is divided into five sub-processes which include, in order: the definition of the market approach strategy to be applied to the various supplies and the definition of project and non-project procurement plans using efficient and effective purchasing solutions; contract/purchase order processing and issue activities, including relations with vendors, and finally post-order activities and contract management. The supply chain flow described above is further divided into the sub-process relating to Vendor Management, which ensures the availability of a fleet of vendors that is quantitatively and qualitatively appropriate to the goods, works and services required to meet the Group's needs, according to the required economic, financial, ethical, professional, technical and HSE standards; finally, the sub-process relating to Reporting, control and management of documentation, which, through the management of documentation, guarantees the traceability of all phases of the Supply Chain process, making available information, key performance indicators and possible actions for improvement in relation to all supply chain activities.

The supply chain process

According to the principle of open competition, Saipem guarantees equal commercial opportunities for all companies which may potentially provide works, goods and services for its business, selecting its vendors and subcontractors from all over the world. Vendors are assessed in terms of technical and financial reliability and organisational capacity, including conformity with the principles expressed in the Saipem Code of Ethics, Sustainability Policy and Vendor Code of Conduct, as well as the requirements laid down in the specific HSE policies and standards.
The requirements are checked during the vendor qualification phase using a questionnaire, and where required also through more specific assessments and visits to production sites in the case of critical supplies. Additional checks on technical aspects and the vendor's ethical integrity are also carried out prior to the signature of actual purchase contracts.

The monitoring and control of vendor performances are fundamental phases of the relational process with vendors, as these offer a reduction in the risks associated with the supply and provide inputs to the vendor aiming to improve their own processes and performance.

More details on the management of the supply chain in terms of the sustainability of their operations, with particular attention to the respect for human rights and HSE issues, are available in the "A sustainable supply chain" section of this document.

Respect for Human and labour rights

GRI 407-1
GRI 408-1
GRI 409-1
SASB
EM-SV-510A.1
EM-SV-510A.2
EM-SV-530A.1

Saipem operates within the framework of the United Nations Universal Declaration of Human Rights, the ILO Fundamental Conventions, the OECD Convention for Multinational Enterprises, the Guiding Principles on Business and Human Rights and the principles of the United Nations Global Compact.
In 2016, Saipem joined the United Nations Global Compact, further strengthening its principles on major issues such as respect for human and labour rights, environmental protection and the fight against corruption integrated into strategies, policies and procedures, as well as in daily operations of society.

In 2020, the Chief Executive Officer signed the "CEO Guide to Human Rights" drawn up by the World Business Council on Sustainable Development (WBCSD), the international call to action addressed to top management on human rights issues.
Since 2016, Saipem has published a Statement every year, in compliance with the UK Modern Slavery Act, to describe the processes and measures adopted to identify and manage the risks associated to modern slavery and human trafficking in operations and along the supply chain.

Saipem's commitment is expressed in company policies and procedures which are in line with international labour regulations and guidelines, as well as with the labour laws of the countries in which it operates.

Saipem's Code of Ethics sanctions the rejection of any form of discrimination, corruption, forced or child labour. The code promotes human rights and the safeguarding of the dignity, freedom and equality of human beings, including the protection of labour rights and freedom of trade union membership and health and safety. Saipem's Code of Ethics strictly requires that there is no workplace harassment and protects against any form of discrimination, whether based on gender, ethnicity, religious beliefs, age, marital status or any other aspect. The Code of Ethics applies to all of Saipem's population, as well as to third parties with whom Saipem collaborates.
The Sustainability Policy reinforces Saipem's commitment to promoting and respecting human and labour rights together with the protection of health, security and personal safety which are non-negotiable values for the company, and which suppliers, clients and subcontractors must subscribe to work with our Company.
Saipem's Human Rights Policy details the specific areas in which the commitment to protect human rights takes place, with particular reference to the protection of workers' dignity, also within the supply chain, the relationship with local communities, and security management.

Saipem's approach to human rights

Saipem's commitment and management model on this aspect is organised on the most significant business areas and activities, according to the risks and impacts on human and labour rights (HLR), in line with international standards.

Country risk analysis on human and labour rights (HLR)

Operating in more than 50 countries with different social, economic and cultural contexts, it is essential for Saipem to analyse the potential risks associated with activities in the various local contexts. Therefore, for each country in which Saipem operates, a specific analysis is carried out based on a study of the legislation in force and the state of ratification of ILO fundamental conventions relating to: child labour, forced labour, non-discrimination in employment and occupation, freedom of association and collective bargaining. Further information on the country is taken from studies and analyses carried out by international organisations and NGOs (e.g. ITUC, Human Rights Watch) dealing with labour rights and human trafficking.

Based on the results of the analysis, the countries are classified in relation to human and labour rights risks into four distinct risk categories: high, medium, moderate and low. Saipem uses this classification for the supplier qualification process, the identification of high-risk suppliers for possible audits, as well as for the operational human and labour rights due diligence as described in the following section.
Based on this analysis, 44% of Saipem's main operating companies are based in high-risk countries, while the remaining 56% are located in medium-, moderate- and low-risk countries.

Due Diligence on human rights at operational sites (HLR risk register)

Starting from 2021, Saipem has introduced a system for identifying and assessing risks of impact on human and labour rights (HLR) through a special register that allows for the identification and classification of the potential impacts that the Company can generate during operations and define proper mitigation actions. This register also integrates the country risk assessment in order to highlight any systemic risks due to the country context.
During 2022, the tool was revised with a view to strengthening the methodology and alignment with the requirements of the "OECD Due Diligence Guidance for Responsible Business Conduct".
Starting from 2022 the implementation of the HLR risk register started in all countries where Saipem's operating activities can generate a significant impact on the issue. The implementation of the tool and monitoring of results were based on two criteria: the related level of country risk and the significance of Saipem's presence, in terms of employees on site.

During 2023, 36 companies and subsidiaries operating in 35 countries completed the registry. Risk mapping was carried out by 80% of the relevant operating companies at work in high-risk countries, and by 88% of the operating companies at work in countries classified as medium and low risk.

The potential impacts identified include freedom of association in some countries, discrimination and respect for working hours and overtime, risks connected to labour rights and decent working conditions at supplier premises, risks deriving from abuse of force by security service providers in some contexts.
Based on the results of the risk assessment, and, to mitigate the potential impacts, a series of actions, already carried out in 2023 or planned for 2024, were identified; they were then reported in the action plan for each operating company. Among the actions initiated with regard to suppliers and employment agencies, in some countries compliance checks with local legislation on labour rights were carried out.

Human rights on the workplace

In March 2022, Saipem SpA obtained SA8000 Social Accountability International (SAI) certification confirming the application of a social responsibility management system in the context of human rights, workers' rights and their well-being within the company. The SA8000 certification, issued by DNV, an international leader in the sector, is an international global ethical certification of a voluntary nature which commits companies to also monitor their supply chains, triggering a virtuous circle throughout it. This certification guarantees compliance to the best international guidelines and ethical rules defined by leading world organisations on the protection of human and labour rights, such as the ILO (International Labour Organisation) and related UN conventions.
Obtaining and maintaining it during 2023 represent an important confirmation of Saipem's commitment to sustainability in a process of continuous improvement, particularly in some essential areas such as respect for human rights, respect for labour law, protection against child exploitation and guarantees of health and safety in the workplace, freedom of association and the right to collective bargaining along the entire value chain of the company's activity.
Other information relating to people management and industrial relations is included in the specific chapters.

Global Projects Services (GPS AG) is a wholly owned subsidiary within the Saipem Group which has held a license for international recruitment and supply of personnel services since 1994 and is also an agent of Seafarer's Recruitment and Placement Services in compliance with ILO MLC 2006. GPS AG is a human resources centre of excellence providing a complex range of work-related services. GPS AG is supported by local employment agencies which are continuously monitored to verify how they manage sensitive processes such as hiring practices. This monitoring includes a documentary check of the technical capabilities in advance of the provision of services, inspections at supplier premises and/or remotely, as well as telephone interviews with personnel recruited through said agencies. In 2023, 2 audits were carried out pursuant to the ISO 9001:2015 standard on already qualified suppliers in relation to the contractual terms and conditions agreed for the provision of the service, and the documentary assessment of the technical capabilities of 240 potential new HR service suppliers. In addition, 77 international workers recruited with the support of agencies, but with an employment contract with GPS AG, were interviewed by telephone, outside their workplace, to gather their opinion on the management of their recruitment and other administrative practices. There were no reports of behaviour contrary to human and labour rights. In 2022 GPS AG created a further tool to monitor and understand the level of satisfaction of international staff in an agile way, with the intention of both establishing and facilitating communication with those workers who are less proficient in the English language, and possibly directing them towards the correct interlocutor. At the end of the second year of implementation of the tool mentioned, a staff satisfaction level of over 97% was recorded. The provision of training to agencies via e-learning on Saipem's ethical principles also continued. During 2023, 8 agencies were involved. The new module of this e-learning training dealt with passive corruption with the sharing of a video.

Security and human rights

Saipem is committed to adopting preventive measures aimed at reducing the need for response by public/private security forces in the case of any threats to the safety of its people and the integrity of its assets. Saipem manages relations with local security forces to ensure a shared commitment to human rights, as well as the adoption of rules of engagement that limit the use of force and the impact on local communities. Before signing a contract, due diligence of suppliers of security systems and services is performed to verify if there are indicators linked to the violation of human rights. In 2010, Saipem introduced clauses relating to respect for human rights in contracts with these suppliers and failure to comply with the clauses will result in the termination of the contract.

Collaborations and training activities

Collaboration continued in 2023 within Building Responsibly (BR), a coalition of leading engineering and construction companies working together to raise the bar in promoting workers' rights and well-being across the sector.
As part of a broader initiative aimed at spreading awareness on human rights and the principles of decent work, as well as on the most recent requirements of European legislation, two training sessions were organised for 27 HSE managers based in Saipem branches abroad. At the end of the training sessions, the HSE managers received materials, such as posters and videos, summarising Saipem principles on labour rights and the internal whistleblowing process to be used during the HSE induction activities in their area. After the training, the human rights topic was integrated into the HSE inductions for the following areas and projects: onshore projects in Kuwait and Saudi Arabia, offices and construction site in Indonesia, offices in China and Malaysia, projects in Nigeria and Mozambique. The topic was also included in the Project Management meeting of the Balein project in Ivory Coast.
Saipem has launched an e-learning training programme in 2020, specifically dedicated to people who work in Security functions. Training includes a specific focus on ethics and compliance, including respecting and promoting human rights. From 2020, a total of 129 people completed the training.

Since 2016, Saipem has implemented a training programme on "human rights and the supply chain" to train Saipem's procurement functions, mainly Post Order. The training envisages a focus on international standards and internal policies, the actions that can be implemented and the role of employees on these issues. The training aims to instruct employees who interact directly with vendors on the importance of reporting serious situations they may observe during visits to vendors. Training is provided through an e-learning platform. In the period 2016-2023, a total of 811 employees were trained, covering the entire population of Post-Order functions. Starting in 2020, the training is available to all new hires in the functions concerned.

Furthermore, in order to involve the entire Supply Chain Function, new training on the "Sustainable Supply Chain" was launched in 2023 which focuses on human and labour rights and environmental issues. The training aims to strengthen knowledge of these topics, with particular reference to the risks and impacts associated with our suppliers and subcontractors, and along the entire supply chain. Two training sessions involving 38 people from the Supply Chain function were organised in 2023, and e-learning training will be launched in 2024 to cover the rest of the function members.

Security and cybersecurity practices

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SASB EM-SV-540a.1

Saipem's corporate security model is based on an accurate analysis of what is called the "Operational Environment" (i.e. the understanding of the local context from a political, criminal, economic, ethical, social and legality perspective) aimed at identifying the mitigation measures necessary to guarantee the business a suitable "security framework" within which to develop the company's activities. For the physical safety of

people we must protect, the UNI 31000 standard on "Risk management - Principles and guidelines" is the reference.
Following what has been stated above, Saipem:
- manages security risk by taking preventive and defensive measures, in full compliance with regulations, human rights and the highest international standards;
- promotes the adoption of a uniform and integrated security system to ensure appropriate coordination of emergency and crisis management;
- ensures the management of information gathered from stakeholders in full compliance with the law and adopting international best practices;
- promotes the monitoring and management of security risks by designing optimal solutions that minimise the impact of adverse events and their likelihood of occurrence;
- sets up the most effective protection plans and mechanisms to safeguard the Company's personnel and assets;
- guarantees training and information to personnel on the security risks in the workplace, starting from the pre-travel phase.

Main security risk mitigation actions carried out in 2023:
- constant monitoring of the main threats to the operational security and verification of the adequacy of the countermeasures adopted by means of a structured risk management process;
- organising local security at country, operating company and/or project level, under the coordination of Area Security Manager functions;
- involvement of the Security function in the project life-cycle, starting from the project bid phase (commercial);
- strengthening the corporate culture on Security;
- cooperation with the Ministry of Foreign Affairs and its Crisis Unit and local authorities in the countries hosting Saipem operations;
- emergency and crisis management plans - evacuation;
- introduction of mandatory training initiatives on Health and Safety for personnel going abroad before departure (pre-travel Induction) and once at destination (local security induction), as well as on Cybersecurity awareness;
- compliance with regulations and sector frameworks (Italian Legislative Decree No. 81/2008, Italian Legislative Decree No. 231/2001, ISO 31000 and ISO 27001).

The Company manages relations with local security forces to ensure a shared commitment to human rights, as well as the adoption of rules of engagement that limit the use of force.
Before signing a contract, providers of security goods and services are subjected to a due diligence to verify that there are no counter-indications connected with the violation of human rights.
Saipem has introduced clauses regarding the respect for human rights in its contracts with these vendors since 2010, and failure to observe them leads to the withdrawal of the Company from the contract.
For project activities, Saipem's Security Function prior to the possible offer, carries out a dedicated Security Risk Assessment, reported in the Project Security Execution Plan, in which the security risk connected with the operating activities and the context is analysed, including human rights violation issues. On the basis of the risks identified, the actions needed both to manage and reduce these to a minimum are decided upon.
Potential breaches of human rights are in fact assessed in all the Company's operations using country risk sheets, in which the risk is assessed using specific quantitative and qualitative indicators.

Regarding the international scenario, the reignition of the Israeli-Palestinian conflict brings instability back to a region that has always been at the centre of tensions. In this context, the evacuation of 63 Saipem expatriates based in Israel (of which 15 were Italians) by air from the Ben Gurion airport in Tel Aviv was successfully completed.

Cybersecurity

Cybersecurity is an important pillar of corporate security management as a whole. Saipem has implemented a Data Protection (FNCS) tool to mitigate threats through solid security and governance protocols.

Saipem has identified a Chief Security and Information Security Officer who reports to the Director of People, HSEQ & Sustainability.
Saipem continues to maintain its ISO 27001 "Information Security Management System" certification for the "Cybersecurity Incident Monitoring and Management" process.

In 2023, the Information Security and Data Management Programme continued consisting of the following strands: **Identity Management & Access Governance**, **Data Governance**, **Encrypted Traffic Protection**, **Network Segmentation**, **Operational Technology Security**, **Privileged Access Management**, The Programme has the aim of further increasing the level of IT security of application and infrastructure

resources and the protection of corporate information and know-how, minimising the risk of critical information resources being lost, compromised or made unavailable. The duration of the programme initially planned to be two years was extended by one year.
In 2023, the Vendor Management integrated in its process a list of minimum cybersecurity requirements to which all suppliers will have to comply. Deviations from a minimum threshold will be followed by remediation actions and plans in order to be qualified.

To further strengthen internal skills on the topic, training campaigns continued in 2023, for a total of 18,187 hours for the Group perimeter (18,177 for the full consolidated).

The cybersecurity performance is described below.

	2023	2022
Cyber incidents	39,396	32,256
- of which critical cyber incidents	-	-
Vulnerabilities identified	104,177	32,968
Critical vulnerabilities	1	6
No. of information breach	-	-

With regards to system resilience assessments, Vulnerability Assessments are carried out on a monthly basis. Furthermore, Penetration Tests (a simulated cyber-attack to verify the resilience of security measures) are performed annually on representative perimeters defined from time to time.
Furthermore, simulated phishing campaigns are also launched to evaluate opportunities for further training initiatives. In 2024 there are plans to increase the frequency of these campaigns.

In line with the requirements of Resolution MSC.428 (98) “Maritime Cyber Risk Management in Safety Management Systems” of the International Maritime Organization (IMO), considers cyber risk among the risks that can impact the safety of its fleet, its personnel and the environment.

Cybersecurity Officers have also been appointed (on board each vessel), who, are suitable for acquiring cyber skills.
Cyber attack drills were also performed on board the vessels, according to scenarios and models which are an integral part of Saipem SpA's emergency and crisis management system.
The function maintains close contact with the local authorities/embassies in the countries in which it operates and, at a central level with the Crisis Unit of the Ministry of Foreign Affairs.

The correct functioning of the Security Model, which includes Saipem's cybersecurity issues, is constantly monitored by the Audit and Risk Committee which reports to the Board of Directors and by the corporate INAU function.
Saipem internally carries out technical audits on peripheral corporate security functions, up to projects, to verify compliance with security instructions and guidelines.

CONTRIBUTION TO MITIGATING CLIMATE CHANGE

Since 2020, Saipem has been an official supporter of the recommendations of the Task Force on Climate-Related Financial Disclosure.

As described in the “Governance” section, the Board of Directors is involved in the strategic discussion on issues related to climate change and its implications on corporate strategy and programmes.

The sustainability objectives for 2023 included in the company's Short- and Long-Term Variable Incentive Plan include objectives linked to actions related to climate change (with a weight equal to 5% for the short-term objective, and overall equal to 10% for the long-term objective).
Short-term sustainability objective relating to climate change, and concerning greenhouse gas emissions avoided in the year, was achieved with an overall saving of 47 kt of CO_2 eq thanks to the implementation of energy efficiency and saving initiatives.

The 2024 Remuneration Policy also confirms Saipem's attention to sustainability objectives and support for the achievement of the Net Zero programme objectives. In this context, for 2024, the climate targets are included in both the Short- and Long-Term Incentive Plan, as described in the 2024 “Report on Remuneration Policy and Compensation Paid”.

Climate-related risks

The climate-related risk analysis process is integrated into Saipem's risk assessment and governance, described in the section "Approach to risk management".
The Company's operations are inherently exposed to both physical and transition risks from climate change.

Risk category		Climate-related risks included
HSE risks and project execution risks	→	Physical risk - acute
Strategic risks and risks connected to project technical complexity/novelty	→	Transition risk - technology
Strategic risks	→	Transition risk - legislation
Financial risks	→	Transition risk - market

Below is a presentation of the main risks identified for which it was possible to make a quantitative assessment of the potential impact (in financial terms) resulting from an internal assessment focused on the climate-related component of the risks.

CLIMATE-RELATED RISKS

Types of risks	Risk	Risk description	Evaluation	Financial impact	Impact magnitude*	Mitigation measures
Physical risk: > acute	Accidents in assets and transport	Accidents/significant impacts that may occur on strategic assets and operational projects due to meteorological events	Time horizon: > short and medium term Likelihood: > likely	This risk may lead to impacts in terms of increased operating costs, delays in operational activities and erosion of project margins.	Significant	The main risk mitigation actions are: > insurance coverage; > inclusion of contract clauses related to weather events; > HSE and vessel management system; > specialised training for employees on technical and HSE topics.
Transition risk: > technology	Project complexity (technical novelty/scope of work)	Risk in the execution of new projects to support the energy transition (offshore wind project)	Time horizon: > short and medium term Likelihood: > moderate	Increased operational costs in project execution, delays in operational projects and erosion of project margins.	Significant	Sharing of best practices and lessons learnt, development of contractual clauses to protect business specificities, training and development of personnel skills.
Transition risk: > technology	Technology innovation	Loss of business opportunities for energy transition projects related to new technologies	Time horizon: > short and medium term Likelihood: > moderate	Loss of business opportunities.	Significant	Analysis and identification of market and technological trends. Benchmarking and alignment of Saipem with the open innovation efforts of clients and competitors. Strategic partnership. Innovation spending on energy transition technologies.
Transition risk: > regulatory	Emerging sustainability trends	Impacts on business activities deriving from the evolution of regulatory framework (e.g., carbon tax, ETS, CBAM, etc.)	Time horizon: > Short term Likelihood: > likely	Erosion of project margins due to increased operating costs related to CO_2 emission fees and cost of supplies.	Negligible	Monitoring of GHG emissions regulation, launch of Net Zero programme, implementation of initiatives to increase energy efficiency, regular maintenance and upgrade of Saipem's assets to continuously improve environmental performance, involvement of suppliers on emission reduction strategies.
Transition risk: > market	ESG financial components and constraints	Loss of business opportunities linked to difficulty in obtaining bank guarantees	Time horizon: > Short term Likelihood: > rare	Loss of business opportunities.	Significant	The main risk mitigation actions are: > initiatives to increase the limit of available lines; > negotiating with clients; > increase in the use of insurance instruments; > continuous monitoring.

(*) The Magnitude ranges are 5: Negligible, Significant, Relevant, Very relevant and Extreme. The estimated likelihood ranges are 5: Rare, Unlikely, Moderate, Likely and More Than Likely. The entity of the economic-financial impact is estimated considering the time horizon of the Strategic Plan.

Climate-related opportunities

Opportunities associated with products and services are primarily assessed and managed in terms of business development, taking into consideration Saipem's competitive positioning, the identification of the main future challenges in the reference sector and the possibilities of diversifying the business portfolio as analysed in the Company's Strategic Plan. The main opportunities listed concern "products and services" and efficient use of resources.

CLIMATE-RELATED OPPORTUNITIES

Type of opportunity	Description	Evaluation	Financial impact	Impact magnitude*	Method for managing opportunities
Products and services	Increased revenues in decarbonisation and circular economy projects.	Time horizon: > medium term Likelihood: > very likely	Impact associated with the existing backlog and potential new acquisitions related to decarbonisation and circular economy projects in the strategic plan horizon.	Very relevant	Commercial focus on decarbonisation and circular economy projects. Cooperation with relevant clients and institutions. Innovation and R&D on new technologies activities, also through collaborations and partnerships.
Products and services	Revenue increase in the renewable business segment.	Time horizon: > medium term Likelihood: > very likely	Impact associated with the existing backlog and potential new acquisitions related to renewable energy projects in the strategic plan horizon.	Relevant	Specific business line focused on offshore wind. Commercial focus on renewable energy projects, particularly offshore wind. Cooperation with relevant clients and institutions. Innovation and R&D activities also through collaborations and partnerships.
Products and services	Increased revenues in low-carbon business segments such as rail infrastructure.	Time horizon: > medium term Likelihood: > very likely	Impact associated with the existing backlog and potential new acquisitions related to infrastructure projects in the strategic plan horizon.	Significant	Specific business line focused on infrastructure projects. Commercial focus tailored to rail infrastructure. Collaboration with partners and suppliers to develop innovative solutions in terms of digitisation and sustainable infrastructure. Collaboration with key clients/institutions to develop new sustainable infrastructure solutions.
Efficient use of resources	Offering more efficient and cost-optimised solutions through the use of energy-efficient solutions on vessels and at sites.	Time horizon: > medium term Likelihood: > very likely	Reduction of fuel and electricity consumption costs through the implementation of energy efficiency solutions already identified in the Net Zero Plan.	Negligible	Carrying out energy assessments to identify suitable solutions and maximise savings. Design and implementation of measures and actions aimed at reducing energy consumption and greenhouse gas emissions.

(*) The Magnitude ranges are 5: Negligible, Significant, Relevant, Very relevant and Extreme. The estimated likelihood ranges are 5: Rare, Unlikely, Moderate, Likely and More Than Likely. The entity of the economic-financial impact is estimated considering the time horizon of the Strategic Plan.

The strategy of mitigating risks and maximising opportunities focuses on two main pillars:
- expand the range of low carbon technologies and support clients' decarbonisation process and energetic transition;
- improve the efficiency of its assets and operations to reduce its greenhouse gas emissions.

Analysis of the climate-related scenario

Saipem is aware that climate change may have a significant direct and indirect impact on its business operations. Due to the nature of these impacts, the effect can be analysed in the short-, medium- (range of the strategic plan) and long-term, also depending on the socio-economic, energy and climate scenarios that can be considered. For Saipem Group, the assessment of the long-term drivers (2050) of the external context is based on the analysis of various scenarios: each of these represents a possible path towards a different market structure.
Saipem, in formulating its strategies, considers a series of scenarios provided by a third party (Rystad Energy), which include various forecasts of temperature increases by 2100, starting from the Net-Zero scenarios (+1.5°C) up to those with a high climatic impact (+2.5 °C). The analysis of the scenarios presented to the Board of Directors is confirmed as a fundamental element for the definition of the four-year Strategic Plan.
In particular, the reference scenario is the one which foresees a rise in temperature of 1.9 °C at the end of the century, in line with a C3 category scenario, as identified by the International Panel of Climate Change (IPCC) in its Sixth Assessment Report. For a sensitivity analysis and for its resilience analysis, Saipem also uses, in addition to the aforementioned central scenario, an improvement scenario of 1.6 °C (intermediate between that identified by Net Zero Emissions (NZE) – +1.5 °C – and the Announced Pledges Scenario (APS) – +1.7 °C – of the International Energy Agency), while the worsening scenario refers to a 2.2 °C scenario.
Analysis of scenarios considers the macroeconomic, social and possible demand trends of the various energy sources which are deemed may have a visible impact on the main drivers of the business for the entire Saipem Group.
Long- and medium- and short-term scenarios are analysed during the planning process and are included amongst the elements for defining the Strategic Plan; these are updated every year, discussed with the Top Management and covered by dedicated meetings of the Board of Directors, also making use of different external sources (forecasts from analysts, companies from the sector, intergovernmental organisations and other stakeholders and consultants).

Our strategy to support decarbonisation and the energy transition

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As indicated in the paragraph on the development of the market scenario and strategy, hydrocarbons are expected to continue to provide an important contribution to the energy mix in the medium-term, to then mark a gradual decline in the longer term (with likely accelerated timing for oil compared to natural gas in the different scenarios). In this context, large-scale investments in oil and particularly in gas infrastructures will remain necessary in the medium and long term, and it is expected that traditional clients will continue to invest in long-term strategic projects, particularly in some key regions including the Middle East.
Cutting-edge technological solutions with lower environmental impact will increasingly be in demand, and this is a huge opportunity for Saipem. In line with what was during COP28, in this phase of energy transition, various scenarios highlight the role of some clean technologies and "hybrid" solutions which involve the integrated use, where possible, of fossil fuels and renewable sources. Through CCUS technology it is possible to significantly reduce direct CO_2 emissions from various industrial processes, in particular heavy industries (such as steel and cement), as well as to allow the production of "Blue Hydrogen", the basis to produce low-carbon fertilisers. In the medium- long-term, the development of technologies and skills, combined with economies of scale and modularisation, will make it possible to produce hydrogen from renewable sources and electrolysis of water ("Green Hydrogen") both for simultaneous use and in replacement of Blue Hydrogen.
The commitment towards technological development, confirmed by the industrialisation of Bluenzyme™ in the field of carbon dioxide capture, the constant adaptation of the mix of expertise and innovation initiatives and its support to clients in defining the best technical and operating solutions from the perspective of the entire life-cycle of plants, are the most effective instruments Saipem is using to deal with the challenges linked to climate change which the industry is facing. Moreover, diversification in less carbon-intensive business segments (i.e. biorefineries, chemical plastic recycling, blue/green hydrogen, etc.) and, where possible, adjacent sectors in which Saipem can exploit its expertise (such as the largest and most complex infrastructure projects), will remain a strategic pillar in coming years.

Saipem's Net Zero programme

Saipem's Net Zero Programme, within the broader Sustainability Plan "Our journey to a sustainable business", aims to achieve **Net Zero for Scope 1, 2, 3 emissions by 2050**.
Furthermore, the programme has identified two specific short- and medium-term objectives:
- 50% reduction in Scope 1 and 2 emissions by 2035 (based on 2018 GHG emissions);
- carbon neutrality for Scope 2 emissions by 2025.

The Net-Zero Programme involves various corporate functions both at Group level and at Business Line level which contribute to achieving the stated objectives. The cross-functional working groups participating in the programme have been created by bringing together extensive skills and knowledge, and the implementation plan is transversal to the entire Group and to the corporate functions involved in its implementation. Like the Strategic Plan, the Plan is valid for four years and can be updated. Based on a medium-long term systemic vision, it identifies long-term actions that could be implemented.

The Programme and its contents were validated by an independent third-party (Bureau Veritas) at the end of 2021.
Renewal of third-party validation is scheduled for 2024.

The Programme and the related objectives are updated following current and future developments of the context, such as new regulatory and external market pressure, stakeholder expectations, including requests from clients, analysis of benchmarks, technological developments, availability of energy scenarios and other similar inputs.
Saipem's approach to Net-Zero is irreversible and systematic, aiming for continuous improvement both internally and along the value chain. Saipem aspires to create "change agents", both inside and outside its organisation, involving its clients, suppliers and all the players in its value chain.
The reduction activities envisaged by the Net Zero Programme refer to Scope 1, Scope 2 and Scope 3 emissions, according to the methods described below and the principles set out in the document "Net Zero at a Glance", published in July 2023 and available on the institutional website.

Planned actions for the reduction of Scope 1 and 2 emissions

The reduction of Saipem's direct emissions will hinge on the three "R"s: retrofit, renewal and renewables. The main goal of these phases is to reduce the carbon footprint of all of Saipem's assets, such as vessels, rigs and TCFs (Temporary Construction Facilities).
Retrofit: Phase I, increasing the energy efficiency of Saipem's operations through the use of the best available technologies (2018-2030).
Renewal: Phase II, replacing assets with innovative assets that are more energy efficient and with lower GHG emissions, thanks also to digitalisation and, for example, unmanned operations (2030-2040).
Renewables/CCS: Phase III of massive use of renewable energies and technologies, both traditional and advanced (such as marine and floating solar energy), and possible application of Carbon Capture and Storage technologies on assets (2040-2050).

Furthermore, Scope 1 and 2 emissions will also be reduced thanks to:
- use of alternative fuels: replacing fossil fuels with low carbon-emission fuels, such as the use of HVO biodiesel instead of fossil fuels;
- electrification: switching from electricity generation with fuel-powered generators to grid power where possible.

To meet the Scope 2 target, priority will be given to the following criteria, in order of importance:
1. energy saving and efficiency;
2. renewable energy from the grid or self-produced from renewable sources;
3. offsetting of residual emissions, after all the measures above have been implemented.

Periodical energy assessments on our main assets are carried out/updated to contain energy consumption. Energy flows and consumption will also be constantly monitored.

During 2023, Saipem financed part of offsetting projects, acquiring a total of 100,000 carbon credits equivalent to 100,000 tonnes of CO_2 eq not emitted. Investments have been directed towards a diverse project portfolio, from forest conservation to the promotion of renewable energy sources. The portfolio is mainly composed of nature-based projects, of the REDD+ type (Reduction of Emissions from Deforestation and Forest Degradation), selected on the basis of additional benefits both environmental (supporting Saipem's proactive role in the protection of biodiversity and ecosystems), and social (promoting the sustainable development of local communities).
A risk assessment model has been developed internally to analyse the risks associated with the offsetting projects we have already invested in, as well as to evaluate potential projects for the next portfolio.

Planned actions for the reduction of Scope 3 emissions

With regard to Scope 3, Saipem will support clients, suppliers and different players in the value chain on their decarbonisation path, acting as a facilitator of low impact strategies and technologies in terms of greenhouse gas emissions while playing a key role in the energy transition. The ultimate aim is to set reduction targets as soon as possible, in the context of the Net Zero Programme, in eligible areas of Scope 3, over which a certain degree of control can be exercised, such as mobility and supply chain.

In this regard, in the context of the Net Zero Programme, Saipem is working to offer clients "Carbon Neutral" construction sites or projects, introducing, in synergy with the clients themselves, technical measures of efficiency and reduction in emissions, self-produced renewable energy and energy from the network, all completed by insetting and offsetting projects, for the compensation of residual emissions.

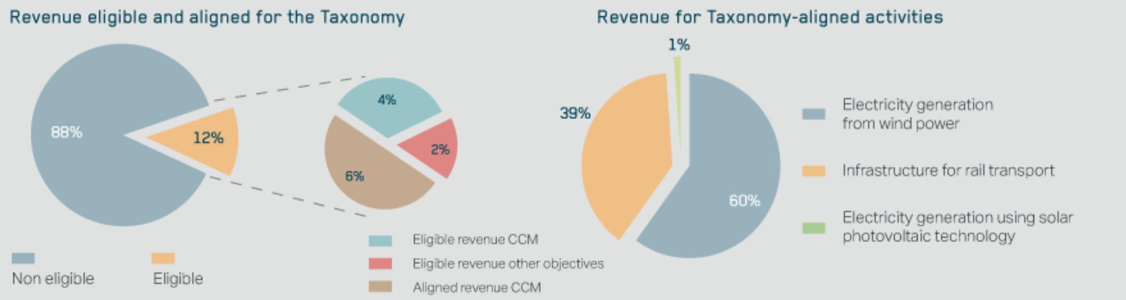
Regarding the supply chain, a specific workstream was identified in this area with the aim of strengthening:
- the monitoring of ESG performance in the supply chain; to this end, Saipem has adopted the Open-es platform;
- the sustainability requirements in the purchase of goods and services that impact Scope 1 and 2;
- the monitoring of Scope 3 emissions related to the supply chain (in terms of perimeter and granularity) by means of the Carbon Tracker platform, in order to define its reduction targets.

Further information is available in the "Responsible supply chain" section of the 2023 Sustainability Report.

Management of climate-related risks and opportunities

Income from product or services supporting the transition to low-carbon economy.
The EU Taxonomy for sustainable activities is a classification system established by the European Union to identify which activities and investments are environmentally sustainable.
As reported in the paragraph "Sustainable activities according to the EU Taxonomy", Saipem reports the information in accordance with EU Regulation 2020/852 on Taxonomy. Below are the KPIs for the activities eligible and aligned with the Taxonomy for all the objectives envisaged by the Regulation.

SUSTAINABLE ACTIVITIES ACCORDING TO THE EU TAXONOMY



Investments in R&D of low carbon products/services.
The new energy panorama emerging in coming years will be a mosaic of many competing forces, which is difficult to forecast today. What is clear however is that the speed of innovation and the adoption of new technologies will be fundamental for making conventional developments more sustainable in the energy transition process.
Within the overall framework of technology innovation activities, Saipem filed 19 new patent applications in 2023, 12 of which for new decarbonisation technologies. In total, Saipem has a portfolio of 2,519 patents and new patent applications.

€34 MLN
AMOUNT SPENT ON DECARBONISATION R&D AND TECHNOLOGY APPLICATION

19
NEW PATENT APPLICATION, OF WHICH 12 FILED FOR ENERGY DECARBONISATION TECHNOLOGIES

Internal carbon pricing
During the year, an Internal Carbon Price Fee was adopted based on the annual emissions of Saipem Business Lines, with the aim of financing specific climate-related initiatives (such as, for example, participation in Sustainable Aviation Fuel programmes, the maintenance of ESG platforms for vendor data management, the purchase of renewable energy and participation in emissions compensation projects).

Cooperation with international organisations and associations on the topic of climate change

As a key player in the energy sector, Saipem is an active member of specific trade associations in the countries in which it has a well-structured presence, taking part in events and discussions on environmental and climatic issues.

Saipem's participation in these events, carried out through its presence in associations, is shaped and evaluated on the basis of alignment with its objectives and policies. In fact, since 2023, Saipem has published the document "Climate Policy Alignment", which reports the results of an analysis aimed at evaluating the contribution to climate advocacy activities through active participation in trade associations. In particular, the assessment was based on a control of the relevance of climate policies with respect to Saipem's typical activities and its targets (achievement of net zero, promotion of renewables, transparency and disclosure activities) and detected the degree of alignment with the relevant associations. Since 2018, Saipem has published a document on the Climate in accordance with the recommendations of the TCFD. From 2022, climate information is fully integrated in this non-financial statement.

Active participation in associations allows Saipem to be involved in a dynamic network, promoting its own technological excellences and sharing information and experience on different topics, including sustainability, energy efficiency and climate issues.

In 2023, Saipem supported the creation of a new Italian association in the field of renewable energies, becoming a founding member of AERO (Offshore Renewable Energy Association), particularly active in the institutional context: it has the aim of promoting the development of an Italian supply chain for offshore renewables, which allows the company to support national decarbonisation strategies.

Furthermore, Saipem takes part in the Norwegian Solar Energy Cluster, which aims to foster cooperation and support the development of solar energy skills. It is also participating in other associations and networks active on the energy transition issue, such as the Global Carbon Capture & Storage Institute (GCCSI), and the associations CO_2, Value Europe and Hydrogen Europe and, through the latter, the European public-private initiative Clean Hydrogen Alliance.

The total amount for membership to associations active in the energy transition in 2023 equals to approximately €146 thousand.

Starting from the end of 2022, Saipem has been cooperating with One Ocean Foundation by supporting the deepening and refinement of the first reporting tool for companies on issues related to ocean protection, the Ocean Disclosure Initiative (ODI). An initiative of One Ocean Foundation developed in collaboration with SDA Bocconi School of Management, McKinsey & Company and CSIC (Consejo Superior de Investigaciones Científicas). The ODI aims to become a reference framework and a scientific methodology which, through a system of metrics and indicators, aims to support companies in disclosing the direct and indirect pressures on marine ecosystems, the related risks and strategic responses, and thus become a rating tool for measuring the impact of different industrial sectors on the ocean and marine environment.

In fact, ODI includes the specific study of the pressure exerted on the ocean by various types of industries, thus creating targeted tools at a sectoral level. Specifically, Saipem contributed by providing comments and feedback during the drafting of the industry reviews and questionnaires relating to the Oil&Gas and Construction sectors.

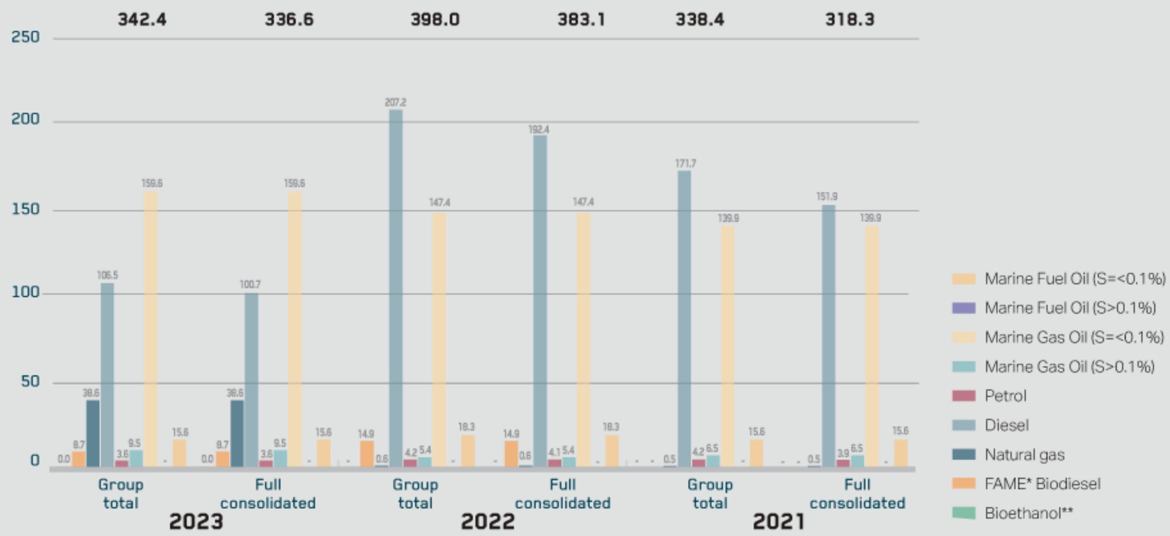
SASB
EM-SV-110a.1

Energy consumption

		2023		2022		2021	
		Group Total	Full consolidated	Group Total	Full consolidated	Group Total	Full consolidated
Total direct consumption of energy	(TJ)	14,334	14,092	16,665	16,041	14,171	13,325
Total indirect consumption of energy	(TJ)	377	351	696	380	692	366
Total consumption of energy	(TJ)	14,715	14,447	17,361	16,421	14,863	13,691
Energy from renewable sources	(%)	9.76	9.92				
Energy intensity	(TJ/€mln)	1.2	-	1.7	-	2.1	-

The calculation of energy consumption in Joule is made by applying the following conversion factor: toe = 41.867 GJ. The value of the energy intensity is calculated through the ratio between the total consumption of direct energy and the total revenues, expressed in millions of euro.

DIRECT CONSUMPTION OF ENERGY (ktoe)



(*) Category introduced in 2022. (**) Category introduced in 2023.

Direct energy consumption in 2023 decreased by approximately 14% compared to 2022 for the Group perimeter. The main cause is the activities of the Tangguh Expansion Project (Indonesia) which, despite still having one of the most significant energy consumptions in 2023 (17 ktoe), has demobilised many vehicles and consequently reduced diesel consumption.

Other sites with significant energy consumption are the following: FPSO Cidade de Vitória (29 ktoe), Castorone (19 ktoe), Saipem 7000 (18 ktep) and Constellation (16 ktoe).

It must be noted that from 2023 the data relating to FPSOs, of which we have full operational control, have been included in the reporting perimeter, in line with the recent updates to the reporting criteria.

		2023		2022		2021	
		Group Total	Full consolidated	Group Total	Full consolidated	Group Total	Full consolidated
Total indirect consumption of energy	(MWh)	**40,496**	**37,789**	**78,551**	**45,760**	**71,868**	**37,975**
Electricity consumed from the grid	(MWh)	38,134	35,427	68,120	35,329	71,569	37,676
Of which produced from renewable sources (*)		14,399	13,676	16,133	14,680	9,367	7,860
Thermal energy consumed (**)	(MWh)	1,977	1,977	10,066	10,066	-	-
Electricity self-produced from renewable sources	(MWh)	384.3	384.3	365.2	365.2	298.9	298.9

(*) Category introduced in 2023
(**) Category introduced in 2022.

The 43% reduction in indirect energy consumption for the Group perimeter is mainly attributed to the reduction in grid electricity consumption in 2023. The main cause is the conclusion of the Arctic LNG project (Russia) which constituted 43% of the 2022 electricity consumption for the Group perimeter.
The decrease in thermal energy consumed is a consequence to the transfer of the headquarters from San Donato to Milan to more environmentally efficient buildings.
A further reason for the reduction of electricity consumption is the continuous implementation, in the context of the Net Zero Programme, of initiatives aimed at reducing energy consumption and, consequently, CO_2 emissions. In 2023, these initiatives led to a reduction in energy consumption of 590.7 TJ at Group level. Examples of initiatives implemented during the year include: the continual improvement in the luminous efficiency in numerous onshore and offshore sites, improvement in the efficiency of Saipem vessels (initiatives for the optimisation of routes and the Saipem eco-operation campaign to reduce wastes), a better energy management in offshore rigs (Saipem 12000 and Scarabeo 8), an increase in the efficiency of "accommodation camps" in onshore projects, etc.
Further information can be found in the section "Path to Net Zero" in the 2023 Sustainability Report.
Starting from 2022, total energy consumption includes that relating to biofuels and the purchase of heat, as envisaged by the revision of the methodology for estimating emissions into the atmosphere issued by the Saipem Group in 2022.

GRI 305-1
GRI 305-2
GRI 305-3
GRI 305-4
GRI 305-5

SASB
IF-EN-410a.2

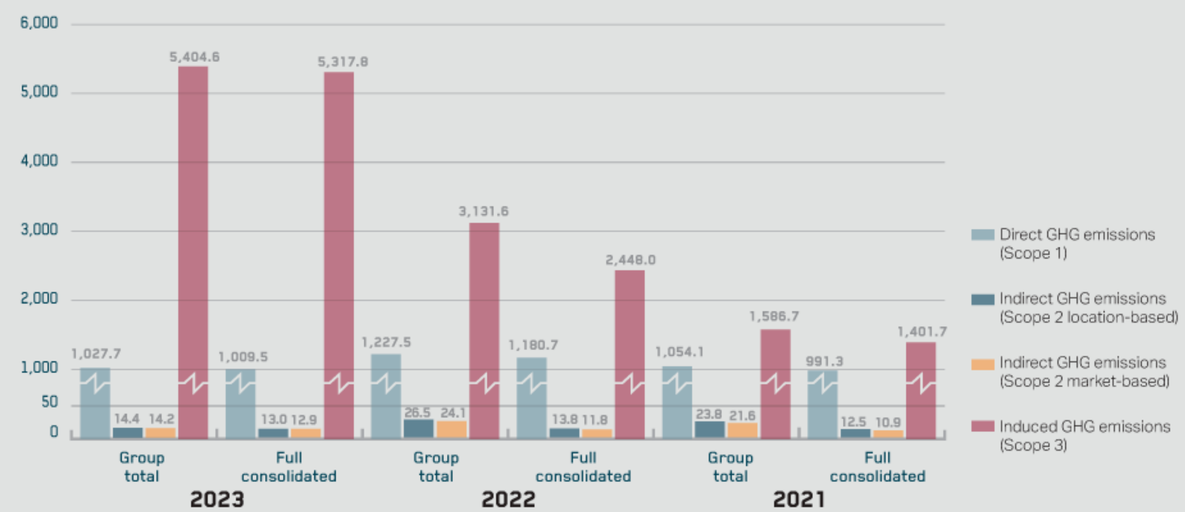
GHG emissions

Energy consumption data are used to calculate GHG emissions. The Company maintains a methodology for estimating emissions that is certified by an independent third party in accordance with the principles of regulation UNI EN ISO 14064-3. The method had already been revised for the first time in 2018, and again in 2019 and in 2022, with an extension of the field of application of the method, and in particular by extending the emission categories of Scope 3 emissions.
The following GHG emissions are considered in the document:

- direct emissions deriving from the use of fuels (Scope 1);
- indirect emissions deriving from the purchase of electrical and thermal energy and location and market-based emissions (Scope 2);
- indirect Scope 3 emissions deriving from:
  - extraction and transportation of the fuels used, directly and indirectly;
  - network losses in the transmission of purchased electrical and thermal energy;
  - water supply and disposal;
  - procurement of materials and waste disposal;
  - shipment of materials;
  - hotel accommodation during business trips;
  - travel by air and by land for business trips;
  - leased assets;
  - commuting in permanent sites.

The methodology for the quantification of Scope 1, 2 and 3 GHG emissions is aligned with UNI EN ISO 14064-1 for the applicable parts. Scope 1 emissions were calculated by adopting the emission factors listed in the document "EMEP/EEA Air Pollutant Emission Inventory Guidebook 2019" and in the DEFRA database. The location-based Scope 2 emissions were calculated using the emission factors of the IEA (International Energy Agency) and the DEFRA database[3]. Scope 3 emissions were calculated using the DEFRA database and IEA (International Energy Agency) emission factors. DEFRA and IEA emission factors are updated to 2021.

EMISSIONS (kt CO_2 eq)



Scope 1 emissions were calculated by adopting the emission factors listed in the document "EMEP/EEA Air Pollutant Emission Inventory Guidebook 2019" and in the DEFRA database. The location-based Scope 2 emissions were calculated using the emission factors of the IEA (International Energy Agency) and the DEFRA database. Market-based Scope 2 emissions have been calculated in accordance with the estimation hierarchy set forth by the GHG Protocol. Scope 3 emissions were calculated using the DEFRA database and IEA emission factors. To calculate direct GHG emissions (Scope 1), the following Global Warming Potential values were used: 1 (CO_2), 29,8 (CH_4), 273 (N_2O) (ref. IPCC Sixth Assessment eport) for 2022 and 2023, instead of 1 (CO_2), 28 (CH_4), 265 (N_2O) for 2021 (ref. IPCC Fifth Assessment Report).

(3) UK Department for Environment, Food & Rural Affairs.

		2023		2022		2021	
		Group Total	Full consolidated	Group Total	Full consolidated	Group Total	Full consolidated
Total emissions (Location-based Scope 1, 2 and 3)	(kt CO_2 eq)	6,446.7	6,340.3	4,385.6	3,642.5	2,664.5	2,355.9
Total emissions (Market-based Scope 1, 2 and 3)	(kt CO_2 eq)	6,446.5	6,340.2	4,383.3	3,640.5	2,662.4	2,403.9
Emission intensity (Market-based Scope 1, 2)	(kt CO_2 eq/€mln)	87.7	-	125.4	-	156.5	-

(*) Starting from 2023, emission intensity is calculated considering Scope 2 Market-based emissions instead of Scope 2 Location-based emissions.

Scope 3 GHG emissions by category

	2023		2022	
(kt CO_2 eq)	Group Total	Full consolidated	Group Total	Full consolidated
Purchased goods and services;	4,744	4,666	2,440	1,784
Fuel and energy related activities (not included in Scope 1 or Scope 2)	241	236	296	280
Leased assets	260	260	233	233
Waste generated in operations	53	52	59	54
Upstream transportation and distribution	35	31	45	39
Business travel	63	63	48	48
Other (*)	9	9	10	10

(*) Other includes home-work travel at permanent locations, overnight stays in hotels, water supply and treatment.

Year	Savings goals	Savings achieved
2023	38.2 kt of CO_2 eq	47.0 kt of CO_2 eq
2022	36.3 kt of CO_2 eq	38.19 kt of CO_2 eq
2021	36.5 kt of CO_2 eq	36.98 kt of CO_2 eq
2020	17.8 kt of CO_2 eq	26.69 kt of CO_2 eq

In 2023, Saipem recorded a GHG intensity of 87.7 t of CO_2 eq/€mln (at Group level, the value is calculated considering the market-based Scope 1 and Scope 2 emissions in relation to revenue in millions of euro). In 2022 the value stood at 125.4 t of CO_2 eq/€mln, a constant decrease compared to the previous year (156.5 t of CO_2 eq/€mln in 2021).

In 2023, there was a general increase in Scope 3 emissions (73%), mainly due to:
- increase in the procurement of materials, consequent to project activities, +161% of emissions for the consolidated perimeter (+94% of the Group total);
- extension of the activity perimeter of leased assets (+12% of the Group total).

However, there was a reduction in well-to-tank emissions from fuel consumption, directly and indirectly used, -16% of emissions for the consolidated perimeter (-19% of the Group total).

The significant percentage of Scope 3 emissions attributable to the procurement of materials confirms the need to continuously improve forecasts for emissions related to the supply chain, to pursue reduction objectives.
Numerous initiatives are underway to strengthen the partnership with our suppliers with the aim of improving the traceability of this data and to optimise their environmental performance. Further information can be found in the paragraph "Sustainability Plan" of this document and in the "Responsible Supply Chain" section of the 2023 Sustainability Report.

Preserving the air quality

GRI 305-7

The company policy to reduce GHG emissions and the objectives of the Net Zero Programme also have a strong impact on the reduction of other atmospheric pollutants, as they are a consequence of energy consumption, and will allow a clear reduction of atmospheric pollutants in the medium-long term.

The trend of pollutant emissions follows the trend of energy consumption, which is increasing. This is due to the increase of operations after the contraction during the pandemic.

Air pollutant emissions

	2023		2022		2021	
(t)	Group Total	Full consolidated	Group Total	Full consolidated	Group Total	Full consolidated
NO_X	11,275	11,064	14,849	14,399	12,415	11,762
SO_2	562	556	607	593	542	523
CO	4,534	4,490	5,726	5,471	5,231	4,798
NMVOC	815	800	1,005	965	840	782
PM_{10}	425	416	576	550	477	442

In 2023 pollutant emissions decreased compared to 2022 emissions, and efficiency and saving measures described in the section "The Path to Net Zero" of the 2023 Sustainability Report have made it possible to achieve further reductions also for the emissions of other atmospheric pollutants such as NO_x, SO_2, CO, NMVOC and PM_{10}.

Pollutant emissions avoided

	2023		2022		2021	
(t)	Group Total	Full consolidated	Group Total	Full consolidated	Group Total	Full consolidated
NO_X	475.3	473.6	433.5	433.5	426.9	426.9
SO_2	18.4	18.4	13.7	11.6	16.9	16.9
CO	98.5	98.3	146.5	146.5	121.2	121.2
NMVOC	26.2	26.1	25.3	25.3	24.2	24.2
PM_{10}	15.3	15.2	13.9	13.9	13.6	13.6

PROTECTING THE ENVIRONMENT AND MINIMISING ENVIRONMENTAL IMPACTS

Environmental management policies and system

SASB EM-SV-160a.2

SASB IF-EN-160a.2

Saipem is aware that all its activities, from the planning and design stages to construction and operation, may potentially have an impact on the environment, both directly and along its business value chain.
In identifying, assessing and managing environmental and social impacts tied to business management, both potential and actual, Saipem is guided by international regulations, principles, shared approaches and internationally recognised recommendations adopted in the industry including UN Global Compact principles, the principles expressed in the International Finance Corporation (IFC - World Bank) Performance Standards on Environmental and Social Sustainability, Organisation for Economic Co-operation and Development (OECD) guidelines for multinationals.
As reported in the Saipem Group HSES Policy, the Company undertakes to prevent potential environmental impacts caused by its activities and to use energy and other natural resources efficiently, "by adopting measures aimed at preventing and mitigating pollution and contamination, while also proactively participating in the appropriate management of natural resources, in the protection of biodiversity, the restoration of ecosystems in the places where we work and the effective management of waste", both when these are managed directly with its own personnel and means, and in operations managed by third parties for its own operational projects (clients, subcontractors, etc.).
Moreover, Saipem pays the utmost attention to the constant improvement of its environmental performance. To guarantee these results, Saipem has adopted a certified Environmental Management System. All the most significant entities in the Saipem Group are ISO 14001:2015 certified to support and guarantee the environmental management system adopted by the Company. Saipem is aware of the real impacts of its activities and defines specific actions and tools required to manage these impacts for each operating context.

As required by the environmental management system, all significant projects (taking into consideration the operation of the project/site, the context and operational control) lead to the environmental aspects/environmental risk assessment.

In 2023, a model was defined to assess environmental risks during the BID approval phase of projects which evaluates the potential impacts of the project in terms of GHG emissions, biodiversity, water and waste.

In its purchasing processes, Saipem is committed to selecting materials and services which take into account environmental criteria and encourages the use of low impact technologies through the research and adoption of solutions with the lowest possible impact on the environment during their entire life-cycle, in terms of the disposal/release/emission of pollutants, the use of hazardous substances and the production of waste.

Saipem organises various training initiatives on environmental issues, also involving its subcontractors in the operating sites and in 2023 it provided 92,441 hours of training for the consolidated perimeter (96,131 for the Group perimeter). Note that, as part of the STEP programme, various courses have been delivered on environmental issues, in particular on Climate Change and Energy Management.

Furthermore, the Company invests in research and development programmes to create technologies that minimise the environmental impact of its operations and of the delivery of its service to the reference sector, and organises specific initiatives designed to promote environmental awareness and the dissemination of best practices, also involving external entities as addressees.
Further details can be found in the "Research and development" section of the "Directors' Report" and in the "Biodiversity and pollution prevention" section of the 2023 Sustainability Report.

Spill prevention and response

SASB EM-SV-150a.2

Pollutant spills are one of the most significant environmental issues for the sector in which Saipem operates. In the case of spills, the prevention of accidental events and response actions are absolute priority elements for their management. Saipem's spill management strategy is in fact focused on minimising the risk of spills and implementing emergency mitigation and management actions, for which it adopts advanced equipment and procedures. The Saipem management system is based on the following hierarchy of actions:
- *Prevention*: actions have been implemented to identify specific areas of risk and improve processes and operational control of those sites and vessels which are most at risk of spills.
- *Instruction and training*: specific training events on spill prevention are periodically organised, along with drills aiming to improve the skills of operating staff in emergency management. The drills are carried out

both on land and at sea, involving, if necessary, clients or third parties designated for emergency response activities. During 2023, 394 spill response drills were carried out, far beyond the set target of 375 drills.
> *Spill response*: all Saipem sites have the necessary equipment for tackling any spills which may arise and specific Spill Response Teams have been set up and trained. Each operating site implements a spill management plan which identifies the accident scenarios and adequate response modes and can also include the intervention of designated third parties. Note that, whenever possible or technically practicable, recovery activities are implemented for spills that have occurred.
> *Reporting*: the data concerning spills and "near misses" (events that, under slightly different conditions, could have caused environmental damage) are monitored by a specific software and subsequently analysed to assess the causes, prevent recurrence and share the 'lessons learned' within the Company.

Saipem also provides services for the prevention and management of emergencies due to spills at sea. Specifically, the services offered may concern training, the use of underwater drones and remote emergency intervention of the OIE (Offset Installation Equipment): a unique system in the world, designed to intervene in the event of a spill from an underwater well into shallow water (up to approximately 600 m deep), when direct vertical access is not possible.

		2023		2022		2021	
		Group Total	Full consolidated	Group Total	Full consolidated	Group Total	Full consolidated
Number of spills							
Total	(No.)	27	27	18	18	38	37
Spills of chemical substances	(No.)	1	1	2	2	-	-
Spills of oily substances	(No.)	20	20	9	9	27	26
Spills of biodegradable substances (*)	(No.)	4	4	4	4	8	8
Spills of drilling muds (*)	(No.)	2	2	3	3	2	2
Spills of wastewater (*)	(No.)	-	-	-	-	1	1
Volume of spills							
Total	(m^3)	10.75	10.75	7.85	7.85	3.10	3.10
Spills of chemical substances	(m^3)	0.002	0.002	0.04	0.04	0.00	0.00
Spills of oily substances	(m^3)	9.09	9.09	2.17	2.17	0.33	0.32
Spills of biodegradable substances	(m^3)	0.04	0.04	0.15	0.15	2.20	2.20
Spills of drilling muds	(m^3)	1.6	1.6	5.5	5.5	0.54	0.54
Spills of wastewater	(m^3)	-	-	-	-	0.05	0.05

The internal reporting rule for spills requires a minimum volume of 1 litre, beyond which it must be reported as an accident.

Out of 27 total spills in 2023, 14 were less than 10 litres. The volume of spills in 2023 attributable to both the Group perimeter and the consolidated perimeter recorded an increase of 37% compared to 2022.
The 3 main spills (with more than 500 litres) that took place are the following:
> a spill of oily substances into the soil in the context of the onshore FEED Pipelines for New Refinery Project (8,744 litres) due to a pipe detached from the pipeline. This spill constitutes approximately 80% of the 2023 volume;
> a drilling mud spill on the Scarabeo 9 vessel (1,112 litres) due to inadequate sealing;
> a spill of drilling mud from the mud collection tank on Rig PTX 5929 (500 litres).

The criticality of each spill is assessed according to the actual and potential impacts generated by the event, in terms of consequences measured against the environmental matrix. All incidents are accompanied by evaluations and cause analyses. For the risk of spills, the list of mitigation and prevention measures is assessed and established in order to reduce the risk of future occurrence and/or environmental impacts. No events occurring in the year had severe consequences.

GRI 303-1
GRI 303-2
GRI 303-3
GRI 303-4
SASB
EM-SV-140A.1
EM-SV-140A.2
SASB
IF-EN-410A.2

Water resource management

Saipem is aware of the need for greater resilience in the planning and management of water resources, also to react to the effects of climate change. In some regions, there could be an increase in water availability, while in others a reduction in availability, leading to water stress and competition for resources, throughout the project life cycle.
Saipem is therefore focusing more on the development of new water technologies and in general on improving water management.

The water resource management strategy is an integral part of the environmental strategy and is defined in the environmental management system documentation; it is also an objective of the Group HSE plan.

The hierarchical approach to water management aims to maximise reuse, where possible, and reduction of consumption in all operational sites and projects, particularly those in water-stressed areas.
Saipem has chosen to go beyond legal requirements and implement Yard Energy and Water Efficiency Management Plans (YEWEMP) within its fabrication yards, based on the same concept introduced by the IMO for ships (MARPOL annex 6) of the Ship Energy Efficiency Management Plan (SEEMP).

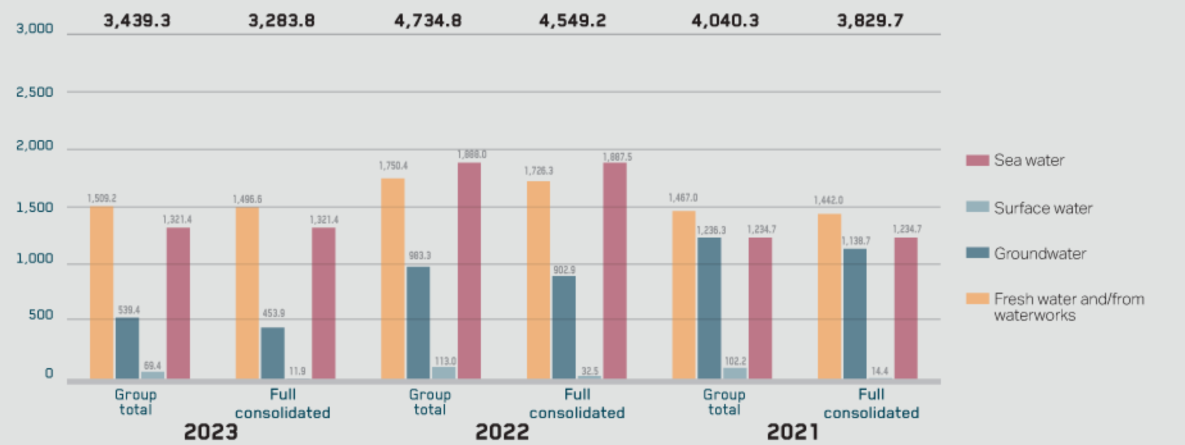
Between 2019 and 2020, Saipem's main sites developed their own Energy and Water Efficiency Management Plans (YEWEMP), i.e. Ambriz (Angola), Arbatax (Italy), STAR (Saudi Arabia) and SCNL (Nigeria). In 2023 the above-mentioned sites updated their plans with new targets based on the performances that had been reached and continued implementing initiatives such as the installation of meters on the water network in order to measure differentiated consumption. Furthermore, construction sites are installing LED lights to replace fluorescent bulbs, in order to reduce electricity consumption.
Also in 2023, in the Energy Carrier Business Line, actions/activities were implemented to achieve significant water savings. In Nigeria, as part of the LNG Bonny Train 7 project, the following measures were implemented for the efficiency of the two accommodation camps: installation of aerators in shower heads and sinks, double flush system for toilets and sinks with aerators and push buttons in common areas. The implementation of the aforementioned initiatives has allowed an estimated saving of approximately 88,000 m^3 of water in 2023.

Other examples of the effectiveness of the water saving measures introduced by Saipem are the measures implemented in 2022 by the Marjan pack 10 and Berri (Saudi Arabia) projects. These measures (aerators in shower heads; water toilet tank banks; new washing machines with lower water consumption) led to water savings of 4,082 m^3 and 11,731 m^3 respectively in 2023.

Furthermore, we highlight as water reuse practices: the reuse of treated wastewater for dust abatement, irrigation, hydrotests (in accordance with specific regulatory limits).

The mapping of Saipem sites located in water-stressed areas, updated annually, is the basis for the definition of these initiatives.

WATER WITHDRAWALS (10^3 m^3)



The total water withdrawals correspond to the total water consumption in the reporting year.

Compared to the total water withdrawals for the year, it should be noted that the withdrawal of fresh water represents 44% of the total withdrawals for the Group perimeter and 46% for the full consolidated perimeter, while the salt water represents 38% within the Group perimeter and 40% for the full consolidated perimeter.
Water consumption decreased by 28% compared to 2022 for the consolidated perimeter and by 27% for the Group perimeter, mainly following the reduction in sea water consumption used in the Tangguh Expansion project (Indonesia), and the transfer of headquarters from the third and fourth buildings in San Donato Milanese (Milan) to Spark1 in Milan.
In particular, the following are recorded:
- a reduction in fresh water withdrawals from public networks, mainly due to the onshore projects South Gas Compression Plants Pipeline Project (SGCP) Pipelines (Saudi Arabia) and Dammam Camp (Saudi Arabia);
- a reduction in water withdrawals from the ground, mainly due to the closure of the third office building (Milan) which consumed a significant quantity for the thermoregulation of the building. The new Saipem headquarters in Milan, Spark1, is characterised by high efficiency use of water and by a rainwater reuse systems which in 2023 allowed a saving of 99% of the water consumed by the Third and Fourth Office

Buildings compared to 2019 (last year of full building occupation before the COVID pandemic that implied partial closing);

- a reduction in water withdrawals from surface watercourses, mainly due to the activities of the Petromar Ambriz Yard (Angola);
- a reduction in seawater withdrawals, mainly due to the termination of the activities in the BP Tangguh Expansion - LNG EPC onshore project (Indonesia).

		2023		2022		2021	
		Group Total	Full consolidated	Group Total	Full consolidated	Group Total	Full consolidated
Recycled and re-used water							
Re-used water	(10^3 m^3)	183	183	298	298	447.8	447.8
	(%)	5	6	6	7	11	12

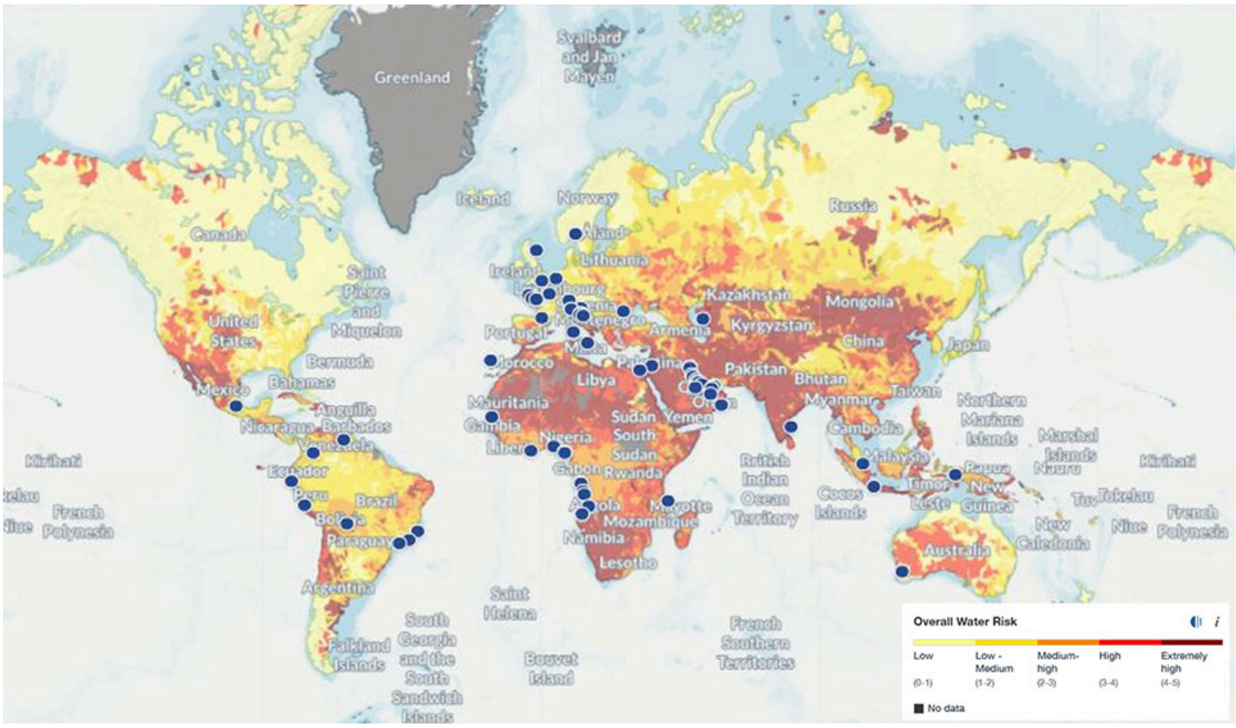
Water discharges

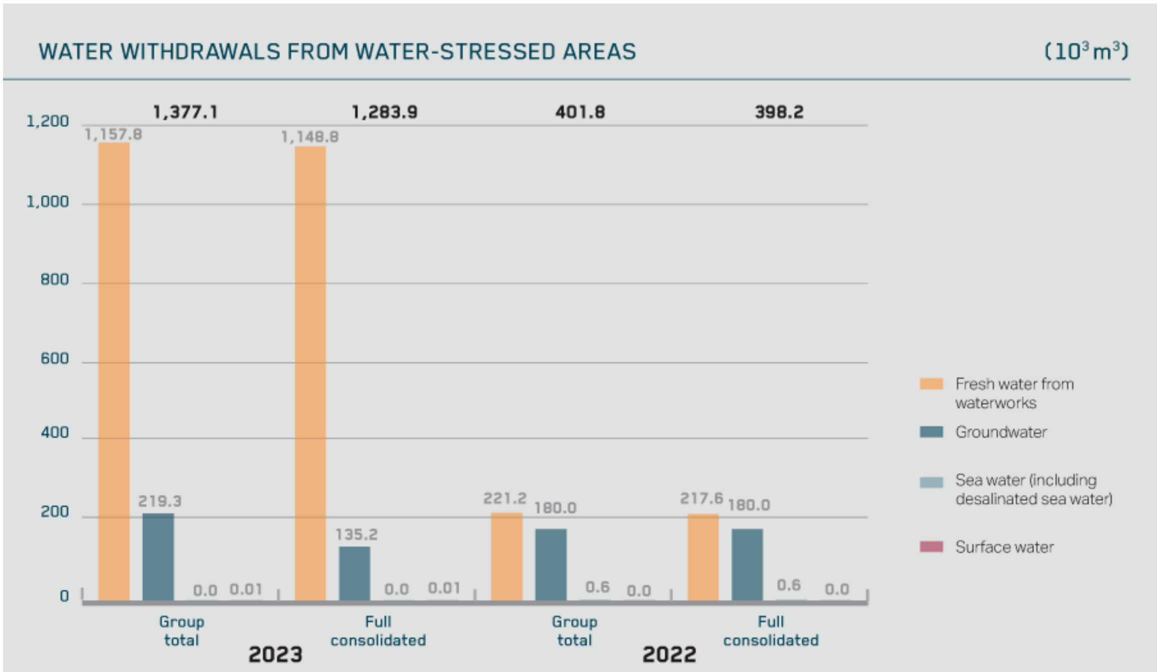
	2023		2022		2021	
(10^3 m^3)	Group Total	Full consolidated	Group Total	Full consolidated	Group Total	Full consolidated
Total water discharged, of which:	**1,656**	**1,608**	**2,786**	**2,704**	**2,238**	**2,138**
- water discharged into the sewer systems	189	184	194	189	176	171
- water discharged into bodies of surface water	448	448	1,090	1,090	919	897
- water discharged into the sea	1,019	976	1,502	1,425	1,143	1,071

Water discharges fell for all reported categories, in line with that which was reported for water consumption. Specifically, water discharges decreased by 41% both for the Group perimeter and for the full consolidation.

Our offshore vessels are equipped with water treatment systems; therefore, any discharge into the sea is treated before release in line with the most stringent applicable regulations and guidelines.

Location of main Saipem sites on map of water-stressed areas produced through the Aqueduct Water Risk Atlas.





Wastewater in water-stressed areas

($10^3 m^3$)	2023 Group Total	2023 Full consolidated	2022 Group Total	2022 Full consolidated
Total water discharged (*)	333.1	330.0	401.0	391.9

(*) Indicator modified in 2023. In 2022, water discharges were reported by destination; in 2023 the indicator was aligned with GRI requirements to indicate discharges by type of water. Please note that all water discharged in water stressed areas falls into the fresh water category.

In 2023, water withdrawals in areas with water stress increased considerably because the classification of 12 areas changed (out of 37 in total) which from this year, according to the Aqueduct system, are classified as at risk of water stress and which in 2022 weren't. In these 12 areas, operational projects were carried out in 2023 that used 77% of the water in water-stressed areas.

Waste management

GRI 306-1
GRI 306-2
GRI 306-3
GRI 306-4
GRI 306-5

The Company adopts a responsible and specific waste management system based on the type of operating activity, which it also shares with the third party companies it operates with.
Waste management is tackled by applying a hierarchy of operations mainly aimed at minimising waste production through the use of appropriate procedures or technologies, re-using waste as material and recycling it after the most appropriate treatment.
Priority is given to hazardous waste in the context of action aimed at minimising waste generation. The Company promotes and implements measures, also through the research and development of new materials, which allow hazardous materials to be replaced with non-harmful alternatives.
Saipem sets the objectives by analysing the KPIs of the last four years (from 2019 to 2023) in consideration of business activity, region and country to be able to establish targeted and effective improvement objectives.
The waste KPIs are defined by country taking into account all active projects and thinking about each site in terms of the quantity of waste produced and recycled. By grouping countries together it is possible to define regional KPIs. The experiences made with past projects are considered a starting point for defining the baseline.

In order to comply with its management standards, Saipem controls the traceability of waste within its sites and ensures that subcontractors do the same (e.g. through specific contractual requirements, inspections, audits, etc.).

Any type of service provided by a subcontractor is associated with a Commodity Code, each of which is associated with an HSE criticality level.
The assessment of the HSE criticality level is based on the feedback received from the Business Lines and on the analysis of HSE data. Supplier requirements are defined based on the level of criticality. Therefore, since waste management is considered highly critical, suppliers are subjected to additional assessments and also to contractual incentive systems meant to reward excellent safety results or discourage non-compliance with rules, procedures and good practices aimed at protecting workers' health, safety and environment.
Saipem is aware that waste characteristics, quantity and dangerousness may also vary according to the type, progress and factors, such as geographical aspects, in which the project is carried out. The approach is therefore to try to reduce the production of hazardous waste as much as possible and maximise recycling both in terms of categories and quantities.

	2023		2022		2021	
(kt)	Group Total	Full consolidated	Group Total	Full consolidated	Group Total	Full consolidated
Total weight of waste produced, of which:	**790.2**	**709.7**	**851.7**	**762.5**	**811.9**	**743.5**
- hazardous waste disposed of in landfill sites	6.3	6.2	19.2	18.5	10.9	10.4
- hazardous waste incinerated in external plants	0.8	0.8	0.6	0.6	2.0	2.0
- hazardous waste incinerated in Saipem plants (*)	0.5	0.5	0.7	0.7	0.8	0.8
- recycled hazardous waste	1.4	1.4	2.6	2.5	15.2	15.1
- hazardous waste disposed of in other structures	33.9	33.9	97.4	97.4	108.9	108.8
- non-hazardous waste disposed of in landfill sites	139.8	138.1	220.2	210.3	261.8	252.6
- non-hazardous waste incinerated in external plants	0.02	0.02	0.05	0.04	0.2	0.1
- non-hazardous waste incinerated in Saipem plants (*)	1.6	1.6	2.6	2.6	1.7	1.7
- recycled non-hazardous waste	52.8	51.2	95.6	92.9	90.6	86.1
- non-hazardous waste disposed of in other structures	553.2	476.0	412.7	337.1	319.9	265.8

All waste, with the exception of the incinerated category, is processed in plants that are external to the Company's sites.
(*) We report that, at present, no Saipem incineration site allows energy to be recovered.

In 2023, a waste reduction of 7% was recorded for both perimeters compared to 2022, mainly due to the decrease (91%) in the disposal of hazardous waste in the Al-Zour Refinery Project refinery (Kuwait). This project is in fact under completion.
Compared to 2022, there was a decrease in the production of hazardous waste by 64% in both perimeters, while non-hazardous waste produced increased by 4% for the fully consolidated perimeter and by 2% for the Group perimeter. In general, compared to 2022, there was a 45% reduction in the quantity of recycled waste, mainly due to the onshore Nong Fab LNG project (Thailand), following a reduction in the waste production from earth and rock excavation and dredging materials that were sent for recycling in 2022. The project was completed in 2022.

Since 2022, Saipem has developed and implemented customised KPIs for each project, location and business line aimed at increasing the categories and quantities of recycled waste. The KPIs were achieved

by the majority of Saipem projects which in fact showed an increase in total recycled waste (hazardous and non-hazardous).
For several years now, Saipem has been celebrating the European Week for Waste Reduction, extending it to all its offices around the world in order to raise awareness, promote cultural change, best practices for reducing and improving waste reduction.
All employees are invited to participate and contribute to the campaign individually and collectively. On this occasion, clients and suppliers are invited to participate in the organised activities.
Saipem has included waste reduction and the commitment to work on disposal methods (in particular recycling) among its objectives in the Sustainability Plan.

More information on initiatives to reduce waste production can be found in the “Sustainability Plan” paragraph of this document and “Biodiversity and Pollution Prevention” of the 2023 Sustainability Report.

Biodiversity

Aware of the importance of biodiversity and ecosystems for the well-being of society today and tomorrow, of their rapid decline which threatens both nature and people, and its strict correlation with the climate crisis, Saipem is committed to systematically assess, mitigate, restore and compensate for the impacts and risks on biodiversity and ecosystems in the areas in which it operates. Furthermore, through mitigation and adaptation actions to climate change, Saipem is committed to contributing to the biodiversity conservation by addressing the main factors that cause its loss.

The protection of biodiversity and the reduction of impacts on ecosystems are completely integrated into Saipem's Environmental Management System and also play a central role in Saipem's Four-Year Sustainability Plan, included in the Group's Strategic Plan.

Saipem is committed to leveraging its global presence in various cultural and environmental contexts to play a significant role in counteracting or reversing the decline of biodiversity, promoting actions not only within its value chain, but also beyond it.

Saipem is committed to supporting the principles of "No net loss of biodiversity", "No Net Deforestation" and, if applicable, "Net improvement" and "Net Gain" approaches, involving clients, suppliers and any other stakeholder, aiming to achieve a general net positive impact on biodiversity in its sites and projects, including by enhancing the value of nature, communities and territories in the areas in which it operates.
The definition of appropriate KPIs and objectives, systematic monitoring and reporting of Saipem’s performance in protecting biodiversity, as well as informing and engaging key stakeholders on the topic, represent a further key element of Saipem's extensive commitment.

Promotion of actions within our value chain

1) As an EPCI contractor, Saipem:
- collaborates with clients and supports them, also stimulating subcontractors and suppliers, to achieve their biodiversity and environmental protection objectives and comply with the requirements of the Environmental Impact Assessment (EIA), thanks to its long experience in the execution of projects with reduced impacts, even in difficult and vulnerable environments;
- works to mitigate the impacts on biodiversity directly controlled and influenced by Saipem, such as those generated by its assets and sites.

Saipem's Environmental Management System, applied in sites and projects around the world, systematically integrates the management of risks and impacts on biodiversity and ecosystems, based on information released by ESIA and the environmental studies performed (e.g. survey).

Saipem applies environmental requirements in the management of its operations, that sometimes (when and if necessary) can be even more stringent than current legislation, and also transfers them to its subcontractors during each phase of the project.

The conservation of biodiversity in Saipem projects is put into practice by adopting a hierarchy of interventions: rescue, protection, awareness and, depending on the requirements and characteristics of specific projects, relocation and restoration.

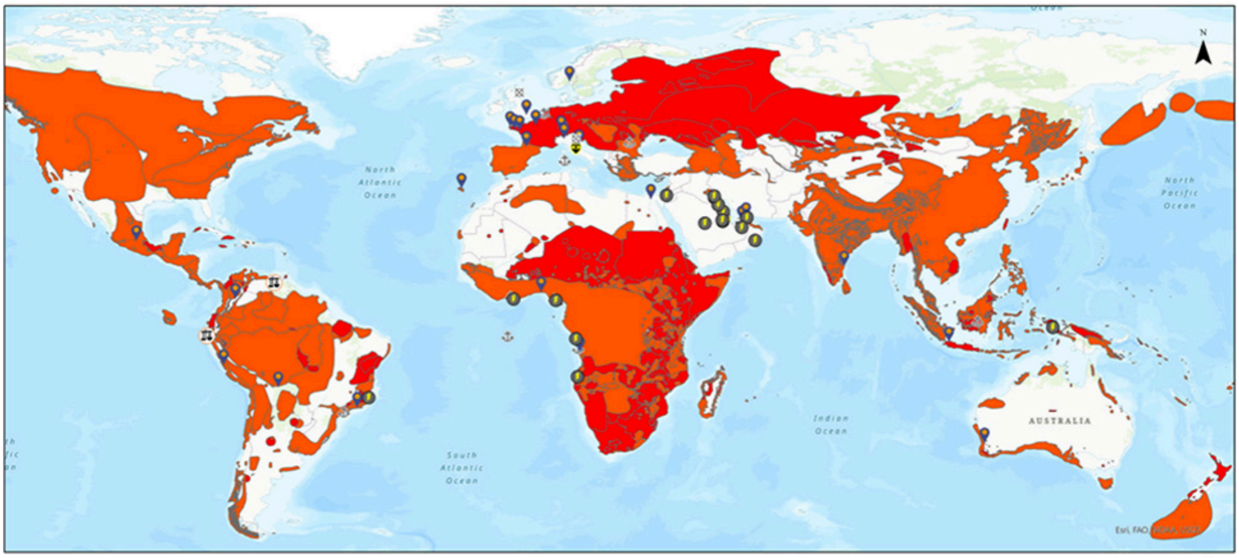
Starting from 2023, Saipem has carried out a mapping of its operational sites and projects by means of a Geographic Information System (GIS) to systematically identify potentially critical areas, interventions and/or further improvement objectives.

In 2023, 65 Saipem sites were analysed, all those subject to environmental reporting, and were mapped using GIS in the light of potential proximity to IUCN and UNESCO areas. No critical issues were identified; the mapped sites are in fact located outside the boundaries of IUCN and UNESCO areas.

78% of mapped sites are located more than 5 km from IUCN areas, some in areas more than 150-200 km away.
All sites within 5 km of IUCN areas are offices and do not cause significant impacts on biodiversity.
Most Saipem sites are located more than 50 km from UNESCO sites.
Only 1 site is located near a UNESCO site (the Rio de Janeiro office which is about 1 km from the Rio Valongo Wharf Archeological Site).

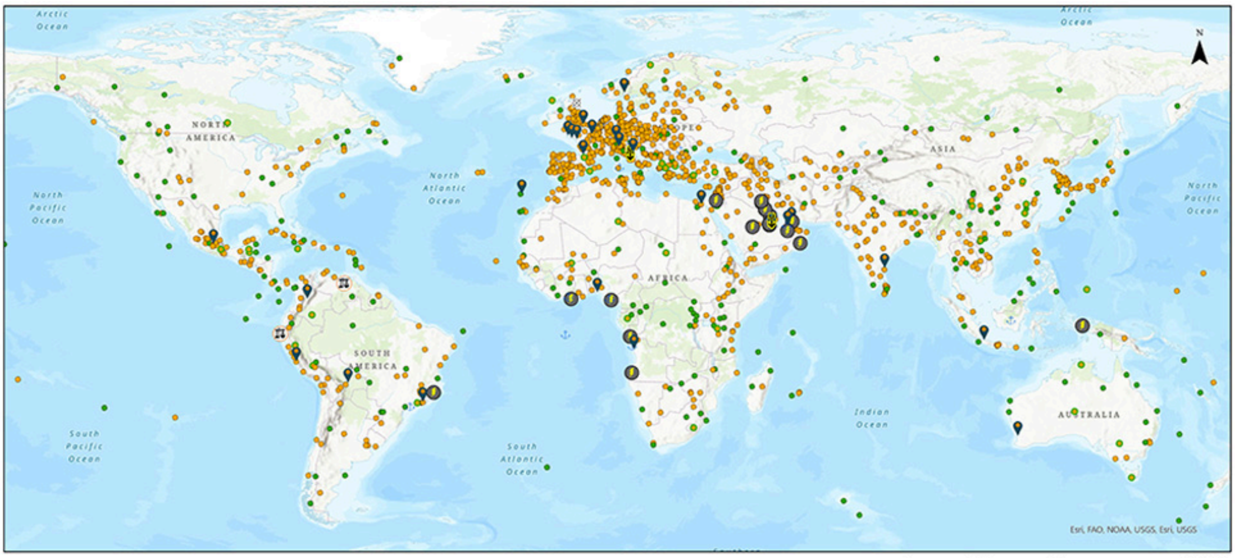
Note that the offshore vessels are not considered in the analysis as they move during the year.

Mapping of operational sites in areas classified as "Red List" by IUCN



Legenda
Saipem sites: ABSER - Offshore Drilling ABSER - Onshore Drilling ABSER - Offshore Construction
Corporate Energy Carriers Robotics and Industrialized Solutions
IUCN Red List-Mammals: Critically endangered species Endangered species
0 2,000 4,000 8,000 km

Mapping of operational sites in UNESCO areas



Legenda
Saipem sites: ABSER - Offshore Drilling ABSER - Onshore Drilling ABSER - Offshore Construction
Corporate Energy Carriers Robotics and Industrialized Solutions
UNESCO World Heritage Sites: Cultural site Mixed site Natural site
0 2,000 4,000 8,000 km

In 2023, more than 1,800 suppliers/subcontractors were selected (including qualified and active, based on the HSE risk classification, and the amount ordered), whose sites will be mapped by 2026.

With respect to the mitigation of impacts on biodiversity triggered by its operations, in particular offshore ones, Saipem, working on the identification and prioritisation of intervention areas, focuses on the following main impact factors:
- hydrocarbon spills: specific KPIs are monitored, risks and mitigation measures are assessed, such as through the adoption of biodegradable oils;
- plastic pollution: monitoring KPIs are identified, objectives are defined and initiatives are implemented to reduce the use of single-use plastic (in major projects and sites around the world).

2) Saipem promotes research and technological innovation with increasingly digitalised processes to improve the environmental sustainability of the sector. For example, the use of underwater robots to carry out highly complex underwater tasks, such as underwater drones - Hydrones, the development of plastic recycling technologies, decarbonisation, as well as advanced systems for inspection and monitoring of seabed morphology, quality of water, the Integrity inspection of assets (such as spill prevention activities) and marine species, and the development of advanced plastic recycling technologies to promote circularity.
More information on spill prevention services that we offer to our clients can be found in the paragraph "Spill prevention and response".

Developing initiatives and solutions beyond its own value chain

Saipem supports nature-based projects and solutions, in line with its broader sustainability strategy, dedicated to the prevention of forest degradation, their conservation and the restoration or rehabilitation of ecosystems and habitats. High sustainability standards and robust risk models are applied to evaluate and select investments in offset projects, with several traceable collateral benefits. In 2023, 4 project were financed, with a total of 100.000 tonnes of CO_2 eq compensated.

The approaches described above can be achieved through two main enabling factors:
- establish partnerships and collaborations with clients, suppliers, universities, institutions and research bodies, to define new opportunities, methodologies and tools to promote within the sector;
- collaborate with employees to train, communicate and raise awareness on the adoption of sustainable behaviours and involve communities, through local development initiatives, also focused on climate adaptation.

Regarding community engagement and local development initiatives, key examples of initiatives related to biodiversity protection implemented in 2023 include plastic reduction initiatives (e.g. Seabins installation, bubble barriers in Brazil, cleaning and volunteering initiatives).

SOCIAL ASPECTS

Social policies and management

The Group operates in over 50 culturally and geographically different and distant countries, often in contexts characterised by difficult situations and border issues, and it takes into account the specific issues of each country when assessing social aspects linked to its activities.
For the social impacts linked to the operational projects it works on, Saipem bases its assessments on environmental and socio-economic impact studies, such as ESIA (Environmental & Social Impact Assessment), normally produced by its clients or, where necessary and established contractually, developed internally. In operating projects, Saipem supports the client's activities, in line with contract requests and the requirements the latter received and/or agreed with local authorities through specific studies such as ESIA (Environmental Impact Assessment).

Instead, the activities in which Saipem has direct responsibility and management of the social impacts generated at local level concern the fabrication yards or proprietary logistic bases. In these cases, the potential effects of operations on the social context and local stakeholders are identified and assessed in order to minimise their adverse impact and to define and implement specific activities and projects aimed at developing the local socio-economic context working with the identified local stakeholders.

The overall risk profile (including the environmental and social ones) for every project is identified, analysed and monitored from the commercial phase.

Wherever it operates, Saipem has always strived to minimize any adverse impacts on the territory and contribute to maximising positive impacts through the implementation of strategies aimed at promoting sustainable local development.

Relations with the local context

Saipem is committed to establishing relations with its local stakeholders based on correctness and transparency to pursue concrete shared objectives for sustainable development. This is achieved by strengthening mutual trust, seeking dialogue and promoting the right conditions in order to establish lasting cooperation in the countries where the Company operates.
Wherever it works, Saipem identifies local stakeholders and the main impacts generated, also based on the information provided by clients in contractual documents such as the ESIA (Environmental & Social Impact Assessment). Saipem's relations with local stakeholders therefore depend on the type of operating presence in each specific area. This presence is divided between: long-term presence in the areas where the Company owns fabrication yards, logistic bases or other operating structures that allows structured relations and partnerships with various local stakeholders or their representatives to be established; and short/mid-term presence where Saipem is involved in a specific project within set contract deadlines and, as a result, participates in more targeted and short-term sustainable development initiatives, generally coordinated by the client.
Saipem's involvement and dialogue with local stakeholders therefore depends on the type of presence in each specific area, contract requirements set by clients on projects and the partners with which the Company operates, as well as the characteristics and social composition of the relevant context. To support this process, Saipem has implemented specific tools for analysing the local context, and identifying and analysing the main stakeholders aimed at defining engagement and intervention plans, which may include periodic meetings, information and communication activities, comparisons and specific investigations, responses to reported issues, and contribution to initiatives for local communities.

An important tool is listening to the demands of the local stakeholders, also by means of consolidated engagement processes. In particular, for the management of the negative impacts, the Company has drawn up a principle (Guidelines on Grievance Management) for structuring a system to collect and manage the demands of the local communities in the operating situations where it is considered necessary or requested by the client. This process also allows potential negative social impacts to be identified and managed or mitigated.

Moreover, significant examples of collaboration with local stakeholder are those with the university and school bodies, the representatives of local institutions, the non-governmental organisations active in the areas and the local bodies for the implementation of development programmes and the promotion of health.

The social and economic impact on the territory

For Saipem, local presence means purchasing goods and services from local vendors, creating employment at a local level and developing the know-how of the local personnel and vendors, strengthening their technological and managerial skills. In this way Saipem contributes to creating development opportunities for the people and companies in the communities where it operates. Saipem's presence is also characterised by a commitment to developing and maintaining a continuous relationship with local communities, clients and vendors making it possible to obtain benefits also in terms of reductions in overall project costs and the overall risk profile associated with operational activities.

In order to enhance and quantify the value generated in the countries in which it operates, (local content), Saipem has internally developed a model (SELCE, "Saipem Externalities Local Content Evaluation") to quantify the value of its presence in the local territory in terms of economic, employment and human capital development. The model implemented in the main operational areas in which Saipem works shows the impact on the economies of the countries (ref. Sustainability Report, "Local Impact" section).

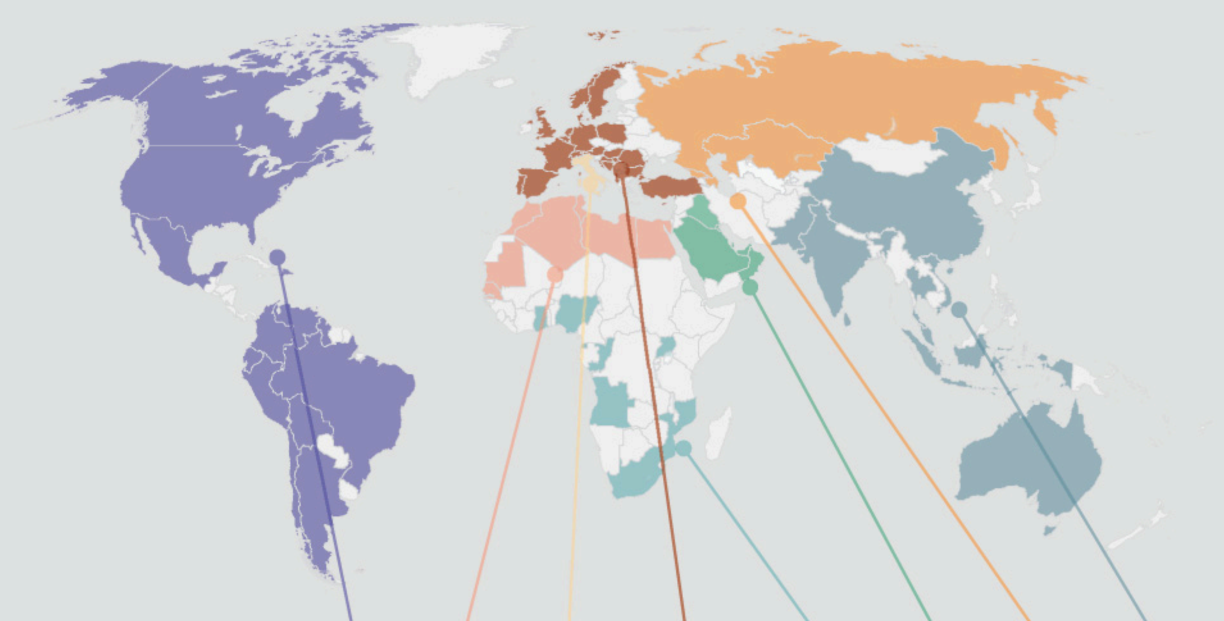
GRI 202-2

Local content (in Country Value)

(%)	2023 Group Total	2023 Full consolidated	2022 Group Total	2022 Full consolidated	2021 Group Total	2021 Full consolidated
Local employees	71	69	72	70	79	75
Local managers	53	54	55	54	50	50
Purchased from local vendors	51	43	64		68	

A local employee is a worker who works in the country where he/she was hired. Local managers include the total of middle and senior managers. Given the large number of employees in the two headquarters in Italy and France, the percentage of local managers is calculated excluding the data for these two countries, in order to provide an effective representation of the Company's commitments in the countries where it operates.

EXPENDITURE FOR OPERATING PROJECTS (*) BY GEOGRAPHICAL AREAS (€ million)



	Americas	North Africa	Italy	Europe	Sub-Saharan Africa	Middle East	CIS	Far East and Oceania
Global vendors	421	74	58	234	1.549	2.254	(26)	361
Local vendors (**)	602	382	400	799	792	1.201	(50)	1.044
Expenditure for operating projects at a local level on total	59%	84%	87%	77%	34%	35%	-	74%

(*) Estimated monetary value of payments made to vendors in 2023.
Furthermore, the amount spent and not allocated to specific geographical areas, due to equity investments, personnel costs and other operating costs, is €2,311 million.
(**) Local vendors means entities that have their registered offices in countries included in the geographical area indicated.

A sustainable supply chain

GRI 308-1
GRI 412-2

The vendor management system, described in the "Supply chain management" section of this document, was structured to guarantee that they have proven technical and operational skills, but also that they share Saipem's values and policies. For this purpose, sustainability elements to analyse and monitor in the various phases of the vendor management system have been identified; these elements include ethical behaviour, respect for human and labour rights, including the protection of the health and safety of workers, and environmental protection.
First of all, Saipem's vendors are bound to comply with the principles that are an integral part of the Code of Ethics, of the vendor Code of Conduct, and respect human rights in conformity with the Saipem Sustainability policy, as required in the contractual clauses laid down in all contracts.
The vendor code of conduct was issued in 2022 and also published on the company website. The document is aligned with the Code of Ethics and Saipem corporate policies and is mandatory for all vendors. It defines Saipem's expectations regarding ethics and compliance, human rights and modern slavery, health, safety, environmental protection, relationship with local communities, information and data protection, and whistleblowing reporting process. During 2023, the Vendors Code of Conduct was integrated with a specific chapter relating to diversity and inclusion.
As of the introduction date, 63% of qualified suppliers have signed the Code: it is estimated that all qualified suppliers will subscribe to it within the next two years.

Vendors are responsible for managing risks in their operations, and the Company demands that, in turn, they require the same principles and standards from their own vendors. In this way, we aim to guarantee safe and fair working conditions and the responsible management of environmental and social aspects throughout the supply chain.

During the **qualification** process, the analysis of vendor information is the first step for knowing and understanding their capacities. This phase involves the gathering of data and information, as well as the vendor's documentation, to evaluate:
- their technical and managerial skills, including their alignment with quality standards;
- their financial, reputational and ethical reliability;
- their ability to manage sustainability issues.

The level of risk linked to sustainability issues is determined by the country of origin of each vendor and the industrial sector and/or criticality of the supply. The vendors identified with a high sustainability risk level are subject to more in-depth investigations.
In particular, depending on the type of goods or services offered, vendors are subjected to a **Counterparty Risk Assessment ("VERC")**, aiming also to verify their ethical conduct in terms of anti-corruption, unlawful conduct and human rights, as well as any other aspect which could directly damage the reputation of the vendor, and indirectly the reputation of Saipem. The VERC is performed by analysing the key characteristics of the counterparty, with particular attention to economic-financial, ethical/reputational aspects and ownership. The counterparty risk assessment on vendors or potential vendors is usually done by checks that do not involve contacts with the counterparty, gathering available information from specialised third-party sources. The VERC may be performed not only at the start of the qualification activity, but also during the contract award phase or during the performance of periodic inspections, where foreseen. In 2023, the number of VERCs drawn up amounted to 2,693, of which 1,585 drawn up as part of the qualification processes managed during the year, 99 for the issuance of purchase documents,
The downward trend compared to previous years is motivated by a review of the Counterparty Risk Assessment process, as part of the optimisation of the processes launched on the supply chain, which led to the streamlining of the VERC drafting activities, while maintaining constantly rigid checks before any activity related to suppliers.
Furthermore, depending on the level of risk of exposure to problems linked to human rights and/or health and safety and environmental management aspects, **vendors are assessed by** analysing the documents provided during qualification, to check compliance with the Saipem principles and the vendor's ability to manage these issues. In 2023, 474 suppliers were assessed on HSE issues and 431 were assessed on labour rights issues.

Depending on the level of sustainability risk, the vendors subjected to **qualification audits** may also be assessed on specific sustainability aspects, including labour rights, health and safety and environmental protection.
During 2023, a total of 4 audits were carried out on the qualification process which also covered the social and HSE aspects for new Chinese companies. Audits were carried out by an independent external auditor (DNV). Following these audits, some non-conformities and observations were identified and improvement actions were requested to vendors, especially regarding health and safety, working hours, remuneration, disciplinary actions and contractual clauses, through specific action plans agreed with the vendors and currently in progress.

During the bid and contract execution phases, further controls are performed, including a counterparty risk assessment based on the total value of the supply. For goods and services deemed to be of high risk of health, safety and environment (HSE) issues, specific assessments are carried out to check the vendor's ability to perform the contract in accordance with the relative international and Saipem standards and on the capacity to manage HSE aspects.
Furthermore, **the contractual conditions** applied to all vendors and all types of purchasing include specific requirements that oblige the vendor to strictly comply with the Saipem Code of Ethics and to respect human rights.
In order to share the ethical principles, inform and train vendors on the Saipem standards and requirements and how they should align to these, Saipem organises specific events, meetings or forums for vendors, both prior to qualification and during the execution of the contracts.
Other more informal checks are carried out by the Post-Order function team, trained with a special e-learning course (delivered since 2016) on human and labour rights issues, by means of checklists prepared to collect any observations that emerged during visits to the plants of suppliers to investigate on child labour, forced labour, discrimination, compensation and hours worked, including overtime. In 2023, 102 new checklists were filled in.

Furthermore, a new documented process was implemented during 2023 to identify key vendors operating in certain countries and providing specific services to Saipem. The definition of the vendor risk profile is based on the country risk, the type of activity (commodity code), the total ordered, and other information (duration of the commercial relationship, feedback, etc.). Prioritisation of suppliers based on their risk profile is essential given the large supply chain involved in Saipem projects and activities and is necessary to identify specific mitigation actions, included in the Saipem Sustainability Plan.

In 2023, in line with Saipem's sustainability objectives, the main vendors identified by the prioritization process were involved in the following actions:
- social assessment programme;
- training campaign on human and labour rights.

The Social assessment programme involved 10 key vendors (seven subcontractors and three employment agencies) selected based on the criteria defined above, and which represented approximately 4% of the total purchased in 2022. The Social assessment programme was structured in various phases and implies preliminary involvement of vendor Management in one-to-one meetings meant to present Saipem's expectations and requirements regarding compliance with its Code of Ethics and the Vendor Code of Conduct, and share with them the objectives and the assessment process followed by a questionnaire and further request of documentary evidence on the management of human rights in their activities.
The topics of the audit questionnaire focused on human rights (child and forced labour, discrimination, etc.) and decent working conditions, such as recruitment and employment, working hours and overtime, payment of wages, management of subcontractors.
All 10 vendors were evaluated with reference to the information and documentation provided. The main results identified potential critical issues in the management of working hours and overtime, in the recruitment and personnel management procedures, in particular for migrant workers, and in the development and implementation of a due diligence process for vendors.
Vendors were informed of the results of the audits and improvement actions were requested to strengthen the ability to manage these aspects.

The training campaign on human and labour rights involved 114 identified key vendors, which overall represent 8% of the total ordered in 2022.
The training is based on the requirements relating to human rights and modern slavery included in the Saipem Vendor Code of Conduct, which summarise Saipem's expectations regarding the prohibition of any form of child and forced or compulsory labour, human trafficking, slavery, discrimination and harassment, and the guarantee of decent working conditions, in line with local laws and the principles defined by ILO. The training programme was launched at the end of 2023 and 67 vendors (for a total of 140 people) participated in the training activities in the year (59% of the total).

Vendor performance and compliance with contractual provisions are constantly monitored: all the Saipem functions involved in the various phases of the procurement chain management system are bound to provide **feedback** on the conduct of vendors, including on sustainability aspects, such as any incidents occurring during the execution of the work, conformity with local HSE or labour legislation, or evidence collected during site inspections and audits.
The feedback received guarantees the assessment of the vendor's overall reliability and, in the case of serious situations recorded, the possibility to terminate the contract or suspend the vendor's qualification.
Throughout 2023, 502 feedback surveys on vendor performances were compiled and published, of which 91% with a positive outcome and 7% with a neutral outcome.

DIAGRAM OF KEY PROCESSES AND INSTRUMENTS TO MANAGE SUSTAINABILITY ISSUES IN THE SUPPLY CHAIN

		2023	2022	2021
Active vendors	(No.)	21,979	22,311	23,585
Qualified vendors during the year	(No.)	6,364	6,393	7,226
Vendors with existing contracts	(No.)	10,897	-	-
Vendors with existing contract in countries with a high risk of human and labour rights breaches	(No.)	4,880	-	-
Vendors with existing contracts classified as at risk on HSE issues	(No.)	1,500	-	-
Critical vendors	(No.)	11,851	-	-
Ordered from critical vendors	(%)	75	-	-
Vendors qualified in the year working in countries with a high risk of human and labour rights breaches, total of which:	(No.)	2,902	2,807	3,121
- for critical qualifications (*)(**)	(No.)	803	573	-
- for non-critical qualifications (*)	(No.)	2,447	2,234	-
New vendors working in countries with a high risk of human and labour rights breaches, assessed on the issue	(No.)	431	446	598
Vendors qualified in the year for activities considered at HSE risk	(%)	8	9	9
Vendors assessed on HSE issues	(No.)	474	578	595

It must be stated that the numbers in the table are representative both for the total perimeter of the Group and the full consolidated perimeter, because a vendor qualified at corporate level can potentially work with all the entities in the Group. Critical vendors mean those qualified in critical commodity codes.

(*) Category introduced in 2022.

(**) 71% of the target vendors qualified in the year, operating in countries at high risk of violation of human and workers' rights, were assessed on labour rights compliance. A list of countries at high risk of violating human and labour rights is drawn up annually; for 2023 these countries are distributed in the various geographical areas with the following percentages: 14% America, 36% Africa, 8% CIS, 5% Europe, 16% Middle East and 21% Oceania and Asia.

SAFEGUARDING THE HEALTH AND SAFETY OF PEOPLE

GRI 403-1
GRI 403-7

The health and safety of all Saipem personnel is a priority and strategic objective for the Company. This commitment is an essential pillar of the HSE Policy and the "Integrity in our operations" Policy.
The health and safety of people are constantly monitored, assessed and guaranteed through a management system that integrates Quality, Health, Safety, Security and Environment, which meets the international standards and current legislation. Also, it covers all employees and subcontractors working in sites managed by the Group for the execution of all operational projects.

On the basis of the various organisational levels and the sampling established by the audit programme, Saipem's HSEQ management system is monitored annually, through internal audit activities, in order to verify the process performance and compliance with the reference standards applicable in quality, Safety and Environment.
The Company carries out internal audits regarding HSEQ on: HSEQ management system, compliance with the HSEQ legislative provisions. These audits involved operating companies, operating sites (including the fleet) and subcontractors.

In 2023, more than 150 internal audits were conducted to monitor Saipem's Integrated Management System (first stage audit). In more detail, 11 related to the Health Management System, 22 regarding the ISO 45001 (Safety), 10 according to the ISO 14001 scheme (Environment), 81 integrated in Environment and Safety, 5 in accordance with the Asset Integrity scheme, 17 on Legislative Compliance and 6 on the Organisation and Control Model adopted on crimes relating to health and safety at work, as well as environmental ones.
Saipem, in accordance with its procedures, also constantly monitors the HSE performance of its subcontractors in various ways, including planning and carrying out sample HSE and Quality audits.

Again, in accordance with company procedures, the critical issues that emerge during the audits are managed by the audited parties who define appropriate Corrective Action Plans for their resolution. The audit teams then evaluate their effectiveness, all with a view to continuously improving HSE and Quality performance.

The critical issues that emerged during the audits are also subject to constant monitoring and quantitative analysis. During 2023, 85 non-conformities emerged, both major and minor.

During the year, Saipem also continued its process aimed at ensuring high health and safety standards for all its personnel, achieving significant improvements.

Following the periodic audit by the accredited third-party certification body, the ISO 45001 and ISO 14001 certifications were confirmed for Saipem SpA and all the most significant Group companies, with a coverage of 99% for the full consolidated perimeter (93% for the Group perimeter) of company employees and agency workers, excluding subcontractors, as a guarantee of the homogeneous and systematic approach to the management of processes.
As regards ISO 9001, coverage at the end of 2023 was 62% (61% for the Group perimeter) in terms of entities involved in the audit activity.

Starting from 2023, Saipem has entrusted all certification activities to a single independent Certification Body (DNV), including those for ISO 9001 which was renewed in December 2023 for Saipem SpA and some Group entities.

Safe operations

Ensuring safety during the entire project life cycle, from design to delivery, has fundamental importance for Saipem and is clearly explained in the Company's HSE Policy.

During the design phase, safety is ensured through the management of design risks and the identification, evaluation and continuous reduction of main risks through process safety measures. Design risk management is implemented through various engineering activities, including Inherent Safe Design.
Inherent Safe Design is the main approach to follow to avoid any danger and/or mitigate related risks: this requires continuous discussion and regular meetings between all involved disciplines and safety specialists from the beginning of the design through all project execution phases, in order to evaluate and review the main design choices (such as process alternatives, layout solution, etc.) for:
- consideration of all risk reduction options (ALARP); and
- the timely and correct selection of security requirements/measures.

The management of safety aspects related to design and operation is ensured, among others, by the following activities.

1. Hazard review during project development: all major risks affecting each area of the facility to be constructed are identified and classified using the HAZID and HAZOP assessment combined with the risk assessment matrix and/or the results of other safety studies. The first step is the hazard identification study (HAZID/ENVID) which also covers the construction, transportation and installation phases. The second step is the HAZOP analysis which aims to emphasise the dangers that may arise from the project, in terms of possible accidents, and provide information for the implementation of improvements in the design of protective and preventive measures. The final step is the identification of preventive and mitigation measures for the main risks identified during the updates of the HAZID and HAZOP assessments. Usually, all these measures called Safety Critical Design Measures (SCDM) are included in a dedicated register.
2. Safety studies including, for example, flammability risk analysis and quantitative risk assessment (QRA).
3. Design of safety systems such as, but not limited to, Fire & Gas system, fire protection system and passive fire protection.
4. Identification of Safety and Environmental Critical Elements (SECE): any system or equipment that is believed to provide significant benefit in the prevention, detection, control or mitigation of a potential serious hazard, whose failure may compromise the facility performing the safety activity. For SECE critical elements, the relevant performance standards are defined and evaluated in order to assess correct design and functionality/availability.
5. The Functional Safety Lifecycle activities in accordance with the IEC 61511 and IEC 61508 standards are part of the safety activities performed for the design and operation phases, such as the assignment of the SIL (Safety Integrity Level), the specification of the safety requirements for the SIF (Safety Instrumented Functions) and verification activities.

Asset integrity

Operate safely, minimising the risk of major accidents, is a priority for Saipem. The Company is in fact aware that such events could generate serious impacts on people, the environment, the community in general, its assets and its reputation.
For Saipem, a company mainly operating as a contractor, working safely also means providing safe and reliable services to its clients.

Saipem strongly pursues the effective implementation of its asset integrity management system as an outcome of good design, construction and operating practices adopting the integrated management of barriers to reduce the risks associated with Major Accident Events (MAE).

Asset integrity refers to the prevention and control of the events with very low frequency and high/severe consequences on people, the environment, assets or project performance. The asset integrity model follows a typical deming cycle: planning, operations, performance monitoring and continuous improvement.
Saipem undertakes to prevent risks to improve the integrity all offered services and operations. For this purpose, it adopts a proactive approach in the mitigation of risks as an integral part of its management and business activities, from the initial design phases.
In particular, risks relating to the standard operating portfolio of each offshore unit (construction, drilling and floaters) are analysed in terms of possible impact on people, the environment and material damage to the asset and/or in terms of delays in project execution. Major accident scenarios are identified and analysed through specific studies aimed at identifying the prevention and mitigation barriers of each scenario with the potential for escalation to a major accident. The critical elements for safety and environment (Safety Critical Element - SCE) and the expected performances for each of them (performance standards) are then identified, as well as the activities necessary to ensure the achievement of these performances during the entire cycle of life of the asset (assurance activities). The activities described above are included in the so-called "Safety Case", for which a process has been started to further improve the identification of Safety Critical Equipment and Safety Critical Tasks associated with barriers dependent on human action, mapping actions, responsibilities and skills necessary to carry out the task reliability.

Skills are managed through a Competence Assessment & Assurance process, aimed at identifying any skills gaps and filling them with appropriate internal or external training, through courses or on-the-job training; this also applies to the emergency management for which periodic exercises are carried out.
During asset life cycles, assurance activities, such as maintenance, testing, personnel training, updating of procedures and manuals, are carried out by the operations and asset management departments.
Change management occurs through specific procedures meant to identify the level of impact of the change, to activate the involvement of expert figures in the concerned disciplines, to identify the correct level for final approval, and to manage the change process until its full closure.

Saipem constantly monitors asset integrity performance, collecting information on the state of health of all safety critical elements, as well as critical skills and procedures. This information is represented through a set of Key Performance Indicators, developed for each of the three business sectors involved: offshore construction, drilling and production floaters.

In addition to this, audit and barrier self-verification activities are systematically carried out by the Vessel Management Teams.
All performance information is consolidated and presented during periodic reviews to define improvement actions: quarterly with the Chief Operating Officers responsible for the concerned Business Lines and half-yearly with the Chief Executive Officer of Saipem.

People safety

SASB EM-SV-320a.1
SASB EM-SV-000.D
SASB IF-EN-320a.1

Saipem's commitment to people safety has led the Company to be considered today among the "Best in Class" companies in its reference sectors[4].
Every year Saipem defines a plan of safety objectives for the whole Group linked to the incentive plans for senior managers for the areas of competence.
For the year 2023, these goals included:
- continuously guarantee the adequacy of the HSE management system, also with a view to modernising operating processes towards the complete digitisation of HSE reporting activities for better and more detailed data analysis;
- confirm the maintenance of the ISO 45001 (Occupational health and safety management system) and ISO 14001 (Environmental management system) certificates;
- maintain the SA 8000 Social Accountability International (SAI) certification (Saipem SpA obtained it in March 2022 and maintained it in 2023) confirming the application of a social responsibility management system in the context of human rights, workers' rights and their well-being within the company;
- ensure in a continual manner the identification of the hazards and the assessment of the risks associated with the safety of personnel, vendors and other people involved in the Company's activities as well as the risks for the Company assets;
- guarantee adequate risk assessment related to the health and safety of people in all our operating sites and those risks attributable to interference between activities contracted to vendors working in Saipem structures or construction sites;
- guarantee a continual process of HSE training for staff. This process can be broken down into several phases: updating the HSE training matrix (which identifies the training needs based on professional roles), definition and standardisation of the courses on a dedicated platform, provision of the courses, monitoring and reporting on the training activities;
- the consistent application of preventive and protective measures that are suitable for guaranteeing the health and safety of people and the integrity and efficiency of assets;
- follow-up and control activities on the effectiveness of prevention and the measures implemented;

Promoting the safety culture of workers is facilitated in the Company's sector by both the reference regulatory framework, characterised by laws and agreements at national and company level, and by an internal environment characterised by specific policies on health and safety.
Internal policies define particularly stringent and rigorous criteria for safeguarding people's safety; they are also valid in various local operating contexts still characterised by a regulatory system on the subject still under evolution. With regard to national agreements, not all countries in which Saipem operates have trade unions at both national and local level. Where specific agreements are in place between trade unions and Saipem, they can include the following on safety:
- setting up workers' H&S committees (composition and number);
- specific training for safety officers (responsible Company figures and employee representatives) and grassroots information on safety matters to all employees, with particular reference to courses on Health and Safety at Work, Fire Fighting, First Aid, and mandatory "Special Operations" (Onshore-Offshore);
- regular meetings between the company and workers' representatives.

In Italy, the national collective agreement provides for the appointment of corporate representatives of the workers for their protection in the areas of health, safety and environment (RLSA). The appointment is by election, based on the provisions of law and the bargaining contract. There are a total of 16 RLSAs at the Saipem Italian offices. A specific trade union agreement signed by Saipem and the Trade Union Organisations defines the duties of RLSAs and their full authority to carry out their activities also for workers assigned temporarily to activities at yards and sites other than those of origin.
It should also be noted the presence of institutes in foreign countries, where participation is shared between management and the workforce for the management of initiatives and programmes regarding health and safety in accordance with the reference regulations in different countries.
It is specified that 37% of the total workforce in all locations is represented in formal joint management-worker committees on health and safety.

(4) OGP - International Association of Oil & Gas Producers, IADC, International Pipeline & Offshore Contractors Association, IMCA International Marine Contractors Association, IPLOCA - International Pipeline & Offshore Contractors Association, and numerous competitors.

SAFETY INDICATORS, DEFINITIONS AND CALCULATION METHODS

LTI (Lost Time Injury) - means any accident at work that renders the injured person temporarily unable to perform any regular activity or limited work during any day/ shift after the day on which the accident occurred LTI include fatal accidents, permanent total disability, permanent partial disability and temporary total disability.
WRC **(Work Restricted Case)** - any injury at work, with the exception of deaths or lost work days, which makes the person unfit for performing all his/her activities fully in the days after the injury at work. In this case, the injured person is temporarily assigned to other duties or exempted from some parts of his/her normal duties. The maximum limitation time can be 30 days. If the limitation exceeds 30 days, the injury must be classified as LTI.
TRI (Total Recordable Injury) - means the sum of LTI, cases of limited work and cases of medical treatment: TRI = LTI+WRC+MTC.
TRIFR (Total Recordable Injury Frequency Rate) - it is calculated as (TRI number on hours worked) x 1,000,000.
FTLFR - (Fatal Accident Frequency Rate): calculated as (No. of fatal accidents per hours worked) X 1,000,000,000.
LTIFR - (LTI Frequency Rate): it is calculated as (No. LTI on hours worked) x 1,000,000.
Lost days of work: the total number of calendar days in which the injured person was not able to do their job as a result of an LTI. The calculation for the lost days starts from the day after an accident until the day when the person is capable of returning to work. The calculation does not include fatal accidents.
SR (Severity Rate) - calculated as (No. of lost days of work per hours worked) x 1,000.
Injury with high-impact consequences at work (High-consequence work-related injury): injury with more than 180 days lost.
High-consequence work-related injuries Frequency Rate: calculated as (No. of High-consequence work-related injuries per hours worked) x 1,000,000.
Absenteeism rate of employees: it is calculated as the ratio between the number of total hours of absence and the number of total annual theoretical working hours. The annual theoretical working hours are calculated proportionately to the number of staff at December 31.
Events high-level (HL): Any work-related event that, under slightly different circumstances, could have resulted in LTI or fatalities. Accidents with potential consequences on people > L3.
Total frequency of high-level events: calculated as No. HL Events per hours worked) x 1,000,000).

		2023		2022		2021	
		Group Total	Full consolidated	Group Total	Full consolidated	Group Total	Full consolidated
Worked Man-hours							
Total, of which:	(million hours)	176.0	169.2	237.8	215.9	199.7	173.9
Man-hours employees	(million hours)	83.8	78.1	98.4	86.7	90.8	76.4
Man-hours subcontractors	(million hours)	92.2	91.1	139.4	129.2	108.9	97.4
Lost Time Injury (LTI)							
Total, of which:	(No.)	17	16	38	36	37	37
Employees	(No.)	10	10	24	23	27	27
Subcontractors	(No.)	7	6	14	13	10	10
Of which fatal accidents:							
Total, of which:	(No.)	1	1	1	1	-	-
Employees	(No.)	-	-	-	-	-	-
Subcontractors	(No.)	1	1	1	1	-	-
High-consequence work-related injury [(a)]							
Total, of which:	(No.)	2	2	4	4	4	4
Employees	(No.)	2	2	4	4	3	3
Subcontractors	(No.)	-	-	-	-	1	1
Of which with disabilities:							
Total, of which:	(No.)	1	1	2	2	4	4
Employees	(No.)	1	1	2	2	3	3
Subcontractors	(No.)	-	-	-	-	1	1
Days lost [(a)]							
Total, of which:	(No.)	991	921	2,405	2,390	3,153	3,153
Employees	(No.)	706	706	1,757	1,754	2,486	2,486
Subcontractors	(No.)	285	215	648	636	667	667
Severity Rate [(a)]							
Total, of which:	(ratio)	0.006	0.005	0.010	0.011	0.016	0.018
Employees	(ratio)	0.008	0.009	0.017	0.020	0.027	0.033
Subcontractors	(ratio)	0.003	0.002	0.005	0.005	0.006	0.007
Total Recordable Injury (TRI)							
Total, of which:	(No.)	57	54	103	98	74	73
Employees	(No.)	36	34	53	50	46	46
Subcontractors	(No.)	21	20	50	48	28	27
Near miss							
Total, of which:	(No.)	214	209	-	-	-	-
Employees	(No.)	130	125	-	-	-	-
Subcontractors	(No.)	84	84	-	-	-	-
Absenteeism rate of employees	(%)	3.5	3.6	5.5	5.4	5.6	5.7
Fatal Accident Frequency Rate (FTLFR)							
Total, of which:	(ratio)	0.57	0.59	0.42	0.46	-	-
Employees	(ratio)	-	-	-	-	-	-
Subcontractors	(ratio)	1.08	1.1	0.72	0.77	-	-
LTI Frequency Rate (LTIFR)							
Total, of which:	(ratio)	0.10	0.09	0.16	0.17	0.19	0.21
Employees	(ratio)	0.12	0.13	0.24	0.27	0.30	0.35
Subcontractors	(ratio)	0.08	0.07	0.10	0.10	0.09	0.10
High-Consequence Work-Related Injuries Frequency Rate (HCWRFR)							
Total, of which:	(ratio)	0.011	0.012	0.017	0.019	0.020	0.023
Employees	(ratio)	0.024	0.026	0.041	0.046	0.033	0.039
Subcontractors	(ratio)	-	-	-	-	0.009	0.010
TRI Frequency Rate (TRIFR)							
Total, of which:	(ratio)	0.32	0.32	0.43	0.45	0.37	0.42
Employees	(ratio)	0.43	0.43	0.54	0.58	0.51	0.60
Subcontractors	(ratio)	0.23	0.22	0.36	0.37	0.26	0.28
Total High-Level Event Frequency Rate (HLFR) [(b)]							
Total, of which:	(ratio)	0.74	0.74	0.88	0.92	0.76	0.83
Employees	(ratio)	1.07	1.09	1.21	1.29	1.26	1.26
Subcontractors	(ratio)	0.44	0.44	0.65	0.67	0.46	0.50

(a) Updated 2021 data based on the number of days lost during 2022 for accidents that occurred in 2021.
(b) Category introduced in 2021.

In 2023, the Group's performance in relation to safety indicators improved compared to previous years. In fact, the TRIFR of 0.32 recorded in 2023 is significantly lower than the 0.43 in 2022; the LTIFR was 0.10 in 2023 compared to 0.16 in 2022.

In 2023, there was a fatal accident that occurred in an onshore construction site during the erection of scaffolding.
The fatal accident involved a subcontractor worker who, during the assembly of the scaffolding, at approximately 13 meters in height, fell from above while going down to the ground for a break.
The investigation results revealed that the direct causes of the accident lie in the incorrect behaviour of the worker who voluntarily did not use the anchoring device and the rigid lifeline when descending from the scaffolding. The mitigation and prevention actions identified concerned the review of the scaffolding installation methods, the strengthening of scaffolding erection supervision and the implementation of innovative tools for the identification of unsafe behaviours.
Furthermore, following the accident, the Safety Step Up programme was formally launched, managed by a multidisciplinary team, to identify and implement actions aimed at continuously improving safety performance at work, in particular with regard to the prevention of serious accidents and high potential events. The Programme is structured into 5 strands: Technology, Asset Integrity, Supply Chain, Behaviours and System Data Analysis.
In 2023, various initiatives were carried out such as, for example, the implementation of "Video Analytics" technology in the Berri project (Saudi Arabia) which through Artificial Intelligence can identify dangerous situations in real time, in compliance with privacy provisions, using the equipment available on the construction site. It turned out to be a very effective solution and will therefore be progressively extended in projects and on board the fleet.

In addition to the fatal accident, in 2023 there were two injuries defined as HCWR[5] (High Consequences Work Related) which caused one permanent partial disability and one temporary disability with more than 180 lost days.
An accident occurred while using the lathe and resulted in the partial amputation of the operator's middle finger; the other accident occurred during the manual handling of a grill, also resulting in a finger injury.
From investigation results, it can be seen that the preventive and protective actions identified ensure accurate technical/operational training for the execution of specific activities and reinforce the importance of complying with operational procedures and the Life Saving Rules (LSR), i.e. the rules that each Saipem resource is required to follow to protect themselves and their colleagues.

In January 2023, two high potential incidents (HIPO) occurred in Saipem, which, if they had not been promptly and effectively managed, could have led to very serious consequences.
Following the two HIPOs, CEO Alessandro Puliti decided to intervene promptly by calling a meeting with senior managers and operational managers to focus attention on the issue.
A new internal communication campaign followed, with a specific cascading toolkit, focused on the prevention and mitigation of fire risk.
Furthermore, these Group performances are periodically presented to management, no less than once a year, to identify further areas for improvement.

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Leadership in safety and HSE culture

With regard to the initiatives promoted by Saipem on the dissemination of a safety culture within the organisation, the main actions carried out in 2023 were:
- promotion of the Leadership in Health and Safety (LiHS) programme, with the aim of transmitting safe behaviour throughout the organisation and a strong focus on leadership development at all managerial levels;
- creation and cascading of the Health & Safety Vision 2023: the H&S Vision reflects Saipem's values and its daily commitment to guarantee the health, safety and well-being of all its people;
- the process of creating Saipem's new Health and Safety Vision took place through a collective brainstorming which involved Top Management during a special edition of the Leadership in Health & Safety workshop. Following this first event, the cascading process began to align all our stakeholders, including subcontractors and clients, on the values of the new health and safety vision and share the challenges to be faced in the coming years to bring our culture of health and security at an even higher level;
- align our stakeholders on the Health & Safety Vision: Saipem organised three special events to share the value of safety with Saipem stakeholders in the Middle East and align them on the new Health & Safety Vision. The events, in the presence of CEO Alessandro Puliti, involved 350 people including Saipem employees and their families, partners in the Middle East and the Italian community in the United Arab Emirates;
- implement a LiHS relaunch programme for naval vessels: 3 workshops were held in 2023 to involve Masters, Offshore Construction Managers, Chief Engineers and Chief Electricians. A fourth workshop is

(5) HCWR: term that defines a sub-category of an LTI with a resulting fatality or an LTI with at least 180 lost working days. All injuries resulting in permanent disability must be registered in the reporting system used by the HSE function and consolidated as High Consequences Work Related (HCWR).

already planned for January 2024. This relaunch programme will continue with a new series of workshops, until the Vessel Management Teams are fully covered;

- integration of "The Safer, The Better"; the film is the main tool of the Leadership in Health & Safety (LiHS) methodology, including the CEO's introductory and final debriefing messages. Through these messages the CEO expressed his personal vision on health and safety culture. The importance of intervening in unsafe situations is underlined, exercising "stop work authority" and reiterating the concept of "ownership", i.e. care and sense of responsibility towards oneself and others;
- the CEO's interventions to launch messages on workplace safety through dedicated events addressed to his managers and the operational line directly; specifically, the topics treated were: fire risk prevention, working at heights and the railway tragedy that occurred in Brandizzo, an event that did not occur in Saipem that highlighted serious deficiencies in the health and safety culture in the sector;
- the organisation of Saipem Safety Days: to celebrate the World Day for Health and Safety at Work, Saipem and the LHS Foundation organised a digital live streaming event broadcast on April 28, 2023. Saipem Safety Day 2023 was the opportunity to present the messages of the new Health & Safety Vision, interpreted and contextualised by testimonies from over 30 managers and professionals of our organization, http://www.fondlhs.org/saipemsafetyday2023;
- participation, in synergy with the LHS Foundation, in the 23rd edition of the World Congress on Health & Safety at work. It is one of the most prestigious international conferences in the HSE field which aims to promote the protection of workers' health. Saipem had the opportunity to present some internal communication campaigns and to share its values and commitment to a safer future;
- launch of the fire risk prevention campaign: following two high potential incidents (HIPO), CEO Alessandro Puliti decided to intervene promptly by calling a meeting with senior managers and operational managers to focus attention on the issue. A new internal communication campaign followed, with a specific cascading toolkit, focused on the prevention and mitigation of fire risk. The toolkit includes guidelines for cascading, recording of the live CEO meeting, a safety moment and campaign posters. During the year, 40 cascading events were held in which 950 people took part;
- development and launch of the **"Process Safety Fundamentals"** programme, in line with the directives and material made available by IOGP (The International Association Oil&Gas Producers), and on the basis of statistics and data collected over a 10-year period, in order to strengthen further Process Safety, to which 6 accident events can be linked on board the Floating Production Storage Operations (FPSO) between 2021 and 2022.

Finally, there are also many initiatives carried out by the Saipem LHS Foundation, which has been active for 13 years with the mission of increasing the culture of health and safety in industry and society.
In line with its mission, during 2023 the LHS Foundation launched several related initiatives, aiming to foster an increasingly widespread health and safety culture in Italy, targeting children, businesses and all the community. "Improsafe", "A chi esita", "Le nuovissime avventure di Pinocchio", "La linea sottile" are the performances designed to generate a strong emotional impact, shaking individual consciences, and questioning deep-rooted beliefs and habits, helping the audiences to pay more attention to health and safety.
The diffusion of the "Objective 18" communication campaign continued – it symbolically adds the culture of safety as the eighteenth element in the list of 17 objectives for a sustainable future included in the UN Agenda 2030.
Again with a view to joining forces and networking, the LHS Foundation kept on supporting the "HSE System" project, a network that today brings together 100 HSE Managers of large companies to share experiences in the HSE field and promote the dissemination of know-how along the supply chain, in coordination with the representative entities of the production system.
Moreover, to provide a coherent picture of the situation of safety culture in Italy, to stimulate debate among interest groups, to propose intervention strategies, and to draw the attention of the media and public opinion to these issues, the LHS Foundation continues to support the development of the Observatory on Leadership in Health and Safety, which counts on the scientific advice of several experts and the collaboration of the Catholic University of Milan.
The involvement of citizens, students and workers is also fundamental through the "Italia Loves Security" project, based on the interactive platform www.italialovessicurezza.it, which aims to inspire people to act responsibly and safely every day, becoming increasingly aware of the value of security, in every aspect of life. This year more than 19,000 people have joined the campaign launched for the World Day for Safety and Health at Work of the April 28.
Finally, as in previous years, the LHS Foundation continues to develop projects for schools and young people, in the belief that raising awareness and educating children is the actual key to building a safer world. The offer of activities is very wide and ranges from workshops in collaboration with partners such as the Red Cross and LILT (Italian League for the Fight against Cancer).
In 2023, the LHS Foundation took part again in the Milano Marathon, the large charity running event involving over 120 athletes and marathon runners. Through their efforts, over €19,000 were raised for our charity partner Lega Italiana per la Lotta contro i Tumori and its "Visite sospese" project for people in economic difficulty.

HSE training

The training on health, safety and the environment is an important part of the implementation of the HSE system in Saipem's central headquarters and operating sites. All the HSE training activities are critical preventive actions for reducing risks.

During the year, Saipem continued to invest significant resources in training its staff on HSE issues through campaigns and ad hoc programmes, with the aim to increase workers' awareness of the risks associated with work activities. Among the most critical in terms of risk assessment are working at height, working in confined spaces, simultaneous operations and other activities that may involve objects falling from heights.
During 2023, an activity was launched to create **tools** based on **Human Performance (HP) principles,** to be implemented in Saipem starting from the second half of 2024, with the ultimate objective of significantly improving **safety performance** through greater effectiveness of HSE processes.
The HP **kit** will include **training tools** to provide a theoretical basis on Human Performance, as well as high-level **brainstorming activities,** aimed at identifying areas of action and process improvement, and at the same time will capitalise on the **experience** and **methods** which determined the success of the **LiHS** programme.
Once fully operational, the set of tools will possibly bring benefits to activities managed at all hierarchical levels: from high-level decision-making processes to site operations.

Note the introduction of a new training package to give the entire Saipem population, often travelling in different areas of the world subject to the most varied climatic phenomena, basic preparation on how to **deal with extreme natural events**, which are increasing due to climate change.

Saipem Training Centre in Saudi Arabia has been reorganised and reinforced to provide operational support for drilling activities in the Saudi area (5 rigs in Saudi Arabia and 2 in Bahrain).

In 2023, the delivery of the HSE Train the Trainer (4 sessions) continued: to ensure that our family of HSE instructors are always improving their training, and to increase participants' knowledge of training design, delivery methods, and internal resources essential for HSE training, as well as the registration and reporting process. Furthermore, in 2023, trainers had the opportunity to participate in 6 different masterclasses organised in multiple sessions. The over 130 trainers who attended the masterclasses had the opportunity to delve deeper into the following topics: working at heights, working in confined spaces, ISO 21001, new Health & Safety Vision and preview of the new "The Safer, The Better" film.

In 2024, the Group HSE Training Matrix will be replaced by a **new HSE training model** inspired partly by the **Italian approach** (general training for everyone based on the role) and partly by the international approach (ref. IOSH paths).
In fact, **two basic courses** will be provided (one for workers and one for supervisors and managers) and the training modules will be structured according to the **macro-category of risk** they belong to (office, office-construction site, construction site).
The training programme will be based both on HSE **value and cultural aspects,** and on the **general risks** of the industry and the role.
The duration may vary from 2 to 8 hours based on the risk profile.
Additional training (on regulations, site/project, contracts, client, maritime, etc.) will be scheduled and delivered by the operating sites.

More details on HSE training data can be found in the paragraph "Skills, knowledge and talent attraction".

Employee health

GRI 403-3
GRI 403-6
GRI 403-10

As described in the "Integrity in our operations" Policy, Saipem considers the safeguard of health and the promotion of the physical and mental well-being of its people as a fundamental requirement. This is a crucial aspect influencing Saipem's operations, which is committed to being a leader in protecting the health of its workers. The Company pursues this objective in compliance with the provisions on the protection of privacy and the national and international laws on the safeguard of health and the prevention of diseases. Implementation of company health policies implies that the health promotion programme for each work site focuses mainly on preventive measures, including all the operations which may represent a risk for employee health.
The Company's operating activities require the movement of a considerable number of people, even to remote locations. In this context, the Company ensures the best possible medical assistance to employees wherever they work, organises periodic medical visits with the issuing of certificates of suitability and trains the personnel in charge before each trip or assignment abroad. The aim is to prevent the risks of contracting diseases as a consequence of climatic, environmental and other factors specific to destination. The

Company has organised specific processes and chain of well-defined responsibilities to promptly manage any medical emergency whatsoever.
Saipem has developed a continually evolving health management system, which is adapted to the work environments, integrates the most recent epidemiological studies and is designed to ensure the best health monitoring and medical services. This system observes the principles recognised at international level and by local laws among which are the WHO (World Health Organization) Beijing Declaration, 'Global Strategy on Occupational Health for All' (1994), European legislation and Directive 2000/54/EC on the protection of workers from risks related to exposure to biological agents at work, its application in Italy through Legislative Decree No. 81/2008 and its amendments (the so-called 'Consolidated Act on Occupational Health and Safety'). The management system provides for the identification and assessment of risks to the health of workers for each site/project/asset following which adequate prevention and mitigation measures are identified and implemented. A periodic monitoring activity of these measures is performed. The presence of Saipem clinics in working contexts in Italy and abroad fulfils the desire not only to support employees, but also to create proximity services that integrate the offer on the territory, with specific attention to the possible needs of Saipem people both in the workplace and personally.
The intention to ensure high standards of health and safety to all its personnel is once again confirmed is the WHP (Workplace Health Promotion) programme organised with ATS Milano and Regione Lombardia to maintain the status of "Workplace that promotes health" obtained in recent years.

In line with the programme, Saipem committed itself to building an environment that encourages the adoption of positive health behaviours and choices by employees, by promoting actions aimed at supporting healthy choices (dietary habits and active lifestyle) and counteracting risk factors (e.g. smoking, alcohol abuse).
And although the proposal of our company restaurants is already oriented towards balanced and healthy menus, for 2024 Saipem intends to promote the introduction of targeted nutritional indications so that users can make a choice based on nutritional benefits of specific regimes.

Saipem has always taken care of the health and well-being of its employees with specific attention to the prevention of chronic diseases and in particular cardiovascular diseases, which represent a significant challenge for public health worldwide. This year, campaigns against smoking and overweight continued, as did a specific cardiovascular prevention programme for which a review is expected in 2024, in accordance with updates to international guidelines.
Regular screening programmes can identify early risk factors, allowing timely and personalised interventions and, to confirm the Company's commitment, in 2023 a free cardiovascular and cancer prevention check-up was defined meant for workers in the age groups at greater risk. This service will be provided starting from 2024.
With a view to creating a local service that integrates the offer in the area with the possible needs of Saipem's personnel, both in the work and personal spheres, from this year the Milan office is equipped with a health facility (Smart Clinic). In addition to offering first aid services, carrying out health checks, training activities for caregivers and travel medicine activities, it will provide services aimed at the well-being of workers; in fact, inside the facility there is a psychological helpdesk service which guarantees support for psychological well-being both with a traditional approach and in a virtual environment with the use of the metaverse. The service is carried out by a female and a male psychologist respecting diversity.
There is also a social assistance service for the management of family problems, support for the elderly and management of family members with disabilities, etc. Saipem implements prevention with an approach that integrates physical health and mental health, with particular attention to work-home balance, and which can lead to tangible benefits for employees, but can also reduce absences due to illness, increase in productivity and contribute to a positive working environment.
In 2023, a model aimed at managing disabilities was also created which provides, through the ICF classification of disability conditions, the identification of any participation gaps in company life and proposals for reducing them through specific and structured initiatives.
The many years of experience in using the telemedicine tool has favoured the use of remote IT and telecommunication tools for healthcare management. In addition to telecardiology and teleradiology, in 2024 a teledermatology service will be activated abroad which provides specialised medical support to employees especially in remote workplaces, and a telepsychology service which will be available 24 hours a day, seven days a week.

In relation to the management of the SARS-CoV-2/COVID-19 virus, which has constantly decreased in the number of infections, non-mandatory contagion prevention devices have currently been made available to workers.

Health surveillance activities continue on a regular schedule, complying with the indications provided by the Ministry of Health, the national and territorial health authorities and the provisions for vulnerable workers.

		2023		2022		2021	
		Group Total	Full consolidated	Group Total	Full consolidated	Group Total	Full consolidated
Occupational diseases reported	(No.)	11	11	6	6	9	9
Reported occupational disease rate	(ratio)	0.06	0.06	0.03	0.03	0.05	0.05

HUMAN CAPITAL

Human resource policies and management

GRI 404-1
GRI 404-3

Saipem believes that its people are the crucial factor for the very existence of the company and their dedication, proactivity and professionalism is essential to achieve the company objectives; this is confirmed in "Our People" policy.
The following paragraphs delve deeper into the topic of skills and knowledge and talent attraction, employment trends, pay equity and welfare, work-life balance and well-being.

Skills, knowledge and talent attraction

Saipem maintains its commitment to promoting and supporting the growth of its people through key development initiatives focusing on professional and aptitude skills. Living in a diversified and global corporate community like Saipem's requires a shared and functional relational code to achieve objectives: for this reason, a new Behavioural Model ("One Saipem Way") has been redefined and developed which aims to enable and consolidate specific skills, abilities and behaviours of Saipem people.
The concept of "One Saipem" indicates the need to consider ourselves and operate as a single entity divided into multiple Business Lines, but united and cohesive in view of shared objectives. Talking about One Saipem means reiterating the centrality of projects and, consequently, the need to share skills and knowledge in a continuous and constructive dialogue. On the occasion of the Strategy Line-Up 2023, the event during which the strategy and objectives are shared with all employees, the CEO underlined the need to capitalise on skills and reiterated that cooperation and mutual support between all departments and functions are a key element for the success of our projects.
The Model, inspired by Saipem values, constitutes the guide for attraction processes, development and management of Saipem people and guides the strengthening of the most relevant and strategic soft skills within the organisation, such as proactivity, commitment, behaviours that enhance inclusion and diversity, as well as the centrality of all issues relating to our people's safety.
The definition of the Model saw the involvement in Virtual Focus Group of approximately 6,000 employees coming from the main countries in which Saipem operates and belonging to the various company functions and different seniority groups. Widespread diffusion will be guaranteed by a specific communication campaign and training and information courses. Furthermore, in continuity with the past, specific objectives of strengthening soft skills inspired by the new behavioural model, in addition to professional objectives, constitute an important part of a consolidated Performance Management system.

With the aim of expanding initiatives to support the development of skills, a coaching course dedicated to young managers was also introduced during the year. The service, created through a digital platform, represents a new self-development tool as it allows the person involved to strengthen awareness of their potential and improve performance, thanks to the definition and implementation of an ad hoc growth plan, with the support of certified and qualified coaches.
The development of people also represents the foundations of the new Training Centre that will be established at the Santa Giulia headquarters in Milan and will be an enabler and catalyst for technical and soft skills, by designing and delivering training courses and events to disseminate the corporate culture and values. The Employee Experience is enabled not only by a physical place but also by a virtual space, consisting of the new Human Capital Management system, implemented in October 2023, that will provide access to on-demand content and a training offering focused on individual and business needs.

The competencies were the subject of a major upskilling and reskilling initiative. From June to November 2023, in fact, Saipem launched a training programme called STEP (Saipem Training Enabling People), which consists of a simultaneous large-scale upskilling and reskilling plan, aimed at consolidating the skills of Saipem people on transversal topics consistent with the objectives of the strategic plan and the evolution of the business (green and technological innovation, decarbonisation, sustainable engineering, digitalisation of processes, new ways of working, etc.). The initiative exploited the opportunities offered by the New Skills Fund, established by ANPAL (National Agency for Active Labour Policies), linked to the Recovery Fund, which aims to support companies willing to invest in the training of their people, in particular on the issues of digital and ecological transition. In this way, Saipem has confirmed its attention to improving competitiveness, enriching corporate know-how and promoting the cultural change necessary to face the ongoing transition.
The STEP training course involved the entire population of Saipem SpA, operating in Italy, with permanent contracts/full-time apprenticeships (3,154 people) in 150 days. Each resource was invited to participate in 45 engaging and effective webinars (2 hours each), focused on the green and digital transition. The high participation (85.09%) demonstrates the commitment of all the people involved who declared their appreciation and satisfaction.
Another demonstration of Saipem's commitment to enhancing its resources was the development and launch of the new Onboarding Process, which took place in the last months of 2023 and for the moment has only involved the Italian offices. This process aims to best integrate and retain new hires in the company,

through specific activities and events, to increase know-how and, at the same time, spread a company culture based on shared values.
One of the initiatives envisaged by the process is the "Welcome to Saipem" event dedicated to new resources. The event is aimed at presenting the company and its business, the main projects, the organisational processes and the main initiatives such as Sustainability, Safety and Environment, the Development and Training processes, the company's commitment to Diversity & Inclusion and the value of corporate welfare, in order to make new hires acquire greater awareness of the context and its peculiarities. The first edition of the event was held on November 29, 2023, dedicated to over 400 new hires who joined Saipem between January and October 2023. For the event, various speakers were involved who, representing their Functions, introduced Saipem's Business to the new resources, describing specific projects, company organisation, Sustainability and HSE initiatives, Development and Training processes, company's commitment to Diversity & Inclusion and the value of corporate welfare.
Particular attention is paid to young new hires, who are the recipients of an initiative aimed at developing a broad vision of company processes, increasing the level of awareness on compliance, risk, governance and control and encouraging the development of a working approach and an organisational culture more oriented towards preventive risk assessment. The Programme lasts three/six months and starts in the first two years of experience in the company.
The consolidated Sinergia programme launched in 2011 and aimed at young students of secondary schools, continues and allows, in accordance with PCTO (school-work alternating activities) projects, collaboration with technical institutes in Italy for training on business subjects by internal Saipem teachers.

The importance of technical competencies in Saipem is also reflected in the recent establishment of “Area Knowledge Coordinators” (below “AKCs”), who, leveraging the experience acquired, define the technical-executional competencies for their areas of responsibility, necessary for the achievement of business objectives. **To date, the AKCs represent the Business Lines of Offshore Drilling, Offshore Engineering & Construction and Energy Carriers**. The AKCs also perform a supporting role in identifying training paths to support the development of technical-executional competencies, with the aim of strengthening the company know-how for the benefit of continuous evolution of the business. To enrich the knowledge of personnel, the mapping of the project experience of Saipem people and a methodology for evaluating the skills functional to analyse the company workload are currently being tested.
One of the distinctive and characterising skills in Saipem is Project Management, whose development and enhancement was at the heart of the new PM Academy, which synergically integrates all internal and external training initiatives.
The value and importance of this competency was highlighted by the “PM Academy Diploma Ceremony” held in April 2023 for 150 employees from the 4 Saipem hubs (Milan, Fano, Chennai and Abu Dhabi) involved in previous years in the internal "Project Management Takeaways" training course consisting of 15 modules which presents the Saipem methodologies for managing all phases of the project. The course continued in 2023, with the launch in June of a dedicated edition for colleagues from the United Kingdom, France, Oman, Sharjah and Chennai.
The sessions dedicated to Project Managers of the PM Leading in Action course continued at the Schiedam Training Centre (the Netherlands), aimed at consolidating managerial skills applied to projects, through a learning methodology based on highly interactive simulations and case studies.
The importance for Saipem of ESG issues that impact the entire corporate supply chain is growing. Accordingly, a major training initiative was started with the 2023-2026 Sustainability Plan for all the professionals of the Supply Chain. The initiative consists of mini training modules primarily aimed at creating awareness of ESG principles: what is meant by sustainable business; what are the rights and duties of the company for protecting human rights and defending the environment; and the “Saipem Net Zero” programme, whose goal is to achieve Carbon Neutrality for Scope 2 emissions by 2025.

The centrality of Saipem people is also reflected in the creation of shared value for all stakeholders, both internal and external.
This push also took shape in 2023 when Saipem activated various talent attraction initiatives, with the aim of defining an interconnected ecosystem between companies and educational institutions (universities, high schools and technical schools) and favouring a path to skill increase, useful for our business, particularly in the field of green economy.
The Politecnico di Milano and Saipem are still working together on the project for training and professional orientation of students through training meetings on technical and transversal skills (Virtual Round Tables), as well as events with focus on gender diversity with the aim of promoting the company as an equal opportunity employer and focusing attention on female leadership.

In 2023, a project was launched to share with the students of the "Complex Projects Lab" course the know-how of Saipem experts on topics such as floating solar and wind energy, sea water cooling, satellite technologies, critical minerals, underwater data centres, ship retrofitting, diversity and inclusion, financing decarbonisation projects and other topics:
- the scope of collaboration and existing relationships with Italian educational institutions (universities and high schools) were expanded: new strategic partnerships with important centres such as La Sapienza

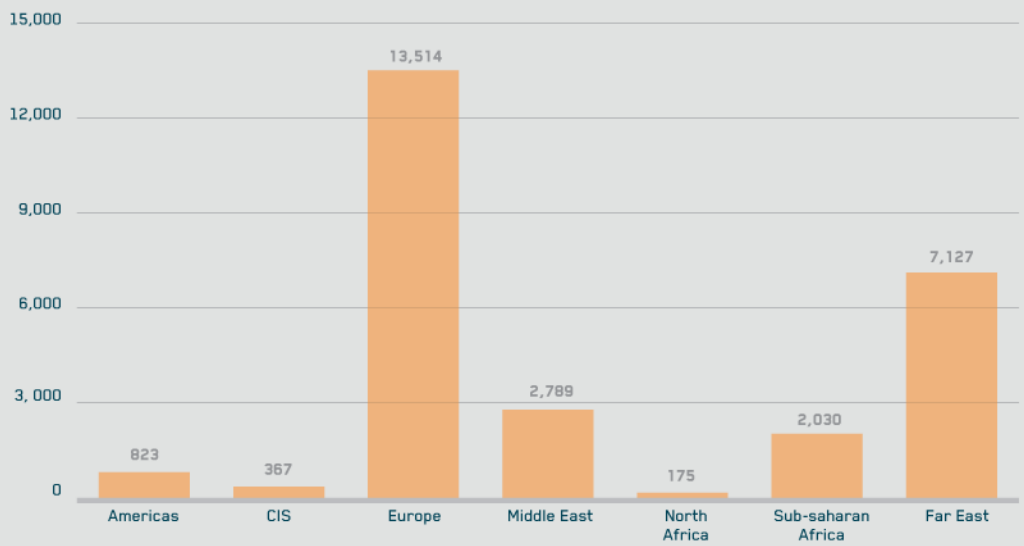
University of Rome, the Polytechnic of Bari, the IUAV University of Venice, the University of Bologna, the University of Pavia and the Federico II University of Naples were signed;
- a further agreement was stipulated with the University of Pavia on the use of non-university facilities for the teaching and training needs of the "Hygiene and Preventive Medicine" specialisation school;
- a partnership agreement with the Polytechnic University of the Marche Region which provides for Saipem's involvement in the definition of a new course of study (three-year degree in "Engineering for industrial sustainability" and a master's degree in English in "Green industrial engineering") on sustainability topics and energy transition, and its contribution as a financing sponsor;
- as part of this partnership signed with the Carlo Bo University of Urbino, in early 2023 we invited 38 students of different nationalities and five professors to visit our FDS 2 vessel moored at the San Giorgio del Porto shipyard in Genoa, Italy, and to learn more about safety issues and the world of offshore operations. Also, as part of this collaboration, the interactive on-line visit was held on board the Saipem 7000 in October 2023. The virtual trip was designed and created to reach a large and heterogeneous audience: first and foremost, teachers and students of all levels, but also Saipem employees and their families. Through innovative digital technologies, it was possible to virtually bring the participants on the Saipem 7000. During the two-day trip, participants followed the design and construction phases of the Neart na Gaoithe (NnG) wind farm off the coast of Scotland in the North Sea. Almost 27 thousand students participated in the visit;
- finally, the collaboration with the University of Trieste continues for the award of 3 scholarships named in memory of a highly skilled Saipem professional: Egidio Palliotto. The initiative, in its third edition, aims to give new generations a closer look on the skills and attitudes necessary to address the new challenges of the future. The partnership with Bocconi University was also consolidated and at the beginning of the year it was the guest of a company visit for students of the SDA Bocconi Master in Corporate Finance.

Among the new initiatives, it is worth mentioning the creation of the HSEQ SYNERGY Master, in collaboration with the QUINN Consortium, which aims to train 15 young graduates for possible enrolment in Saipem. It consists of a path in six sections dedicated to the energy world, the principles of the culture of health, safety, environment and quality (HSEQ), project management, sustainability and digital culture.

		2023		2022		2021	
		Group Total	Full consolidated	Group Total	Full consolidated	Group Total	Full consolidated
Training							
Total hours of training, of which:	(hours)	2,020,750	1,992,595	1,861,565	1,764,803	1,688,917	1,526,040
- HSE (employees and subcontractors), of which:	(hours)	1,719,376	1,691,454	1,736,139	1,639,540	1,524,528	1,368,562
- employees	(hours)	542,037	527,105	511,179	493,829	611,829	576,822
- subcontractors	(hours)	1,177,339	1,164,349	1,224,960	1,145,711	-	-
. managerial potential and skills	(hours)	83,021	82,989	10,694	10,669	13,706	13,694
. professional technical skills	(hours)	218,353	218,152	114,732	114,594	150,683	143,784
Total direct training costs	(€ mln)	15.4	15.2	9.9	-	7.88	7.12

Please note that the figures relate to Companies in which personnel are employed and not seconded.

PARTICIPANTS TO HSE TRAINING BY GEOGRAPHICAL AREA 2023 (No.)



In 2023, the Company recorded a 29% increase for the full consolidated perimeter (22% in the Group perimeter), compared to 2022, in the total hours of training provided to employees at Group level.
For the Group perimeter, training was provided to 31,185 employees (97% of employees). In detail, the number of male employees who attended at least one training course was 28,029 for the Group perimeter and 26,721 for the full consolidated perimeter, while the number of female employees who attended at least one training course, in 2023, is equal to 3,156 for the Group perimeter and 3,125 for the full consolidated perimeter.
As regards the enjoyment of training courses by professional category, in 2023 it is noted that 12,800 blue collars attended at least one training course for the Group perimeter (11,808 for the full consolidated perimeter), 13,707 white collars for the Group perimeter (13,387 for the full consolidated perimeter), 4,372 managers for the Group perimeter (4,345 for the full consolidated perimeter) and 391 senior managers for both perimeters.

As regards HSE training, the Group provided a total of 1,691,454 hours of training for the full consolidated perimeter and 1,719,376 hours at Group level.
There was an increase in the hours of HSE training provided to employees; this increase is equal to 7% for the full consolidated perimeter (6% for the Group perimeter). In particular, 263,013 hours of HSE training were delivered to blue collars in the Group perimeter (252,018 for the full consolidated perimeter), 204,073 hours to white collars (200,306 for the full consolidated perimeter), 69,054 hours of training to managers in the Group perimeter (68,883 for the full consolidated perimeter) and finally, to senior managers 5,897 hours of HSE training for both perimeters.
In terms of number of participants, for the Group perimeter 12,643 blue collars (11,655 for the full consolidated perimeter) took part in at least one HSE training course, 10,643 white collars in the Group perimeter (10,355 in the full consolidated perimeter), 3,283 managers in the Group perimeter (3,262 in the fully consolidated perimeter), finally 309 senior managers for both perimeters.

In 2023, the average hours of training per capita increased by 36.5% for the full consolidated perimeter, and by 33.9% for the Group perimeter. In 2023, on average, every employee attended 28.8 hours of training for the full consolidated perimeter (and 26.3 hours at the Group perimeter) and, specifically, on average, each male employee participated in 25.9 hours for the Group perimeter (28.5 for the full consolidated perimeter), while each female employee participated in 28.9 hours of training for the Group perimeter (30.9 hours for the full consolidated perimeter). Lastly, with regard to the average use of training hours by employees by professional category, senior managers attended an average of 46.1 hours of training for the full consolidated (44.8 for the Group perimeter), managers 39.2 hours for the Group perimeter (40.7 for the full consolidated perimeter), white collars 22.3 hours for the Group perimeter (23.8 for the full consolidated perimeter) and blue collars 26.5 hours of training for the Group perimeter (29.6 for the full consolidated perimeter).

Performance evaluation

Through the Performance Management process, Saipem contributes primarily to the dissemination of company strategy and priorities, and to directing people's activities by promoting continuous improvement and strengthening personal and professional skills and company results.

On an annual basis, managers have the opportunity to assign objectives and evaluate the contribution provided and results achieved by the people they manage, involving, in addition to the latter, any internal stakeholders who collaborate with the employee on specific projects and/or geographical areas. Crucial and integral parts of the process are self-assessment and continuous feedback.
The process, managed for over 15 years on dedicated information systems, migrated to a new release of the Human Capital Management System in 2023, now integrated with multiple HR processes. The drivers that guided the new setting of the system were the desire to innovate the process and simplify the tool, in order to significantly increase its diffusion also by improving the user experience.

		2023		2022		2021	
		Group Total	Full consolidated	Group Total	Full consolidated	Group Total	Full consolidated
Employees subject to performance assessment	(No.)	20,174	19,483	11,823	11,278	16,132	16,111
	(%)	63	68	37	38	42	50
Female employees involved	(%)	63	66	65	67	-	-
Male employees involved	(%)	63	68	33	35	-	-
Senior Managers	(No.)	359	359	364	364	404	404
Managers	(No.)	3,664	3,606	3,138	3,085	2,960	2,960
White Collars	(No.)	10,734	10,245	6,751	6,398	9,290	9,273
Blue Collars	(No.)	5,417	5,237	1,570	1,431	3,478	3,474

In 2023, the method to report performance evaluation indicators was changed. Note that it was not possible to restate previous years.

Starting from 2023, the performance evaluation indicator is calculated by considering the documents closed in the reporting year and relating to the previous year's performance, instead of the cards open in the reporting year. It is believed that this measures even more effectively Saipem's actual commitment to evaluating the performance of its employees.
Finally, with regard to the indicators relating to performance evaluation, in 2023 for the Group perimeter, 20,174 documents were evaluated (corresponding to a coverage of 63%) and 19,483 for the full consolidated perimeter (corresponding to 68% of the company population).
Specifically, the percentage of assessed employees is equal to 66% of women for the full consolidated perimeter (63% for the Group perimeter) and 63% of men for the full consolidated perimeter (68% for the Group perimeter).
Considering the described change in methodology, the 2023 data are not comparable with those of previous years.

Workforce trend[1]

		2023		2022		2021	
		Group Total	Full consolidated	Group Total	Full consolidated	Group Total	Full consolidated
Total employees at period end	(No.)	32,033	28,756	32,377	29,583	38,806	32,041
Employee categories							
Senior Managers	(No.)	407	396	375	366	409	394
	(%)	1.3	1.4	1.2	1.2	1.0	1.2
Managers	(No.)	4,902	4,697	4,769	4,605	4,812	4,632
	(%)	15.3	16.3	1.2	15.6	12.4	14.5
White Collars	(No.)	15,981	14,583	15,781	14,692	18,258	16,113
	(%)	49.9	50.7	48.7	50.0	47.0	50.3
Blue Collars	(No.)	10,743	9,080	11,452	9,920	15,327	10,902
	(%)	33.5	31.6	35.4	33.5	39.5	34.0
Type of contract							
Employees with full-time contracts	(No.)	31,920	28,643	32,231	29,437	38,642	31,877
Employees on permanent contracts	(No.)	16,921	15,945	15,719	14,789	15,779	14,779
Employees on fixed term contracts	(No.)	15,112	12,811	16,658	14,794	23,027	17,262
Non-employed workers							
Employees recruited through an agency	(No.)	7,346	5,898	6,951	6,535	7,137	5,967
Turnover							
Total turnover [(2)]	(%)	25	25	41	27	28	22
Voluntary turnover [(3)]	(%)	8	8	10	10	10	5

(1) Please note that the figures relate to Companies in which employees are seconded and not where they are directly employed. Furthermore, it is specified that there are no employees with non-guaranteed hours.
To integrate the data relating to the year 2023 for the Group perimeter please find below the percentage of employees with a permanent contract for the following geographical areas: Americas 68%, CIS 19%, Europe 80%, Middle East 28%, North Africa 19%, Sub-Saharan Africa 56%, Far East 44%. As regards the breakdown by gender, however, it should be noted that the number of female resources with permanent contracts is equal to 3,082, a slight increase compared to 2022 (2,828). As regards employees with fixed-term contracts, the following numbers were recorded by geographical area in 2023: Americas 32%, CIS 81%, Europe 20%, Middle East 72%, North Africa 81%, Sub-Saharan Africa 44%, Far East 56%. The number of women with this type of contract is down compared to 2022 (581 in 2023, against 610 in 2022). As regards full-time contracts, the percentage is above 98% in all geographical areas. The trend in the number of female employees is increasing (3,578 in 2023, against 3,326 in 2022), as opposed to that recorded for resources with part-time contracts (85 in 2023, against 112 in 2022).
(2) The total turnover is calculated as the ratio between all the annual exits and the average resources in the year.
(3) The voluntary turnover is calculated as the ratio between all the annual exits and the average resources in the year.

As regards the breakdown into age groups by category of employee, Senior Managers over 50 make up the largest part of the category, i.e. 57% (also for the full consolidated perimeter), those between 30 and 50 amount to 43% (43% for the full consolidated perimeter), while there are no Senior Manager employees in the <30 bracket.
As regards the category of Managers, the over 50 account for 37% of the category (37% for the full consolidated perimeter), those between 30 and 50 63% (also for the full consolidated perimeter) and in the <30 bracket 0, 04% (0.04% for the full consolidated perimeter).
The White Collar category has 14% in the over 50 range (also for the full consolidated perimeter), 73% in the range between 30 and 50 (73% for the full consolidated perimeter) and in the <30 range 13% (13% for full consolidated perimeter).
The Blue Collar category has 16% in the over 50 range (also for the full consolidated perimeter), 73% in the range between 30 and 50 (74% for the full consolidated perimeter) and in the <30 range 11% (10% for full consolidated perimeter).

The total number of workers who are not Saipem employees and who worked at Saipem sites in 2023 was estimated at the end of the year at 36,468 for the Group perimeter and 34,628 for the full consolidated perimeter. In particular, 29,122 subcontractors for the Group perimeter (28,730 for the full consolidated perimeter) and 7,346 agency staff (5,898 for the full consolidated perimeter).
The figure for subcontractors was estimated on the basis of the number of hours worked compared to the number of average daily working hours considered for the type of activity performed, while the agency personnel data corresponds to the number in force as of December 31.

The total promotions, for the Group perimeter in 2023, amounted to 367 men (353 for the full consolidated perimeter) and 79 women (a figure which is also confirmed for the full consolidated perimeter).

New hires, in 2023, amounted to 7,945, of which 11% women, 89% men. 58% of the new hires fall into the White Collar category, 38% into the Blue Collar category, 4% into the Manager category and the remaining 0.1% into the Senior Manager category. Compared to the distribution in geographical areas, the Middle East recorded the highest number of new hires, whose percentage of the total stands at 29%, at 21% in Africa, at 15% in the Americas and CIS, finally at 11% in Europe and 9% in the Far East.

The overall turnover rate recorded a decrease compared to 2022, reaching 25% in 2023 (25% also for the full consolidated perimeter), a value that remains at a significant level due to the nature of Saipem's business which, being a contractor company, works on large projects that have variable durations (from a few months to years) in different geographical areas. Considering the specific circumstance, the qualitative and quantitative sizing of Saipem's human capital is therefore subject to a natural fluctuation that is connected to the various operational phases of projects and to the cyclical nature of client investments. In particular, for the year 2023, the closure of projects in Russia has led to a significant increase in overall turnover.
Consistently with the total turnover, the overall turnover of both the male and female corporate population also recorded a decrease compared to 2022, by 23% for the male population for the Group perimeter and by 25% for the full consolidated perimeter; 15% for the female population in the Group perimeter and 16% in the full consolidated perimeter. Voluntary turnover, like the overall turnover, also recorded a decrease compared to the previous year, reaching 8% for the total perimeter of the Group and for the consolidated perimeter. In 2023, an attrition rate of the female population of 10% was recorded, with 238 resignations out of a total of 2,401 for the Group perimeter (percentage also confirmed for the consolidated perimeter with 235 resignations out of a total of 2,310).

The percentages of total and voluntary turnover (for the Group perimeter) broken down by gender and age in 2023, are as follows:

(%)	Voluntary turnover	Total turnover
Detail by gender		
Female employees	7	15
Male employees	8	23
Detail by age		
Employees under 30 years of age	10	33
Employees aged between 30 and 50	8	22
Employees over 50 years of age	4	21
Detail by category		
Senior Managers	4	6
Managers	6	9
White Collars	10	24
Blue Collars	5	28

The total turnover is calculated as the ratio between all the annual exits and the average resources in the year.
The voluntary turnover is calculated as the ratio between all the annual voluntary exits and the average resources in the year.

Industrial relations

On the national level, 2023 was characterised by substantial discussions with the trade unions of all the sectors represented in the Company (Energy and Oil, Metalworkers and Maritime).
In the second half of the year, a framework agreement was signed with the trade unions of both the Energy and Oil sectors and the Metalworkers sector on the profit-sharing scheme for the period 2023-2025.
The signed agreement provides for the achievement of objectives that are fully consistent and aligned with the main targets and drivers defined within the 2023-2026 Strategic Plan, in terms of:
- volume of new contracts;
- productivity KPI, for which the investment in digital and green skill training, defined within the New Skills Fund, represents a relevant and particularly innovative aspect;
- managerial KPIs;
- environmental parameters;
- introduction of a parameter aimed at enhancing the values of Diversity & Inclusion, an increasingly important factor for the company.

Saipem has always considered the enhancement and promotion of the health and safety of workers in the workplace to be primary. From this perspective, the introduction of new digital technologies for detecting dangerous conditions, managing emergencies and improving supervision activities in the various working environments is also envisaged. In line with these objectives, the second half of the year was therefore characterised by constant discussions with the relevant company functions (e.g. Privacy, Cybersecurity) and with trade unions to prepare the launch of pilot projects using artificial intelligence in construction sites and on board the vessels operating in Italian territorial waters.

In this regard, in the first weeks of December an agreement was set with the Arbatax trade unions for a demo of an artificial intelligence system held at the construction site and using a robot dog, in the context of the Safety Step Up programme (further information can be found in the paragraph "People Safety").

In July 2023, the supplementary agreement with the trade unions of the Energy and Oil sector was renewed; it governs trips of particular nature and duration carried out within the national territory by personnel operating both on board of vessels and onshore in their support. The objective of the renewal is to increasingly protect the health and safety of personnel as well as improve the general assignment conditions.

In the maritime sector, the second half of the year was characterised by the review of the labour law and regulatory aspects of the soon-to-expire reference collective labour agreement. To this end, discussions with the trade unions are still ongoing.

Regarding foreign industrial relations, the four-year collective agreement with the International Transport Workers' Federation (ITF) came into force on January 1, 2023, covering staff employed on nine vessels in the Saipem fleet.
Furthermore, during 2023, collective agreements were renewed and new negotiations started at the Saipem entities operating in Angola, Brazil, Mexico, Nigeria and Singapore. In Indonesia, the renewed collective agreement signed by PT Saipem Indonesia for local staff assigned to the Karimun fabrication yard came into force in March.
At Saipem SA, France, an agreement was negotiated in October regarding the budget for the salary review policy, as well as measures to support the quality of life (possibility for women suffering from endometriosis to access an extended leave) and the payment of a bonus to protect purchasing power. With reference to the latter, two agreements were signed with the provision for a bonus to non-Senior Manager employees. In November 2023, an annual supplementary agreement was stipulated on working hours which regulates night work and weekend work for personnel assigned to on-call shifts to support activities on board vessels.
During the year, discussions took place with the workers' representatives of Sofresid and Saipem SA pursuant to the relevant regulations which led to the completion of the sale of Sofresid to the Ekium, in October.

As regards the activities carried out at a transnational level by the European Works Council (CAE) during 2023, extraordinary meetings were organised remotely, as well as a plenary meeting in Bucharest in September concerning updates on health and safety matters and human resources management, with particular focus on employees in the European Economic Area and an in-depth look at the Neart na Gaoithe (NNG) project, where Saipem was involved in the construction of an offshore wind farm in Scotland.

		2023		2022		2021	
		Group Total	Full consolidated	Group Total	Full consolidated	Group Total	Full consolidated
Employees covered by collective bargaining agreements	(%)	42	40	50	52	46	46
Hours of strike	(No.)	7,521	7,521	63	63	248	248

Equal treatment and enhancement of differences

GRI 401-2
GRI 401-3
GRI 405-1
GRI 405-2

In May 2023, the Vendor Code of Conduct was updated, with the integration of a specific paragraph dealing with values and commitments mentioned in the Diversity, Equality & Inclusion Policy issued in November 2022. In fact, supply chain involvement is necessary for a more effective promotion of an inclusive culture. During 2023, the MSG and Standard corporate procedures in the HR, Stakeholder Engagement and Supply Chain areas were also reviewed and integrated with the DE&I principles expressed in the relevant Policy.
Management's commitment to reducing the gender gap is also demonstrated by the establishment, in October 2023, of the Diversity & Inclusion Committee responsible for ensuring the promotion and adoption of gender equality principles listed in company policies, and guarantee the constant application of all the elements and requirements of the Uni PdR 125:2022 Standard, for which Saipem obtained, in November 2023, the Gender Equality Certification, issued by the DNV accreditation body. Since 2021, Saipem has in fact nominated a Chief Diversity Officer, reporting to the People, HSEQ & Sustainability Director.
In line with the defined strategy and with the commitments and values promoted through the Diversity, Equality & Inclusion Policy, Saipem has updated the relevant paragraph in the Strategic Sustainability Plan, valid for 2023-2026, regarding precise objectives and particular attention to guaranteeing the principle of equity and gender equality, recognised as key values and a foundations of social rights in favour of gender inclusion and female empowerment. As a demonstration of the strong commitment, an objective has been set to guarantee equal opportunities in the selection process. Respect for gender equality is a crucial element that we intend to guarantee since from the selection phase. In this regard, in May 2023, a specific

internal guideline was adopted at Group level to promote the gender equality and a training course was designed to spread awareness and contain bias in the recruiting process.
Attention and valorisation of STEM skills in young girls and women play a key role in Saipem Diversity & Inclusion strategy; Saipem is therefore committed to encouraging and fostering their development by joining the Elis programme in early 2023, which has involved a pool of Role Models in Saipem Italy in career guidance days at vocational schools and high schools throughout the country, with the aim of increasing exposure and confidence in STEM careers, to counteract cognitive biases, and gender bias in particular. Saipem will continue on this path during 2024.
The interest in creating communities dedicated to women has also spread in Brazil where, in December 2023, "The Women's Circle" programme began, a series of monthly meetings reserved for female employees of Saipem do Brazil to facilitate discussions, share experiences and provide mutual support on gender-related topics.
In March 2023 Saipem promoted, again in collaboration with Elis, the Elis Open Week orientation initiative, aimed at guiding people in the future of work, as part of the “Sistema Scuola Impresa” project, in which Saipem participates as well. This initiative, accessible to all employees and their families, has made available a varied schedule of online events dedicated to orientation and the professions of the future.
In September 2023, the first survey on gender equality was also promoted in Italy to draw an overall picture of the level of satisfaction and awareness of employees on the topic of gender equality in the workplace.
In December 2023, the DNV accreditation body also renewed the annual ISO 30415:2021 certification-Human Resource Management Diversity and Inclusion standard, which represents a valuable guide for the effective application of the "Diversity & Inclusion" principles in business processes.
During 2023, Saipem continued its collaboration with the “Valore D” Association, confirming itself as a supporting member by promoting a set of training and information initiatives in continuity with past years: mentoring, sharing labs, thematic in-depth training and talks accessible to the entire population at Group level.
With the aim of expanding the scope of equal opportunities, in October 2023, Saipem joined the “Liberi e Uguali” Parks Association, engaged in training and information activities to promote awareness and knowledge of gender identity and sexual orientation.
In general, training is confirmed to be a strategic channel to guarantee widespread awareness and knowledge of priority topics in the D&I field. During 2023, the delivery at Group level of training courses on Unconscious Bias, Disability and Gender Harassment continued. In particular, attention to harassment in the workplace remains crucial and Saipem is engaged in combating the phenomenon by creating training and information campaigns at Group level, which will continue throughout 2024. Furthermore, during 2023 the SAFER (Security Awareness for Empowerment and Resilience) course was designed and delivered: it has both a theoretical and practical approach and teaches how to identify and prevent dangerous situations and acquire greater awareness of the urban environment in which we live. The course, with three editions held in April and June 2023 at the headquarters in Milan, involved 100 people.
This year too, Saipem has proven to be strongly committed to contrasting gender violence, promoting the International Day for the Elimination of Violence against Women (November 25) and joining for the second consecutive year the UNESCO campaign “Orange the World: End violence against women now”. Through the internal Wear Orange campaign, all employees of the Saipem Group offices were invited to wear an orange cloth or accessory and to write down their commitment against gender violence.
Disabilities are of the utmost importance for Saipem which is actively committed through targeted attraction initiatives. An example is the participation, in May 2023, in the Diversity Day at the Bocconi University in Milan, an event meant to promote and facilitate the employment of people with disabilities and belonging to protected categories. Furthermore, on the occasion of the International Day of Persons with Disabilities on December 3, 2023, Saipem recalled its tangible commitment to breaking down the barriers that prevent the inclusion of disabled people, through a post published on external communication channels summarising some of the initiatives promoted abroad:

- in France, conferences dedicated to disability and various sporting events were organised with the support of the French Handisport Federation;
- in Senegal, in collaboration with the catering company, three young people from the Senegalese Association for the protection of children with mental disabilities were hired. This example demonstrates how Saipem promotes an inclusive culture even among its subcontractors;
- in Brazil, a specific training programme for the leadership team was organised to enhance and develop more inclusive leaders. Furthermore, the Diversity Committee of Saipem do Brasil has established two working groups to promote accessibility, disability inclusion and qualification.

(No.)		2023 Group Total	2023 Full consolidated	2022 Group Total	2022 Full consolidated	2021 Group Total	2021 Full consolidated
Female presence							
Female employment, by geographical area:		3,663	3,428	3,438	3,248	3,937	3,524
Americas		273	273	363	363	348	348
CIS		96	73	144	143	456	220
Europe		1,922	1,878	1,843	1,802	2,019	1,972
Middle East		376	371	273	269	248	245
North Africa		23	23	16	16	25	25
Sub-Saharan Africa		484	321	390	246	307	181
Far East		489	489	409	409	534	533
Female Senior Managers		42	42	31	31	33	33
	(%)	10	11	8	8	8	8
Female Managers		822	793	774	750	774	753
	(%)	17	17	16	16	16	16
Women in non-managerial roles		2,799	2,593	2,633	2,467	3,130	2,738
	(%)	10	11	10	10	9	10
Female presence in engineering and IT positions out of the total number of such position (*)	(%)	13	13				
Women promoted out of total promoted employees (*)	(%)	18	18				

(*) Indicator introduced in 2023.
To supplement the data relating to the year 2023 in the Group perimeter, please note that more than 99% of female employees have a full-time contract with the exception of Europe (96%) and, with regard to the type of contract, female employees with a permanent contract are distributed in the geographical areas as follows: Americas 96%, CIS 8%, Europe 96%, Middle East 67%, North Africa 48%, Sub-Saharan Africa 74%, Far East 69%.
Note that "Women Managers" includes "Women Managers" and "Senior Managers" and "Women in non-managerial positions" includes white collar and blue collar women.

The table below also provides a complete view of Saipem's employee data:

(No.)	2023 Group Total	2023 Full consolidated	2022 Group Total	2022 Full consolidated	2021 Group Total	2021 Full consolidated
Age ranges						
Employees under 30 years of age	3,188	2,796	3,054	2,660	5,346	3,574
of which women	514	475	399	373	548	462
of which men:	2,674	2,321	2,655	2,287	4,798	3,112
Employees aged between 30 and 50	22,873	20,524	23,443	21,448	27,558	23,077
of which women	2,565	2,392	2,465	2,318	2,801	2,501
of which men:	20,308	18,132	20,978	19,130	24,757	20,576
Employees over 50 years of age	5,972	5,436	5,880	5,475	5,902	5,390
of which women	584	561	574	557	588	561
of which men:	5,388	4,875	5,306	4,918	5,314	4,829
Average age (*)	41.78	41.82				
Employees with disabilities	254	249	384	378	195	193
Multiculturalism						
Number of nationalities represented in the employee population	130	130	129	129	130	128

(*) Indicator introduced in 2023.

As regards gender, women represent 12% of the work force (11% at Group level). With regards to the distribution by age group, 10% of employees are under 30 years old, 71% are between 30 and 50 years old and 18% are over 50 years old (data in line between the Group perimeter and the consolidated perimeter).
In terms of the distribution by professional categories, women represent 1% of Blue Collars (2% at Group level), 17% of White Collars (16% at Group level), 17% of Managers and 11% of Senior Managers (10% at Group level).

The percentage of women in a managerial position compared to the total number of women is 24%, a figure which is 1 percentage point higher for the full consolidated perimeter compared to the previous year.

Female senior managers represent 11% of the total senior managers (10% compared to the Group perimeter).

Female middle managers represent 17% of the total middle managers (17% compared to the Group perimeter).

With regard to the senior management, 3 of the 15 first reports to the CEO are women, as specified below:

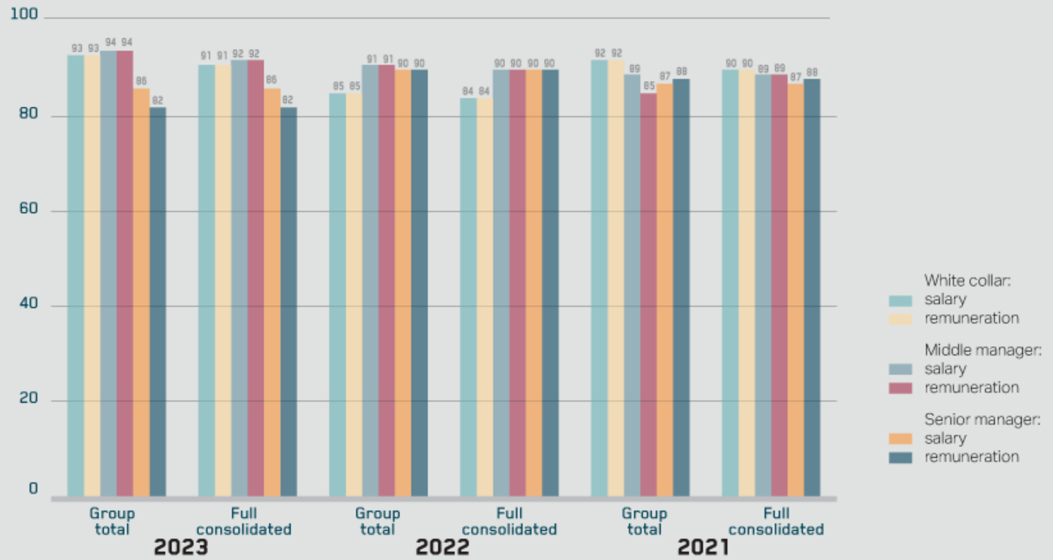
Date	Executive Men	Executives No. Men	% of Executives Men	Executives Women	Executives No. Women	% of Executives Women
December 31, 2023	M. Bonzi P. Calcagnini S. Chini M. Branchi F. Botta P. Albini F. Abbà M. Toninelli C. Bottaro G. Secchi M. Piasere F. Picciani	12	80	S. L. Rasini R. Carrara O. Stella	3	20

Pay equity

The Company defines on an annual basis the guidelines of the Remuneration Policy, and in particular prepares precise guidelines to govern remuneration policies and reduce remuneration disparities between men and women, the principle of "equal pay for equal work", in all the countries in which it operates.

The salary gap indicator for the Senior Manager category is approximately 86% in 2023 (both for the full consolidated perimeter and for the Group perimeter), showing a slight decrease compared to 2022. For Middle Managers, the indicator has a value of 92% for the full consolidated perimeter, with an increase of 2 percentage points compared to 2022, and of 94% for the Group perimeter, with an improvement of 3 percentage points compared to 2022. For White Collars a value of 91% was reached for the full consolidated perimeter and 93% for the Group perimeter, both showing a significant increase in both perimeters compared to the 2022.
The remuneration gender pay gap indicator – which includes both the fixed and variable part of the remuneration – for Senior Managers is 82% (for both the full consolidated and Group perimeter), which represents a decrease compared to 2022; for Middle Managers 94% for the Group perimeter and 92% for the full consolidated perimeter, with an improvement for both compared to 2022; for White Collar workers the value is 91% for the full consolidated perimeter, while it is 93% for the Group perimeter, showing a significant increase compared to the previous year.

GENDER PAY GAP (%)



Note: The salary gender pay gap indicator is calculated as the ratio between the average salary of a woman compared to the average salary of a man, by category. The remuneration gender pay gap indicator is calculated as the ratio between the average remuneration of a woman compared to the average remuneration of a man, by category. The remuneration includes the salary and the variable part.
For Italy, the indicator considers population hired by Saipem SpA and Servizi Italia SpA with Energy and Oil CCNL.

Considering the average pay by gender at Group level, women on average have a higher pay than men by 11.5% in 2023. This value, although varied over the years, has always been in favour of the women, in compliance with the remuneration policy guidelines applied by the Company. The indicator is calculated by measuring the total remuneration for men and women, without adjustments (e.g. role, category, level, education, office, etc.).

Other remuneration data

We also report that, the ratio between the overall remuneration of the Chief Executive Officer-CEO and the overall average remuneration of employees (full-time employees) of Saipem, calculated with reference to Saipem SpA and the main subsidiaries, which stands at 37 and 51 respectively for 2023. With regard to the ratio between the total remuneration of the Chief Executive Officer-CEO and the median total remuneration of employees (full-time employees), it stands at 43 for Saipem SpA and 57 for the main subsidiaries in 2023. Finally, the ratio between the percentage increase in the overall remuneration of the Chief Executive Officer-CEO and the percentage increase in the average overall remuneration of Saipem SpA employees is 5 in 2023.
Further information on remuneration (fixed and variable), severance payments, bonuses and clawback regulations for members of the Board of Directors, Statutory Auditors, the Chief Executive Officer-General Manager and Senior Managers are available in the document "Report on Remuneration Policy and Compensation Paid 2024".

Finally, taking as a reference the personnel hired in 2023 in the lowest category, in Saipem SpA and in the most significant Group entities with reference to projects under execution, it appears that the average annual salary, compared to the contractual minimums and considering the variety of roles covered by the concerned professionals, is the following:

Country	Company	Men	Women	Reference calculation
Italy	Saipem SpA	102%	101%	Remuneration according to CCNL cat. 3, CREA 3
France	Saipem SA	n.a.	182%	Minimum salary at national level
Saudi Arabia	Saudi Arabian Saipem Ltd	110%	n.a.	Minimum salary at national level
Nigeria	Saipem Contracting Nigeria Ltd	114%	114%	Minimum salary at national level
Indonesia	PT Saipem Indonesia	585%	n.a.	Minimum salary at national level
Angola	Petromar Lda	796%	n.a.	Minimum salary at national level

n.a. Not available data.

Welfare, worklife balance and wellbeing

Regarding employee engagement policies, welfare initiatives are of increasing importance and aim to improve the quality of life, satisfaction and motivation and promote the conciliation between private and professional life (work-life balance).
Saipem's focus on the well-being of its employees, from the choice of the new company headquarters to a structured welfare programme, brings to offer services in various areas, with particular attention paid to the three major pillars, namely: Health, Family and Savings.
From this perspective, Saipem continues to offer services to its employees.
During 2023, the main initiatives were concentrated at the new headquarters in Milan Santa Giulia with the opening of the company restaurant, which combines comfort with quality service. The choice confirms Saipem's commitment to sustainability issues by proposing a healthy diet, reducing food waste by donating uneaten food surpluses to social solidarity entities or bodies, using green materials and introducing initiatives, such as the Meat Free Day, aimed at reducing CO_2 emissions.
The Saipem Wellness Club was also inaugurated in July 2023. An area dedicated to well-being and physical activity and allowing both individual and collective training courses held by professionals in the sector. The gym is equipped with changing rooms also available to those reaching the office by bicycle or jogging on their lunch break.
In order to make the service available even remotely and for staff on assignment abroad, the MyWellness portal was designed offering a wide range of on demand courses.
One of the ongoing innovations is the setting up of a Smart Clinic within the company premises. A medical point for employees providing a variety of health services, from nursing consultations to travel prophylaxis, psychological helpdesk and social assistance.

In 2023, with the end of the pandemic emergency, the “Estate Welfy” programme intended for parents with children up to 16 years of age was also resumed. This initiative has allowed around 350 children and young people to participate in summer camps that include activities aimed at learning English, sports and recreation, and contact with nature. This is just one example of the numerous services to support families.

In addition to the existing welfare initiatives in the countries where Saipem operates, remote working policies are being implemented, with a view to promoting work-life balance, in the countries where permitted by business needs and local legislation.

Saipem guarantees its employees, based on the specific local circumstances, different types and modes of benefits that include supplementary pension funds, additional health funds, mobility support services and policies, initiatives in the field of welfare and family support policies, catering and training courses aimed at ensuring more effective integration within the socio-cultural context of reference. These benefits, when envisaged and based on the country/society/local legislation in force, today are applied to the specific reference population regardless of the type of contract (temporary/permanent), except for those particular services where the time scale of performance delivery may not be compatible with the duration of the contract.

Saipem supports the work/family balance of its personnel through Company regulations and/or local policies which guarantee parental leave. The differences among countries for this leave lie only in the time and method of abstaining from work. There was an increase in the average number of days of parental leave used. In 2023, Saipem had 460 employees (475 considering the Group perimeter), 234 men (237 considering the Group perimeter) and 226 women (238 considering the Group perimeter), who made use of parental leave for a total of 16,697 days (17,603 referring to the Group perimeter). In this context one should note, in the same period, the return to work from parental leave of 431 employees (444 at Group level), 231 men (234 for the Group perimeter) and 200 women (210 at Group level), with a return rate from parental leave in the same year of 94% for the full consolidated perimeter (93% at Group level). Gender break down results in 99% for men (in both perimeters) and 88% for women (both perimeters).
Overall, it should be noted that the employees who are entitled to parental leave are 18,066 (20,205 for the Group perimeter), of which 3,312 are women (3,491 considering the Group perimeter) and 14,754 men (16,714 considering the Group perimeter).
Considering the main companies of the Group (with coverage of 80% of employees), the Company offers at least 20 weeks of maternity leave and 1.5 weeks of paternity leave.

GRI CONTENT INDEX

Reference documents
NFS23: Consolidated Non-Financial Statement 2023
AR23: Annual Report 2023
SR23: Sustainability Report 2023
CG23: Corporate Governance and Shareholding Structure Report 2023
RP24: Report on Remuneration Policy and Compensation Paid 2024

Statement of use	Saipem SpA has reported in accordance with the GRI Standards for the period January 1, 2023 - December 31, 2023
GR used	GRI 1 - Foundation - 2021 version
Applicable GRI Sector Standards	GRI 11: Oil and Gas Sector 2021

General disclosures

GRI Standard /Other sources	Disclosure	Location	Requirement(s) Omitted/Reason/ Explanation
GRI 2: General disclosures - 2021	2-1 Organisational details	Cover (AR23).	
	2-2 Entities included in the organization's sustainability reporting	"Consolidation scope as of December 31, 2023", pages 237-241 (AR23).	
	2-3 Reporting period, frequency and contact point	"Methodology, principles and reporting criteria", pages 82-91 (NFS23); "Consolidation scope as of December 31, 2023", pages 237-241 (AR23); "Changes in the consolidation scope", page 242 (AR23). Inside back cover (AR23).	
	2-4 Restatement of information	"Performance evaluation", pages 174-175 (NFS23).	
	2-5 External Assurance	"Methodology, principles and reporting criteria", pages 82-91 (NFS23).	
	2-6 Activities, value chain and other business relationships	"Company profile and key operations", page 102 (NFS23); "Social policies and management", page 157 (NFS23).	
	2-7 Employees	"Workforce trend", pages 176-177 (NFS23).	
	2-8 Workers who are not employees	"Workforce trend", pages 176-177 (NFS23).	
	2-9 Governance structure and composition	"Governance of business sustainability", pages 116-117 (NFS23); "Governance of sustainability", pages 11-12 (CG23).	
	2-10 Nomination and selection of the highest governance body	"Governance of business sustainability", pages 116-117 (NFS23); "Board of Directors", pages 20-23 (CG23).	
	2-11 Chair of the highest governance body	"Governance of business sustainability", pages 116-117 (NFS23); "Board of Directors", pages 20-23 (CG23).	
	2-12 Role of the highest governance body in overseeing the management of impacts	"Methodology, principles and reporting criteria", pages 82-91 (NFS23); "Governance of business sustainability", pages 116-117 (NFS23); "Board of Directors", pages 20-23 (CG23).	
	2-13 Delegation of responsibility for managing impacts	"Executive Directors", pages 32-34 (CG23); "Board of Directors' role", pages 20-23 (CG23); "Functioning of the Board of Directors (pursuant to Article 123-*bis*, paragraph 2, letter d), Consolidated Law on Finance - TUF)", page 31 (CG23); "Methodology, principles and reporting criteria", pages 82-91 (NFS23).	
	2-14 Role of the highest governance body in sustainability reporting	"Methodology, principles and reporting criteria", pages 82-91 (NFS23); "Governance of business sustainability", pages 116-117 (NFS23).	
	2-15 Conflicts of interest	"Governance of business sustainability", pages 116-117 (NFS23); "Board of Directors", pages 20-23 (CG23).	
	2-16 Communication of critical concerns	"Reporting suspected violations", pages 124-126 (NFS23).	
	2-17 Collective knowledge of the highest governance body	"Functioning of the Board of Directors (pursuant to Article 123-*bis*, paragraph 2, letter d), Consolidated Law on Finance - TUF)", page 31 (CG23); "Board of Directors", pages 20-23 (CG23).	

General disclosures

GRI Standard /Other sources	Disclosure	Location	Requirement(s) Omitted/Reason/ Explanation
GRI 2: General disclosures - 2021	2-18 Evaluation of the performance of the highest governance body	"Governance of business sustainability", pages 116-117 (NFS23); "Succession plans", page 38 (CG23).	
	2-19 Remuneration policies	"Governance of business sustainability", pages 116-117 (NFS23); "Incentive system", pages 117-118 (NFS23); "Contribution to mitigating climate change", pages 137-147 (NFS23); "Saipem's Net Zero programme", pages 140-142 (NFS23); "Equal treatment and enhancement of differences", pages 178-181 (NFS23); "Section II - Compensation paid and other information", pages 34-44 (RP24).	
	2-20 Process to determine remuneration	"Governance of business sustainability", pages 116-117 (NFS23); "Section II - Compensation paid and other information", pages 34-44 (RP24).	
	2-21 Annual total compensation ratio	"Equal treatment and enhancement of differences", pages 178-181 (NFS23).	2-21a: partial disclosure: Saipem reports the indicator by calculating the median annual total remuneration for Saipem SpA only and undertakes to extend the reporting scope progressively in the coming reporting cycles. 2-21.b: partial disclosure: Saipem reports information by calculating the average of the total employee remuneration as the data on the median for 2021 is not available.
	2-22 Statement on sustainable development strategy	"Letter to the shareholders", pages 2- 4 (AR23); "Development of the market scenario and strategy", pages 103-105 (NFS23); "Model 231 (including the Code of Ethics)", pages 121-122 (NFS23); "Letter to stakeholders", pages II-1 (SR23).	
	2-23 Policy commitments	"Company management and organisation model" pages 102-103 (NFS23); "Governance of business sustainability", pages 116-117 (NFS23); "Protecting the environment and minimising environmental impacts", pages 149-157 (NFS23); "Safeguarding the health and safety of people", pages 162-170 (NFS23); "Sustainability Plan", pages 92-96 (NFS23); "How Saipem's business model creates value", page 127 (NFS23); "Equal treatment and enhancement of differences", pages 178-181 (NFS23).	
	2-24 Embedding policy commitments	"Company management and organisation model", pages 102-103 (NFS23); "Governance of business sustainability", pages 116-117 (NFS23); "Protecting the environment and minimising environmental impacts", pages 149-157 (NFS23); "Safeguarding the health and safety of people", pages 162-170 (NFS23); "Sustainability Plan", pages 92-96 (NFS23); "How Saipem's business model creates value", page 127 (NFS23); "Equal treatment and enhancement of differences", pages 178-181 (NFS23); "A sustainable supply chain", pages 159-161 (NFS23).	
	2-25 Processes to remediate negative impacts	"Asset integrity", pages 163-164 (NFS23); "Spill prevention and response", pages 147-148 (NFS23); "Social policies and management", page 157 (NFS23).	

General disclosures

GRI Standard /Other sources	Disclosure	Location	Requirement(s) Omitted/Reason/ Explanation
GRI 2: General disclosures - 2021	2-26 Mechanisms for seeking advice and raising concerns	"Model 231 (including the Code of Ethics)", pages 121-122 (NFS23); "Reporting suspected violations", pages 124-126 (NFS23).	
	2-27 Compliance with laws and regulations	"Company management and organisation model", pages 102-103 (NFS23); "Legal proceedings", pages 277-291 (AR23).	
	2-28 Membership associations	"Institutions and trade associations", pages 98-99 (NFS23).	
	2-29 Approach to Stakeholder Engagement	"Relations with stakeholders" pages 97-101 (NFS23).	
	2.30 Collective agreements	"Industrial relations", pages 177-178 (NFS23).	

MATERIAL TOPICS

GRI Standards	Disclosure	Location	Requirement(s) Omitted/Reason/ Explanation	Ref No. GRI industry standards
GRI 3: Material topics - 2021	3-1 Process to determine material topics	"Materiality analysis and content definition", pages 83-91 (NFS23); "Methodology and Reporting Criteria", pages 84-86 (SR23).		
	3-2 List of material topics	"Materiality analysis and content definition", pages 83-91 (NFS23).		
Economic performance (material topic: Climate change, Community development)				
GRI 3: Material topics - 2021	3-3 Management of material topics	"Economic value generated and distributed", page 127 (NFS23); "Methodology and Reporting Criteria", pages 84-86 (SR23).		11.2.1 11.14.1 11.21.1
GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed	"Economic value generated and distributed", page 127 (NFS23).		11.14.2 11.21.2
	201-2 Financial implications and other risks and opportunities due to climate change	"Climate-related risks", pages 137-138 (NFS23); "Climate-related opportunities", pages 138-139 (NFS23).		11.2.2
	201-3 Defined benefit plan obligations and other retirement plans	Note 27 "Employee benefits", pages 263-267 (AR23); "Incentive plans", pages 293-294 (AR23).		-
	201-4: Financial assistance received from government	Note 47 "Obligations regarding transparency and disclosure. Italian Law August 4, 2017, No. 124 (Article 1, sections 125-129), page 316 (AR23); "How Saipem's business model creates value", page 127 (NFS23).		11.21.3
Market presence (material topic: Diversity & inclusion, Community development)				
GRI 3: Material topics - 2021	3-3 Management of material topics	"Equal treatment and enhancement of differences", pages 178-181 (NFS23); "Methodology and Reporting Criteria", pages 84-86 (SR23).		11.11.1 11.14.1
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	"Equal treatment and enhancement of differences", pages 178-181 (NFS23).		-
	202-2 Proportion of senior management hired from the local community	"Local content (In Country Value)", page 158 (NFS23).		11.11.2 11.14.3

MATERIAL TOPICS

GRI Standards	Disclosure	Location	Requirement(s) Omitted/Reason/ Explanation	Ref No. GRI industry standards
Indirect economic impacts 2016 (material topic: Community development)				
GRI 3: Material topics - 2021	3-3 Management of material topics	"Economic value generated and distributed", page 127 (NFS23); "Methodology and Reporting Criteria", pages 84-86 (SR23).		11.14.1
GRI 203: Indirect economic impacts 2016	203-1 Infrastructure investments and services supported	"Economic value generated and distributed", page 127 (NFS23); "Relations with stakeholders", pages 97-101 (NFS23).		11.14.4
	203-2: Significant indirect economic impacts	"Economic value generated and distributed", page 127 (NFS23).		11.14.5
Procurement practices (material topic: Community development)				
GRI 3: Material topics - 2021	3-3 Management of material topics	"Supply chain management", pages 131-132 (NFS23); "Methodology and Reporting Criteria", pages 84-86 (SR23).		11.14.1
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	"Supply chain management", pages 131-132 (NFS23).		11.14.6
Anti-corruption (material topic: Business ethics)				
GRI 3: Material topics - 2021	3-3 Management of material topics	"Fighting corruption", pages 122-123 (NFS23); "Methodology and Reporting Criteria", pages 84-86 (SR23).		11.20.1
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	"Risk management", pages 60-71 (AR23); "A sustainable supply chain", pages 159-161 (NFS23).		11.20.2
	205-2 Communication and training about anti-corruption policies and procedures	"Fighting corruption", pages 122-123 (NFS23); "A sustainable supply chain", pages 159-161 (NFS23); "Governance of business sustainability", pages 116-117 (NFS23); "Composition (pursuant to Article 123-*bis*, paragraph 2, letter d) and d-*bis*), of Legislative Decree No. 58/1998)", pages 25-30 (CG23).		11.20.3
	205-3 Confirmed incidents of corruption and actions taken	"Fighting corruption", pages 122-123 (NFS23).		11.20.4
Anticompetitive behaviour (material topic: Business ethics)				
GRI 3: Material topics - 2021	3-3 Management of material topics	"Legal proceedings", pages 277-291 (AR23); "Methodology and Reporting Criteria", pages 84-86 (SR23).		11.19.1
GRI 206: Anticompetitive behaviour 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	"Legal proceedings", pages 277-291 (AR23). There are no pending or completed legal actions during the reporting period concerning anti-competitive behaviour and violations of anti-trust and anti-monopoly laws in which the organisation has been identified as a participant.		11.19.2
Taxes				
GRI 3: Material topics - 2021	3-3 Management of material topics	"Tax transparency", pages 127-131 (NFS23); "Methodology and Reporting Criteria", pages 84-86 (SR23).		11.21.1
GRI 207: Taxes 2019	207-1 Approach to tax	"Tax transparency", pages 127-131 (NFS23).		11.21.4
	207-2 Tax governance, control and risk management	"Tax transparency", pages 127-131 (NFS23).		11.21.5
	207-3 Stakeholder engagement and management of concerns related to tax	"Tax transparency", pages 127-131 (NFS23).		11.21.6
	207-4 Country-by-country reporting	"Tax transparency", pages 127-131 (NFS23).		11.21.7

MATERIAL TOPICS

GRI Standards	Disclosure	Location	Requirement(s) Omitted/Reason/ Explanation	Ref No. GRI industry standards
Energy (material topic: Climate change)				
GRI 3: Material topics - 2021	3-3 Management of material topics	"GHG emissions", pages 145-146 (NFS23); "Methodology and Reporting Criteria", pages 84-86 (SR23).		11.1.1
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	"GHG emissions", pages 145-146 (NFS23).		11.1.2
	302-2 Energy consumption outside the organisation	"GHG emissions", pages 145-146 (NFS23).	Saipem undertakes to report the data in the next reporting cycles.	11.1.3
	302-3: Energy intensity	"GHG emissions", pages 145-146 (NFS23).		11.1.4
	302-4: Reduction of energy consumption	"GHG emissions", pages 145-146 (NFS23).		-
Water and effluents (material topic: Water)				
GRI 3: Material topics - 2021	3-3 Management of material topics	"Water resource management", pages 149-152 (NFS23); "Methodology and Reporting Criteria", pages 84-86 (SR23).		11.6.1
GRI 303: Water and effluents 2018	303-1 Interactions with water as a shared resource	"Water resource management", pages 149-152 (NFS23).		11.6.2
	303-2 Management of water discharge-related impacts	"Water resource management", pages 149-152 (NFS23).		11.6.3
	303-3: Water withdrawal	"Water resource management", pages 149-152 (NFS23).		11.6.4
	303-4 Water discharge	"Water resource management", pages 149-152 (NFS23).	Information on the division into drinking water (≤1,000 mg/l of total dissolved solid particles) and other water (>1,000 mg/l of total dissolved solid particles) is not currently available.	11.6.5
	303-5 Water consumption	"Water resource management", pages 149-152 (NFS23).		11.6.6
Biodiversity (material topic: Biodiversity)				
GRI 3: Material topics - 2021	3-3 Management of material topics	"Environmental management policies and system", page 147 (NFS23).		11.4.1
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	"Biodiversity", pages 154-156 (NFS23).		11.4.2
	304-2 Significant impacts of activities, products, and services on biodiversity	"Biodiversity", pages 154-156 (NFS23).		11.4.3
	304-3 Habitats protected or restored	"Biodiversity", pages 154-156 (NFS23).	Information not available: the Company undertakes to collect the information within the next 3 financial years.	11.4.4
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	"Biodiversity", pages 154-156 (NFS23).	Information not available: the Company undertakes to collect the information within the next 3 financial years.	11.4.5

MATERIAL TOPICS

GRI Standards	Disclosure	Location	Requirement(s) Omitted/Reason/ Explanation	Ref No. GRI industry standards
Emissions (material topic: Climate change, Safe workplace)				
GRI 3: Material topics - 2021	3-3 Management of material topics	"GHG emissions", pages 145-146 (NFS23); "Methodology and Reporting Criteria", pages 84-86 (SR23).		11.1.1 11.2.1 11.3.1
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emission	"GHG emissions", pages 145-146 (NFS23).		11.1.5
GRI 305: Emissions 2016	305-2 Energy indirect (Scope 2) GHG emissions	"GHG emissions", pages 145-146 (NFS23).		11.1.6
	305- 3 Other indirect (Scope 3) GHG emissions	"GHG emissions", pages 145-146 (NFS23).		11.1.7
	305-4 GHG emissions intensity	"GHG emissions", pages 145-146 (NFS23).		11.1.8
	305-5 Reduction of GHG emissions	"GHG emissions", pages 145-146 (NFS23).		11.2.3
	305-7 Nitrogen oxides (NO_x), sulphur oxides (SO_x), and other significant air emissions	"Preserving the air quality", pages 146-147 (NFS23).		11.3.2
Waste (material topic: Waste)				
GRI 3: Material topics - 2021	3-3 Management of material topics	"Waste management", pages 153-154 (NFS23); "Methodology and Reporting Criteria", pages 84-86 (SR23).		11.5.1
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	"Waste management", pages 153-154 (NFS23).		11.5.2
	306-2 Management of significant waste-related impacts	"Waste management", pages 153-154 (NFS23).		11.5.3
	306-3 Waste generated	"Waste management", pages 153-154 (NFS23).		11.5.4
	306-4 Waste diverted from disposal	"Waste management", pages 153-154 (NFS23).		11.5.5
	306-5 Waste directed to disposal	"Waste management", pages 153-154 (NFS23).		11.5.6
Water discharge and waste (material topic: Accidents and spills)				
GRI 3: Material topics - 2021	3-3 Management of material topics	"Spill prevention and response", pages 147-148 (NFS23); "Methodology and Reporting Criteria", pages 84-86 (SR23).		11.8.1
GRI 306: Water discharge and waste 2016	306-3 Significant spills	"Spill prevention and response", pages 147-148 (NFS23).		11.8.2
Supplier Environmental Assessment (material topic: Climate change)				
GRI 3: Material topics - 2021	3-3 Management of material topics	"A sustainable supply chain", pages 159-161 (NFS23); "Methodology and Reporting Criteria", pages 84-86 (SR23).		-
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	"A sustainable supply chain", pages 159-161 (NFS23).		-
	308-2 Negative environmental impacts in the supply chain and actions taken	"A sustainable supply chain", pages 159-161 (NFS23).		-

MATERIAL TOPICS

GRI Standards	Disclosure	Location	Requirement(s) Omitted/Reason/ Explanation	Ref No. GRI industry standards
Employment (material topic: Labour rights, Diversity & Inclusion, Sustainable employment)				
GRI 3: Material topics - 2021	3-3 Management of material topics	"Equal treatment and enhancement of differences", pages 178-181 (NFS23); "Methodology and Reporting Criteria", pages 84-86 (SR23).		11.10.1 11.11.1
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	"Workforce trend", pages 176-177 (NFS23).		11.10.2
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	"Equal treatment and enhancement of differences", pages 178-181 (NFS23).		11.10.3
	401-3 Parental leave	"Equal treatment and enhancement of differences", pages 178-181 (NFS23).		11.10.4 11.11.3
Labour/Management Relations (material topic: Labour rights, Diversity & Inclusion, Sustainable employment)				
GRI 3: Material topics - 2021	3-3 Management of material topics	"Human resources - Quality", page 50 (AR23); "Human resources - Human Resources Management", pages 50-51 (AR23); "Methodology and Reporting Criteria", pages 84-86 (SR23).		11.7.1 11.10.1
GRI 402: Labour/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	"Human resources - Quality", page 50 (AR23); "Human resources - Human Resources Management", pages 50-51 (AR23).		11.7.2 11.10.5
Occupational health and safety (material topic: Safe workplace, Health, Sustainable employment)				
GRI 3: Material topics - 2021	3-3 Management of material topics	"Safeguarding the health and safety of people", pages 162-170 (NFS23); "Methodology and Reporting Criteria", pages 84-86 (SR23).		11.9.1
GRI 403: Occupational Health and Safety 2018	403-1 Occupational Health & Safety Management System	"Safeguarding the health and safety of people", pages 162-170 (NFS23).		11.9.2
	403-2 Hazard identification, risk assessment, and incident investigation	"Safeguarding the health and safety of people", pages 162-170 (NFS23); "Reporting suspected violations", pages 124-126 (NFS23)		11.9.3
	403-3 Occupational health services	"Employee health", pages 168-170 (NFS23).		11.9.4
	403-4 Worker participation, consultation, and communication on occupational health and safety	"Safeguarding the health and safety of people", pages 162-170 (NFS23).		11.9.5
	403-5 Worker training on occupational health and safety	"Safeguarding the health and safety of people", pages 162-170 (NFS23); "HSE training", page 168 (NFS23).		11.9.6
	403-6 Promotion of worker health	"Employee health", pages 168-170 (NFS23).		11.9.7
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	"Safeguarding the health and safety of people", pages 162-170 (NFS23).		11.9.8
	403-8 Workers covered by an occupational health and safety management system	"Safeguarding the health and safety of people", pages 162-170 (NFS23).		11.9.9
	403-9 Work-related injuries	"Safeguarding the health and safety of people", pages 162-170 (NFS23).		11.9.10
	403-10 Work-related ill health	"Employee health", pages 168-170 (NFS23).		11.9.11

MATERIAL TOPICS

GRI Standards	Disclosure	Location	Requirement(s) Omitted/Reason/ Explanation	Ref No. GRI industry standards
Training and Education (material topic: Labour rights, Diversity & Inclusion, Sustainable employment)				
GRI 3: Material topics - 2021	3-3 Management of material topics	"Human resources", pages 50-53 (AR23); "Human capital", pages 171-183 (NFS23); "Methodology and Reporting Criteria", pages 84-86 (SR23).		11.7.1 11.10.1 11.11.1
GRI 404: A130 Training and Education 2016	404-1 Average hours of training per year per employee	"Human resources", pages 50-53 (AR23); "Human capital", pages 171-183 (NFS23).		11.10.6 11.11.4
	404-2 Programmes for upgrading employee skills and transition assistance programmes	"Human resources", pages 50-53 (AR23); "Human capital", pages 171-183 (NFS23).		11.7.3 11.10.7
	404-3 Percentage of employees receiving regular performance and career development reviews	"Human resources", pages 50-53 (AR23); "Human capital", pages 171-183 (NFS23).		-
Diversity and Equal Opportunities (material topic: Labour rights, Diversity & Inclusion)				
GRI 3: Material topics - 2021	3-3 Management of material topics	"Workforce trend", pages 176-177 (NFS23); "Methodology and Reporting Criteria", pages 84-86 (SR23).		11.11.1
GRI 405: Diversity and equal opportunity 2016	405-1 Diversity of governance bodies and employees	"Governance of business sustainability", pages 116-117 (NFS23); "Workforce trend", pages 176-177 (NFS23); "Equal treatment and enhancement of differences", pages 178-181 (NFS23).		11.11.5
	405-2 Ratio of basic salary and remuneration of women to men	"Equal treatment and enhancement of differences", pages 178-181 (NFS23).		11.11.6
Non-discrimination (material topic: Labour rights, Diversity & Inclusion)				
GRI 3: Material topics - 2021	3-3 Management of material topics	"Reporting suspected violations", pages 124-126 (NFS23); "Methodology and Reporting Criteria", pages 84-86 (SR23).		11.11.1
GRI 406: Non-discrimination 2016	406-1: Incidents of discrimination and corrective actions taken	"Reporting suspected violations", pages 124-126 (NFS23).		11.11.7
Freedom of Association and Collective Bargaining (material topic: Labour rights)				
GRI 3: Material topics - 2021	3-3 Management of material topics	"Respect for human and labour rights", pages 132-134 (NFS23); "Human capital", pages 171-183 (NFS23); "A sustainable supply chain", pages 159-161 (NFS23); "Methodology and Reporting Criteria", pages 84-86 (SR23).		11.13.1
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	"Respect for human and labour rights", pages 132-134 (NFS23); "Human capital", pages 171-183 (NFS23); "A sustainable supply chain", pages 159-161 (NFS23).		11.13.2
Child labour (material topic: Human rights)				
GRI 3: Material topics - 2021	3-3 Management of material topics	"Respect for human and labour rights", pages 132-134 (NFS23); "Methodology and Reporting Criteria", pages 84-86 (SR23).		-
GRI 408: Child labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	"Respect for human and labour rights", pages 132-134 (NFS23).		-

MATERIAL TOPICS

GRI Standards	Disclosure	Location	Requirement(s) Omitted/Reason/ Explanation	Ref No. GRI industry standards
Forced or compulsory labour (material topic: Human rights)				
GRI 3: Material topics - 2021	3-3 Management of material topics	"Respect for human and labour rights", pages 132-134 (NFS23); "Methodology and Reporting Criteria", pages 84-86 (SR23).		11.12.1
GRI 409: Forced or Compulsory Labour 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	"Respect for human and labour rights", pages 132-134 (NFS23).		11.12.2
Security practices (material topic: Human rights)				
GRI 3: Material topics - 2021	3-3 Management of material topics	"Security and cybersecurity practices", page 135 (NFS23); "Methodology and Reporting Criteria", pages 84-86 (SR23).		11.18.1
GRI 410: Security practices 2016	410-1 Security personnel trained in human rights policies or procedures	"Security and cybersecurity practices", page 135 (NFS23).		11.18.2
Rights of Indigenous peoples (material topic: Human rights)				
GRI 3: Material topics - 2021	3-3 Management of material topics	"Reporting suspected violations", pages 124-126 (NFS23); "Methodology and Reporting Criteria", pages 84-86 (SR23).		11.17.1
GRI 411: Rights of Indigenous people 2016	411-1 Incidents of violations involving rights of Indigenous peoples	"Reporting suspected violations", pages 124-126 (NFS23).		11.17.2
Local communities (material topic: Community Development)				
GRI 3: Material topics - 2021	3-3 Management of material topics	"Relations with stakeholders" pages 97-101 (NFS23); "Local communities", page 100 (NFS23); "Local organisations and NGOs", page 100 (NFS23); "Relations with the local context", page 157 (NFS23).		11.15.1
GRI 413: Local communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	"Relations with stakeholders", pages 97-101 (NFS23); "Local communities", page 100 (NFS23); "Local organisations and NGOs", page 100 (NFS23).		11.15.2
	413-2 Operations with significant actual and potential negative impacts on local communities	"Relations with the local context", page 157 (NFS23).		11.15.3
Supplier social assessment (material topic: Labour rights, Sustainable employment, Human rights)				
GRI 3: Material topics - 2021	3-3 Management of material topics	"A sustainable supply chain", pages 159-161 (NFS23); "Methodology and Reporting Criteria", pages 84-86 (SR23).		11.10.1 11.12.1
GRI 414: Vendor Social Assessment 2016	414-1 New suppliers that were screened using social criteria	"A sustainable supply chain", pages 159-161 (NFS23).		11.10.8 11.12.3
	414-2 Negative social impacts in the supply chain and action taken	"A sustainable supply chain", pages 159-161 (NFS23).		11.10.9
Public policy				
GRI 3: Material topics - 2021	3-3 Management of material topics	"Fighting corruption", pages 122-123 (NFS23); "Methodology and Reporting Criteria", pages 84-86 (SR23).		11.22.1
GRI 415: Public policy 2016	415-1: Political contributions	"Fighting corruption", pages 122-123 (NFS23).		11.22.2

MATERIAL TOPICS

GRI Standards	Disclosure	Location	Requirement(s) Omitted/Reason/ Explanation	Ref No. GRI industry standards
Customer health and safety (material topic: Climate change, Labour rights, Safe workplace)				
GRI 3: Material topics - 2021	3-3 Management of material topics	"Safeguarding the health and safety of people", pages 162-170 (NFS23); "Safe operations", pages 162-163 (NFS23); "Asset Integrity", pages 163-164 (NFS23); "People's safety", pages 164-168 (NFS23); "Employee health", pages 168-170 (NFS23); "Methodology and Reporting Criteria", pages 84-86 (SR23).		11.3.1
GRI 416: Customer health and safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	"Safeguarding the health and safety of people", pages 162-170 (NFS23); "Safe operations", pages 162-163 (NFS23); "Asset Integrity", pages 163-164 (NFS23); "People's safety", pages 164-168 (NFS23).		11.3.3

TOPICS IN THE APPLICABLE GRI SECTOR STANDARDS DETERMINED AS NON-MATERIAL

Topic	Explanation
GRI 11.16	
Land and resource rights	The topic is not relevant according to the kind of the Company's operational activities and the contractual arrangements defined with client companies for operational projects, the responsibility and related activities related to the use of land and natural resources, including the possible resettlement of local communities, lie with the client companies.

ANNEX I

TABLE A - PROPORTION OF TURNOVER FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES - DISCLOSURE COVERING YEAR 2023

	2023			Substantial contribution criteria						DNSH "(do no significant harm)" criteria									
Economic activities	Code [1]	Turnover	Proportion of turnover year N	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy-aligned (A.1) or -eligible (A.2) turnover for year N-1	Category enabling activity	Category transitional activity
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned) [2]		(k euro)	(%)	(%) Y/N	(%) Y/N	EL N/EL (%)	EL N/EL (%)	EL N/EL (%)	EL N/EL (%)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	(%)	E	T
Electricity generation using solar photovoltaic technology	CCM 4.1	7,644	0.06	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.36		
Electricity generation from wind power	CCM 4.3	465,496	3.92	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	6.89		
Infrastructure for rail transport	CCM 6.14	304,699	2.57	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	2.95	E	
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1) [2]		**777,839**	**6.55**	**6.55**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**10.20**		
Of which enabling		304,699	2.57	2.57	0.00	0.00	0.00	0.00	0.00	Y	Y	Y	Y	Y	Y	Y	2.95	E	
Of which transitional		0	0.00	0.00						Y	Y	Y	Y	Y	Y	Y	0.00		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) [2]		(k euro)	(%)	EL N/EL	EL N/EL	EL N/EL	EL N/EL	EL N/EL	EL N/EL										
Manufacture of other low carbon technologies	CCM 3.6, CCA 3.6	11,226	0.10	**EL**	EL	N/EL	N/EL	N/EL	N/EL								0.05		
Manufacture of hydrogen	CCM 3.10, CCA 3.10	1,090	0.01	**EL**	EL	N/EL	N/EL	N/EL	N/EL								0.02		
Manufacture of anhydrous ammonia	CCM 3.15, CCA 3.15	263,412	2.22	**EL**	EL	N/EL	N/EL	N/EL	N/EL								0.86		
Manufacture of plastics in primary forms	CCM 3.17, CCA 3.17	1,919	0.02	**EL**	EL	N/EL	N/EL	N/EL	N/EL								0.00		
Electricity generation from wind power	CCM 4.3, CCA 4.3	2,373	0.02	**EL**	EL	N/EL	N/EL	N/EL	N/EL								0.01		
Manufacture of biogas and biofuels for use in transport and of bioliquids	CCM 4.13, CCA 4.13	22,994	0.19	**EL**	EL	N/EL	N/EL	N/EL	N/EL								0.01		
Transmission and distribution networks for renewable and low-carbon gases	CCM 4.14, CCA 4.14	101,849	0.86	**EL**	EL	N/EL	N/EL	N/EL	N/EL								0.00		
Construction, extension and operation of water collection, treatment and supply systems	CCM 5.1, CCA 5.1	1,069	0.01	**EL**	EL	N/EL	N/EL	N/EL	N/EL								0.02		
Transport of CO_2	CCM 5.11, CCA 5.11	897	0.01	**EL**	EL	N/EL	N/EL	N/EL	N/EL								0.00		
Infrastructure for rail transport	CCM 6.14, CCA 6.14	34,537	0.29	**EL**	EL	N/EL	N/EL	N/EL	N/EL								0.00		
Demolition of buildings and other structures	CE 3.3	5,251	0.04	N/EL	N/EL	N/EL	N/EL	**EL**	N/EL								N/A		
Provision of IT/OT (information technology/operational technologies) data-driven solutions	CE 4.1	17,851	0.15	N/EL	N/EL	N/EL	N/EL	**EL**	N/EL								N/A		
Sale of spare parts	CE 5.2	260	0.00	N/EL	N/EL	N/EL	N/EL	**EL**	N/EL								N/A		
Preparation for re-use of end-of-life products and product components	CE 5.3	155,551	1.31	N/EL	N/EL	N/EL	N/EL	**EL**	N/EL								N/A		
Bonifica di siti e aree contaminate	PPC 2.4	12,339	0.10	N/EL	N/EL	N/EL	**EL**	N/EL	N/EL								N/A		
Other CCM (*)		559	0.00	**EL**	EL	N/EL	N/EL	N/EL	N/EL								0.03		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**633,177**	**5.33**	**3.72**	**0.00**	**0.00**	**0.10**	**1.51**	**0.00**								**1.00**		
A. Turnover of Taxonomy-eligible activities (A.1+A.2)		**1,411,016**	**11.88**	**10.27**	**0.00**	**0.00**	**0.10**	**1.51**	**0.00**								**11.20**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities (B)		**10,463,070**	**88.12**																
Total (A+B)		**11,874,086**	**100.00**																

	Proportion of turnover/Total turnover (%)	
Code [1]	**Aligned per objective**	**Eligible per objective**
CCM	6.55	10.27
CCA	0.00	10.27
WTR	0.00	0.00
CE	0.00	1.51
PPC	0.00	0.10
BIO	0.00	0.00

(*) For 2023 other eligible activities include: CCM 3.3 Manufacture of low carbon technologies for transport; CCM 4.1 Electricity generation using solar photovoltaic technology (not aligned); CCM 4.4 Electricity generation from ocean energy technologies; CCM 5.9 Material recovery from non-hazardous waste; CCM 5.12 Underground permanent geological storage of CO_2; CCM 6.12 Retrofitting of sea and coastal freight and passenger water transport; CCM 6.16 Infrastructure enabling low-carbon water transport; CCM 9.1 Close to market research, development and innovation.
For 2022: CCM 3.1 Fabrication of technology for renewable energies; CCM 3.2 Manufacture of equipment for production and use of hydrogen; CCM 3.3 Manufacture of low carbon technologies for transport; CCM 4.4 Electricity generation from ocean energy technologies; CCM 5.9 Material recovery from non-hazardous waste; CCM 5.12 Underground permanent geological storage of CO_2; CCM 6.12 Retrofitting of sea and coastal freight and passenger water transport; CCM 6.16 Infrastructure enabling low-carbon water transport; CCM 9.1 Close to market research, development and innovation.
(1) Climate change mitigation: CCM; climate change adaptation: CCA; water and marine resources: WTR; circular economy: CE; pollution prevention and control: PPC; biodiversity and ecosystems: BIO.
(2) Y - Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective; N - No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective; EL - Taxonomy-eligible activity for the relevant objective; N/EL - Taxonomy-non-eligible activity for the relevant environmental objective; N/A - Not applicable.

TABLE B - PROPORTION OF CAPEX FROM PRODUCTS AND SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES - DISCLOSURE COVERING YEAR 2023)

	2023			Substantial contribution criteria						DNSH "(do no significant harm)" criteria									
Economic activities	**Code** [1]	**CapEx**	**Proportion of turnover year N**	**Climate change mitigation**	**Climate change adaptation**	**Water**	**Pollution**	**Circular economy**	**Biodiversity**	**Climate change mitigation**	**Climate change adaptation**	**Water**	**Pollution**	**Circular economy**	**Biodiversity**	**Minimum safeguards**	**Proportion of Taxonomy-aligned (A.1) or -eligible (A.2) CapEx for year N-1**	**Category enabling activity**	**Category transitional activity**
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned) [2]		(k euro)	(%)	(%) Y/N	(%) Y/N	EL N/EL (%)	EL N/EL (%)	EL N/EL (%)	EL N/EL (%)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	(%)	E	T
Electricity generation from wind power	CCM 4.3	107,151	13.51	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	7.73		
CapEx of enviromentally sustainable activities (Taxonomy-aligned) (A.1) [2]		**107,151**	**13.51**	**13.51**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**7.73**		
Of which enabling		0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Y	Y	Y	Y	Y	Y	Y	0.00	E	
Of which transitional		0	0.00	0.00						Y	Y	Y	Y	Y	Y	Y	0.00		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)		(k euro)	(%)	EL N/EL	EL N/EL	EL N/EL	EL N/EL	EL N/EL	EL N/EL										
Electricity generation from wind power	CCM 4.3, CCA 4.3	2,576	0.32	EL	EL	N/EL	N/EL	N/EL	N/EL								0.00		
Transmission and distribution networks for renewable and low-carbon gases	CCM 4.14, CCA 4.14	4	0.00	EL	EL	N/EL	N/EL	N/EL	N/EL								0.00		
Transport of CO_2	CCM 5.11, CCA 5.11	7,589	0.96	EL	EL	N/EL	N/EL	N/EL	N/EL								0.00		
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3, CCA 7.3	4,219	0.53	EL	EL	N/EL	N/EL	N/EL	N/EL								0.14		
Installation, maintenance and repair of technology for renewable energies	CCM 7.6, CCA 7.6	1,333	0.17	EL	EL	N/EL	N/EL	N/EL	N/EL								0.01		
Purchase and ownership of buildings	CCM 7.7, CCA 7.7	31,085	3.92	EL	EL	N/EL	N/EL	N/EL	N/EL								9.84		
Close to market research, development and innovation	CCM 9.1, CCA 9.1	431	0.06	EL	EL	N/EL	N/EL	N/EL	N/EL								0.26		
Demolition of buildings and other structures	CE 33	1,131	0.14	N/EL	N/EL	N/EL	N/EL	EL	N/EL								N/A		
Provision of IT/OT (information technology/operational technologies) data-driven solutions	CE 41	5,258	0.66	N/EL	N/EL	N/EL	N/EL	EL	N/EL								N/A		
Remediation of contaminated sites and areas	PPC 2.4	576	0.07	N/EL	N/EL	N/EL	EL	N/EL	N/EL								N/A		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**54,202**	**6.83**	**5.95**	**0.00**	**0.00**	**0.07**	**0.81**	**0.00**								**10.25**		
A. CapEx of Taxonomy-eligible (A.1+A.2)		**161,353**	**20.34**	**19.46**	**0.00**	**0.00**	**0.07**	**0.81**	**0.00**								**17.98**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities (B)		**631,927**	**79.66**																
Total (A+B)		**793,280**	**100.00**																

	Proportion of CapEx/Total CapEx (%)	
Code [1]	**Aligned per objective**	**Eligible per objective**
CCM	13.51	19.46
CCA	0.00	19.46
WTR	0.00	0.00
CE	0.00	0.81
PPC	0.00	0.07
BIO	0.00	0.00

(1) Climate change mitigation: CCM; climate change adaptation: CCA; water and marine resources: WTR; circular economy: CE; pollution prevention and control: PPC; biodiversity and ecosystems: BIO.

(2) Y - Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective; N - No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective; EL - Taxonomy-eligible activity for the relevant objective; N/EL - Taxonomy-non-eligible activity for the relevant environmental objective; N/A - Not applicable.

TABLE C - PROPORTION OF OPEX FROM PRODUCTS AND SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES - DISCLOSURE COVERING YEAR 2023

	2023			Substantial contribution criteria						DNSH "(do no significant harm)" criteria									
Economic activities	**Code** [1]	**OpEx**	**Proportion of turnover year N**	**Climate change mitigation**	**Climate change adaptation**	**Water**	**Pollution**	**Circular economy**	**Biodiversity**	**Climate change mitigation**	**Climate change adaptation**	**Water**	**Pollution**	**Circular economy**	**Biodiversity**	**Minimum safeguards**	**Proportion of Taxonomy-aligned (A.1) or -eligible (A.2) OpEx for year N-1**	**Category enabling activity**	**Category transitional activity**
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned) [2]		(k euro)	(%)	(%) Y/N	(%) Y/N	EL N/EL (%)	EL N/EL (%)	EL N/EL (%)	EL N/EL (%)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	(%)	E	T
Electricity generation from wind power	CCM 4.3	304,592	21.25	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	23.60		
Infrastructure for rail transport	CCM 6.14	934	0.07	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.60	E	
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1) [2]		**305,526**	**21.32**	**21.32**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**24.20**		
Of which enabling		934	0.07	0.07	0.00	0.00	0.00	0.00	0.00	Y	Y	Y	Y	Y	Y	Y	0.60	E	
Of which transitional		0	0.00	0.00						Y	Y	Y	Y	Y	Y	Y	0.00		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) [2]		(k euro)	(%)	EL N/EL	EL N/EL	EL N/EL	EL N/EL	EL N/EL	EL N/EL										
Conservation forestry	CCM 1.4, CCA 1.4	485	0.03	EL	EL	N/EL	N/EL	N/EL	N/EL								0.00		
Manufacture of other low carbon technologies	CCM 3.6, CCA 3.6	1,379	0.10	EL	EL	N/EL	N/EL	N/EL	N/EL								0.01		
Manufacture of anhydrous ammonia	CCM 3.15, CCA 3.15	12,052	0.84	EL	EL	N/EL	N/EL	N/EL	N/EL								0.19		
Manufacture of plastics in primary forms	CCM 3.17, CCA 3.17	376	0.03	EL	EL	N/EL	N/EL	N/EL	N/EL								0.00		
Electricity generation from wind power	CCM 4.3, CCA 4.3	4,817	0.34	EL	EL	N/EL	N/EL	N/EL	N/EL								0.45		
Manufacture of biogas and biofuels for use in transport and of bioliquids	CCM 4.13, CCA 4.13	173	0.01	EL	EL	N/EL	N/EL	N/EL	N/EL								0.03		
Transmission and distribution networks for renewable and low-carbon gases	CCM 4.14, CCA 4.14	21,042	1.47	EL	EL	N/EL	N/EL	N/EL	N/EL								0.04		
Transport ofi CO_2	CCM 5.11, CCA 5.11	575	0.04	EL	EL	N/EL	N/EL	N/EL	N/EL								0.00		
Close to market research, development and innovation	CCM 9.1, CCA 9.1	1,491	0.10	EL	EL	N/EL	N/EL	N/EL	N/EL								0.22		
Provision of IT/OT (information technology/operational technologies) data-driven solutions	CE 4.1	5,808	0.40	N/EL	N/EL	N/EL	N/EL	EL	N/EL								N/A		
Preparation for re-use of end-of-life products and product components	CE 5.3	6,164	0.43	N/EL	N/EL	N/EL	N/EL	EL	N/EL								N/A		
Remediation of contaminated sites and areas	PPC 2.4	99	0.01	N/EL	N/EL	N/EL	EL	N/EL	N/EL								N/A		
Others [*]		49	0.00	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.09		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**54,510**	**3.80**	**2.96**	**0.00**	**0.00**	**0.01**	**0.84**	**0.00**								**1.03**		
A. OpEx of Taxonomy-eligible (A.1+A.2)		**360,036**	**25.12**	**24.28**	**0.00**	**0.00**	**0.01**	**0.84**	**0.00**								**25.23**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEX of Taxonomy-non-eligible activities (B)		**1,073,052**	**74.88**																
Total (A+B)		**1,433,088**	**100.00**																

	Proportion of OpEx/Total OpEx (%)	
Code [1]	**Aligned per objective**	**Eligible per objective**
CCM	21.32	24.28
CCA	0.00	24.28
WTR	0.00	0.00
CE	0.00	0.84
PPC	0.00	0.01
BIO	0.00	0.00

(*) For 2023 other eligible activities include: CCM 4.1 Electricity generation using solar photovoltaic technology; CCM 4.6 Electricity generation from geothermal energy; CCM 5.1 Construction, extension and operation of water collection, treatment and supply systems.
For 2022: CCM 3.2 Manufacture of equipment for production and use of hydrogen; CCM 3.10 Manufacture of hydrogen; CCM 4.1 Electricity generation using solar photovoltaic technology; CCM 4.6 Electricity generation from geothermal energy; CCM 5.1 Construction, extension and operation of water collection, treatment and supply systems; CCM 5.9 Material recovery from non-hazardous waste; CCM 8.2 Data-driven solutions for GHG emissions reductions: CCM 9.2 Research, development and innovation for direct air capture of CO_2.
(1) Climate change mitigation: CCM; climate change adaptation: CCA; water and marine resources: WTR; circular economy: CE; pollution prevention and control: PPC; biodiversity and ecosystems: BIO.
(2) Y - Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective; N - No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective; EL - Taxonomy-eligible activity for the relevant objective; N/EL - Taxonomy-non-eligible activity for the relevant environmental objective; N/A - Not applicable.

TEMPLATE 1 - NUCLEAR AND FOSSIL GAS RELATED ACTIVITIES

Row	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

Saipem’s involvement in the natural gas sector concerns the gas value chain (extraction, treatment, storage, transportation, etc.), which is excluded from the Commission Delegated Regulation (EU) 2022/1214 on gas and nuclear, for which the eligible activities are exclusively those of electricity production (ref. “4.29 Electricity generation from fossil gaseous fuels - Construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels”).

Furthermore, in the context of complex projects, Saipem's activity may also include the construction of plants for the production of electricity to serve the plants covered by the acquired contracts. This activity is part of the overall value of the contract and represents a non-preponderant element of the project.
Model 1 on activities related to nuclear power and fossil gases is therefore completed, while the other models are omitted, as detailed information is not available.

ANNEX II

Tax jurisdiction	Entity	Main activity
Albania	Saipem SpA Albania Branch	Provision of services to non-related parties
Algeria	Saipem Contracting Algérie SpA	Provision of services to non-related parties
	Saipem SA Algeria Branch	Inactive
	Saipem SpA Algeria Branch	Provision of services to non-related parties
	SnamprogettiChiyoda sas di Saipem SpA Algeria Branch	Provision of services to non-related parties
Angola	Saipem Luxembourg SA Angola Branch	Provision of services to non-related parties
	Saipem SpA Angola Branch	Inactive
Argentina	Petrex SA Argentina Branch	Provision of services to non-related parties
Australia	Saipem Australia Pty	Provision of services to non-related parties
	SPCM Australia Branch	Administration, management or support services
Austria	Saipem SpA Austria Branch	Provision of services to non-related parties
Azerbaijan	Saipem Contracting Netherlands BV Azerbaijan Branch	Provision of services to non-related parties
Bolivia	Petrex SA Bolivia Branch	Provision of services to non-related parties
Brazil	Andromeda Consultoria Tecnica e Representações Ltda	Administration, management or support services
	Saipem do Brasil Serviços de Petroleo Ltda	Manufacturing and Production; Provision of services to non-related parties
Bulgaria	Saipem SpA Bulgaria Branch	Inactive
Canada	Saipem Canada Inc	Research and development; Provision of services to non-related parties
Chile	Petrex SA Chile Branch	Provision of services to non-related parties
	Servizi Energia Italia SpA Chile Branch	Provision of services to non-related parties
China	Saipem Beijing Technical Services Co Ltd	Administration, management or support services
Colombia	Petrex SA Colombia Branch	Provision of services to non-related parties
Congo	Boscongo SA	Fabrication and production; Provision of services to non-related parties
	International Energy Services SpA - Congo Branch	Inactive
	Saipem SpA Congo	Provision of services to non-related parties
	Servizi Energia Italia SpA ATE Congo	Inactive
Croazia	Saipem SpA Croazia Branch	Provision of services to non-related parties
Cyprus	SPCM Cyprus Branch	Administration, management or support services
Denmark	Saipem Ltd Danimarca Branch	Provision of services to non-related parties
Ecuador	Petrex SA Ecuador Branch	Provision of services to non-related parties
Egypt	Saipem Misr for Petroleum Services (S.A.E.)	Provision of services to non-related parties
	Servizi Energia Italia SpA Egitto Branch	Provision of services to non-related parties
	SPCM Egitto Branch	Administration, management or support services; Provision of services to non-related parties
Equatorial Guinea	Saipem Offshore Construction SpA Equatorial Guinea Branch	Provision of services to non-related parties
	Saipem SA Guinea Equatoriale Branch	Inactive
France	European Maritime Construction SAS	Inactive
	Saipem SA	Research and Development; Purchases and Contracts; Administration, management or support services; Provision of services to non-related parties; Holding of shares or other equity instruments
	Saipem SpA French Branch	Administration, management or support services
	Sofresid SA	Provision of services to non-related parties
	Sofresid Engineering SA	Provision of services to non-related parties; Administration, management or support services
Gabon	Saipem SA Gabon Branch	Inactive
Georgia	Saipem Contracting Netherlands BV Georgia Branch	Inactive
Ghana	Saiwest Ltd	Provision of services to non-related parties
	Saipem SA Ghana Branch	Inactive

Tax jurisdiction	Entity	Main activity
Greece	Saipem SpA Grecia Branch	Inactive
Guyana	Saipem Guyana	Fabrication and production; Provision of services to non-related parties
	Saipem America Inc Guyana Branch	Provision of services to non-related parties
	SPCM Guyana Branch	Provision of services to non-related parties
India	Saipem India Projects Ltd	Administration, management or support services; Provision of services to non-related parties
	SPCM India Branch	Inactive
Indonesia	PT Saipem Indonesia	Fabrication and production; Provision of services to non-related parties
	SPCM Indonesia Branch	Provision of services to non-related parties
Iran	Saipem SpA Iran Branch	Inactive
Iraq	Saipem SpA Iraq Branch	Provision of services to non-related parties
	Sajer Iraq Llc	Inactive
Israel	Servizi Energia Italia SpA Israele Branch	Provision of services to non-related parties
Italy	Saipem SpA	Research and development; Possession or management of intellectual property rights; Administration, management or support services; Purchases and contracts; Fabrication and production; Provision of services to non-related parties; Holding of shares or other equity instruments
	International Energy Services SpA	Provision of services to non-related parties
	Saipem Offshore Construction SpA	Provision of services to non-related parties
	Servizi Energia Italia SpA	Provision of services to non-related parties
	Denuke Scarl	Provision of services to non-related parties
	Snamprogetti Chiyoda SAS	Provision of services to non-related parties
Ivory Coast	Servizi Energia Italia SpA Costa d'Avorio Branch	Inactive
Kazakhstan	Ersai Caspian Contractor Llc	Fabrication and production; Provision of services to non-related parties
	North Caspian Service Co	Administration, management or support services
	Saipem SpA Kazakhstan Branch	Provision of services to non-related parties
Libya	Saipem SpA Lybia Branch	Provision of services to non-related parties
Lussemburgo	Saipem Luxembourg SA	Administration, management or support services
	Saipem Maritime Asset Management Luxembourg Sarl	Administration, management or support services
Malaysia	Saipem Asia Sdn Bhd	Provision of services to non-related parties; Administration, management or support services
	Saipem (Malaysia) Sdn Bhd	Provision of services to non-related parties; Administration, management or support services
Mauritania	Saipem SA Mauritania Branch	Provision of services to non-related parties
Mexico	Saimexicana SA	Provision of services to non-related parties; Holding of shares or other equity instruments
	Saipem Offshore México SA de Cv	Administration, management or support services
	Saipem SpA Mexico Branch	Provision of services to non-related parties
Morocco	Saipem SpA Morocco branch	Provision of services to non-related parties
	Sofresid SA Morocco branch	Inactive
Mozambique	Saipem Moçambique Lda	Provision of services to non-related parties
	SPCM Mozambique Branch	Provision of services to non-related parties
	Servizi Energia Italia SpA CCS JV	Provision of services to non-related parties
Netherlands	ERS Equipment Rental and Services BV	Administration, management or support services
	Saipem Contracting Netherlands BV	Provision of services to non-related parties
	Saipem Finance International BV	Group self-financing
	Saipem International BV	Holding of shares or other equity instruments
	Snamprogetti Netherlands BV	Administration, management or support services; Holding of shares or other equity instruments

Tax jurisdiction	Entity	Main activity
Nigeria	Saipem Nigeria Ltd	Administration, management or support services
	Saipem Contracting Nigeria Ltd	Provision of services to non-related parties
	Saipem SA Nigeria Branch	Inactive
	Saipem SpA Nigeria Branch	Administration, management or support services
Norway	Moss Maritime AS	Research and development; Provision of services to non-related parties
	Saipem Drilling Norway AS	Provision of services to non-related parties; Administration, management or support services
	Saipem Ltd Norway Branch	Provision of services to non-related parties; Administration, management or support services
	Saipem Norge AS	Administration, management or support services
	Saipem SpA Norway Branch	Administration, management or support services; Provision of services to non-related parties
Oman	Saipem SpA Oman Branch	Provision of services to non-related parties
Panama	Petrex SA Panama Branch	Inactive
Peru	Petrex SA	Provision of services to non-related parties
Poland	Saipem Ltd Poland Branch	Provision of services to non-related parties
	Saipem SpA Poland Branch	Inactive
Portugal	Saipem (Portugal) Comércio Marítimo, Sociedade Unipessoal Lda (SPCM)	Provision of services to non-related parties; Administration, management or support services
Qatar	Saipem SpA Qatar Branch	Provision of services to non-related parties
Romania	Saipem Romania Srl	Provision of services to non-related parties; Administration, management or support services
	Saipem SpA Aricestii Rahtivani Branch	Inactive
	International Energy Services SpA Sucursala Arices	Inactive
Russia	Saipem SpA Russia Branch (Anapa)	Provision of services to non-related parties
	Saipem SpA Representative Office Moscow	Provision of services to non-related parties
	Saipem SpA Moscow Branch (Refinery Project)	Provision of services to non-related parties
	Servizi Energia Italia SpA Moscow Branch	Provision of services to non-related parties
	Servizi Energia Italia SpA Murmansk Branch	Provision of services to non-related parties
	Servizi Energia Italia SpA Salechard Branch	Provision of services to non-related parties
	Servizi Energia Italia SpA Novyi Urengoi Branch	Provision of services to non-related parties
	Saipem Ltd Russia Moscow Office	Inactive
	Snamprogetti Engineering & Contracting Co Ltd	Provision of services to non-related parties
Saudi Arabia	Saudi Arabian Saipem SA	Provision of services to non-related parties
	Saudi International Energy Services Ltd	Inactive
	Snamprogetti Saudi Arabia Co Ltd	Provision of services to non-related parties; Administration, management or support services
Senegal	Saipem SA Senegal Branch	Inactive
Serbia	Saipem SpA Serbia Branch	Inactive
Singapore	Saipem Singapore Pte	Provision of services to non-related parties; Administration, management or support services
South Africa	Saipem SpA Rsa Branch	Inactive
South Korea	Saipem Asia Sdn Bhd South Korea Branch	Administration, management or support services
Spain	Saipem Ingenieria Y Construcciones SLU	Provision of services to non-related parties
Switzerland	Global Petroprojects Services AG	Administration, management or support services
	Sigurd Ruck AG	Insurance services; Administration, management or support services
Thailand	Saipem Asia Sdn Bhd Thailand Branch	Provision of services to non-related parties
	Saipem Singapore Pte Ltd Thailand Branch	Administration, management or support services; Provision of services to non-related parties
Trinidad and Tobago	Saipem SA Trinidad and Tobago Branch	Inactive
Tunisia	Saipem SA Tunisia Branch	Inactive
	Saipem SpA Tunisia Branch	Inactive
Turkey	Servizi Energia Italia SpA Turkey Branch	Provision of services to non-related parties
Turkmenistan	Saipem SpA Turkmenistan	Inactive
Uganda	Saipem East Africa Ltd	Inactive

Tax jurisdiction	Entity	Main activity
United Arab Emirates	Saipem SpA Abu Dhabi Branch	Provision of services to non-related parties
	Saipem Contracting Netherlands BV Sharjah Branch	Provision of services to non-related parties; Administration, management or support services
	Saipem SpA Abu Sharjah Branch	Administration, management or support services
	Saipem SpA Sharjah Branch	Provision of services to non-related parties; Administration, management or support services
	SPCM Abu Dhabi Branch	Administration, management or support services
	Servizi Energia Italia SpA Sharjah Branch	Administration, management or support services
United Kingdom	Saipem Ltd	Provision of services to non-related parties
United States	Saipem America Inc	Provision of services to non-related parties
Venezuela	Servizi Energia Italia SpA Venezuela Branch	Inactive

INDEPENDENT AUDITORS' REPORT

KPMG S.p.A.
Revisione e organizzazione contabile
Via Vittor Pisani, 25
20124 MILANO MI
Telefono +39 02 6763.1
Email it-fmauditaly@kpmg.it
PEC kpmgspa@pec.kpmg.it

(This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)

Independent auditors' report on the consolidated non-financial statement pursuant to article 3.10 of Legislative decree no. 254 of 30 December 2016 and article 5 of the Consob Regulation adopted with Resolution no. 20267 of 18 January 2018

To the board of directors of
Saipem S.p.A.

Pursuant to article 3.10 of Legislative decree no. 254 of 30 December 2016 (the "decree") and article 5.1.g) of the Consob (the Italian Commission for listed companies and the stock exchange) Regulation adopted with Resolution no. 20267 of 18 January 2018, we have been engaged to perform a limited assurance engagement on the 2023 consolidated non-financial statement of the Saipem Group (the "group") prepared in accordance with article 4 of the decree, presented in the specific section of the directors' report and approved by the board of directors on 12 March 2024 (the "NFS").

Our procedures did not cover the information set out in the "EU taxonomy sustainable activities" and "Saipem's Net Zero programme" sections of the NFS and in Annex I thereto required by article 8 of Regulation (EU) 852 of 18 June 2020.

Responsibilities of the directors and board of statutory auditors ("Collegio Sindacale") of Saipem S.p.A. (the "parent") for the NFS

The directors are responsible for the preparation of an NFS in accordance with articles 3 and 4 of the decree and the "Global Reporting Initiative Sustainability Reporting Standards" issued by GRI - Global Reporting Initiative (the "GRI Standards"), which they have identified as the reporting standards.

The directors are also responsible, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of an NFS that is free from material misstatement, whether due to fraud or error.

Moreover, the directors are responsible for the identification of the content of the NFS, considering the aspects indicated in article 3.1 of the decree and the group's business and characteristics, to the extent necessary to enable an understanding of the group's business, performance, results and the impacts it generates.

The directors' responsibility also includes the design of an internal model for the management and organisation of the group's activities, as well as, with reference to the aspects identified and disclosed in the NFS, the group's policies and the identification and management of the risks generated or borne.

The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, compliance with the decree's provisions.

Auditors' independence and quality control

We are independent in compliance with the independence and all other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (the IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. During the year covered by this engagement, our company applied International Standard on Quality Control 1 (ISQC Italia 1) and, accordingly, maintained a system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditors' responsibility

Our responsibility is to express a conclusion, based on the procedures performed, about the compliance of the NFS with the requirements of the decree and the GRI Standards. We carried out our work in accordance with the criteria established by "International Standard on Assurance Engagements 3000 (revised) - Assurance Engagements other than Audits or Reviews of Historical Financial Information" ("ISAE 3000 revised"), issued by the International Auditing and Assurance Standards Board applicable to limited assurance engagements. This standard requires that we plan and perform the engagement to obtain limited assurance about whether the NFS is free from material misstatement. A limited assurance engagement is less in scope than a reasonable assurance engagement carried out in accordance with ISAE 3000 revised, and consequently does not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

The procedures we performed on the NFS are based on our professional judgement and include inquiries, primarily of the parent's personnel responsible for the preparation of the information presented in the NFS, documental analyses, recalculations and other evidence gathering procedures, as appropriate.

Specifically, we performed the following procedures:

1 Analysing the material aspects based on the group's business and characteristics disclosed in the NFS, in order to assess the reasonableness of the identification process adopted on the basis of the provisions of article 3 of the decree and taking into account the reporting standards applied.

2 Analysing and assessing the identification criteria for the reporting scope, in order to check their compliance with the decree.

3 Comparing the financial disclosures presented in the NFS with those included in the group's consolidated financial statements.

4 Gaining an understanding of the following:

- the group's business management and organisational model, with reference to the management of the aspects set out in article 3 of the decree;
- the entity's policies in connection with the aspects set out in article 3 of the decree, the achieved results and the related key performance indicators;
- the main risks generated or borne in connection with the aspects set out in article 3 of the decree.

KPMG

Saipem Group
Independent auditors' report
31 December 2023

Moreover, we checked the above against the disclosures presented in the NFS and carried out the procedures described in point 5.a).

5 Understanding the processes underlying the generation, recording and management of the significant qualitative and quantitative information disclosed in the NFS.

Specifically, we held interviews and discussions with the parent's management personnel. We also performed selected procedures on documentation to gather information on the processes and procedures used to gather, combine, process and transmit non-financial data and information to the office that prepares the NFS.

Furthermore, with respect to significant information, considering the group's business and characteristics:

- at group level,
  a) we held interviews and obtained supporting documentation to check the qualitative information presented in the NFS and, specifically, the business model, the policies applied and main risks for consistency with available evidence,
  b) we carried out analytical and limited procedures to check, on a sample basis, the correct aggregation of data in the quantitative information;
- we visited the Scarabeo 9 (Palermo Port), Marjan Increment Program PKG-10 Project (Kingdom of Saudi Arabia) and Port Harcourt Base - Bonny Island LNG Train 7 (Nigeria) sites, which we have selected on the basis of their business, contribution to the key performance indicators at consolidated level and location, to meet their management and obtain documentary evidence supporting the correct application of the procedures and methods used to calculate the indicators.

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the 2023 consolidated non-financial statement of the Saipem Group has not been prepared, in all material respects, in accordance with the requirements of articles 3 and 4 of the decree and the GRI Standards.

Our procedures did not cover the information set out in the "EU taxonomy sustainable activities" and "Saipem's Net Zero programme" sections of the NFS and in Annex I thereto required by article 8 of Regulation (EU) 852 of 18 June 2020.

Milan, 4 April 2024

KPMG S.p.A.

(signed on the original)

Cristina Quarleri
Director of Audit

3

SAIPEM

CONSOLIDATED FINANCIAL STATEMENTS 2023

Statement of financial position

(€ million)	Note [1]	Dec. 31, 2023 Total	Dec. 31, 2023 of which with related parties [2]	Dec. 31, 2022 Total	Dec. 31, 2022 of which with related parties [2]
ASSETS					
Current assets					
Cash and cash equivalents	(No. 7)	2,136		2,052	
Financial assets measured at fair value through OCI	(No. 8)	86		75	
Other financial assets	(No. 9)	387	384	495	489
Lease assets	(No. 17)	98		26	
Trade receivables and other assets	(No. 10)	2,441	985	2,182	675
Inventories	(No. 11)	256		211	
Contract assets	(No. 12)	1,925		1,860	
Tax assets	(No. 13)	385		313	
Other tax assets	(No. 13)	146		141	
Other assets	(No. 14 and 29)	244	23	272	27
Total current assets		**8,104**		**7,627**	
Non-current assets					
Property, plant and equipment	(No. 15)	2,960		2,879	
Intangible assets	(No. 16)	666		691	
Right-of-Use assets	(No. 17)	428		258	
Equity investments accounted for using the equity method	(No. 18)	211		229	
Other equity investments	(No. 18)	-		-	
Other financial assets	(No. 9)	1		65	
Lease assets	(No. 17)	155		57	
Deferred tax assets	(No. 19)	257		345	
Tax assets	(No. 13)	5		5	
Other assets	(No. 20 and 29)	52		30	1
Total non-current assets		**4,735**		**4,559**	
Discontinued operations and assets held for sale	(No. 30)	26		211	4
TOTAL ASSETS		**12,865**		**12,397**	
LIABILITIES AND EQUITY					
Current liabilities					
Current financial liabilities	(No. 24)	97	1	159	1
Current portion of non-current financial liabilities	(No. 24)	128		742	
Current portion of non-current lease liabilities	(No. 17)	299		139	
Trade payables and other liabilities	(No. 21)	2,944	177	2,907	112
Contract liabilities	(No. 22)	3,088	893	2,613	846
Tax liabilities	(No. 13)	74		86	
Other tax liabilities	(No. 13)	192		161	
Other liabilities	(No. 23 and 29)	33		107	
Total current liabilities		**6,855**		**6,914**	
Non-current liabilities					
Non-current financial liabilities	(No. 24)	2,168		1,729	
Non-current leases liabilities	(No. 17)	431	1	264	1
Provisions for risks and charges	(No. 26)	767		1,148	
Employee benefits	(No. 27)	193		183	
Deferred tax liabilities	(No. 19)	6		3	
Tax liabilities	(No. 13)	20		23	
Other liabilities	(No. 28 and 29)	3		2	
Total non-current liabilities		**3,588**		**3,352**	
Discontinued operations and liabilities directly related to assets held for sale	(No. 30)	26	-	45	2
TOTAL LIABILITIES		**10,469**		**10,311**	
EQUITY					
Non-controlling interests	(No. 31)	2		18	
Equity attributable to the owners of the parent:	(No. 31)	2,394		2,068	
- share capital	(No. 31)	502		502	
- share premium reserve	(No. 31)	1,622		1,877	
- other reserves	(No. 31)	28		(116)	
- retained profit		137		91	
- profit (loss) for the year		179		(209)	
- negative reserve for treasury shares in portfolio	(No. 31)	(74)		(77)	
Total equity		**2,396**		**2,086**	
TOTAL LIABILITIES AND EQUITY		**12,865**		**12,397**	

(1) The notes are an integral part of the consolidated financial statements.
(2) For an analysis of figures shown as "of which with related parties", see Note 43 "Related party transactions".

Income statement

(€ million)	Note (1)	Year 2023 Total	Year 2023 of which with related parties (2)	Year 2022 Total	Year 2022 of which with related parties (2)
REVENUE					
Core business revenue	(No. 34)	11,874	3,454	9,980	2,221
Other revenue and income	(No. 34)	24	2	11	-
Total revenue		**11,898**		**9,991**	
Operating expenses					
Purchases, services and other costs	(No. 35)	(9,232)	(574)	(7,831)	(547)
Net reversals of impairment losses (impairment losses) on trade receivables and other assets	(No. 35)	1		32	
Personnel expenses	(No. 35)	(1,736)		(1,656)	
Depreciation, amortisation and impairment losses	(No. 35)	(489)		(445)	
Other operating income (expense)	(No. 35)	(5)		7	
OPERATING PROFIT (LOSS)		**437**		**98**	
Financial income (expense)					
Financial income		672	29	1,008	5
Financial expense		(765)	(2)	(1,075)	(16)
Derivative financial instruments		(74)		(128)	
Net financial income (expense)	(No. 36)	**(167)**		**(195)**	
Gains (losses) on equity investments					
Share of profit (loss) of equity-accounted investees		107		(65)	
Other gains (losses) from equity investments		(47)		-	
Net gains (loss) on equity investments	(No. 37)	**60**		**(65)**	
PRE-TAX PROFIT (LOSS)		**330**		**(162)**	
Income taxes	(No. 38)	(145)		(153)	
PROFIT (LOSS) FOR THE YEAR - Continuing operations		185		(315)	
PROFIT (LOSS) FOR THE YEAR - Discontinued operations		(6)		106	
PROFIT (LOSS) FOR THE YEAR		**179**		**(209)**	
Attributable to Saipem Group:					
Continuing operations		185		(315)	
Discontinued operations	(No. 30)	(6)	(19)	106	8
Non-controlling interests	(No. 39)				
Continuing operations		-		-	
Discontinued operations	(No. 30)	-		-	
Profit (loss) per share on Saipem's profit (loss) for the year (€ per share)					
Basic profit (loss) per share	(No. 40)	0.09		(0.22)	
Diluted profit (loss) per share	(No. 40)	0.09		(0.22)	
Profit (loss) per share on Saipem's profit (loss) for the year - Continuing operations (€ per share)					
Basic profit (loss) per share	(No. 40)	0.09		(0.33)	
Diluted profit (loss) per share	(No. 40)	0.09		(0.33)	

(1) The notes are an integral part of the consolidated financial statements.
(2) For an analysis of figures shown as "of which with related parties", see Note 43 "Related party transactions".

Statement of comprehensive income

(€ million)	Note [1]	2023	2022
Profit (loss) for the year		**179**	**(209)**
Other items of comprehensive income			
Items that will not be reclassified subsequently to the income statement			
Remeasurement of defined benefit plans for employees	(No. 31)	(10)	40
Change in fair value of equity investments measured at fair value through OCI	(No. 31)	-	-
Share of other comprehensive income of equity-accounted investees relating to remeasurement of defined benefit plans	(No. 31)	(1)	-
Income tax relating to items that will not be reclassified	(No. 38)	3	(10)
Total items that will not be reclassified subsequently to the income statement		**(8)**	**30**
Items that may be reclassified subsequently to the income statement			
Change in the fair value of cash flow hedges	(No. 31)	124	(52)
Change in the fair value of financial assets, other than equity investments, measured at fair value through OCI	(No. 31)	3	(5)
Exchange differences arising from the translation into euro of financial statements in currencies other than euro	(No. 31)	(31)	35
Share of other comprehensive income of equity-accounted investees	(No. 31)	-	-
Income tax relating to items that may be reclassified	(No. 38)	(30)	18
Total items that may be reclassified subsequently to the income statement		**66**	**(4)**
Total other comprehensive income, net of taxation		**58**	**26**
Comprehensive profit (loss) for the year		**237**	**(183)**
Attributable to Saipem Group:			
Continuing operations		244	(301)
Discontinued operations		(6)	116
Non-controlling interests			
Continuing operations		(1)	2
Discontinued operations		-	-

(1) The notes are an integral part of the consolidated financial statements.

Statement of changes in equity

(€ million)	Saipem shareholders' equity														Non-controlling interests	Total equity
	Share capital	Share premium reserve	Other reserves	Legal reserve	Reserve for treasury shares	Fair value reserve (equity investments)	Cash flow hedge reserve, net of taxation	Fair value reserve (AFS financial instruments), net of taxation	Translation reserve	Reserve for employee defined benefit plans, net of taxation	Reserve for OCI on equity-accounted investments	Retained earnings (losses carried forward)	Profit (loss) for the year	Negative reserve for treasury shares in portfolio	Total		
Balance as of December 31, 2022	**502**	**1,877**	**–**	**–**	**–**	**–**	**(76)**	**(4)**	**(20)**	**(16)**	**–**	**91**	**(209)**	**(77)**	**2,068**	**18**	**2,086**
Profit (loss) for the year 2023	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**179**	**–**	**179**	**–**	**179**
Other items of comprehensive income																	
Items that will not be reclassified subsequently to the income statement																	
Revaluations of defined benefit plans for employees net of tax effect	–	–	–	–	–	–	–	–	–	(7)	–	–	–	–	(7)	–	(7)
Change in fair value of equity investments measured at fair value through OCI	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Share of other comprehensive income of equity-accounted investees relating to remeasurement of defined benefit plans, net of taxation	–	–	–	–	–	–	–	–	–	–	(1)	–	–	–	(1)	–	(1)
Other comprehensive income relating to discontinued operations	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(7)**	**(1)**	**–**	**–**	**–**	**(8)**	**–**	**(8)**
Items that may be reclassified subsequently to the income statement																	
Change in fair value of cash flow hedges, net of taxation	–	–	–	–	–	–	95	–	–	–	–	–	–	–	95	–	95
Change in the fair value of financial assets, other than equity investments, measured at fair value through OCI	–	–	–	–	–	–	–	2	–	–	–	–	–	–	2	–	2
Exchange differences of financial statements in currencies other than euro	–	–	–	–	–	–	–	–	(26)	–	–	(4)	–	–	(30)	(1)	(31)
Share of other comprehensive income of equity-accounted investees	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other comprehensive income relating to discontinued operations	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total	**–**	**–**	**–**	**–**	**–**	**–**	**95**	**2**	**(26)**	**–**	**–**	**(4)**	**–**	**–**	**67**	**(1)**	**66**
Total comprehensive income (loss) for 2023	**–**	**–**	**–**	**–**	**–**	**–**	**95**	**2**	**(26)**	**(7)**	**(1)**	**(4)**	**179**	**–**	**238**	**(1)**	**237**
Owner transactions																	
Dividend distribution	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Retained earnings (losses)	–	(256)	–	–	–	–	–	–	–	–	–	47	209	–	–	–	–
Reverse stock split	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Increase (reduction) of share capital	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Capitalisation of costs of share capital increase net of taxes	–	1	–	–	–	–	–	–	–	–	–	–	–	–	1	–	1
Treasury shares repurchased	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Purchase/sale of non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	(13)	(13)
Other owner transactions (contribution for future capital increase)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Change of reserve of convertible bond	–	–	80	–	–	–	–	–	–	–	–	–	–	–	80	–	80
Total	**–**	**(255)**	**80**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**47**	**209**	**–**	**81**	**(13)**	**68**
Other changes in equity																	
Recognition of fair value of stock-based incentive plans	–	–	–	–	–	–	–	–	–	–	–	3	–	3	6	–	6
Other changes	–	–	–	–	–	–	–	–	1	1	(1)	–	–	–	1	(2)	(1)
Transactions with companies under common control	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**1**	**1**	**(1)**	**3**	**–**	**3**	**7**	**(2)**	**5**
Balance as of December 31, 2023	**502**	**1,622**	**80**	**–**	**–**	**–**	**19**	**(2)**	**(45)**	**(22)**	**(2)**	**137**	**179**	**(74)**	**2,394**	**2**	**2,396**

For details see Note 31 "Equity".

cont'd Statement of changes in equity

(€ million)	Saipem shareholders' equity															Non-controlling interests	Total equity
	Share capital	Share premium reserve	Other reserves	Legal reserve	Reserve for treasury shares	Fair value reserve (equity investments)	Cash flow hedge reserve, net of taxation	Fair value reserve (AFS financial instruments), net of taxation	Translation reserve	Reserve for employee defined benefit plans, net of taxation	Reserve for OCI on equity-accounted investments	Retained earnings (losses carried forward)	Profit (loss) for the year	Negative reserve for treasury shares in portfolio	Total		
Balance as of December 31, 2021	**2,191**	**553**	**(46)**	**88**	**–**	**–**	**(42)**	**1**	**(53)**	**(45)**	**-**	**230**	**(2,467)**	**(84)**	**326**	**25**	**351**
Profit (loss) for the year 2022	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**-**	**–**	**(209)**	**–**	**(209)**	**–**	**(209)**
Other items of comprehensive income																	
Items that will not be reclassified subsequently to the income statement																	
Revaluations of defined benefit plans for employees net of tax effect	–	–	–	–	–	–	–	–	–	20	-	–	–	–	20	–	20
Change in fair value of equity investments measured at fair value through OCI	–	–	–	–	–	–	–	–	–	–	-	–	–	–	–	–	–
Share of other comprehensive income of equity-accounted investees relating to remeasurement of defined benefit plans, net of taxation	–	–	–	–	–	–	–	–	–	–	-	–	–	–	–	–	–
Other comprehensive income relating to discontinued operations	–	–	–	–	–	–	–	–	–	10	-	–	–	–	10	–	10
Total	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**30**	**-**	**–**	**–**	**–**	**30**	**–**	**30**
Items that may be reclassified subsequently to the income statement																	
Change in fair value of cash flow hedges, net of taxation	–	–	–	–	–	–	(35)	–	–	–	-	–	–	–	(35)	–	(35)
Change in the fair value of financial assets, other than equity investments, measured at fair value through OCI	–	–	–	–	–	–	–	(4)	–	–	-	–	–	–	(4)	–	(4)
Exchange differences of financial statements in currencies other than euro	–	–	–	–	–	–	1	–	32	(1)	-	1	–	–	33	2	35
Share of other comprehensive income of equity-accounted investees	–	–	–	–	–	–	–	–	–	–	-	–	–	–	–	–	–
Other comprehensive income relating to discontinued operations	–	–	–	–	–	–	–	–	–	–	-	–	–	–	–	–	–
Total	**–**	**–**	**–**	**–**	**–**	**–**	**(34)**	**(4)**	**32**	**(1)**	**-**	**1**	**–**	**–**	**(6)**	**2**	**(4)**
Total comprehensive income (loss) for 2022	**–**	**–**	**–**	**–**	**–**	**–**	**(34)**	**(4)**	**32**	**29**	**-**	**1**	**(209)**	**–**	**(185)**	**2**	**(183)**
Owner transactions																	
Dividend distribution	–	–	–	–	–	–	–	–	–	–	-	–	–	–	–	(9)	(9)
Retained earnings (losses)	(1,721)	(553)	(2)	(88)	–	–	–	–	–	–	-	(103)	2,467	–	–	–	–
Reverse stock split	(10)	–	–	–	–	–	–	–	–	–	-	10	–	–	–	–	–
Increase (reduction) of share capital	41	1,958	–	–	–	–	–	–	–	–	-	–	–	–	1,999	–	1,999
Capitalisation of costs of share capital increase net of taxes	–	(81)	–	–	–	–	–	–	–	–	-	–	–	–	(81)	–	(81)
Treasury shares repurchased	–	–	–	–	–	–	–	–	–	–	-	–	–	–	–	–	–
Purchase of non-controlling interests	–	–	–	–	–	–	–	–	–	–	-	–	–	–	–	–	–
Other owner transactions (contribution for future capital increase)	–	–	–	–	–	–	–	–	–	–	-	–	–	–	–	–	–
Change of reserve of convertible bond	–	–	–	–	–	–	–	–	–	–	-	–	–	–	–	–	–
Total	**(1,690)**	**1,324**	**(2)**	**(88)**	**–**	**–**	**–**	**–**	**–**	**–**	**-**	**(93)**	**2,467**	**–**	**1,918**	**(9)**	**1,909**
Other changes in equity																	
Recognition of fair value of stock-based incentive plans	–	–	–	–	–	–	–	–	–	–	-	1	–	6	7	–	7
Other changes	1	–	48	–	–	–	–	(1)	1	–	-	(48)	–	1	2	–	2
Transactions with companies under common control	–	–	–	–	–	–	–	–	–	–	-	–	–	–	–	–	–
Total	**1**	**–**	**48**	**–**	**–**	**–**	**–**	**(1)**	**1**	**–**	**-**	**(47)**	**–**	**7**	**9**	**–**	**9**
Balance as of December 31, 2022	**502**	**1,877**	**–**	**–**	**–**	**–**	**(76)**	**(4)**	**(20)**	**(16)**	**-**	**91**	**(209)**	**(77)**	**2,068**	**18**	**2,086**

Statement of cash flows

(€ million)	Note [1]	Year 2023	Year 2022
Profit (loss) for the year attributable to Saipem Group - Continuing operations		185	(315)
Profit (loss) for the year attributable to Saipem Group - Discontinued operations		(6)	106
Profit (loss) attributable to non-controlling interests		-	-
Adjustments to reconcile the year's profit (loss) to cash flows from operating activities:			
- depreciation and amortisation - continuing operations		460	441
- depreciation and amortisation - discontinued operations		-	57
- net impairment losses (reversals of impairment losses) on property, plant and equipment, intangible assets and right-of-use assets	(No. 35)	29	4
- share of profit (loss) of equity-accounted investees	(No. 37)	(107)	65
- net (gains) losses on disposal of assets and business		34	(121)
- interest income		(54)	(11)
- interest expense		161	127
- income taxes	(No. 38)	145	171
- other changes		25	(109)
Changes in working capital:			
- inventories		(45)	(13)
- trade receivables		(261)	7
- trade payables		20	567
- provisions for risks and charges		(324)	(289)
- contract assets and liabilities		463	(451)
- other assets and liabilities		13	(445)
Cash flow from working capital - Continuing operations		(134)	(624)
Cash flow from working capital - Discontinued operations		6	(22)
Cash flow working capital		*(128)*	*(646)*
Change in the provision for employee benefits - Continuing operations		*6*	*(26)*
Change in the provision for employee benefits - Discontinued operations		-	*24*
Dividends received		69	29
Interest received		51	8
Interest paid		(150)	(116)
Income taxes paid net of refunds of tax credits		(134)	(165)
Net cash flows from operating activities - Continuing operations [a]		586	(523)
Net cash flows from operating activities - Discontinued operations [b]		-	46
Net cash flows from operating activities		**586**	**(477)**
of which with related parties - Continuing operations [2]		**2,711**	**1,313**
of which with related parties - Discontinued operations [2]		**(17)**	**6**
Investments:			
- property, plant and equipment - Continuing operations		(472)	(513)
- property, plant and equipment - Discontinued operations		-	(27)
- intangible assets	(No. 16)	(10)	(10)
- equity investments	(No. 18)	(1)	-
- securities for operating purposes		-	-
- financial receivables for operating purposes		-	-
Cash flow from investments - Continuing operations		(483)	(523)
Cash flow from investments - Discontinued operations		-	(27)
Cash flow from investments		*(483)*	*(550)*
Disposals:			
- property, plant and equipment		58	6
- out-of-scope entities and business units		63	497
- equity investments		24	-
- securities for operating purposes		-	-
- financial receivables for operating purposes		-	-
Cash flow from disposals - Continuing operations		145	503
Cash flow from disposals - Discontinued operations		-	-
Cash flow from disposals		*145*	*503*
Net variation of securities and financial receivables not related to operations		*163*	*52*

(1) The notes are an integral part of the consolidated financial statements.
(2) For an analysis of figures shown as "of which with related parties", see Note 43 "Related party transactions".
(a) Net cash flows from operating activities - Continuing operations does not include the gains on disposal of business equal to 119, for year 2022.
(b) Net cash flows from operating activities - Discontinued operations includes the gains on disposal of business equal to 119, for year 2022.

cont'd Statement of cash flows

(€ million)	Note [1]	Year 2023		Year 2022	
Net cash flows from investing activities		**(175)**		**5**	
of which with related parties [2]	(No. 43)		**105**		**65**
Increase in non-current loans and borrowings		1,867		1,330	
Decrease in non-current loans and borrowings		(2,042)		(1,986)	
Decrease in lease liabilities		(119)		(128)	
Increase (decrease) in current loans and borrowings		(60)		(263)	
Cash flow from increases (decreases) in loans and borrowings		**(354)**		**(1,047)**	
Net capital contributions by non-controlling interests		-		1,918	
Sale (purchase) of interests in consolidated companies		-		-	
Dividend distribution		-		-	
Sale (buy-back) of treasury shares		-		-	
Net change in convertible bond		72		-	
Net cash flows from financing activities		**(282)**		**871**	
of which with related parties [2]	(No. 43)		**-**		**(17)**
Effect of changes in consolidation scope		-		-	
Effect of exchange differences and other changes on cash and cash equivalents		(45)		21	
Net variation in cash and cash equivalents		**84**		**420**	
Cash and cash equivalents - opening balance	(No. 7)	**2,052**		**1,632**	
Cash and cash equivalents - closing balance	(No. 7)	**2,136**		**2,052**	

(1) The notes are an integral part of the consolidated financial statements.
(2) For an analysis of figures shown as "of which with related parties", see Note 43 "Related party transactions".

For the disclosures required by IAS 7, please refer to Note 24, "Financial liabilities".

Notes to the Consolidated Financial Statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 Basis of presentation

The consolidated financial statements have been prepared according to the International Financial Reporting Standards (hereinafter, IFRS)[6] issued by the International Accounting Standards Board (IASB) and adopted by the European Commission pursuant the procedure laid down in Article 6 of Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of July 19, 2002, and pursuant to Article 9 of Legislative Decree No. 38/2005. The consolidated financial statements have been prepared on a going concern basis, by applying the historical cost method, taking into account value adjustments where appropriate, except for those items that under IFRS must be measured at fair value, as described in the below accounting policies section.
The consolidated financial statements as of December 31, 2023, approved by the Board of Directors of Saipem SpA on March 12, 2024, have been audited by KPMG SpA, main auditor, fully responsible for auditing the Group's consolidated financial statements.
Amounts stated in financial statements and the notes thereto, considering their relevance, are in millions of euros.

2 Basis of consolidation and equity investments

Consolidated companies, non-consolidated subsidiaries and jointly controlled companies (investments in joint ventures and joint operations) and associated companies are listed in section “Consolidation scope” in which changes from the previous year are also shown.
The financial statements of the consolidated companies are audited by auditing firms that also examine and certify the information required for the preparation of the consolidated financial statements.
The classification of a company as a subsidiary, jointly controlled or associated depends, irrespective of the percentage of ownership, on the actual ability of the shareholder to make decisions concerning the relevant activities of such company. Such decisions may be made independently or by the unanimous consent of all parties sharing control. In other cases, the shareholder may exercise significant influence over the company, but not control or even joint control. The ability to make decisions is reflected in the terms of contractual and shareholders' agreements.

Subsidiaries

The consolidated financial statements include the financial statements of Saipem SpA and its Italian and foreign direct and indirect subsidiaries.
An investor controls an investee when it is exposed to or has the right to participate in the variability of the company's economic returns and has the ability to influence those returns through its decision-making power over the investee. Decision-making power exists when the parent company has the right to direct the relevant activities of the investee, i.e., the activities most likely to affect the economic returns of the investee.
Subsidiaries’ economic and asset values are included in the consolidated financial statements in accordance with uniform accounting principles, from the date on which control is gained until the date on which such control ceases to exist.
Subsidiaries are consolidated on a line-by-line basis; accordingly, all assets and liabilities, expenses and income are fully recognised in the consolidated financial statements; the carrying amount of investments is eliminated against the corresponding portion of the investee companies' equity.
In the event that additional ownership interests in subsidiaries are purchased after the transfer of control (purchase of non-controlling interests), any difference between the acquisition price and the portion of acquired equity is recognised in equity attributable to the owners of the parent. The effects of disposals of ownership interests in a subsidiary that do not result in a loss of control are also recognised in equity.
In contrast, a disposal of shares that implies loss of control, triggers recognition in the income statement: (i) of any gain/loss calculated as the difference between the consideration received and the corresponding portion of consolidated equity disposed of; (ii) of the effect of the fair value adjustment of any residual investment retained; (iii) of any amounts recognised in other comprehensive income relating to the former subsidiary that are required to be recycled through profit or loss[7]. The value of any retained investment, aligned with its fair value at the date of disposal, represents the new carrying amount of the investment and therefore the reference value for the subsequent evaluation of the investment in accordance with the applicable measurement criteria.
Equity and profit attributable to non-controlling interests are shown separately in the statement of financial position and income statement, respectively.

(6) IFRS also include International Accounting Standards (IAS), which are still in force, as well as the interpretative documents issued by the IFRS Interpretations Committee, formerly the International Financial Reporting Interpretations Committee (IFRIC) and before then the Standing Interpretations Committee (SIC).
(7) Conversely, any amounts recognised in other comprehensive income in relation to the former subsidiary that may not be reclassified to profit, or loss are transferred to retained earnings (losses).

When losses attributable to non-controlling interests in a consolidated subsidiary exceed the non-controlling interests of the subsidiary's equity, the excess, and any additional losses attributable to non-controlling shareholders, are allocated to the shareholders of the parent company except the portion for which the non-controlling shareholders have a binding obligation to cover the loss with additional investments and are able to do so. If the subsidiary then makes a profit, those profits are allocated to the shareholders of the parent company up to the amount of the losses belonging to the non-controlling shareholders, which were previously absorbed by the shareholders of the parent company.
A number of subsidiaries that have, individually or on an aggregate basis, limited operating activity, are excluded from line-by-line consolidation, as their exclusion does not have a material impact[8] on the correct representation of the Group's equity, economic and financial situation. These investments are valued in accordance with the criteria indicated under "Equity method" or with the cost method adjusted for impairment losses.

Joint arrangements

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.
A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Investments in joint ventures are accounted for using the equity method, as indicated in the paragraph "Equity method of accounting".
A joint operation is an agreement in which the parties with joint control of the arrangement have rights to the assets and have obligations for the liabilities (so-called enforceable rights and obligations) relating to the agreement; the verification of the existence of enforceable rights and obligations requires the exercise of a complex judgement by the Top Management and is made taking into consideration the characteristics of the corporate structure, the agreements between the parties, as well as any other facts and circumstances that are relevant for the purposes of verification. Saipem's share of the assets, liabilities, revenues and expenses of joint operations is recognised in the consolidated financial statements on the basis of the actual rights and obligations arising from the contractual arrangements. After initial recognition, the assets, liabilities, revenues and expenses relating to a joint operation are accounted for in accordance with the applicable accounting standards. Joint operations, which are separate non-material legal entities, are accounted for using the equity method or, if this does not have a significant impact on total assets, liabilities, net financial position and results of operations, measured at cost, adjusted for impairment losses.

Investments in associates

An associate is a company over which Saipem has significant influence, which is the power to participate in the financial and operating policy decisions of the investee without having control or joint control over it. Investments in associates are accounted for using the equity method as described under "Equity method", i.e., when there is no significant impact on the balance sheet, financial position and results of operations, at cost adjusted for impairment losses.

Equity method

Investments in subsidiaries not included in line-by-line consolidation, joint ventures and associates are accounted for using the equity method[9].
In application of the equity method, investments are initially recognised at purchase cost including transaction costs, allocating, as in the case of business combinations, any difference between the cost incurred and the interest in the fair value of the net identifiable assets of the investee; the allocation, provisionally made at the date of initial recognition, may be adjusted retrospectively within the following twelve months to take into account new information on facts and circumstances existing at the date of initial recognition. Subsequently, the carrying amount is adjusted to reflect: (i) the investor's share of the investee's profit or loss realised after the acquisition date; (ii) the investor's share of the investee's other comprehensive income. Changes in equity of an investee, other than those relating to profit or loss and other comprehensive income, are recognised in the income statement when they substantially represent the effects of a sale of an interest in the investee. Dividends received from an investee reduce the carrying amount of the investment. In accordance with the equity method, the adjustments required for the consolidation process are applied. When there is objective evidence of impairment (e.g. significant breaches of contracts, serious financial difficulties, the risk of insolvency of the counterparty, etc.), the recoverability is tested by comparing the carrying amount and the related recoverable amount determined adopting the criteria indicated in the paragraph "Impairment of non-financial assets". The losses deriving from the application of the equity method exceeding the carrying amount of the investment, recorded in the income statement as item "Gains (losses) on equity investments", are allocated to any financial receivables granted to the investee whose repayment is not planned or it is not probable in the foreseeable future (the so-called long-term interest) and which basically represent a further investment in the company.
If it does not have a significant impact on the equity and financial position of the Group and its economic results, unconsolidated subsidiaries, joint ventures and associates are accounted for at cost, adjusted for impairment losses. When the impairment losses no longer exist, they are reversed, and the reversal of the impairment losses is recognised in the income statement within "Other gains (losses) on equity investments".
The disposal of equity investments which results in the loss of the joint control or a relevant influence on the investee entails recognition in the income statement of: (i) any gains or losses calculated as the difference between the consideration received and the respective share of carrying amount disposed of; (ii) any gains or losses attributable to the adjustment of any investment

(8) According to the provisions of the Conceptual Framework of International Accounting Standards: "Information is material if omitting, misstating or obscuring it could influence the economic decisions of users taken on the basis of the financial statements".
(9) In the case of a step acquisition of an associate (joint control), the investment is accounted for at the amount resulting from the application of the equity method as if it had been applied from inception; the effect of the "revaluation" of the carrying amount of the investment held prior to the acquisition of the associate (joint control) is recognised in equity.

retained at its fair value[10]; (iii) any amounts recognised in other comprehensive income in relation to the investee that may be reclassified subsequently to income statement[11]. Any investment retained in the investee is recognised at its fair value at the date when joint control or significant influence are lost; it represents the new carrying amount of the investment to be recognised subsequently.
The investor's share of any losses of the investee exceeding the carrying amount of the investment and any long-term interest is recognised in a specific provision to the extent that investor is required to fulfil legal or implicit obligations towards the investee or to cover its losses.

Business combination

There is an acquisition of business if the contract provides for the acquisition of one (or more than one) input and of a substantial process that, together, contribute significantly to the ability to create an output. On the contrary, lacking the set of conditions described above, the case is one of acquisition of a group of assets, which determines the capitalisation of the cost of their acquisition and their depreciation based on the provisions of IAS 16.
Business combination transactions are recognised using the acquisition method. The amount transferred in a business combination is determined at the date the controlling interest is acquired and is equivalent to the fair value of the assets transferred, of liabilities incurred or assumed, and of any equity instruments issued by the acquirer. Costs directly attributable to the transaction are recognised in the income statement when they are incurred.
The equity of investees is determined by attributing to each of the items of the financial position its fair value at the date on which control is acquired[12], except where IFRS provisions require otherwise. Any positive residual difference is recognised as goodwill. Negative residual differences are taken to the income statement.
In the case of partial control being obtained, the share of equity net of non-controlling interests is determined on the basis of the relevant share of current value attributed to assets and liabilities on the date on which control of the company was obtained, excluding any goodwill that can be attributed to the value (the so-called partial goodwill method). Alternatively, the entire amount of goodwill is recognised that was generated by the acquisition, thus considering also the share attributable to the non-controlling interests (the so-called full goodwill method); in the latter case the non-controlling interests are stated at their overall fair value, thus also including the goodwill of the non-controlling interests[13]. The choice of either the partial goodwill or the full goodwill method is made for each individual business combination.
Where control of a company is achieved in stages, the purchase cost is determined by adding the fair value of the previously held ownership interest and the consideration paid for the additional ownership interest. Any difference between the fair value of the previous ownership interest and its carrying amount is recognised in the income statement. In addition, when control of a company is obtained, any amounts previously recognised in other comprehensive income in relation to the company are taken to profit or loss. Amounts that may not be reclassified to profit, or loss are recognised in other equity items.
Where provisional amounts have been recorded for the assets and liabilities of an acquiree during the reporting period in which a business combination occurs, these amounts are retrospectively adjusted within twelve months of the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date.
The acquisition of interests in a joint operation that represents a business is recognised, for applicable aspects, in the same way as provided for business combinations.

Intragroup transactions

Unrealised intercompany profit arising from transactions between consolidated companies is eliminated, as are intercompany receivables, payables, income and expenses, guarantees (including independent contract performance bonds), commitments and risks between consolidated companies. Unrealised profits resulting from transactions with equity-accounted investees are eliminated in proportion to the Group's interest. In both cases, intragroup losses are not eliminated since they are considered an impairment indicator of the assets transferred.

Translation criteria

The financial statements of companies having a functional currency other than euro, which is the functional currency of the parent company, as well as the currency used in the consolidated financial statements of the Group, are converted into euro applying: (i) closing spot rates for assets and liabilities; (ii) historical exchange rates to equity; (iii) the average rates for the period to the income statement and the statement of cash flows (source: Banca d'Italia).
Exchange differences resulting from the translation of the financial statements of investees having a functional currency other than euro, deriving from the application of different exchange rates for assets and liabilities, equity and the income statement, are recognised in equity under the item "Translation reserve" (included in "Other reserves") for the portion attributable to the owners of the parent[14].
Cumulative exchange differences are charged to the income statement when an investment is fully disposed of, i.e. when control, joint control or significant influence on the investee is lost. In such circumstances, the differences are taken to the income statement under the item "Other gains (losses) on equity investments". In the event of a partial disposal that does not result in the loss of control, the portion of exchange differences relating to the interest sold is recognised under non-controlling interests in equity. In the event of a partial disposal that does not result in the loss of joint control or significant influence, the

(10) If the investment retained continues to be measured using the equity method, it is not remeasured at fair value.
(11) Conversely, any amount recognised in other comprehensive income relating to the former joint venture or associate that may not be reclassified to income statement are transferred to retained earnings (losses).
(12) The criteria used for determining fair value are described in the section "Fair value measurement" below.
(13) The decision to apply the partial or full goodwill method is also made for business combinations where negative goodwill is taken to the income statement (i.e. a gain on bargain purchase).
(14) The share of non-controlling interests in the cumulate exchange rate differences resulting from the translation of subsidiaries' financial statements having a functional currency other than the euro is recognised under "Non-controlling interest" in equity.

portion of exchange differences relating to the interest disposed of is taken to the income statement. The repayment of the capital, carried out by a subsidiary having a functional currency other than euro, which does not result in a change in the equity investment held, entails charging the corresponding portion of the exchange rate differences to the income statement.
The financial statements translated into euros are those denominated in the functional currency, i.e. the local currency or the currency in which most financial transactions and assets and liabilities are denominated.
The exchange rates that have been applied for the translation of financial statements in foreign currencies are as follows:

Currency	Exchange rate as of Dec. 31, 2023	2023 Average exchange rate	Exchange rate as of Dec. 31, 2022
US Dollar	1.105	1.0813	1.0666
British Pound Sterling	0.86905	0.86979	0.88693
Algerian Dinar	148.2657	146.9354	146.5049
Angolan Kwanza	920.402	746.207	541.198
Argentine Peso	892.9239	314.1127	188.5033
Australian Dollar	1.6263	1.6288	1.5693
Brazilian Real	5.3618	5.401	5.6386
Canadian Dollar	1.4642	1.4595	1.444
Egyptian Pound	34.1589	33.1581	26.399
Indian Rupee	91.9045	89.3001	88.171
Indonesian Rupiah	17,079.71	16,479.62	16,519.82
Kazakhstan Tenge	502.48	493.57	492.9
Malaysian Ringgit	5.0775	4.932	4.6984
New Ghana Cedi	13.2254	12.6196	10.8621
New Romanian Leu	4.9756	4.9467	4.9495
Nigerian Naira	974.0907	695.0115	477.9221
Norwegian Kroner	11.2405	11.4248	10.5138
Peruvian Nuevo Sol	4.0818	4.0472	4.0459
Qatar Riyal	4.0222	3.9358	3.8824
Russian Rouble	98.5958	92.4209	79.0077
Saudi Arabian Riyal	4.1438	4.0548	3.9998
Singapore Dollar	1.4591	1.4523	1.43
Swiss Franc	0.926	0.9718	0.9847

3 Accounting policies

The main accounting policies used for the preparation of the consolidated financial statements are shown below.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits and financial assets with original maturities of 90 days or less that are readily convertible to cash amounts, and which are subject to an insignificant risk of changes in value.

Inventories

The inventories, excluding consumables intended for project implementation – which do not go through inventory but are recorded in the income statement under direct contract costs – are measured considering the lower between purchase cost and net realisable value, which is the amount the company expects to obtain from their sale in the ordinary course of business. The cost of inventories is determined by applying the weighted average cost method, while market value – given that the inventories are mainly spare parts – is taken as the lower of replacement cost or net realisable value.
Spare parts might be impaired (partially or entirely) in line with the rationalisation of the asset they refer to due to the total of reduced possibility of using them. Saipem makes periodic audits on obsolescence items in storage that were last purchased (ageing date) more than five years ago for the purpose of justifying maintenance in inventory or impairing them to the income statement. In any case, for materials not considered obsolete, last purchased more than five years ago, a provision for slow moving material is established, with amounts which increase in percentage with ageing.

Contract assets and contract liabilities

Contract assets and contract liabilities from work in progress assessment are recognised on the basis of contractual amounts, defined with reasonable certainty with customers, in relation to the progress of work.
Given the nature of the contracts (fixed price) and the type of work, progress is determined through the use of an input method based on the percentage of costs incurred with respect to the total contractually estimated costs (cost-to-cost method).
To correctly apply the economic effects of using this method on core business revenue, differences between amounts earned based on the stage of completion of projects and recognised revenue are included under contract assets from work in progress assessment if positive, or under contract liabilities from work in progress assessment if negative.

With regard to the particular type of reimbursable service contracts, given their nature, revenue is recognised by adopting an output-based method by applying to costs incurred a contractually agreed margin.
The valuation of contract assets and liabilities arising from work in progress assessment takes into account all costs directly attributable to the contract, as well as contractual risks, revision clauses when they have a high probability of being recognised, any expected incentives (when the achievement of pre-established performance levels is highly probable and they can be reliably determined) and any fees arising from legal disputes.
Requests for additional considerations deriving from a change in contractually agreed work (change orders) are included in the total amount of revenue when there is a high probability that the customer will approve the scope and/or the price of the change. At the same time, other claims deriving, for example, from additional costs incurred for reasons attributable to the customer are included in the total amount of revenue only when the counterparty has essentially approved their scope and/or price.
Contractual advances in foreign currency received by customers or paid to suppliers are recognised at the exchange rate on the date of payment and maintained at that rate until fully recovered.
Contractual advances received are part of Saipem normal operating practice; if advances recognised contemplate a greater percentage than that used in practice in the sector, any time value of money that leads to the presumption of a significant financial benefit granted by the customer is determined.

Property, plant and equipment (tangible assets)

Property, plant and equipment are recognised using the cost method and stated at their purchase or production cost including any ancillary costs directly attributable to bringing the asset into operation. In addition, when a substantial amount of time is required to make the asset ready for use, the purchase price or production cost includes borrowing costs that theoretically would have been avoided for that amount of time had the investment not been made.
Saipem does not carry out revaluation of property, plant and equipment, excepted for property, plant and equipment which were impaired in previous years, as better explained in the following paragraph "Impairment of non-financial assets".
Expenditures on renewals, improvements and transformations that extend the useful lives of the related asset are capitalised when it is likely that they will increase the future economic benefits expected from the asset. Also, items purchased for safety or environmental reasons are capitalised, even if they do not directly increase the future economic benefits of the existing assets, as they are necessary for carrying out company business.
The costs of cyclical maintenance incurred for the purpose of obtaining periodical class certification of vessels are capitalised, as they have a useful life of several years (generally five years). The useful life of parts subject to cyclical maintenance (and possible replacement), and the relative depreciation schedule are coherent with the planned frequency of periodical inspections.
Depreciation of property, plant and equipment begins when the asset is ready for use, in other words when it is in the place and in the conditions necessary for it to be able to operate according to the planned modalities.
Property, plant and equipment are depreciated systematically using a straight-line method over their useful life, which is an estimate of the period over which the assets will be used by the entity. When the tangible asset comprises more than one significant part with different useful lives, each component is depreciated separately. The depreciable amount of an asset is its carrying amount less the estimated net disposal value at the end of its useful life, if this value is significant and can be reasonably determined. Land is not depreciated, even were purchased with a building. Property, plant and equipment held for sale are not depreciated either (see paragraph "Assets held for sale and discontinued operations"). Changes to depreciation methods related to a review of the expected useful life of an asset, the net residual value or the expected pattern of consumption of the future economic benefits flowing from an asset are recognised in the income statement.
All parts of the vessels are depreciated over the same useful life as determined on the basis of independent reporting by technical experts. The decision to consider the same useful life for all parts of the vessels is based on the fact that the main parts are subject to periodical activities of cyclical maintenance.
Cyclical maintenance carried out near the end of the useful life of a vessel extends its life (and thus require reprogramming of depreciation on the residual value) for as long as the useful life of the last cyclical maintenance.
Replacement costs of identifiable components in complex assets are capitalised and depreciated over their useful life. The residual carrying amount of the component that has been replaced is charged to the income statement.
Improvements to leased assets are depreciated over the useful life of the improvements or, if shorter, over the residual duration of the lease, taking into account the possible period of renewal if the renewal depends only on the lessor and is theoretically certain. Ordinary maintenance and repair expenses, not including the replacement of identifiable components and that restore but do not increase the performance of the assets, are charged to the income statement for the year in which the expenses are incurred.
Property, plant and equipment are eliminated from the accounts when they are disposed of through alienation or write-off or when no future economic benefit is expected from their use or disposal; the relative profit or loss is reported in the income statement.
Property, plant and equipment destined for specific operating projects, for which no further future use is envisaged due to the characteristics of the asset itself or the high usage sustained during the execution of the project, are depreciated over the duration of the project.
Impairment losses of tangible assets are recognised if events or changes in circumstances indicate that their carrying amount may not be recoverable.

Leases

A contract is, or contains, a lease agreement if, in exchange for consideration, it grants the lessee the right to control the use of an identified asset for a period of time.

It is defined a single model of recognition of lease contracts based on the recognition by the lessee of a "Right-of-Use" asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments provided by the contract ("Lease Liability").
After initial recognition, the "Right-of-Use" asset is reduced by accumulated depreciation, any impairment losses and the effects associated with any remeasurement of the "Lease Liability".
Depreciation rates are constant and are applied over the lease term, taking into account renewal/termination which are highly probable for the year. Only if the lease provides for the exercise of a reasonably certain purchase option is the "Right-of-Use" asset depreciated systematically over the useful life of the underlying asset.
The "Lease Liability" is initially measured at the present value of the lease payments not yet made at the commencement date.
The present value of the aforementioned lease payments is calculated by adopting a discount rate equal to the interest rate implicit in the lease or, if this is not readily determined, using the incremental borrowing rate of the lessee. The incremental borrowing rate of the lessee is defined by taking into account the intervals and duration of the payments provided for in the lease contract, the currency in which they are denominated and the characteristics of the lessee's economic environment.
After initial recognition, the 'Lease Liability' is measured at amortised cost (i.e. increasing its carrying amount to take into account the interest on the liability and decreasing it to take into account the payments made) using the effective interest rate and is restated, against the registration value of the related "Right-of-Use" asset, to take into account any changes to the lease following contractual renegotiations, changes in indices or rates, changes relating to the exercise of contractually envisaged options for renewal, early withdrawal or purchase of the leased asset.
For short-term leases and leases where the underlying asset is of low value, Saipem applies the exception to recognition provided for in the standard.
For the lessor the distinction between operating and financial leases is maintained.
If there are subleases, the lessee as intermediate lessor shall classify the sublease as a finance lease or an operating lease as follows: (a) if the principal lease is a short-term lease, the sublease shall be classified as an operating lease by recognising the income from the sublease in the income statement; (b) otherwise, the sublease shall be classified by reference to the asset consisting of the Right-of-Use under the principal lease, rather than by reference to the underlying asset, i.e. by reference to the term of the sublease; if the latter covers the term of the principal lease, the sublease shall be treated as a finance lease, with a financial receivable being recognised in place of the Right-of-Use under the principal lease.
The accounting of lease contracts requires the lessee to recognise:
- in the statements of financial position: (i) the Right-of-Use assets, recognised by Saipem in the specific item "Right-of-Use of leased assets" distinct from property, plant and equipment, and intangible assets, and divided by class of asset in the Notes to the financial statements, and from financial receivables relating to finance subleases recorded by Saipem in the specific item "Lease assets"; (ii) the financial liabilities relating to the obligation to make the payments envisaged by the contract ("Lease liabilities"), recorded by Saipem in the specific item "Lease liabilities", dividing the amount between the non-current and current portions;
- in the income statement: (i) the depreciation and amortisation of the Right-of-Use assets (within the operating expenses) subdivided by class of assets in the Notes to the financial statements and of the interest expense accrued on the Lease Liability. The income statement also includes the lease contract payments that meet short-term and low-value requirements and variable payments linked to the use of assets, not included in determining the Right-of-Use assets/Lease Liability;
- the following effects arise in the statement of cash flows: (a) a modification of the net cash flows from operating activities that includes interest expenses on the "Lease Liability"; (b) a modification of the net cash flows from financing activities that includes disbursement connected with repayment of the principal amount of the "Lease Liability".

The main types of contracts covered by the definition of lease, which affect most of the Group's operations, relate to the following asset categories:
- vessels for the performance of projects by offshore business;
- real estate for offices:
- industrial areas and construction yards to support projects:
- equipment in support of the projects:
- vehicles and office equipment.

Regarding contracts for services signed by Group companies, an analysis is made to identify any possible "embedded leases".

Intangible assets

Intangible assets are identifiable assets without physical substance, controlled by the entity and capable of producing future economic benefits, and goodwill. Identifiability is defined by reference to the possibility of distinguishing the acquired intangible asset from goodwill; this requirement is normally satisfied when: (i) the intangible asset arises from legal or contractual rights, or (ii) the asset is separable, i.e. it can be sold, transferred, leased or exchanged independently or as an integral part of other assets. An entity controls an intangible asset if it has the power to obtain the future economic benefits deriving from the asset and to restrict the access of others to those benefits. Intangible assets are stated at purchase or production cost as determined with the criteria used for property, plant and equipment.
Saipem does not makes revaluation of intangible assets.
Intangible assets with a finite useful life are amortised systematically over their useful life, which is an estimate of the period over which the assets will be used by the entity. The amount to be amortised is determined in accordance with the criteria described in the section "Property, plant and equipment".
Goodwill and other intangible assets with an indefinite useful life are not amortised. The recoverability of their carrying amount is tested at least annually and whenever events occur indicating a reduction in their value, as described in section "Impairment of non-financial assets".

With reference to the configuration and customisation costs of software deriving from contracts with service providers through which the company obtains the right of access to certain applications, those are recognised as intangible asset only when the agreement allows the client to obtain future economic benefits and limit the access to others.
Intangible assets are eliminated at the moment of their disposal through disposal or when no future economic benefit is expected from their use or disposal; the relative profit or loss is reported in the income statement.

Impairment of non-financial assets

The recoverability of non-financial assets – that is, tangible assets, intangible assets and Right-of-Use of leased assets – is assessed when events or changes in circumstances suggest that the carrying amount in the financial statements is not recoverable. The recoverability is assessed by comparing their carrying amount with the relative recoverable amount represented by the higher of the fair value less disposal costs and the value in use. Irrespective of any indication of impairment, the assessment of the recoverability of goodwill is carried out at least annually.
The recoverability assessment is carried out for each cash-generating unit (CGU) corresponding to a single asset or to the smallest identifiable group of assets that generates independent cash inflows from their continuous use.
Value in use is determined by discounting to present value the expected cash flows from the use of the CGU and, if significant and reasonably determinable, from disposal at the end of its useful life, net of costs to sell. Expected cash flows are determined, taking also into account actual results, on the basis of reasonable and documented assumptions that represent the best estimate of the future economic conditions during the remaining useful life of the CGU, giving more importance to independent assumptions while taking into account the specificities of Saipem's business. Discounting is carried out at a rate that reflects current market assessments of the time value of money and the risks specific to the asset that are not reflected in the estimate of future cash flows. Please note that where appropriate, the specific incremental component of so-called "country risk" is included in the estimate of expected cash flows. Specifically, the discount rate used is the Weighted Average Cost of Capital (WACC) defined on the basis of the Capital Asset Pricing Model (CAPM) methodology.
Value in use is determined using post-tax cash flows, discounted at a post-tax discount rate as this method produces outcomes which are equivalent to those resulting from discounting pre-tax cash flows at a pre-tax discount rate deriving, through an iteration process, from a post-tax valuation.
In order to verify the recoverability of the Right-of-Use related to leased assets, consideration is given to: (i) the allocation of the Right-of-Use assets of the leased assets to the CGUs to which they belong; (ii) the duration of the underlying leasing contract with respect to the time horizon considered in determining the cash flows of the CGU; (iii) the value in use of a CGU containing a Right-of-Use.
With regard to goodwill, if the carrying amount of the CGU, including goodwill allocated thereto determined by taking into account any impairment of current and non-current assets that are part of the CGU, exceeds the CGU's recoverable amount, the excess is recognised as impairment. The impairment loss is first allocated to reduce the carrying amount of goodwill. Any remaining excess is allocated on a pro-rata basis to the carrying amount of the other assets with a finite useful life that form the CGU.
When the reasons for impairment losses made in the past cease to exist, the value of assets is reversed, and the adjustment is recognised in the income statement as a revaluation (reversal of impairment). The reversal is carried out at the lower of the recoverable amount and the original carrying amount before previous impairment losses, less the depreciation rates that would have been charged had no impairment loss been recognised. Impairment losses against goodwill may not be reversed[15].

Costs of technological development activities

Costs of technological development activities are capitalised when the entity can demonstrate:
(a) that it has the technical capacity to complete the intangible asset and use it or sell it;
(b) that it has the intention to complete the intangible asset and make it available for use or sale;
(c) that it has the capacity to use or sell the intangible asset;
(d) how the intangible asset will generate probable future economic benefits;
(e) that the technical, financial and other resources are available to complete development of the intangible asset and use it or sell it;
(f) that it can reliably measure the cost attributable to the intangible asset during development.

Grants

Capital grants are recognised when there is a reasonable certainty that the conditions for their award will be met and are recognised systematically in the income statement as a reduction in the purchase price or production cost of the assets to which they relate, over their useful lives.
Grants related to income are recognised in the income statement over the periods necessary to match them with the related costs which they are intended to compensate.

Financial assets

Based on the characteristics of the instrument and the business model adopted in their management, financial assets are classified as follows: (i) financial assets measured at amortised cost; (ii) financial assets measured at fair value with the effects recognised in other comprehensive income (hereinafter also OCI); (iii) financial assets measured at fair value through profit or loss. Subsequent to initial recognition, their classification is maintained, unless the Group changes its business model for their management.

(15) Impairment losses reported for an interim period are not reversed even if no loss, or a smaller loss, would have been recognised had the impairment been assessed based on the conditions of a subsequent interim period.

Initial recognition is made at fair value, net of the costs directly attributable to the acquisition or issue of the financial asset. For trade receivables lacking a significant financial component, the initial valuation is represented by the transaction price.
Subsequent to the initial recognition, the financial assets that generate contractual cash flows exclusively representative of payments of capital and interest are measured at the amortised cost if such assets are held for the purpose of collecting the contractual cash flows (so-called "hold to collect" business model).
The application of the amortised cost method requires the recognition in the income statement of the interest income, determined on the basis of the effective interest rate, of the exchange rate differences and of any possible impairment losses[16] (see section "Impairment losses on financial assets").
On the other hand, financial assets representing debt instruments whose business model envisages the possibility of both collecting the contractual cash flows and realising the value from sale ("hold to collect and sell" business model) are measured at fair value with the effects recognised in OCI (hereinafter also FVTOCI). In this case, the following are recognised: (i) interest income, calculated using the effective interest rate, exchange rate differences and impairments (see point "Impairment losses on financial assets") are recognised in the income statement; (ii) changes in the fair value of the instrument are recognised in equity, under the item OCI. The total amount of variations in fair value, recognised in the equity reserve that comprises the other components of the statement of comprehensive income, is reversed to the income statement upon derecognition of the instrument.
A financial asset representative of a debt instrument which has not been evaluated at the amortised cost or at FVTOCI is evaluated at fair value with attribution of the effects to profit or loss (hereafter FVTPL); financial assets held for trading pertain to this category. Accrued interest income on financial assets held for trading is included in the total fair value measurement of the instrument and is recognised as "Financial income (expense)".

Impairment of financial assets

The assessment of the recoverability of financial assets representative of debt instruments not measured at fair value with effects to the income statement is made on the basis of the so-called "expected credit loss model".
In particular, expected losses are generally determined on the basis of the product of: (i) the exposure to the counterparty net of related mitigations (so-called Exposure at Default or EAD); (ii) the probability that the counterparty will default on its payment obligation (so-called Probability of default or PD); (iii) the estimate, in percentage terms, of the amount of credit that will not be recovered in the event of default (so-called loss given default or LGD).
The management model adopted by the Group envisages the simplified approach for trade receivables as they do not contain a significant financial component. This approach requires the valuation of the provision to cover losses for an amount equal to the expected losses over the entire life of the receivable. This approach uses the customers's probability of default for the quantification of expected credit losses, based on observable market data and on assessments collected by info-providers. Alongside the allocations made to the loss allowance after reviewing each receivable on the basis of their recoverability, an assessment is made of the creditworthiness of the customer. This assessment is performed on the portfolio of performing exposure and on exposures that are past due to quantify and recognise the effects in interim reporting.
Specifically, the Saipem model operates as follows:

- the Exposure at Default (EAD) of Saipem is applied to trade receivables (including allocations) and contract assets from work in progress and considers the effects of mitigation capable of reducing the exposure (debit items that can be used to compensate, advance payments, etc.), excluding in particular disputed receivables from the calculation as subject to specific technical-legal valuations. Receivables of a financial nature, as well as cash on hand, are also included in the assessment;
- with regard to identification of the time of default, the methodology determines it conventionally as the shorter between the date in which the customer's insolvency is declared and the term of 365 days from the receivable due date. This term is coherent with the dynamics of the active business cycle of contract works in which Saipem operates;
- the Probability of Default (PD) is calculated on the observable market data (credit spread on bond issues, Credit Default Swaps, etc.) gathered by qualified info-providers. It is considered equal to 100% at the time of default and on receivables that are more than 12 months past due;
- to quantify the Loss Given Default (LGD), the approach applied is based on the market standards which consider the Recovery Ratio (RR) 40% of the exposure; it follows that the LGD is calibrated at (100%-RR) that is (100%-40%) → 60%.

Trade receivables and other receivables are presented in the statement of financial position net of the relative loss allowance. Impairment losses of these receivables are recognised in the income statement, net of any reversal of value, under "Net reversals of impairment losses (impairment losses) on trade receivables and other assets".

Non-controlling interests

Financial assets representing non-controlling interests, as they are not held for purposes of trading, are measured at fair value with assignment of the effects to the equity reserve relating to components of other comprehensive income, without providing for their reassignment to the income statement in case of sale; on the other hand, any dividends deriving from those investments are recognised to the income statement under "Gains (losses) on equity investments". Measurement at cost of a non-controlling interests is permitted in the limited cases in which the cost is an adequate estimate of the fair value.

Derivative financial instruments and hedge accounting

A derivative is a financial instrument which has the following characteristics: (i) its value changes in response to the changes in a specified interest rate, price of a security or asset, exchange rate, a price or rate index, a credit rating or other variable; (ii) it requires no or little initial net investment; (iii) it is settled at a future date.
Derivative financial instruments, including embedded derivatives that are separated from the host contract, are assets and liabilities recognised at their fair value.

(16) Receivables and other financial assets valued at the amortised cost are reported net of the write-down allowance.

Consistently with the economic reason underlying the hedging, Saipem classifies derivatives as hedging instruments whenever possible. The fair value of derivative financial instruments incorporates the adjustments that reflect the non-performance risk of the counterparties of the transaction (see paragraph "Fair value measurement"). The designation of fair value as hedging instruments in derivatives excludes such adjustments and is only limited to the spot component of the contracts.
In particular, the companies of the Group enter into the intercompany derivatives with Saipem Finance International BV (SAFI) with the objective of hedging the currency risk arising from future and highly probable revenue and costs in foreign currency. SAFI, in turn, in an operational optimisation perspective, performs a role of consolidation and netting of the required derivatives and proceeds with their negotiation on the market.
The intragroup derivatives negotiated by the companies with SAFI are considered cash flow hedges for highly probable forecast transactions whenever the conditions are met for the application of hedge accounting. The hedged item is identified in the revenue and costs in the contract's currency.
As part of the strategy and goals defined for risk management, the qualification of transactions as hedges requires: (i) the existence of an economic relationship between the hedged item and the hedging instrument; (ii) that credit risk effect does not dominate value changes resulting from the economic relationship; (iii) the definition of a hedge ratio coherent with the objectives of risk management, in the frame of the defined risk management strategy, providing where necessary for the appropriate rebalancing actions.
The amendment of risk management objectives or the elimination of the conditions outlined above for hedge accounting qualification, will result in the termination, either total or partial, of the hedge.
When the derivatives are aimed at hedging the risk of changes in cash flows of the hedged item (cash flow hedge; for example hedging the variability in cash flows of assets/liabilities due to exchange rate fluctuations), the changes in the fair value of the derivatives considered effective, limited to the spot component of the contracts, are initially recognised in the equity reserve pertaining to the other items of comprehensive income and are subsequently recognised in the income statement consistent with the economic effects of the hedged item.
Derivative financial instruments are also adopted by the Saipem Group to hedge the risk arising from the expected purchase of commodities as part of project activities and the interest rate risk arising from loans at variable rate or to stabilise the impact of the cost of currency hedges put in place by the Group.
Even in these cases, when possible, Saipem designates these derivative financial instruments (cash flow hedges) the fair value of which is initially recorded in the equity reserve relating to other comprehensive income and subsequently reclassified to the income statement as the economic effects of the hedged item occur.
Changes in the fair value of derivatives which do not satisfy the conditions for being qualified as hedges, including any ineffective components of hedging derivatives, are directly recognised in the income statement. Specifically, changes in the fair value of non-hedging interest rate and foreign currency derivatives are recognised in the income statement under "Financial income (expense)"; conversely, changes in the fair value of non-hedging commodity derivatives are recognised in the income statement under "Other operating income (expense)".

Convertible bonds

Convertible bonds are compound financial instruments consisting of two components: a financial liability (a contractual agreement to deliver cash or other financial asset) and an equity instrument, that is, a call option that gives the holder the right to convert it into a fix quantity of ordinary shares for a certain period of time. At initial recognition, the financial liability is the present value of future cash flows, discounted at the rate payable for a liability similar in duration without the equity component (fair value of the liability), and the value of the option, recorded in equity, is defined as the difference between the consideration received at the time of issue of the compound instrument and the fair value of the financial liability. In the years after initial recognition, the value of the conversion option in shares does not change, and the fair value of the financial liability is measured at amortised cost.

Financial liabilities

Financial liabilities, other than derivative instruments, are initially recognised at the fair value of the amount received, net of direct transaction costs, and are subsequently measured using the amortised cost method (see paragraph "Financial assets").

Offsetting of financial assets and liabilities

Financial assets and liabilities are offset in the statement of financial position when they can be legally offset in the current year and it is intended to offset on a net basis (i.e., to realise the asset and remove the liability simultaneously).

Derecognition of financial assets and liabilities

Financial assets that have been transferred are derecognised from the statement of financial position when the contractual rights to the cash flows from the asset are extinguished or expire or are transferred outright to third parties. Financial liabilities are derecognised when they have been settled, or when the contractual condition has been fulfilled or cancelled or when it has expired.

Assets held for sale and discontinued operations

Non-current assets, current and non-current assets and liabilities included within disposal groups, whose carrying amount will be recovered principally through a sale transaction rather than through their continuing use, are classified as held for sale. This condition is considered met when the sale is highly probable, and the asset or disposal group is available for immediate sale in its current condition. When the sale of a subsidiary is planned and this will lead to loss of control, all of its assets and liabilities are classified as held for sale. This applies whether or not an interest is retained in the former subsidiary after the sale.

Non-current assets held for sale, current and non-current assets included within disposal groups and liabilities directly associated with them are recognised in the statement of financial position separately from the entity's other assets and liabilities.
Immediately prior to classification as being held for sale, the non-current assets and/or assets and liabilities included within a disposal group are measured according to the accounting standards applicable to them. Subsequently, non-current assets held for sale are not depreciated and are measured at the lower of the fair value less costs to sell and their carrying amount.
Any difference between the carrying amount of non-current assets and the fair value less costs to sell is taken to the income statement as an impairment loss; any subsequent reversal is recognised up to the previous impairment losses, including those recognised prior to qualification of the asset as held for sale.
Non-current assets classified as held for sale and disposal groups constitute a discontinued operation if, either: (i) they represent a significant stand-alone line of business or a significant geographic area of operations; (ii) they are part of a plan to dispose of a significant stand-alone line of business or a significant geographic area of operations; or (iii) they are a subsidiary acquired exclusively for the purpose of selling it. Profit or loss of discontinued operations, as well as any gains or losses on their disposal are reported separately in the income statement, net of any tax effects. The results of discontinued operations are also restated in the comparative figures for prior years.
When events occur that make it impossible to classify non-current assets or disposal groups as held for sale, they are reclassified to the respective items of the statement of financial position and recognised at the lower between: (i) the carrying amount at the date of classification as held for sale, adjusted for depreciation, impairment losses and reversals of impairment loss that would have been recognised had the assets or disposal group not been classified as held for sale; and (ii) the recoverable amount at the date of reclassification. Likewise, in case of interruption of the plan of sale, recalculation of the values from the time of classification as held for sale/discontinued operations also involves the equity investments, or their shares, previously classified as held for sale/discontinued operations.

Provisions for risks and charges, contingent assets and liabilities

Provisions for risks and charges relate to risks and charges of a definite nature and whose existence is certain or probable but for which at year-end the timing or amount of future expenditure is uncertain. Provisions are recognised when: (i) there is a present obligation, either legal or constructive, as a result of a past event; (ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; (iii) a reliable estimate can be made of the amount of the obligation. The amount recognised for provisions represent the best estimate of the expenditure reasonably required to settle the obligation or to transfer it to third parties at the year-end date. The amount recognised for onerous contracts is the lower of the cost necessary to fulfil the contract obligations, net of the economic benefits expected to be received under it, and the costs incurred for contract termination. The revised estimates of the provisions are assigned to the same item of the income statement previously used for the provision.
The losses expected to complete a contract are recognised in their entirety in the year in which they are considered probable and are provided for in the provisions for risks and charges.
The costs that the entity expects to bear to carry out restructuring plans are recognised in the year in which the entity formally defines the plan and the interested parties have developed a valid expectation that the restructuring will occur.
Contingent assets and liabilities, not recognised in the financial statements, are described as required in the Notes to the consolidated financial statements.
Contingent assets, that is, possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity, are periodically reassessed in order to evaluate the probability or virtual certainty by the entity of obtaining economic benefits.
The contingent liabilities represented by: (i) possible, but not probable obligations arising from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; (ii) present obligations arising from past events whose amount cannot be reliably measured or whose settlement will probably be not onerous, are periodically reassessed to determine whether the use of resources to produce economic benefits has become probable.

Employee benefits

Employee benefits are the remuneration paid by the entity for the service provided by the employee or by virtue of the termination of employment.
Post-employment benefits are classified on the basis of plans, whether formal or not, as either "defined contribution plans" or "defined benefit plans", depending on their characteristics. In the first case, the entity's obligation, which only consists of making payments to the State or to a trust or fund, is determined on the basis of the contributions due.
The liabilities arising from defined benefit plans, net of any plan assets, are determined on the basis of actuarial assumptions and recognised on an accruals basis during the employment period required to obtain the benefits.
The net interest includes the expected return on plan assets and the interest cost which are recognised in profit or loss. Net interest is determined by applying the discount rate defined for liabilities, net of any plan assets, to the liabilities. The net interest on defined benefit plans is posted to "Financial income (expense)".
Remeasurements of the net defined benefit liability, which comprise actuarial gains (losses) arising from changes in the actuarial assumptions used or from past experience and the return on plan assets excluding amounts included in net interest, are recognised in the statement of comprehensive income. Remeasurements of net liabilities for defined benefits, recognised in the equity reserve pertaining to the other components of the statement of comprehensive income, are not subsequently reclassified to the income statement.
Long-term benefits obligations are determined by adopting actuarial assumptions. The effects of remeasurement are taken to profit or loss in their entirety.

Share-based payments

Coherently with the substantial nature of retribution that it has, personnel expenses include the costs with share-based incentive plans. The cost of the incentive is calculated with reference to the fair value of the instruments attributed and to the forecast of the number of shares that will effectively be assigned; the portion applicable to the year is determined *pro-rata temporis* over the period to which the incentive refers (i.e., vesting period and possible co-investment period[17]), that is the period between the grant date and the vesting date.
The plans provide as conditions for the distribution of the shares the attainment of the business and/or market goals; when the assignment of the benefit is also connected to conditions other than those of the market, the estimate relative to these conditions is reflected by adjusting, along the vesting period, the number of shares expected to be effectively granted.
The fair value of the shares underlying the incentive plan is determined according to the provisions of the IFRS, particularly by IFRS 2, using models provided by info-providers and is not subject to adjustment in subsequent years. At the end of the vesting period, in the event that the plan does not allocate shares to participants for failure to meet performance conditions, the share of the cost relating to market conditions is not reversed to income statement.

Treasury shares

Treasury shares include those held to service share-based incentive plans and are recognised at cost and recognised as a reduction in equity. Gains or losses from any subsequent sale of treasury shares are recognised as an increase (or decrease) in equity.

Profit (loss) per share

Basic profit (loss) per share shall be calculated by dividing the Group's profit or loss attributable to ordinary equity holders of the parent entity by the weighted average of ordinary shares outstanding during the period, excluding treasury shares.
For the purpose of calculating diluted profit (loss) per share, the Group's profit or loss attributable to ordinary equity holders of the parent entity, as well as the weighted average of ordinary shares outstanding during the period, are adjusted to take into account the effects of all potential ordinary shares with dilutive effect. The number of ordinary shares is given by the weighted average of ordinary shares calculated in accordance with basic profit (loss) per share plus the weighted average of ordinary shares that may be issued at the time of conversion into ordinary shares of all potential ordinary shares with dilutive effect.
The potential ordinary shares are considered to have a dilutive effect when their conversion into ordinary shares reduces profit per share or increases loss per share deriving from operating activities. Conversely, the potential ordinary shares are considered to have an antidilutive effect when their conversion into ordinary shares increases profit per share or reduces loss per share deriving from operating activities.

Revenue from contracts with customers

The recognition of revenue from contracts with customers is based on the following five step model: (i) identification of the contract with the customer; (ii) identification of the performance obligations, represented by the contractual promises to transfer goods and/or services to the customer; (iii) determination of the transaction price; (iv) allocation of the transaction price to the performance obligations identified on the basis of the "stand alone" selling price of each distinct good or service; (v) recognition of the revenue when the relative performance obligation has been satisfied, at the time of transfer to the customer of the promised goods or services; the obligation is considered to have been satisfied when the customer obtains control of the goods or services, which may be satisfied over time as in the case of contract assets from work in progress, or at a point in time.
Given the nature of the contracts and the type of work, work progress is determined through the use of an input method based on the percentage of costs incurred with respect to the total contractually estimated costs (cost-to-cost method); the resulting income is recognised as overtime. This method is applied in particular to Engineering & Construction contracts.
With regard to the particular type of reimbursable service contracts, given their nature, revenue is recognised by invoicing the customer for costs incurred plus a contractually agreed margin.
Contract revenue comprises the initial amount of revenue agreed in the contract, requests for additional payments arising from changes to contractually agreed work (change orders) and requested price revisions arising from requests for additional payments due to higher costs incurred for reasons attributable to the customer (claims). Change orders and claims (pending revenue) are included in the amount of revenue when the changes to the agreed works and/or price has a high probability of recognition, even if their definition has not yet been agreed. Any pending revenue reported for a period longer than one year, with no changes in the negotiations with the customer, is impaired, despite the confidence in recovery of the business. Amounts higher than €30 million are reported only if supported by outside technical-legal expert opinions.
With regard to drilling services, the different rates provided for in the contract are competed in relation to: (i) the different operating phases covered by the performance obligation (so-called mobilisation/operation/demobilisation phases) if contemplated contractually, regardless of the number of days of effective use of the equipment; (ii) any contract extensions, where an amendment of the price does not require stipulation of a new contract but continuation of the original one.
In the presence of contracts for the concession of licences and patents, the revenue must be recognised depending on whether it concerns the transfer of a "Right-of-Use" or of a "right of access".
In the former case, there is a performance obligation toward the customer which is satisfied upon issue, which requires recognition of the revenue ("at a point in time"), while in the latter case the right to access by the customer during the period of operation of the licence creates a performance obligation that is satisfied over a period of time, and the revenue is thus likewise recognised ("over time").

(17) The vesting period is the period between the date of option grant and the date on which the shares are assigned. The co-investment period is the two-year period, beginning the first day after the end of the vesting period, applicable only to the beneficiaries who have been identified as strategic resources for having met performance conditions.

When hedged by derivative contracts qualifying for "hedge accounting", contract revenue denominated in foreign currencies are translated at the contracted rates. Otherwise, they are translated at the exchange rate prevailing at year-end. The same method is used for any costs in a foreign currency. The allocation of revenues relative to services partially rendered are recognised for the portion matured, if it is possible to reliably determine stage of completion and there is no significant uncertainty about the amount and existence of the income; otherwise, they are recognised within the limits of the recoverable costs incurred.
Payments received or to be received on behalf of third parties are not considered revenue.

Expenses

Costs are recognised when relative to goods received and services rendered.
Personnel expenses comprise remuneration paid, provisions made to pension funds, accrued holidays, national insurance and social security contributions in compliance with national contracts of employment and current legislation.
The costs for the acquisition of new knowledge or discoveries, the study of products or alternative processes, new techniques or models, the planning and construction of prototypes or any other costs incurred for other scientific research or technological development activities, are generally considered current costs and expensed as incurred. These costs are capitalised (see also paragraph "Intangible assets") only when they meet the requirements listed under "Costs of technological development activities" above.
Costs directly linked to the purchase of specific equipment and to the use of an asset on a specific project are capitalised and amortised over the duration of the project and are included in contract assets' progress.
The costs of preparation of drilling assets are recognised in the year in which the relative revenue is obtained and deferred over the duration of the project for which they are used.
Bidding costs are fully expensed in the year in which they are incurred.

Exchange differences

Revenue and costs associated with transactions in currencies other than the functional currency are translated into the functional currency by applying the exchange rate at the date of the transaction.
Monetary assets and liabilities in currencies other than the functional currency of Group companies are converted by applying the year-end exchange rate. The effect is recognised in the income statement under "Financial income (expense)". Non-monetary assets and liabilities denominated in currencies other than the functional currency valued at cost are translated at the exchange rate as at the date of initial recognition. Non-monetary assets that are measured at fair value (i.e. at their recoverable amount or realisable value) are translated at the exchange rate applicable on the date of measurement.

Dividends

Dividends are recognised at the date of the Shareholders' Meeting in which they are approved, except when the sale of shares before the ex-dividend date is certain.

Income taxes

Current income taxes are determined on the basis of estimated taxable profit. The estimated liability is recognised in "Current tax liabilities". Income tax assets and liabilities are measured at the amount expected to be paid to/recovered from the tax authorities, using tax laws that have been enacted or substantively enacted at year end and the relative tax rates.
Deferred tax assets or liabilities are recognised for temporary differences between the carrying amounts and tax bases of assets and liabilities, based on tax rates and tax laws applicable for the years in which the temporary difference is cancelled, that have been approved or substantively approved at the closing date of the year to which the financial statements refer. Deferred tax assets are recognised when their recovery is considered probable. The recoverability of deferred taxes is considered probable when it is expected that sufficient taxable profit will be available in the year in which the temporary differences reverse against which deductible temporary differences can be utilised. Similarly, unused tax assets and deferred tax assets on tax losses are recognised to the extent that they can be recovered. The recoverability of deferred tax assets is assessed periodically, i.e. at least once a year.
Tax assets related to uncertain tax positions are recognised when it is considered probable that they will be recovered.
For temporary differences associated with investments in subsidiaries, associates and joint arrangements, deferred tax liabilities are not recognised if the investor is able to control the timing of the reversal of the temporary difference and it is probable that the reversal will not occur in the foreseeable future.
Deferred tax assets and liabilities are recorded under non-current assets and liabilities and are offset at single entity level if related to offsettable taxes. The balance of the offset, if positive, is recognised under "Deferred tax assets" and, if negative, under "Deferred tax liabilities".
The effects of uncertain tax treatment with a risk probability are recognised as income tax assets or liabilities.
When the results of transactions are recognised directly in equity, relative current taxes, deferred tax assets and liabilities are also charged to equity.
IAS 12 "Income taxes" also applies to income taxes deriving from tax legislation to implement the rules of the Pillar Two model, published by the Organisation for Economic Co-operation and Development (OECD), including the tax legislation implementing minimum qualifying supplementary domestic taxes. With the document issued by IASB on May 23, 2023 (Amendment to IAS 12 "International Tax Reform - Pillar Two Model Rules"), a mandatory temporary exception to the requirements of the standard that no specific information shall be collected or disclosed on deferred tax assets and deferred tax liabilities relating to Pillar Two income taxes. Saipem Group has applied the temporary exception as of December 31, 2023.

Fair value measurement

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e. the "exit price") in an orderly transaction that is not a forced sale, liquidation sale or a distressed sale between independent, knowledgeable and willing market participants at the measurement date.
Fair value is determined based on market conditions at the measurement date and the assumptions that market participants would use (i.e. it is a "market-based" measurement).
Fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market or, in the absence of a principal market, in the most advantageous market to which the entity has access, regardless of the entity's intent to sell the asset or transfer the liability.
When the market price is not directly observable and a price for an identical asset or liability is not observable, the fair value is calculated by applying another valuation technique that maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Since fair value is a market-based measurement, it is determined by adopting the assumptions that market participants would use to determine the price of the asset or liability, including assumptions about risks. As a result, the intention to hold an asset or settle a liability (or to fulfil otherwise) is not relevant for the purposes of fair value measurement.
Fair value measurements of non-financial assets take into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The highest and best use is determined from the perspective of market participants, even if the entity intends a different use. An entity's current use of a non-financial asset is presumed to be its highest and best use unless market or other factors suggest that a different use by market participants would maximise the value of the asset.
In the absence of quoted market prices, the fair value of a financial or non-financial liability or an entity's own equity instruments is taken as the fair value of the corresponding asset held by another market participant at the measurement date.
The fair value of financial instruments is determined considering the credit risk of the counterparty of a financial asset (so-called "Credit Valuation Adjustment" or CVA) and the risk of default of a financial liability by the entity (so-called "Debit Valuation Adjustment" or DVA).
In the absence of available quoted market prices, valuation techniques appropriate in the circumstances are used to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Financial statements schemes[18]

Items of the statement of financial position are classified as current and non-current. Items of the income statement are presented by nature[19]
The comprehensive income statement shows the net result together with income and expenses that are recognised directly in equity in accordance with specific provisions of IFRS.
The statement of changes in equity includes comprehensive profit (loss) for the year, transactions with shareholders and other changes in equity.
The statement of cash flow is prepared using the "indirect method", whereby the profit for the year is adjusted for the effects of other non-monetary items.

Changes to accounting standards

The changes to the accounting standards effective as of January 1, 2023, have not had a significant impact on Saipem's financial statements. A summary of the main changes of potential interest to the Group is provided below.

With Regulation No. 2021/2036, issued by the European Commission on November 19, 2021, the amendments to IFRS 17 "Insurance Contracts" were endorsed which define the accounting treatment of insurance contracts issued and reinsurance contracts held. The provisions of IFRS 17, which exceed those currently laid down in IFRS 4 "Insurance Contracts", aim to help businesses to implement the standard and to: (i) reduce costs, simplifying the requirements laid down in the standard; (ii) make it easier to enter the disclosures in the financial statements; (iii) facilitate the transition to the new standard, postponing its entry into force. The amendments are effective from January 1, 2023. As a result of an analysis performed, this standard is not applicable to Saipem's consolidated financial statements.

With Regulation No. 2022/357, issued by the European Commission on March 2, 2022, the amendments to IAS 1 and IFRS Practice Statement 2 "Disclosure of Accounting Policies" were endorsed, requiring individual entities to supply more information about their accounting policies. The amendments clarify that information on accounting policies is relevant when, considered together with other information provided in the financial statements, it is reasonably possible to assume that they affect the decisions of the financial statements users. The description provided in relation to accounting policies must be "entity specific", highlighting the specific accounting methods adopted by the company and providing more useful information than a standardised description or one that merely replicates the IFRS provisions. The changes to the Practice Statement provide guidance on how to apply the concept of materiality to financial reporting. The amendments are effective from January 1, 2023.

With Regulation No. 2022/357, issued by the European Commission on March 2, 2022, the amendments to IAS 8 "Definition of Accounting Estimates" where endorsed, which defines the notion of accounting estimates, removing the definition of change in accounting estimates. In the new understanding, accounting estimates are defined as monetary amounts subject to measurement uncertainty and that, therefore, they must be estimated using judgements, assumptions, valuation techniques and

(18) Financial statements schemes are the same as those adopted in the 2022 Annual report.
(19) Information regarding financial instruments, applying the classification required by IFRS, is provided under Note 33 "Guarantees, commitments and risks - Additional information on financial instruments".

inputs. Changes in accounting estimates are applied prospectively only to future transactions and other future events, whereas changes in accounting policies are generally applied retrospectively. The amendments are effective from January 1, 2023.

With Regulation No. 2022/1392, issued by the European Commission on August 11, 2022, the amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction" were endorsed, which clarifies the methods of accounting for deferred tax related to assets and liabilities for some transactions, including lease transactions and decommissioning requirements, which during initial recognition produce temporary taxable and deductible differences of an equal amount, as well as to IFRS 1 "First-time Adoption of International Financial Reporting Standards", introducing a specific paragraph on the date of application of these amendments, and some paragraphs concerning Appendix B of IFRS 1. The amendments are effective from January 1, 2023. The effect of the aforementioned amendments is described in Note 19 "Deferred tax assets and liabilities".

With Regulation No. 2022/1491, issued by the European Commission on September 8, 2022, the amendments to IFRS 17 "Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 - Comparative Information" were endorsed, which requires that if an entity applies IFRS 17 following the application of IFRS 9 (classification overlap), the entity must provide qualitative information that enables users of the financial statements to understand: (i) the extent to which the classification overlap has been applied (for example, whether it has been applied to all financial assets derecognised in the comparative period); and (ii) whether and to what extent the impairment provisions of IFRS 9 have been applied. The IASB has therefore added a text block element to the IFRS taxonomy to reflect this new disclosure requirement. The amendments are effective from January 1, 2023.

With Regulation No. 2023/2468, issued by the European Commission on November 8, 2023, the changes to IAS 12 "International Tax Reform - Pillar Two Model Rules" were endorsed, which introduce a mandatory temporary exception to the requirements of IAS 12 for the recognition and specific disclosure of deferred tax assets and liabilities arising from the OECD "Pillar Two Model Rules", as well as targeted supplementary information. By introducing common rules, Pillar Two aims to ensure that in every jurisdiction, large multinational Groups with consolidated turnover of at least €750 million are subject to a minimum 15% tax rate. The amendments are effective from January 1, 2023. Supplementary information is available in Note 38 "Income taxes".

Financial risk management

The main financial risks identified, monitored and, to the extent specified below, actively managed by Saipem are as follows:
(i) the market risk arising from exposure to fluctuations in interest rates and exchange rates and exposure to commodity price volatility;
(ii) the credit risk deriving from the possible default of a counterparty;
(iii) the liquidity risk arising from the lack of adequate financial resources to meet short-term commitments;
(iv) the downgrading risk arising from possibility of a deterioration in the credit rating assigned by the main rating agencies.

The information shown below is based on the report prepared internally for the top Management.
The management, control, and reporting of the financial risks are based on a Financial Risk Policy, issued, and periodically updated at corporate level with the aim of standardising and coordinating the Saipem Group's financial risk policies. Specifically, financial risks are controlled through the periodic calculation of several Key Risk Indicators (KRI) which are subject to specific attention thresholds periodically updated according to the evolution of the Saipem Group's business. The control activities established by the Financial Risk Policy also include escalation procedures to be followed in case the risk thresholds set by the KRIs are exceeded.
For further details on industrial risks, see the "Risk management" section in the Directors' Report.

(i) Market risk

Market risk is the possibility that changes in exchange rates, interest rates or commodity prices will adversely affect the value of the Group's financial assets, liabilities or expected future cash flows. Saipem actively manages market risk in accordance with the above-mentioned Financial Risk Policy and procedures that provide a centralised model for performing financial activities.

Market risk - Exchange rates

Currency risk derives from the fact that Saipem Group's operations are conducted in currencies other than euro and that revenue and/or costs from a significant portion of projects are potentially denominated and settled in non-euro currencies potentially resulting in the following impacts:

- on the Group companies' profit or loss due to the different counter value of costs and revenue denominated in foreign currency at the time of their recognition compared to the time when the price conditions were set and as a result of the conversion and subsequent revaluation of trade receivables/payables or financial assets/liabilities denominated in foreign currencies;
- on the consolidated financial statements (profit or loss and equity) due to the conversion of operating income and assets and liabilities of companies that prepare their financial statements in currencies other than the euro.

The risk management objective of the Saipem Group is the minimisation of the impact deriving from fluctuations in exchange rates on the Group companies' profit or loss.
The impacts of exchange rate fluctuations on the Group's consolidated results from the consolidation of the operating results of companies that prepare their financial statements in a currency other than the Group's functional currency are monitored. The exchange rate risk arising from the conversion of assets and liabilities of companies that prepare their financial statements in a currency different form the Group's functional one is managed, at consolidated level, only with the designation of long-term operating monetary items in net investment hedge designations.
Saipem adopts a strategy to minimise the exposure to foreign exchange risk through the use of derivative contracts. Hedging transactions may also be entered into in relation to future underlying contractual commitments, provided these are considered

as highly probable (so-called highly probable forecast transactions). To this end, different types of derivatives (outright and swaps in particular) are used. Such derivatives are measured at their fair value on the basis of standard market evaluation algorithms and market prices/contributions provided by primary info-providers. Planning, coordination and management of this activity at Group level is the responsibility of the Saipem Finance Department, which closely monitors the correlation between derivatives and their underlying flows, as well as ensuring their correct accounting representation in compliance with IFRS accounting standards.
The measurement and control activities of the exchange rate risk are performed by calculating a series of periodically monitored KRIs. Specifically, KRIs on exchange rate risk are defined as the minimum thresholds to hedge future contractual currency flows and the maximum thresholds of related potential losses measured with Value at Risk (VaR) models.
For 2023, an exchange rate sensitivity analysis was performed for those currencies other than euro which may potentially impact exchange risk exposure in order to calculate the effect on the income statement and equity by a hypothetical positive and negative variations of 10% in the exchange rates of the abovementioned foreign currencies against the euro.
The sensitivity analysis was conducted in relation to the following financial assets and liabilities denominated in currencies other than the euro:

- exchange rate derivatives;
- trade receivables and other assets;
- financial receivables;
- trade payables and other liabilities;
- cash and cash equivalents;
- current and non-current financial liabilities;
- lease liabilities.

For derivative instruments on exchange rates, the sensitivity analysis on the relative fair value is carried out by comparing the term counter-value fixed in the contracts with the counter-value determined at spot exchange rates, allowing for a 10% positive or negative variation, and adjusted using interest rate curves consistent with the maturity dates of derivative contracts on the basis of market prices at the end of the period.
The analysis did not include the effect of exchange rate fluctuations on the measurement of contract assets from long-term orders assessment because they do not constitute a financial asset under IAS 32.
In light of the above, although Saipem adopts a strategy targeted at minimising exchange risk exposure through the use of several types of derivatives (outright and swaps), it cannot be excluded that exchange rate fluctuations may significantly influence the Group's results and the comparability of results of individual years.
A depreciation of the euro compared to other currencies would produce an overall effect on pre-tax profit of €68 million (-€1 million as of December 31, 2022) and an overall effect on equity, before related tax effect, of -€179 million (-€234 million as of December 31, 2022).
An appreciation of the euro against other currencies would produce an overall effect on pre-tax profit of -€68 million (€3 million as of December 31, 2022) and an overall effect on equity, before related tax effect, of €180 million (€236 million as of December 31, 2022).
The increase/decrease with respect to the previous year is essentially due to variations in the exposed financial assets and liabilities.
The table below shows the effects of the above sensitivity analysis on the items of the statement of financial position and income statement.

	2023				2022			
	Δ+10%		Δ-10%		Δ+10%		Δ-10%	
(€ million)	Income statement	Equity	Income statement	Equity	Income statement	Equity	Income statement	Equity
Derivative financial instruments	(26)	(273)	26	274	(35)	(268)	37	270
Trade receivables and other assets	121	121	(121)	(121)	76	76	(76)	(76)
Financial receivables	31	31	(31)	(31)	38	38	(38)	(38)
Trade payables and other liabilities	(104)	(104)	104	104	(115)	(115)	115	115
Cash and cash equivalents	73	73	(73)	(73)	52	52	(52)	(52)
Current financial liabilities	(6)	(6)	6	6	(7)	(7)	7	7
Non-current financial liabilities	-	-	-	-	-	-	-	-
Lease liabilities	(21)	(21)	21	21	(10)	(10)	10	10
Total	**68**	**(179)**	**(68)**	**180**	**(1)**	**(234)**	**3**	**236**

The sensitivity analysis on receivables and payables for the principal currencies was as follows.

		Dec. 31, 2023			Dec. 31, 2022		
(€ million)	Currency	Total	Δ -10%	Δ +10%	Total	Δ -10%	Δ +10%
Receivables							
	USD	1,088	(109)	109	642	(64)	64
	KWD	51	(5)	5	63	(6)	6
	PLN	15	(2)	2	15	(1)	1
	GBP	14	(1)	1	5	(1)	1
	NOK	13	(1)	1	12	(1)	1
	Other currencies	26	(3)	3	26	(3)	3
Total		**1,207**	**(121)**	**121**	**763**	**(76)**	**76**
Payables							
	USD	717	72	(72)	777	78	(78)
	GBP	195	20	(20)	180	18	(18)
	AED	29	3	(3)	36	3	(3)
	NOK	20	2	(2)	37	4	(4)
	JPY	27	3	(3)	30	3	(3)
	AOA	3	-	-	7	1	(1)
	KWD	32	3	(3)	62	6	(6)
	Other currencies	14	1	(1)	20	2	(2)
Total		**1,037**	**104**	**(104)**	**1,149**	**115**	**(115)**

Market risk - Interest rate

Interest rate fluctuations influence the market value of the company's financial assets and liabilities and the level of net financial expenses. The objective of risk management is to minimise the interest rate risk when pursuing financial structure objectives defined in the Financial Risk Policy.

In compliance with the established risk management objectives, the Finance Department of Saipem Group assesses, when stipulating variable rate financing, to enter into Interest Rate Swap (IRS) transactions in order to manage fluctuations in interest rates. In addition, the Finance function of the Saipem Group, if applicable and based on adequate internal assessments, negotiates derivative contracts to fix the interest rate differential and stabilise the impact of the cost of the currency hedging put in place by the Group.

Planning, coordination and management of this activity at Group level is the responsibility of the Saipem Finance Department, which closely monitors the correlation between derivatives and their underlying flows, as well as ensuring their correct accounting representation in compliance with IFRS accounting standards. Although Saipem adopts a strategy targeted at minimising its exposure to interest rate risk through the pursuit of defined financial structure objectives, it is not to be excluded that interest rate fluctuations could significantly influence the Group's results and the comparability of the results of individual years.

As for the fair value assessment of interest rate derivative instruments that may be implemented in relation to the aforementioned transactions, it is calculated by the Finance function based on market standard evaluation algorithms and market quotes/contributions provided by primary info providers.

The Saipem Group measures and controls the interest rate risk by calculating and monitoring a KRI that measures the impact of a fixed-rate debt, including any related derivative financial instrument, on total debt.

To measure the impact of interest rate risk a sensitivity analysis was performed. The analysis calculated the effect on the income statement and equity which would result from a positive and negative 100 basis point movement on interest rate levels.

The analysis was performed relating to all relevant financial assets and liabilities exposed to interest rate fluctuations and regarded in particular the following items:

- interest rate derivatives;
- cash and cash equivalents;
- current and non-current financial liabilities.

For derivative financial instruments on interest rates, the sensitivity analysis on fair value was conducted by discounting the contractually expected cash flows with the interest rate curves recorded on the basis of period-end market rates, with variations in excess of and less than 100 basis points. With reference to cash and cash equivalents and to variable rate financial liabilities, reference was made respectively to the stock at period-end and to changes in exposure expected in the following 12 months. On this basis, a movement of interest rates has been applied in excess of and less than 100 basis points on interest rates.

A positive change in interest rates would produce an overall effect on pre-tax profit of €1 million (€3 million as of December 31, 2022) and an overall effect on equity, before tax effect, of €1 million (€3 million as of December 31, 2022). A negative change in interest rates would produce an overall effect on pre-tax profit of -€1 million (-€3 million as of December 31, 2022) and an overall effect on equity, before tax effect, of -€1 million (-€3 million as of December 31, 2022).

The increase/decrease with respect to the previous year is essentially due to variations in the financial assets and liabilities exposed to interest rate fluctuations.

The table below shows the effects of the above sensitivity analysis on the items of the statement of financial position and income statement.

	2023				2022			
	+100 basis points		-100 basis points		+100 basis points		-100 basis points	
(€ million)	Income statement	Equity	Income statement	Equity	Income statement	Equity	Income statement	Equity
Cash and cash equivalents	4	4	(4)	(4)	5	5	(5)	(5)
Derivative financial instruments	-	-	-	-	-	-	-	-
Current financial liabilities	-	-	-	-	-	-	-	-
Non-current financial liabilities	(3)	(3)	3	3	(2)	(2)	2	2
Total	**1**	**1**	**(1)**	**(1)**	**3**	**3**	**(3)**	**(3)**

Market risk - Commodity

Saipem's results are affected by changes in the prices of oil products (fuel oil, lubricants, bunker oil, etc.) and raw materials (copper, steel, etc.), since they represent associated costs in the running of vessels, bases and yards and the implementation of projects and capital expenditures.

In order to reduce its commodity risk, in addition to adopting solutions at a commercial level, Saipem also trades derivatives (swaps and bullet swaps) in particular on the organised ICE, NYMEX and LME markets where the relevant physical commodity market is closely correlated to the financial market and the price is efficient.

Regarding commodity price risk management, derivative instruments on commodities were negotiated by Saipem to hedge underlying contractual commitments. Hedging transactions may also be entered into in relation to future underlying contractual commitments, provided these are highly probable (so-called highly probable forecast transactions). Despite the hedging instruments adopted to control and manage commodity risks, Saipem cannot guarantee that they will be either efficient or adequate or that in future it will still be able to use such instruments.

Commodity derivatives are measured at their fair value by the Finance Department of Saipem on the basis of market standard evaluation algorithms and market prices/contributions provided by primary info providers.

The Saipem Group measures and controls the interest rate risk by calculating and monitoring a KRI that quantifies the maximum potential loss measured with VaR models.

Regarding commodity risk hedging instruments, a hypothetical 10% positive change in the underlying prices would not result in any pre-tax effect on the income, while it would result in an effect on equity, before tax effects, of €3 million. A 10% negative variation in the underlying rates would produce no effect on pre-tax profit, while it would produce an effect on equity, before tax effects, of -€3 million.

(ii) Credit risk

Credit risk represents Saipem's exposure to potential losses deriving from the default of the business counterparty. Regarding the counterparty risk in commercial contracts, credit management is under the responsibility of the business line and dedicated specialised corporate functions, on the basis of formalised procedures for assessing and entrusting commercial partners. For counterparty financial risk deriving from the investment of surplus liquidity, from positions in derivative contracts and from commodities contracts, Group companies adopt the provisions defined in the Financial Risk Policy. Despite the measures implemented by the company to avoid risk concentrations and/or activities, it cannot be ruled out that a portion of the Group's customers may delay or fail to honour payments under the agreed conditions and terms. Any delay or default in payment by the main customers may imply difficulties in the execution and/or completion of projects, or the need to recover costs and expenses through legal actions.

Assessment of the recoverability of financial assets with counterparties of a trade and financial nature was made on the basis of the so-called "expected credit loss model" illustrated in the paragraph titled "Impairment of financial assets".

The Saipem Group measures and controls the credit risk of commercial counterparties by periodically calculating KRIs to measure the Probability of Default ("PD") of trade receivables exposures, backlog and guarantees granted. The effect of these activities is shown in Notes 10 "Trade receivables and other assets" and 12 "Contract assets" below. Credit risk towards financial counterparties is instead monitored and controlled through the periodic calculation of KRIs aimed at measuring exposure, maximum lending duration and the breakdown of financial assets by rating class.

(iii) Liquidity risk

Liquidity risk represents the risk that, due to the inability to raise new funds ("funding liquidity risk") or to liquidate assets on the market ("asset liquidity risk"), the company will be unable to meet its payment commitments, resulting in an impact on the economic result if the company is forced to incur additional costs to meet its commitments or, as an extreme consequence, a situation of insolvency that jeopardises the company's ability to continue as a going concern. The objective of the Group's risk management is to implement a financial structure which, consistent with the business objectives and the limits defined in the Financial Risk Policy, guarantees an adequate level of liquidity and of committed credit lines for the entire Group. This objective is to guarantee sufficient financial resources to cover short-term commitments and maturing obligations, including through refinancing transactions or early funding, as well as to ensure the availability of an adequate level of financial flexibility for Saipem Group's development programmes, pursuing the maintenance of a balance in terms of duration and composition of debt and an adequate structure of bank credit lines.

The activities of measuring and controlling liquidity risk are carried out through continuous monitoring of estimated cash flows, the maturity profile of financial liabilities, and the parameters characterizing the main bank financing agreements (so-called Financial Covenants), as well as through the periodic calculation of specific KRIs. These indicators measure the level of available

cash expected in the short term, the level of maturity concentration of financial liabilities and derivatives, and the ratios between financial sources and uses expected in the short and medium term.
With regards to the financing agreements that require the compliance with Financial Covenants and other clauses which include limitations to the utilisation of financial resources, it should be noted that as of December 31, 2023, the aforementioned clauses have all been respected.
For the control and efficient use of its liquidity, the Saipem Group avails itself, among other things, of a central cash pooling system and automatic reporting tools.
On February 10, 2023, Saipem entered into two new credit lines for a total amount of €860 million, consisting of: (i) a new Revolving Credit Facility of around €470 million, which is not expected to be used, and (ii) a new Senior Unsecured Term Loan of approximately €390 million, 70% of which is guaranteed by SACE, the Italian Export Credit Agency, under the "Garanzia SupportItalia" instrument.
Moreover, on August 30, 2023, the company carried out the placement of a convertible bond for €500 million, maturing in September 2029.
Thanks to the proceeds resulting from the signing of the new financing lines and the placement of the new above-mentioned convertible bond, Saipem further strengthened its financial structure and liquidity, following which: (i) on November 29, 2023, was completed the repurchase of €120 million of bonds maturing on January 7, 2025; and (ii) on December 28, 2023, was carried out the partial repayment of €150 million of the Term Loan guaranteed by SACE.
It should also be noted that on September 8, 2023, Saipem repaid the maturing bond for €500 million.
As of December 31, 2023, the Group structured its financing sources mainly on medium-long term maturities with an average tenor of 3.10 years; the medium-long term debt maturing in 2024 amounts to €96 million, of which €48 million during the first half of the year and the remaining amount during the second half of the year.
The maturities for the three ordinary bonds issued by Saipem Finance International BV are due in 2025 (for a residual amount of €380 million), 2026 and 2028 (each amounting to €500 million).
Based on the above-mentioned financial operations, on the maturity plan of medium-to long-term debt and on the amount of available cash as of December 31, amounting to €1,323 million, Saipem believes that it has access to more than adequate sources of funding to meet its foreseeable financial needs.

(iv) Downgrading risk

Saipem and the bonds issued by its subsidiary Saipem Finance International BV are rated by the rating agencies Standard & Poor's and Moody's. On December 2, 2022, the company obtained a "BB+" long-term issuer credit rating with "stable" outlook from Standard & Poor's Global Ratings and a senior unsecured rating of "BB+" for the bonds. In addition, on June 14, 2023, the company received the confirmation from Moody's of its long-term Corporate Family Rating of "Ba3", previously assigned on July 19, 2022, with an improvement in the outlook from "stable" to "positive", as well as confirmation of the senior unsecured debt rating of "Ba3" for its bonds. The ratings of the bonds issued by Saipem Finance International BV fall within the "non-investment grade" category, characterised by a higher risk profile and which also includes debt securities particularly exposed to adverse economic, financial and industry conditions. Any deterioration of Saipem's rating and/or of the bonds issued by Saipem Finance International BV, which could be caused by a deterioration of the reference markets, of the profitability of the contracts or of Saipem's liquidity, could result in a higher funding cost as well as a more difficult access to the capital market, with consequent negative effects on the activity, prospects and economic and financial condition of the company and the Saipem Group.

Future payments for financial liabilities, trade payables and other liabilities

The following table shows the amounts of payments due to financial debts and lease liabilities, with separate disclosure of principal and interest, and liabilities for derivative financial instruments.

(€ million)	2024 current portion	Non-current portion					
		2025	2026	2027	2028	After	Total
Non-current financial liabilities	131	575	668	15	500	500	2,389
Current financial liabilities	97	-	-	-	-	-	97
Lease liabilities	324	165	106	66	39	189	889
Fair value of derivative instruments	17	-	-	-	-	-	17
Total	**569**	**740**	**774**	**81**	**539**	**689**	**3,392**
Interest on loans and borrowings	82	72	52	30	30	14	280
Interests on lease liabilities	46	34	22	17	14	67	200

The following table shows the due dates of trade payables and other liabilities.

(€ million)	Maturity			
	2024	2025-2028	After	Total
Trade payables	2,668	-	-	2,668
Other liabilities	276	-	-	276

Future payments for outstanding contractual obligations

Investment commitments for projects for which procurement contracts have already been placed, expiring in 2024, amount to €99 million.

4 Accounting estimates and significant judgements

The preparation of financial statements and interim reports in accordance with generally accepted accounting standards requires Management to make accounting estimates based on complex and/or subjective judgements, past experience and assumptions deemed reasonable and realistic based on the information available at the time of the estimate. The use of these accounting estimates affects the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the reporting date and the reported amounts of income and expenses during the reporting period. Considering the sector in which the Group operates, the estimates made for determining long-term contract revenue and costs, and the relative work in progress, are especially important. As a consequence, actual results may differ from these estimates given the uncertainty surrounding the assumptions and conditions upon which the estimates are based.
The accounting estimates and significant judgments formulated by the Management for the preparation of the consolidated financial statements as of December 31, 2023, are influenced not only by the current macroeconomic environment characterised by the impacts resulting from the increase in interest rates, inflation, and geopolitical risks related to the conflict in Israel and the ongoing Russo-Ukrainian crisis, but also by the effects of ongoing initiatives to mitigate the consequences of climate change and the potential impacts resulting from the energy transition, which in the medium and long term can significantly affect business models, cash flows, financial position, and the financial and economic performance of the Group.
Critical accounting estimates in the process of preparing financial statements and interim accounting reports involve a high degree of reliance on subjective judgements, assumptions and estimates regarding matters that are inherently uncertain and complex are shown below. Changes in the conditions underlying the judgments and assumptions made may have a significant effect on future results.
References to the notes to the financial statements containing the accounting information at the end of the reporting period are provided below in relation to the financial statement items subject to estimation and judgement.

MACROECONOMIC SCENARIO

The current market framework confirms recovery trend in Saipem's reference markets, in line with the expected growth in terms of macroeconomic indicators and overall energy demand. However, the persisting elements of instability also in 2023, such as the outbreak of the Israel-Palestinian crisis, the ongoing war in Ukraine, and the still high levels of inflation, have increased global economic instability, requiring therefore further attention by the Management when formulating accounting estimates and significant judgements. As a result, certain areas of the financial statements, also related to the increased uncertainty in estimates, may be affected by recent macroeconomic events and circumstances.
As regards the trend in oil and natural gas prices, the Company believes that short-term volatility in these prices may have a limited impact on the Group's results given the nature of Saipem's activities, which are characterised by multi-year contracts with execution times of several years, depending on the complexity of the project. In the longer term, given the multi-year growth cycle that the oil and gas market is going through and the consolidation of opportunities in the area of energy transition and clean technologies, the international situation is confirmed to be improving.
In relation to Saipem projects that envisaged operations in Russia and/or with Russian clients, there are no residual activities and the related contractual relationships with clients have been completed and are currently being formalised in full compliance with EU regulations.
The Company confirms that it operates in full compliance with the provisions established by European and national institutions with respect to the Russian Federation.
It should be noted that there are no activities handled by Saipem, nor personnel in any Ukrainian territory affected by the conflict.
The 2024-2027 Strategic Plan, in line with previous Plans, does not envisage the acquisition of new contracts in Russia.
In terms of the activities in Israel, it should be noted that Saipem has a contract for the construction of an Ammonia unit, as part of the Ammonia Plant project on behalf of the Haifa Group, at the Mishor Rotem site, whose engineering and procurement activities are nearing completion. After starting the civil/mechanical construction activities, the works on site were slowed down due to the events of October 7, 2023 related to the conflict between the State of Israel and Hamas. In agreement with the client, work is continuing as much as possible under the circumstances.

CLIMATE CHANGE EFFECTS

Climate change and the transition to a low-carbon economy are having an increasing impact on the global economy and the energy sector.
Saipem, world leader in the engineering and construction of large projects in the energy and infrastructure sectors, both offshore and onshore, aims at being a protagonist of the energy transition.

- by supporting the decarbonisation process of its clients and proposing solutions to reduce their carbon footprint such as low impact technologies. In particular, the Group has proven experience in the construction of fixed offshore installations in the Offshore Wind sector, with a series of completed projects, as well as a series of ready-to-market technologies regarding floating wind, carbon capture, biofuels and the production of green fertilisers;
- by reducing its carbon footprint improving the efficiency of its assets and activities, approaching the use of alternative fuels, pursuing the electrification and increasing the use of renewable energy, as required by the Net Zero plan.

The Group is nonetheless aware that these changes can have a direct and indirect impact on its business activities and consequently on its consolidated financial statements, in terms of results and the value of its assets and liabilities. The risks related to climate change, to which Saipem's activities are inherently exposed, can be classified into the following categories:.

- physical risks, i.e., risks arising from physically observable climatic phenomena (e.g., flooding of construction sites, worsening weather and sea conditions in the offshore operating areas);

- transition risks, i.e., risks arising from the evolution to a low-carbon economy. These risks are classified into: (i) technological risks, relating to the potential acquisition of projects with the use of new technologies and potential impact on operating costs in the execution of transition projects; (ii) regulatory risks, related to new laws and regulations with which Saipem must readily comply and which may lead to higher operating costs; (iii) market risks, in terms of lack of business opportunities due to difficulties in accessing bank guarantees.

For details, please refer to the section "Net Zero Programme" and "Climate-related risks and opportunities" in the Consolidated Non-Financial Statements 2023.

Significant accounting estimates and judgements made by Management in preparing the consolidated financial statements could be affected by actions taken to limit the effects of climate change. Climate risks may in fact affect the recoverable amount of property, plant and equipment and the Group's goodwill; therefore, the energy transition may reduce the expected useful life of assets used in the oil and gas industry, thereby accelerating the depreciation expense of assets employed in this sector.

Saipem has considered the potential consequences of the energy transition on the recoverable value of CGUs in the medium to long term, which will have an impact first and foremost on the increased demand for energy from renewable sources. In this regard, the Strategic Plan 2024-2027 envisages a shift in the portfolio mix towards non-oil-related activities, with acquisitions of green projects linked to the energy transition accounting for approximately 34% (compared to approximately 25% in the previous Strategic Plan 2023-2026). Additionally, there is a pathway of investments in new enabling technologies, including Blue Solutions, Renewable Refining, CO_2 Management, and Offshore Wind. Furthermore, in line with the previous Strategic Plan, this Plan envisages significant acquisitions in the natural gas business, which is considered one of the elements that will support the gradual evolution towards sustainable energy sources. Finally, the energy transition envisages in the long term the elimination of coal among energy sources, a sector in which the Group does not operate. It should however be noted that the speed of adoption of technologies related to the energy transition, especially in certain areas of the world, may be slower than current forecasts; the slowdown could be mitigated by the Group's proven ability to continue operating in its traditional business.

Saipem is increasingly positioned in non-oil sectors, valuing its traditional assets where possible; at the same time, it is expected that part of the assets will be fully depreciated in the medium to long term, a period in which demand for services in the oil sector is expected to remain significant.

Management will continue to review demand assumptions as the energy transition process progresses, which could lead to specific impairments of its non-financial assets in the future.

In addition, new laws or regulations introduced in response to climate change may give rise to new obligations that did not previously exist; consequently, Management monitors the evolution of relevant regulations in order to assess whether such obligations, even implicit ones, require the recognition of specific provisions or otherwise the disclosure of related contingent liabilities.

REVENUE, CONTRACT ASSETS AND CONTRACT LIABILITIES (Note 12 "Contract assets", Note 22 "Contract liabilities", Note 34 "Revenue")

The processes and methods for recognising revenue and measuring contract assets and liabilities from long-term work in progress are based on the estimate of total lifetime revenue and costs of long-term projects, the appreciation of which is influenced by significant valuations that by their nature imply recourse to the judgement of the Directors, specifically with reference to the forecast of costs to complete each project, including the estimate of the risks and contractual penalties, where applicable, to the evaluation of contractual changes envisaged or being negotiated and any changes in estimates compared to the previous year. In particular, in evaluating contract assets from work in progress, account is taken of the requests of additional costs with respect to those contractually agreed, if substantially approved by the customer in their scope and/or price.

IMPAIRMENT OF FINANCIAL ASSETS (Note 9 "Other financial assets")

Checking, classification and measurement of the counterparty credit risk for the purpose of calculating the impairment of financial assets is a detailed, complex process that requires the Management to provide a professional opinion.

In a manner similar to impairment processes involving other items of the financial statements, the estimates made, although based on the best information available and on the adoption of adequate methods and evaluation techniques, are intrinsically characterised by elements of uncertainty and by the exercise of a professional opinion and could generate forecasts of recoverable amounts different from those that will be effectively realised.

IMPAIRMENT OF NON-FINANCIAL ASSETS (Note 15 "Property, plant and equipment", Note 16 "Intangible assets")

Impairment losses of non-financial assets are recognised if events or changes in circumstances indicate that their carrying amount may not be recoverable.

Impairment can be recognised in the event of significant prolonged changes in the outlook for the market segment in which the non-financial asset is used. The decision as to whether to proceed with an impairment loss and its quantification depend on assessments made by Management based on complex and highly uncertain factors, such as the future performance of the reference market, the impact of inflation and of technological advances on operating expenses, the conditions of supply and demand on a global or regional scale, the evolution of the operations and business activities, the business insight deriving from discussions and the interactions of a strategic or commercial nature by the business line with customers, partners, suppliers and competitors.

The amount of an impairment loss of a non-financial asset is determined by comparing the carrying amount of the asset with its recoverable amount; the higher of fair value less disposal costs and value in use calculated as the present value of the future cash flows expected to be derived from the use of the asset net of disposal costs. This assessment is carried out at the level of the smallest group of assets (cash generating unit or CGU) that generates cash inflows that are largely independent of the cash flows generated by other assets or groups of assets and on the basis of which Management assesses the profitability of the business.

The impairment test procedure of the Group's CGUs provides for the determination of WACCs differentiated by business segment, in order to reflect the specific risks of the individual business segments to which the CGUs under test belong.
The cash flows expected for each CGU are quantified on the basis of the last Strategic Plan, also with reference to the actual results, prepared by the Management and approved by the BoD. The Strategic Plan contains the forecasts, developed by the Management in light of the information available at the time of the estimate, with regard to the volumes of business, operating expenses, margins, investments coherent with strategic guidelines, as well as the industrial, commercial and strategic positioning of the specific business line and also taking account of the market situation (including the performance of the main monetary variables such as exchange rates and inflation). Thus the Strategic Plan forecasts (as well as the long-term forecasts after the plan period), while based on complex assumptions that by their nature imply recourse to the opinion of the directors, are grounded in reasonably objective foundations (which, in other words, take account of the market context and specific characteristics of Saipem) and are not conditioned on the occurrence of a specific event (such as the success of new technology) in order to express, at the same time, the best estimate of the Management and expected average flows.
Finally, in accordance with IAS 36, the cash flows used for impairment test do not take into account any cash inflows and/or outflows arising from: (i) a future restructuring that has not yet been approved or to which the entity is not yet committed; or (ii) the improvement or optimisation of business performance based on initiatives still to be undertaken or approved, or for which there is still no commitment towards third parties for the increase of production capacity with respect to current capacity.
The cash flows thus determined are discounted using the rates approved by the Board of Directors.
For assets other than independent CGUs (i.e. Offshore vessels and construction yards) and that show impairment indicators, the sustainability of the residual technical-economic life of the asset is verified to determine whether there is any need to report a write-down pursuant to IAS 16, before performing the impairment test at the level of the CGU to which it pertains.
Goodwill and other intangible assets with an indefinite useful life are not amortised. The recoverability of their carrying amount is tested at least annually and whenever events occur indicating a reduction in their value. Goodwill is also tested for impairment at the level of the CGU to which goodwill relates. If the carrying amount of the CGU, including goodwill allocated thereto, exceeds its recoverable amount, the excess is recognised as impairment. The impairment loss is first allocated to reduce the carrying amount of goodwill. Any remaining excess is allocated on a pro-rata basis to the carrying amount of the other assets with a finite useful life that form the CGU.

LEASING (Note 17 "Right-of-use assets, lease assets and lease liabilities")

The complexity of the contractual situations and their multi-year duration requires a series of complex judgement by the Company Management in order to define the assumptions to be made for the identification and assessment of particular aspects impacting on accounting recognition and on-balance sheet exposure, such as:

- determining with reasonable certainty whether or not to exercise an extension option and/or termination option provided for in a lease contract, which affects the assessment of the periods covered by extension options (or early termination) for determining the duration of the contract. In this connection, the reasonable certainty of being able to exercise these options is ascertained as of the commencement date, in consideration of all the facts and circumstances that generate an economic incentive to exercise them, as well as when significant events or changes in the circumstances under the control of the lessee occur, that affect the assessment previously made;
- the identification of variable payments and their characteristics for the purposes of estimating their inclusion, or not, in the determination of the Lease Liability and the Right-of-Use asset (variable payments linked to the use of the asset or turnover are charged to the income statement and therefore they do not participate in their determination);
- the discount rate used to determine the Lease Liability, represented by the lessee's incremental borrowing rate. This rate is defined taking into account the duration of the leases, the currency in which they are denominated and the characteristics of the economic environment in which the lessee operates. The present value of payments owed on a lease is determined by using a discount rate that reflects the incremental borrowing rate of Saipem and is defined on the basis of the euro benchmark zero coupon yield curve adjusted for Saipem risk. The rate is determined also taking account of the risk related to the currency of denomination and duration of the underlying contract.

As regards the impairment test for the lessee, the Right-of-Use assets are to be included in the impairment test to assess any reductions in value pursuant to IAS 36, similarly to the other company-owned assets. In order to verify the recoverability of the Right-of-Use, consideration is given to: (i) the allocation of the Right-of-Use assets of the leased assets to the CGUs to which they belong; (ii) the duration of the underlying leasing contract with respect to the time horizon considered in determining the cash flows of the CGU; (iii) the value in use of a CGU containing a Right-of-Use.
In carrying out the impairment test, Saipem: (i) uses discount rates that reflect the financial leverage of the lease contracts; (ii) considers the Right-of-Use in the net invested capital tested; (iii) determines the Value in Use excluding the related lease payments.

BUSINESS COMBINATION (Note 2 "Basis of consolidation and equity investments - Business combination")

Accounting for business combinations requires the difference between the purchase price and the net carrying amount of an acquired business to be allocated to the various assets and liabilities of the acquired business. For most assets and liabilities, the difference is allocated by measuring said assets and liabilities at fair value. Any positive residual difference is recognised as goodwill. Negative residual differences are taken to the income statement. The allocation on a provisional basis of the price paid is subject to revision/update within 12 months following the acquisition, taking into consideration new information on facts and circumstances existing at the date of acquisition. Management uses available information to make these allocations and, for major business combinations, typically engages an independent appraisal firm. The allocation process, which requires, based on the information available, exercising a complex judgement by the Management, is also relevant for the purposes of applying the equity method.

PROVISIONS FOR RISKS AND CHARGES (Note 26 "Provisions for risks and charges")

Saipem and some Group companies are part of judicial and administrative proceedings for which they assess the possibility to accrue for risks primarily related to litigation and tax issues. The process and methods for assessing the risks associated with these proceedings are based on complex elements that by their nature imply recourse to the judgement of the directors, specifically with reference to the assessment of uncertainties related to forecasting the results of the proceedings, their classification to the provisions or liabilities, taking into account the assessment information acquired by the internal legal department and by external legal advisers.
Estimating the value to be allocated is a result of a complex process that includes subjective judgements by the Management.

EMPLOYEE BENEFITS (Note 27 "Employee benefits")

Defined benefit plans are measured with reference to uncertain events and based upon actuarial assumptions including, among others, discount rates, expected rates of salary increases, mortality rates, retirement ages and future trends in covered medical costs.
The main assumptions used to quantify these benefits are determined as follows: (i) the discount and inflation rates, which represent the rates at which the obligation to employees could actually be fulfilled, are based on the rates that accrue on high-quality corporate bonds (or, in the absence of a "deep market" in such bonds, on the yields on government bonds) and on the inflationary expectations of the countries concerned or of the reference currency area; (ii) the future salary levels of individual employees are determined based on inflation rate assumptions, productivity, seniority and promotion; (iii) the future cost of health benefits is determined on the basis of current and past trends in the costs of health benefits, including assumptions about the inflationary growth of those costs, and changes in the health status of beneficiaries; (iv) demographic assumptions reflect the best estimate of trends in variables such as mortality, turnover and disability relative to the population of beneficiaries.
Changes in the net employee benefit liability (asset) related to remeasurements routinely occur and comprise, among other things, changes in actuarial assumptions, the effects of differences between the previous actuarial assumptions and what has actually occurred and differences in the return on plan assets with respect to the amounts included in net interest.

RECEIVABLES (Note 10 "Trade receivables and other assets")

The recoverability of the carrying amount of receivables and the need to recognise an impairment loss on them is determined on the basis of the so-called "expected credit loss model" illustrated in section "Impairment of financial assets". This process also involves complex and/or subjective judgements by Management. The factors considered in the context of these judgements concern, among other things, the creditworthiness of the counterparty where available, the amount and timing of expected future payments, any credit risk mitigation instruments implemented, as well as any actions set up or planned for debt recovery.

FAIR VALUE (Note 8 "Financial assets measured at fair value through OCI", Note 29 "Derivative financial instruments")

The determination of the fair value of financial and non-financial instruments is a detailed process characterised by the use of complex methods and techniques of assessment and that requires the collection of updated information from the reference markets and/or the use of internal input data.
Like for the other estimates, determination of the fair value, although based on the best information available and on the adoption of adequate measurement methods and techniques, is intrinsically characterised by elements of uncertainty and by the exercise of professional judgement and could generate forecasts of values different from those that will be effectively realised.

5 Recently issued accounting standards effective from 2024 and following years

Accounting standards and interpretations issued by the IASB/IFRIC and endorsed by the European Commission

With Regulation No. 2023/2822, issued by the European Commission on December 19, 2023, the amendments to IAS 1 "Classification of Liabilities as Current or Non-current" and "Non-Current Liabilities with Covenants" have been endorsed. The amendments provide clarification on the classification of liabilities as current or non-current and clarify the concept of extinction; they specify how an entity classifies a liability arising from a funding agreement with covenants as current or non-current, and define the information to be provided when an entity has financing agreements with covenants that may require the financing agreement to become due within twelve months of the reference period. The amendments are effective from January 1, 2024.

With Regulation No. 2023/2579, issued by the European Commission on November 20, 2023, the amendments to IFRS 16 "Lease Liability in a Sale and Leaseback" were endorsed, which requires the seller-lessee to value the Right-of-Use asset arising from a sale and leaseback transaction based on the percentage of the previous carrying amount of the asset held by the seller-lessee. Thus, in a sale and leaseback transaction, the seller-lessee will only recognise the amount of any gain or loss on the rights transferred to the buyer-lessor. Therefore, the initial measurement of the lease liabilities arising from a sale and leaseback transaction is a reflection of the manner in which the seller-lessee measures the Right-of-Use asset and the gain or loss recognised at the date of the transaction. The amendments are effective from January 1, 2024.
At the present, Saipem believes that the amendments described above will have no significant impact.

Accounting standards and interpretations issued by the IASB/IFRIC and not yet endorsed by the European Commission

On May 25, 2023, the IASB issued the Amendment to IAS 7 and IFRS 7 "Supplier Finance Arrangements", which requires entities to provide additional information on supplier finance contracts allowing the users of the financial statements to assess how these supplier contracts affect liabilities and cash flows and to understand the effect on the exposure to liquidity risks. The amendments will be effective on or after January 1, 2024.

On August 15, 2023, the IASB issued the document "Amendment to IAS 21 'The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability'", which clarifies when a currency is convertible into another currency and, consequently, when it is not. Moreover, it clarifies how an entity determines the exchange rate to be applied when a currency is not convertible, and the information to be provided. The amendments will be effective on or after January 1, 2025.

At the present, Saipem is assessing the possible impacts of the above-mentioned amendments.

6 Consolidation scope as of December 31, 2023

Parent company

Company	Registered office	Currency	Share capital	Shareholders	% owned	(%) consolidated by Saipem	Consolidation method or accounting policy (*)
Saipem SpA	Milan	EUR	501,669,790.83	Eni SpA	31.19		
				CDP Equity SpA	12.82		
				Saipem SpA	0.02		
				Norges Bank	3.15		
				Third parties	52.82		

Subsidiaries

Italy

Company	Registered office	Currency	Share capital	Shareholders	% owned	(%) consolidated by Saipem	Consolidation method or accounting policy (*)
Denuke Scarl (**)	San Donato Milanese	EUR	10,000	Saipem SpA	55.00	55.00	F.C.
				Third parties	45.00		
International Energy Services SpA (**) (***)	San Donato Milanese	EUR	50,000	Saipem SpA	100.00	100.00	F.C.
Saipem Offshore Construction SpA	San Donato Milanese	EUR	20,000,000	Saipem SpA	100.00	100.00	F.C.
Servizi Energia Italia SpA	San Donato Milanese	EUR	20,000,000	Saipem SpA	100.00	100.00	F.C.
Smacemex Scarl (**)	San Donato Milanese	EUR	10,000	Saipem SpA	60.00	60.00	Co.
				Third parties	40.00		
SnamprogettiChiyoda sas di Saipem SpA	Milan	EUR	10,000	Saipem SpA	99.90	99.90	F.C.
				Third parties	0.10		

Outside Italy

Company	Registered office	Currency	Share capital	Shareholders	% owned	(%) consolidated by Saipem	Consolidation method or accounting policy (*)
Andromeda Consultoria Técnica e Representações Ltda	Rio de Janeiro (Brazil)	BRL	20,494,210	Saipem SpA	99.00	100.00	F.C.
				Snamprogetti Netherlands BV	1.00		
Boscongo SA	Pointe-Noire (Congo)	XAF	6,190,600,500	Saipem SA	100.00	100.00	F.C.
ERS - Equipment Rental & Services BV	Schiedam (The Netherlands)	EUR	90,760	Saipem International BV	100.00	100.00	F.C.
Global Projects Services AG	Zurich (Switzerland)	CHF	5,000,000	Saipem International BV	100.00	100.00	F.C.
Moss Maritime AS	Lysaker (Norway)	NOK	40,000,000	Saipem International BV	100.00	100.00	F.C.
North Caspian Service Co	Almaty (Kazakhstan)	KZT	375,350,000	Saipem International BV	100.00	100.00	F.C.
Petrex SA	Lima (Peru)	PEN	469,359,045	Saipem International BV	100.00	100.00	F.C.
PT Saipem Indonesia	Jakarta (Indonesia)	USD	372,778,100	Saipem International BV	99.99	99.99	F.C.
				Third parties	0.01		
Saimexicana SA de Cv	Delegacion Cuauhtemoc (Mexico)	MXN	6,424,970,342	Saipem SA	100.00	100.00	F.C.
Saipem (Beijing) Technical Services Co Ltd	Beijing (China)	USD	6,700,000	Saipem International BV	100.00	100.00	F.C.

(*) F.C. = full consolidation, J.O. = joint operation, E.M. = equity method, Co. = cost method
(**) In liquidation
(***) Dormant during the year

Company	Registered office	Currency	Share capital	Shareholders	% owned	(%) consolidated by Saipem	Consolidation method or accounting policy (*)
Saipem (Malaysia) Sdn Bhd (**) (***)	Petaling Jaya (Malaysia)	MYR	88,233,500	Saipem International BV	100.00	100.00	F.C.
Saipem (Nigeria) Ltd	Lagos (Nigeria)	NGN	259,200,000	Saipem International BV Third parties	89.41 10.59	89.41	F.C.
Saipem (Portugal) Comércio Marítimo, Sociedade Unipessoal Lda	Caniçal (Portugal)	EUR	299,300,000	Saipem International BV	100.00	100.00	F.C.
Saipem America Inc	Wilmington (USA)	USD	1,000	Saipem International BV	100.00	100.00	F.C.
Saipem Argentina de Perforaciones, Montajes y Proyectos Sociedad Anónima, Minera, Industrial, Comercial y Financiera (**) (***)	Buenos Aires (Argentina)	ARS	1,805,300	Saipem International BV Third parties	99.90 0.10	99.90	Co.
Saipem Asia Sdn Bhd	Petaling Jaya (Malaysia)	MYR	238,116,500	Saipem International BV	100.00	100.00	F.C.
Saipem Australia Pty Ltd	West Perth (Australia)	AUD	486,800,001	Saipem International BV	100.00	100.00	F.C.
Saipem Canada Inc	Montreal (Canada)	CAD	100,100	Saipem International BV	100.00	100.00	F.C.
Saipem Contracting Algérie SpA	Algiers (Algeria)	DZD	1,101,000	Sofresid SA	100.00	100.00	F.C.
Saipem Contracting Netherlands BV	Amsterdam (The Netherlands)	EUR	20,000	Saipem International BV	100.00	100.00	F.C.
Saipem Contracting Nigeria Ltd	Lagos (Nigeria)	NGN	827,000,000	Saipem International BV Third parties	97.94 2.06	97.94	F.C.
Saipem do Brasil Serviçõs de Petroleo Ltda	Rio de Janeiro (Brazil)	BRL	469,661,512	Saipem International BV	100.00	100.00	F.C.
Saipem Drilling Norway AS	Stavanger (Norway)	NOK	120,000	Saipem International BV	100.00	100.00	F.C.
Saipem East Africa Ltd (**)	Kampala (Uganda)	UGX	3,791,000,000	Saipem International BV Snamprogetti Netherlands BV	51.00 49.00	100.00	F.C.
Saipem Finance International BV	Amsterdam (The Netherlands)	EUR	1,000,000	Saipem International BV Saipem SpA	75.00 25.00	100.00	F.C.
Saipem Guyana Inc	Georgetown (Guyana)	GYD	200,000	Saipem Ltd	100.00	100.00	F.C.
Saipem India Projects Private Ltd	Chennai (India)	INR	526,902,060	Saipem SA	100.00	100.00	F.C.
Saipem Ingenieria Y Construcciones SLU	Madrid (Spain)	EUR	80,000	Saipem International BV	100.00	100.00	F.C.
Saipem International BV	Amsterdam (The Netherlands)	EUR	172,444,000	Saipem SpA	100.00	100.00	F.C.
Saipem Ltd	Kingston upon Thames Surrey (United Kingdom)	EUR	1,107,500,000	Saipem International BV	100.00	100.00	F.C.
Saipem Luxembourg SA	Luxembourg (Luxembourg)	EUR	31,002	Saipem SpA	100.00	100.00	F.C.

(*) F.C. = full consolidation, J.O. = joint operation, E.M. = equity method, Co. = cost method
(**) In liquidation
(***) Dormant during the year

Company	Registered office	Currency	Share capital	Shareholders	% owned	(%) consolidated by Saipem	Consolidation method or accounting policy (*)
Saipem Misr for Petroleum Services (S.A.E.)	Port Said (Egypt)	EUR	2,000,000	Saipem International BV ERS - Equipment Rental & Services BV Saipem (Portugal) Comércio Marítimo, Sociedade Unipessoal Lda	99.92 0.04 0.04	100.00	F.C.
Saipem Moçambique Lda	Maputo (Mozambique)	MZN	535,075,000	Saipem SA Saipem International BV	99.98 0.02	100.00	F.C.
Saipem Norge AS	Stavanger (Norway)	NOK	100,000	Saipem International BV	100.00	100.00	F.C.
Saipem Romania Srl	Aricestii Rahtivani (Romania)	RON	29,004,600	Snamprogetti Netherlands BV Saipem International BV	99.00 1.00	100.00	F.C.
Saipem SA	Montigny le Bretonneux (France)	EUR	19,870,122	Saipem SpA	100.00	100.00	F.C.
Saipem Singapore Pte Ltd	Singapore (Singapore)	SGD	306,090,000	Saipem SA	100.00	100.00	F.C.
Saiwest Ltd	Accra (Ghana)	GHS	937,500	Saipem SA Third parties	49.00 51.00	49.00	F.C.
Sajer Iraq Co for Petroleum Services, Trading, General Contracting & Transport Llc	Baghdad (Iraq)	IQD	300,000,000	Saipem International BV Third parties	60.00 40.00	60.00	F.C.
Saudi Arabian Saipem Ltd	Dhahran (Saudi Arabia)	SAR	155,000,000	Saipem International BV	100.00	100.00	F.C.
Sigurd Rück AG	Zurich (Switzerland)	CHF	25,000,000	Saipem International BV	100.00	100.00	F.C.
Snamprogetti Engineering & Contracting Co Ltd	Dhahran (Saudi Arabia)	SAR	10,000,000	Snamprogetti Netherlands BV	100.00	100.00	F.C.
Snamprogetti Netherlands BV	Amsterdam (The Netherlands)	EUR	203,000	Saipem SpA	100.00	100.00	F.C.
Snamprogetti Saudi Arabia Co Ltd Llc	Dhahran (Saudi Arabia)	SAR	10,000,000	Saipem International BV Snamprogetti Netherlands BV	95.00 5.00	100.00	F.C.
Sofresid SA	Montigny le Bretonneux (France)	EUR	37,000	Saipem SA	100.00	100.00	F.C.

(*) F.C. = full consolidation, J.O. = joint operation, E.M. = equity method, Co. = cost method

Associates and jointly controlled companies

Italy

Company	Registered office	Currency	Share capital	Shareholders	% owned	(%) consolidated by Saipem	Consolidation method or accounting policy (*)
ASG Scarl	San Donato Milanese	EUR	50,864	Saipem SpA Third parties	55.41 44.59	55.41	E.M.
CCS JV Scarl Δ	San Donato Milanese	EUR	150,000	Servizi Energia Italia SpA Third parties	75.00 25.00	75.00	E.M.
CEPAV (Consorzio Eni per l'Alta Velocità) Due	Milan	EUR	51,646	Saipem SpA Third parties	59.09 40.91	59.09	E.M.
CEPAV (Consorzio Eni per l'Alta Velocità) Uno	Milan	EUR	51,646	Saipem SpA Third parties	50.36 49.64	50.36	E.M.
Consorzio Florentia Δ	Parma	EUR	10,000	Saipem SpA Third parties	49.00 51.00	49.00	E.M.
Consorzio F.S.B. Δ	Venice - Marghera	EUR	15,000	Saipem SpA Third parties	29.05 70.95	29.05	Co.
Consorzio Sapro Δ	San Giovanni Teatino	EUR	10,329	Saipem SpA Third parties	51.00 49.00	51.00	Co.
La Bozzoliana Scarl	Parma	EUR	10,000	Saipem SpA Third parties	30.00 70.00	30.00	E.M.
La Catulliana Scarl	Parma	EUR	10,000	Saipem SpA Third parties	49.00 51.00	49.00	E.M.
Puglia Green Hydrogen Valley - PGHyV Srl	Bari	EUR	2,750,471	Saipem SpA Third parties	10.00 90.00	10.00	E.M.
Rosetti Marino SpA	Ravenna	EUR	4,000,000	Saipem SA Third parties	20.00 80.00	20.00	E.M.
SCD JV Scarl Δ	San Donato Milanese	EUR	100,000	Servizi Energia Italia SpA Third parties	60.00 40.00	60.00	E.M.
Ship Recycling Scarl (**) Δ	Genoa	EUR	10,000	Saipem SpA Third parties	51.00 49.00	51.00	J.O.

Outside Italy

Company	Registered office	Currency	Share capital	Shareholders	% owned	(%) consolidated by Saipem	Consolidation method or accounting policy (*)
Gydan Yard Management Services (Shanghai) Co Ltd	Shanghai (China)	CNY	1,600,000	Saipem (Beijing) Technical Services Co Ltd Third parties	15.15 84.85	15.15	E.M.
Gygaz Snc	Nanterre (France)	EUR	10,000	Sofresid SA Third parties	7.50 92.50	7.50	E.M.
Hazira Cryogenic Engineering & Construction Management Private Ltd Δ	Mumbai (India)	INR	500,000	Saipem SA Third parties	55.00 45.00	55.00	E.M.
KCA Deutag International Ltd	St. Helier (Jersey)	USD	116,536	Saipem International BV Third parties	9.96 90.04	10.00	E.M.
KWANDA Suporte Logistico Lda	Luanda (Angola)	AOA	25,510,204	Saipem SA Third parties	49.00 51.00	49.00	E.M.
Petromar Lda Δ	Luanda (Angola)	USD	357,143	Saipem SA Third parties	70.00 30.00	70.00	E.M.
PSS Netherlands BV Δ	Leiden (The Netherlands)	EUR	30,000	Saipem SpA Third parties	36.00 64.00	36.00	E.M.
Sabella SA	Quimper (France)	EUR	12,946,722	Saipem SA Third parties	8.96 91.04	8.96	E.M.
Saipem Dangote E&C Ltd (***) Δ	Victoria Island - Lagos (Nigeria)	NGN	100,000,000	Saipem International BV Third parties	49.00 51.00	49.00	E.M.
Saipem - Hyperion Eastmed Engineering Ltd Δ	Nicosia (Cyprus)	EUR	85,000	Saipem International BV Third parties	45.00 55.00	45.00	E.M.
Saipem Nasser Saeed Al-Hajri Contracting Co Llc Δ	Dhahran (Saudi Arabia)	SAR	7,500,000	Saipem International BV Third parties	50.00 50.00	50.00	E.M.

(*) F.C. = full consolidation, J.O. = joint operation, E.M. = equity method, Co. = cost method
(**) In liquidation
(***) Dormant during the year
Δ Jointly controlled companies

Company	Registered office	Currency	Share capital	Shareholders	% owned	(%) consolidated by Saipem	Consolidation method or accounting policy (*)
Saipem Taqa Al Rushaid Fabricators Co Ltd	Dammam (Saudi Arabia)	SAR	40,000,000	Saipem International BV Third parties	40.00 60.00	40.00	E.M.
Saipon Snc Δ †	Montigny le Bretonneux (France)	EUR	20,000	Saipem SA Third parties	60.00 40.00	60.00	E.M.
SAME Netherlands BV Δ	Amsterdam (The Netherlands)	EUR	50,000	Servizi Energia Italia SpA Third parties	58.00 42.00	58.00	E.M.
Saren BV Δ	Amsterdam (The Netherlands)	EUR	20,000	Servizi Energia Italia SpA Third parties	50.00 50.00	50.00	E.M.
Société pour la Réalisation du Port de Tanger Méditerranée (***) Δ	Anjra (Morocco)	EUR	33,000	Saipem SA Third parties	33.33 66.67	33.33	E.M.
Southern Gas Constructors Ltd Δ	Lagos (Nigeria)	NGN	10,000,000	Saipem International BV Third parties	50.00 50.00	50.00	E.M.
Sud-Soyo Urban Development Lda (***) Δ	Soyo (Angola)	AOA	20,000,000	Saipem SA Third parties	49.00 51.00	49.00	E.M.
TMBYS SAS (***) Δ	Guyancourt (France)	EUR	30,000	Saipem SA Third parties	33.33 66.67	33.33	E.M.
TSGI Mühendislik İnşaat Ltd Şirketi Δ	Istanbul (Turkey)	TRY	10,000	Saipem Ingenieria Y Construcciones, SLU Third parties	33.33 66.67	33.33	E.M.
TSKJ II - Construções Internacionais, Sociedade Unipessoal, Lda	Funchal (Portugal)	EUR	5,000	TSKJ - Serviços de Engenharia Lda	100.00	25.00	E.M.
TSKJ - Serviços de Engenharia Lda	Funchal (Portugal)	EUR	5,000	Snamprogetti Netherlands BV Third parties	25.00 75.00	25.00	E.M.

As of December 31, 2023, the companies of Saipem SpA can be broken down as follows:

	Subsidiaries			Associates and jointly controlled companies		
	Italy	Outside Italy	Total	Italy	Outside Italy	Total
Subsidiaries/Joint operations and their participating interests	**5**	**44**	**49**	**1**	**-**	**1**
Full consolidation	5	44	49	-	-	-
Consolidated as joint operations	-	-	-	1	-	1
Participating interests held by consolidated companies (1)	**1**	**1**	**2**	**12**	**22**	**34**
Accounted for using the equity method	-	-	-	10	22	32
Accounted for using the cost method	1	1	2	2	-	2
Total companies	**6**	**45**	**51**	**13**	**22**	**35**

(1) The investments held by subsidiaries accounted for using the equity method or the cost/joint operation method concern immaterial entities and entities whose consolidation would not have a material impact.

(*) F.C. = full consolidation, J.O. = joint operation, E.M. = equity method, Co. = cost method
(***) Dormant during the year
Δ Jointly controlled companies
† Non relevant joint operation.

Changes in the consolidation scope

In 2023, the Group's scope of consolidation changed as follows with respect to the 2022 Annual Report.

New incorporations, disposals, liquidations, mergers, changes in amount held or consolidation method:
- the company **Saipem Nasser Saeed Al-Hajri Contracting Co Llc**, with registered offices in Saudi Arabia, was incorporated and accounted for using the equity method;
- **International Energy Services South America Co Ltd**, previously consolidated with the full consolidation method, was sold to third parties;
- **International Energy Services SpA**, consolidated with the full consolidation method, was placed in liquidation;
- **Gydan Lng Ltd**, previously Gydan Lng Sarl, accounted for using the equity method, was sold to third parties;
- **Novarctic Ltd**, previously Novarctic Sarl, accounted for using the equity method, was sold to third parties;
- **European Maritime Construction sas**, previously consolidated with the full consolidation method, was removed from the Register of Companies;
- **ER SAI Caspian Contractor Llc**, previously consolidated with the full consolidation method, was sold to third parties;
- **Denuke Scarl**, consolidated with the full consolidation method, was placed in liquidation;
- **Saipem Offshore México SA de Cv**, previously consolidated with the full consolidation method, was merged by incorporation into Saimexicana SA de Cv;
- **Saren Llc**, previously accounted for using the equity method, was removed from the Register of Companies;
- Sofresid Engineering SA transferred to Saipem SA its entire equity investment in **Sabella SA**, which following the capital increase is as follows: 8.86% owned by Saipem SA and 91.04% by third parties;
- **Sofresid Engineering SA**, previously consolidated with the full consolidation method, was sold to third parties;
- **Saren Heavy Industries İnşaat Ve Ticaret Anonim Şirketi**, previously accounted for using the equity method, was sold to third parties;
- **Saipem Maritime Asset Management Luxembourg Sàrl**, previously consolidated with the full consolidation method was merged by incorporation into Saipem Luxembourg SA, which consequently is owned 100% by Saipem SpA;
- **La Bozzoliana Scarl** was incorporated with registered offices in Italy and accounted for using the equity method;
- **Saipem (Malaysia) Sdn Bhd**, consolidated with the full consolidation method , was placed in liquidation;
- **Xodus Subsea Ltd**, previously accounted for using the equity method, was removed from the Register of Companies;
- **Saipem East Africa Ltd**, consolidated with the full consolidation method, was placed in liquidation;
- **La Catulliana Scarl** was incorporated with registered offices in Italy and accounted for using the equity method;
- **Mangrove Gas Netherlands BV**, previously accounted for using the equity method, was removed from the Register of Companies;
- **Gygaz Snc**, following the sale of shares to third parties by Sofresid SA, is owned as follows: 7.50% by Sofresid SA and 92.50% by third parties.

Changes in company name or share transfers with no impact on the consolidation:
- Global Petroprojects Services AG, consolidated with the full consolidation method, changed its company name to **Global Projects Services AG**;
- Alboran Hydrogen Brindisi Srl, accounted for using the equity method, changed its company name to **Puglia Green Hydrogen Valley - PGHyV Srl**.

7 Cash and cash equivalents

Cash and cash equivalents amounted to €2,136 million, an increase of €84 million compared to December 31, 2022 (€2,052 million).
Cash and cash equivalents at the end of the year, denominated in euros for 45%, US dollars for 30%, Saudi Riyal for 14%, and other currencies for 11%, earned interest at an average rate of 2.13%. Cash and cash equivalents included cash and cash on hand of €4 million (€2 million as of December 31, 2022).
Cash at the end of the year included, for a total of €814 million: (i) cash and cash equivalents of €660 million in the current accounts of partnership or joint venture projects; (ii) cash and cash equivalents of €151 million in current accounts denominated in currencies subject to transfer and/or convertibility restrictions; (iii) cash and cash equivalents amounting to €3 million in current accounts frozen or subject to restrictions.
The breakdown of cash and cash equivalents of Saipem and other Group companies as of December 31, 2023 by geographical segment (based on the country of domicile of the relevant company) was as follows:

(€ million)	Dec. 31, 2023	Dec. 31, 2022
Italy	870	916
Rest of Europe	241	305
CIS	2	33
Middle East	523	361
Far East and Oceania	195	128
North Africa	6	5
Sub-Saharan Africa	88	203
Americas	211	101
Total	**2,136**	**2,052**

8 Financial assets measured at fair value through OCI

Financial assets measured at fair value through OCI amounted to €86 million (€75 million as of December 31, 2022), and were as follows:

(€ million)	Dec. 31, 2023	Dec. 31, 2022
Securities for non-operating purposes		
Listed bonds issued by sovereign states/supranational institutions	5	8
Listed bonds issued by industrial companies	81	67
Total	**86**	**75**

Listed bonds issued by sovereign states/supranational institutions, amounting to €5 million as of December 31, 2023, were as follows:

(€ million)	Notional amount	Fair value	Nominal rate of return (%)	Maturity	Standard & Poor's rating
Fixed rate bonds					
Eurobond	5	5	0.00	2026	AAA
Total	**5**	**5**			

Listed bonds issued by industrial companies, amounting to €81 million as of December 31, 2023, were as follows:

(€ million)	Notional amount	Fair value	Nominal rate of return (%)	Maturity	Standard & Poor's rating
Fixed rate bonds					
Listed bonds issued by industrial companies	85	81	0.13-3.64	2024-2028	AA/BBB
Total	**85**	**81**			

The fair value of bonds is determined on the basis of market prices. The fair value hierarchy is level 1, that is, based on quotations in active markets.
The bonds measured at fair value through OCI are held both to collect contractual cash flows and for the cash flows deriving from the possible sale of the instrument before contractual maturity.

Listed bonds issued by sovereign states/supranational institutions and by industrial companies held by one of the Group's companies fall within the scope of analysis for the determination of expected losses.
Given the high creditworthiness of the issuers (investment grade), the impact of expected losses on the bonds in question as of December 31, 2023 is irrelevant.

9 Other financial assets

Other current financial assets

Other current financial assets of €387 million (€495 million as of December 31, 2022) consist of the following:

(€ million)	Dec. 31, 2023	Dec. 31, 2022
Financial receivables for operating purposes	1	1
Financial receivables for non-operating purposes	386	494
Total	**387**	**495**

Financial receivables for operating purposes concerned receivables claimed by Saipem SpA against Eni SpA.
Financial receivables for non-operating purposes of €386 million (€494 million as of December 31, 2022) related almost entirely to the subsidiary Servizi Energia Italia SpA's share of the cash and cash equivalents recognised primarily in the financial statements of CCS JV Scarl, which is carrying out a project in Mozambique (€277 million), and of SCD JV Scarl, which is working on a project in Nigeria (€102 million).
Other current financial assets from related parties are detailed in Note 43 "Related party transactions".

Other non-current financial assets

Other non-current financial assets for non-operating purposes, equal to €1 million (€65 million as of December 31, 2022), include the amounts of two blocked accounts of the subsidiary Saipem Contracting Algérie SpA (€1 million before discounting), due to the protracted proceedings in Algeria. The company has reflected the items relating to the disputes in Algeria in the financial statements in view of the evolution of the same.

10 Trade receivables and other assets

Trade receivables and other assets of €2,441 million (€2,182 million as of December 31, 2022) can be broken down as follows.

(€ million)	Dec. 31, 2023	Dec. 31, 2022
Trade receivables	1,906	1,676
Advances for services	340	370
Other receivables	195	136
Total	**2,441**	**2,182**

Trade receivables amounted to €1,906 million, representing an increase of €230 million compared to 2022.
Receivables are stated net of a loss allowance of €688 million, whose movements are shown below:

(€ million)	Dec. 31, 2022	Accruals	Utilisations	Exchange differences	Other changes	Dec. 31, 2023
Trade receivables	723	31	(31)	(17)	(24)	682
Other receivables	30	-	-	-	(24)	6
Total	**753**	**31**	**(31)**	**(17)**	**(48)**	**688**

Credit exposure to the top five customers, which are the major Oil Companies in the reference sector, is in line with the Group's operations and makes up around 36% of total trade receivables.
The Group continues to focus on monitoring revenues.
The recoverability of trade receivables is checked using the so-called "expected credit loss model".
Below is the credit schedule gross of the creditworthiness assessment.
Trade receivables neither past due nor impaired amount to €1,624 million (€1,415 million as of December 31, 2022), whereas receivables that are past due and are not impaired amount to €383 million (€354 million as of December 31, 2022), of which €190 million are from 1 to 90 days past due (€128 million as of December 31, 2022), €37 million are from 3 to 6 months past due (€17 million the previous as of December 31, 2022), €7 million are from 6 to 12 months past due (€73 million as of December 31, 2022), €149 million are past due for more than 12 months (€136 million as of December 31, 2022). These receivables mainly concern counterparties with high creditworthiness.

As of December 31, 2023, the effect of expected losses on trade receivables, determined on the basis of customers' creditworthiness, amounted to €101 million (€93 million as of December 31, 2022) out of the total loss allowance of €682 million (€723 million as of December 31, 2022).
As of December 31, 2023, Saipem had factored €29 million in unexpired trade receivables on a non-recourse, non-notification basis (€77 million as of December 31, 2022). Saipem SpA is responsible for managing the collection of the receivables assigned without notice and for transferring the sums collected to the factors.
Trade receivables included retentions guaranteeing contracts of €141 million (€164 million as of December 31, 2022), of which €49 million due within twelve months and €92 million beyond twelve months.
As of December 31, 2023, there were no unimpaired receivables referring to litigated projects as there were as of December 31, 2022.
Advances for services not yet rendered amounted to €340 million as of December 31, 2023, relating almost entirely to advances to suppliers on ongoing operational projects, a decrease of €30 million compared to the previous year.
Other receivables of €195 million were as follows:

(€ million)	Dec. 31, 2023	Dec. 31, 2022
Receivables from:		
- employees	44	46
- guarantee deposits	15	17
- social security institutions	4	3
Other	132	70
Total	**195**	**136**

Other receivables of €195 million were stated net of the loss allowance of €6 million.
Other changes of €48 million are mainly related to the write-off of receivables for long completed projects.
Trade and other receivables with related parties are detailed in Note 43 "Related party transactions".
The fair value of trade receivables and other assets did not differ significantly from their carrying amount due to the short period of time elapsed between their date of origination and their due date.
Trade receivables in currency other than the euro amounted to €1,466 million (€1,215 million as of December 31, 2022), divided percentage-wise among the following main currencies:

- US Dollar, 75% (64% as of December 31, 2022);
- Saudi Riyal, 10% (18% as of December 31, 2022);
- Indonesian Rupiah, 5% (9% as of December 31, 2022);
- other currencies, 10% (9% as of December 31, 2022).

11 Inventories

Inventories of €256 million (€211 million as of December 31, 2022) increased by €45 million compared to the year 2022.

(€ million)	Dec. 31, 2023	Dec. 31, 2022
Raw and ancillary materials and consumables	256	211
Total	**256**	**211**

"Raw and ancillary materials and consumables" include spare parts for drilling and construction activities, as well as consumables for internal use and not for sale. The item is stated net of an impairment provision of €96 million.

(€ million)	Dec. 31, 2022	Accruals	Utilisations	Other changes	Dec. 31, 2023
Impairment provision for raw and ancillary materials and consumables	109	11	(19)	(5)	96
Total	**109**	**11**	**(19)**	**(5)**	**96**

12 Contract assets

Contract assets amounted to €1,925 million (€1,860 million as of December 31, 2022) and were made up as follows:

(€ million)	Dec. 31, 2023	Dec. 31, 2022
Contract assets (from work in progress)	1,936	1,872
Impairment provision for contract assets (from work in progress)	(11)	(12)
Total	**1,925**	**1,860**

Contract assets (from work in progress), amounting to €1,936 million, increase by €64 million due to the recognition of revenue based on the operational progress of projects to be invoiced over 2024 for €735 million, to which is added the impact of exchange rate effects and other changes for €2 million, an amount largely offset by €671 million resulting from the recognition of milestones by customers and from impairment losses deriving from continuous legal and commercial monitoring of the amounts of claims and change orders considered over the entire life for the purpose of contract valuation for €2 million.
The effects relative to IFRS 9 applied to contract assets amounted to €11 million.

13 Tax assets and liabilities

Current income tax assets and liabilities

Current income tax assets and liabilities consisted of the following:

	Dec. 31, 2023		Dec. 31, 2022	
(€ million)	Assets	Liabilities	Assets	Liabilities
Italian tax authorities	74	-	43	1
Foreign tax authorities	311	74	270	85
Current income taxes	**385**	**74**	**313**	**86**

The increase in current income tax assets of €72 million in mainly due to right to the reimbursement of income tax to the Italian revenue agency following the favourable resolution of a tax dispute and advances paid to foreign financial administrations as a result of increased volumes of business carried out in those jurisdictions.

Other current tax assets and liabilities

Other current tax assets and liabilities are made up as follows:

	Dec. 31, 2023		Dec. 31, 2022	
(€ million)	Assets	Liabilities	Assets	Liabilities
Italian tax authorities	10	16	8	23
Foreign tax authorities	136	176	133	138
Total other current taxes	**146**	**192**	**141**	**161**

Other current tax assets from Italian tax authorities amounting to €10 million (€8 million as of December 31, 2022) relate to VAT assets for €2 million (€4 million as of December 31, 2022) and to other tax assets for €8 million (€4 million as of December 31, 2022).
Other current tax assets from foreign tax authorities, amounting to €136 million (€133 million as of December 31, 2022), consist of €117 million in VAT credits (€98 million as of December 31, 2022) and to other tax assets for €19 million (€35 million as of December 31, 2022).
Other current tax liabilities from Italian tax authorities, amounting to €16 million (€23 million as of December 31, 2022), consist of €3 million in VAT payable (€2 million the previous year) and to other tax assets for €13 million (€21 million as of December 31, 2022).
Other current tax liabilities from foreign tax authorities, amounting to €176 million (€138 million as of December 31, 2022), consist of €140 million in VAT payable (€99 million as of December 31, 2022) and to other tax assets for €36 million (€39 million as of December 31, 2022).

Non-current income tax assets and liabilities

Non-current income tax assets and liabilities are made up as follows:

	Dec. 31, 2023		Dec. 31, 2022	
(€ million)	Assets	Liabilities	Assets	Liabilities
Italian tax authorities	-	-	-	-
Foreign tax authorities	5	20	5	23
Total non-current income taxes	**5**	**20**	**5**	**23**

Non-current income tax assets refer to income tax receivables due beyond 12 months. Non-current income tax liabilities refer to uncertain tax situations. The Saipem Group operates in numerous countries with complex tax laws to which it also adheres thanks to the support of local tax consultants, adopting a conduct which ensures the maximum compliance with the fiscal legislation in force and established practice. It is therefore expected that no significant additional liabilities will arise compared to what is already accounted for, which represent the best estimate of all fiscal uncertainties recorded by the Group.

14 Other current assets

Other current assets amounted to €244 million (€272 million as of December 31, 2022) and were made up as follows:

(€ million)	Dec. 31, 2023	Dec. 31, 2022
Fair value of derivative financial instruments	64	133
Other assets	180	139
Total	**244**	**272**

The decrease of fair value on derivatives of €69 million is attributable mainly to the euros/US dollars exchange rate, as well as all the other currencies linked to the US dollar.
For information on the fair value of derivative financial instruments see Note 29 "Derivative financial instruments".
Other assets €180 million, an increase of €41 million compared to December 31, 2022, and consisted mainly of costs not attributable to the financial year for the preparation of vessels to be used on contracts, for insurance policies, and costs for lease contracts.
Other current assets from related parties are detailed in Note 43 "Related party transactions".

15 Property, plant and equipment

Property, plant and equipment amounted to €2,960 million (€2,879 million as of December 31, 2022) consisted of the following:

(€ million)	Land	Buildings	Plant and equipment	Industrial and commercial equipment	Other assets	Assets under construction and advances	Total
Dec. 31, 2023							
Opening net balance	**56**	**59**	**2,602**	**24**	**14**	**124**	**2,879**
Capital expenditure	-	3	316	6	7	140	472
Depreciation and amortisation	-	(28)	(281)	(14)	(4)	-	(327)
Net reversals of impairment losses	-	(11)	(16)	-	-	-	(27)
Disposals	-	-	(7)	-	-	-	(7)
Discontinued operations	-	-	-	-	-	-	-
Assets held for sale	-	-	-	-	-	-	-
Change in the consolidation scope	(14)	-	(5)	-	-	-	(19)
Sale of business	-	-	-	-	-	-	-
Exchange differences	2	(1)	(8)	(1)	-	-	(8)
Other changes	-	16	71	-	1	(91)	(3)
Closing net balance	**44**	**38**	**2,672**	**15**	**18**	**173**	**2,960**
Closing gross balance	44	692	8,696	313	94	173	10,012
Depreciation and impairment losses	-	654	6,024	298	76	-	7,052
Dec. 31, 2022							
Opening net balance	**52**	**103**	**2,784**	**53**	**7**	**114**	**3,113**
Capital expenditure	-	3	438	11	10	78	540
Depreciation and amortisation [(a)]	-	(39)	(282)	(19)	(3)	-	(343)
Net reversals of impairment losses [(b)]	-	(1)	(2)	(1)	-	-	(4)
Disposals	-	-	(3)	-	-	-	(3)
Discontinued operations	(1)	(6)	(135)	(7)	-	-	(149)
Assets held for sale	-	-	(63)	-	-	-	(63)
Change in the consolidation scope	-	-	-	-	-	-	-
Sale of business	-	(15)	(206)	(11)	-	-	(232)
Exchange differences	5	4	13	(1)	-	1	22
Other changes	-	10	58	(1)	-	(69)	(2)
Closing net balance	**56**	**59**	**2,602**	**24**	**14**	**124**	**2,879**
Closing gross balance	56	918	9,079	319	99	124	10,595
Depreciation and impairment losses	-	859	6,477	295	85	-	7,716

(a) Amortisation includes the amount of €49 million relating to Discontinued operations.
(b) Net reversals of impairment losses include the amount of €3 million relating to Discontinued operations

The **capital expenditure** in 2023, including the purchase of the jack-up Sea Lion 7 (now Perro Negro 10), amounted to €472 million (€540 million in 2022), and was as follows.

- €254 million for Asset Based Services: extraordinary maintenance and reinforcement works related to vessel Saipem 7000, and maintenance and upgrading works on existing vessels, in particular pipe-laying vessel Castorone and vessel FDS 2;
- €17 million for Energy Carriers: purchase and maintenance of equipment;
- €201 million for Offshore Drilling: in addition to the abovementioned purchase of the jack-up Sea Lion 7, maintenance and upgrading works on the semisubmersible Scarabeo 9, and upgrading of leased jack-ups Perro Negro 12 and Perro Negro 13.

No financial expenses were capitalised during the year.
The total commitment on current items of capital expenditure as of December 31, 2023 is indicated in Note 3 "Accounting policies" in the "Future payments for outstanding contractual obligations" section.
The main depreciation rates were as follows:

(%)	
Buildings	2.50-15.00
Plant and equipment	7.00-25.00
Industrial and commercial equipment	3.33-50.00
Other assets	12.00-20.00

Impairment losses relating to buildings, plants and equipment amounted to €27 million.
The change in the consolidation scope for €19 million relates to the sale of the company ER SAI Caspian Contractor Llc to third parties.
Net exchange difference due to the translation of financial statements prepared in currencies other than euro, amounted to €-8 million.
As of December 31, 2023, all property, plant and equipment were unencumbered by collateral.
As of December 31, 2023, no impairment losses were recorded following the impairment test.

Impairment

In monitoring impairment indicators, the Group considers, among other factors, the relationship between its market capitalisation and equity. As of December 31, 2023, the Group's market capitalisation was €641 million higher than the figure for equity in the third forecast.
In accordance with accounting policies and the impairment methodology as of December 31, 2023, approved by the Board of Directors on January 24, 2024, the impairment test concerned the verification of recoverable amount of the Cash Generating Units (CGUs) to which goodwill is allocated (Asset Based Services, Energy Carriers, Robotics & Industrialized Solutions); for the remaining CGUs, the impairment indicators defined by the methodology were analysed, and they highlighted the need to verify the recoverable amount of a single CGU within the Offshore Drilling business line.
The recoverability of the CGUs carrying amounts was assessed by comparing the carrying amount of each CGU with its recoverable amount, determined on the basis of the value in use obtained by discounting the future cash flows generated by each CGU at the weighted average cost of capital ("WACC") specific to each business in which the individual CGU operates.
Planned cash flows for the estimate of recoverable amounts of single Cash Generating Units are determined on the basis of the best applicable medium-term estimate made by the Company Management and not influenced by any specific event. This outlook considers future expectations by management regarding the reference market, as well as the results.
Cash flow estimation, in accordance with the provisions of IAS 36, does not consider cash inflows or outflows resulting from: (i) a future restructuring still to be approved or to which the Group is not committed yet, or (ii) the improvement or optimisation of business performance on the basis of initiatives still to be undertaken or approved, or for which there is still no commitment towards third parties for the increase of production capacity with respect to current capacity.
The valuation scenario related to the impairment test was established considering: (i) in terms of forecast flows, the estimates reported in the Plan, approved by the Board of Directors on February 28, 2024; (ii) WACC estimates calculated internally for each CGU using an analytical method (weighted average value of the Group's WACC equal to 9.6%); (iii) growth rate beyond the last forecast period, in line with the median of the analyst consensus.
The following table shows the discount rates calculated by the Company with reference to each business segment, and for completeness the rates used as of December 31, 2022 are also shown:

(%)	WACC Dec. 31, 2023	WACC Dec. 31, 2022
Asset Based Services	10.0	10.3
Energy Carriers	10.8	10.6
Sustainable Infrastructures	10.8	10.6
Robotics & Industrialized Solutions	10.8	10.6
Offshore Drilling	8.8	8.4

The discount rates used (WACC) reflect market assessments of the time value of money and the systematic risks specific to the activities of the individual CGUs that are not reflected in the estimate of future cash flows and have been estimated for each business segment taking into account: (i) a cost of debt estimated from the ten-year market base rates plus credit spread relating to a panel of operators assembled to take into consideration the specific business segment; (ii) median leverage of the same panel of operators estimated on a multi-year historical horizon; (iii) the median beta of the securities of companies belonging to the same panel estimated on a multi-year historical horizon. Post-tax cash flows and discount rates were used as they produce outcomes which are equivalent to those resulting from a valuation using pre-tax cash flows and discount rates. The assumptions consider an interest rate, which reflects the current market conditions, the risks of individual assets already included in the cash flow, as well as the long-term growth expectations in the businesses.

For the years following the last year of the Plan, the cash flows were calculated on the basis of a terminal value, determined:

- for the Asset Based Services, Energy Carriers, and Robotics & Industrialized Solutions CGUs, based on the perpetuity method, a long-term growth rate was applied to the 'normalized' terminal cash flows (to consider business dynamics and sector cyclicity). The rate was 1.5% for the Asset Based Service CGU, 1% for the Robotics & Industrialized Solutions CGU, and 0.5% for the Energy Carriers CGU;
- for Offshore Drilling rigs, for the period beyond the Plan horizon (on the basis of the residual economic and technical life of the individual assets, or, if earlier, the expected expiry date of the last cyclical maintenance), the following was taken into consideration: (i) long-term lease rates defined as part of the planning process, by the related business line, through an estimate procedure based on managerial assessments on collected information (both internal and external), inflated by 0.5% over the projection period; in particular the long-term lease rates of the Offshore Drilling CGUs have been defined using the latest available reports processed by external sources, normally used by the business line as a reference benchmark; (ii) "normalised" idle days; (iii) operating costs based on figures of the last year of the plan, inflated by 0.5%; (iv) capital expenditures and related plant down times for cyclical maintenance and replacements estimated by the business lines on the basis of the planned schedule for cyclical and intermediate maintenance.

The impairment test carried out on December 31, 2023 did not show the need to make any write-downs. Below is a summary table with the overall results of the test on each CGU (for the Offshore Drilling, the result relates to the single CGU on which the impairment test was carried out):

(€ million)	Asset Based Services	Energy Carriers	Perro Negro 8	Robotics & Industrialized Solutions
Headroom (impairment loss)	2,297	783	20	10

Below are the sensitivity analyses relating to the Offshore Drilling rigs CGUs, while those relating to the Asset Based Services, Robotics and Industrialized Solutions and the Energy Carriers CGUs are detailed in Note 16 "Intangible assets".

Sensitivity analysis of the CGUs referring to Offshore Drilling rigs

The key assumptions adopted in assessing the recoverable amounts of the CGUs representing the Group's vessels related mainly to the operating result of the CGUs (based on a combination of various factors, including lease rates and exchange rates) and the discount rate applied to the cash flows. The effects of the sensitivity analysis on the parameters used for the estimate will be analysed below on the recoverable amount of these CGUs.

In particular, for the CGU on which the impairment test was developed:

- an increase in the discount rate of 1% would not produce impairment losses;
- decreases in long-term day rates of 10% compared with the rates assumed in the plan projections would not produce impairment losses;
- decreases in long-term day rates of 20% compared with the rates assumed in the plan projections would not produce impairment losses;
- an increase in long-term euro/dollar exchange rate of 0.1 compared to the scenario assumed in plan projections amounting to 1.3, would not produce any impairment losses.

16 Intangible assets

Intangible assets amounted to €666 million (€691 million as of December 31, 2022) and consisted of the following:

(€ million)	Development costs	Industrial patents and intellectual property rights	Concessions, licences and trademarks	Assets under construction and advances	Other intangible assets	Total intangible assets with definite useful life	Goodwill	Total intangible assets
Dec. 31, 2023								
Opening net balance	**-**	**20**	**1**	**5**	**2**	**28**	**663**	**691**
Capital expenditure	-	1	-	9	-	10	-	10
Depreciation and amortisation	-	(11)	-	-	-	(11)	-	(11)
Net reversals of impairment losses	-	(2)	-	-	-	(2)	-	(2)
Exchange differences and other changes	-	6	-	(5)	(1)	-	(22)	(22)
Closing net balance	**-**	**14**	**1**	**9**	**1**	**25**	**641**	**666**
Closing gross balance	8	254	19	9	10	300		
Depreciation and impairment losses	8	240	18	-	9	275		
Dec. 31, 2022								
Opening net balance	**-**	**20**	**2**	**8**	**2**	**32**	**667**	**699**
Capital expenditure	-	1	-	9	-	10	-	10
Depreciation and amortisation	-	(13)	(1)	-	-	(14)	-	(14)
Net reversals of impairment losses	-	-	-	-	-	-	-	-
Exchange differences and other changes	-	12	-	(12)	-	-	(4)	(4)
Closing net balance	**-**	**20**	**1**	**5**	**2**	**28**	**663**	**691**
Closing gross balance	8	251	18	5	11	293	-	-
Depreciation and impairment losses	8	231	17	-	9	265	-	-

Industrial patents and intellectual property rights of €14 million include mainly the costs incurred for the implementation in the parent company of various application systems.
The main depreciation rates were as follows:

(%)	
Development costs	20.00-20.00
Industrial patents and intellectual property rights	6.66-33.30
Concessions, licences, trademarks and similar rights	20.00-20.00
Other intangible assets	20.00-33.00

Goodwill of €641 million refers to the difference between the purchase price, including ancillary charges, and shareholders' equity at the respective dates of new contracts of control of Saipem SA (€631 million) and Moss Maritime Group (€10 million).
The decrease of €22 million related almost entirely to the sale of Sofresid Engineering SA to third parties.
In order to determine the recoverable amount, the goodwill was allocated to the following CGUs, in line with the new organisational structure adopted by the Company:

(€ million)	Dec. 31, 2023	Dec. 31, 2022
Asset Based Services	403	403
Energy Carriers	228	228
Robotics & Industrialized Solutions	10	32
Total	**641**	**663**

The recoverable amount of the CGUs, to which goodwill is allocated, was determined based on value in use, calculated by discounting the future cash flows expected to be generated by each CGU.
The basis of the cash flow estimate, the discount rate used and the terminal growth rate for the estimate of the recoverable amount of the CGUs are described in the "Impairment" section of Note 15 "Property, plant and equipment".

The table below shows, as of December 31, 2023, the amounts by which the recoverable amounts of the Asset Based Services, Robotics & Industrialized Solutions, and Energy Carries CGUs exceed their carrying amounts, including allocated goodwill.

(€ million)	Asset Based Services	Energry Carries	Roboticss & Industrialized Solutions	Total
Goodwill	403	228	10	**641**
Amount by which recoverable amount exceeds carrying amount	2,297	783	10	**3,090**

The key assumptions adopted for assessing recoverable amounts were principally the operating results of the CGU (based on a combination of various factors, e.g., sales volumes, service prices, project profit margins, cost structure), the discount rate, the growth rates adopted to determine the terminal value and working capital projections. The effects of changes in these parameters in relation to the amount by which recoverable amount exceeds the carrying amounts (including goodwill) for each of the CGUs to which goodwill was allocated are described below.

Sensitivity analysis on the Asset Based Services CGU

The excess of the recoverable amount of the Asset Based Services CGU over its carrying amount, including the allocated portion of goodwill, is reduced to zero under the following circumstance:
- decrease by 56.7% in the operating result, over the entire plan period and in perpetuity;
- use of a discount rate of 23.0%;
- use of a negative terminal growth rate of -20.3%.

In addition, the excess of the recoverable amount over the value of net capital employed referred to the Asset Based Services CGU would increase if working capital cash flows were reduced to zero.
In view of the context of long-term uncertainty, including impact of the energy transition, sensitivity analyses were expanded for the CGU, verifying that the use of a zero growth rate would reduce the excess recoverable amount on the book value of around 20%; moreover, the excess recoverable amount obtained in the impairment test equals zero when the operating result in perpetuity is reduced by 78%.

Sensitivity analysis on the Energy Carriers CGU

The excess of the recoverable amount of the Energy Carriers CGU over its carrying amount, including the allocated portion of goodwill, is never reduced to zero for any variation of the discount rate and terminal growth rate or for a reduction of the operating result along the entire period of the plan and in perpetuity.
In addition, the excess of the recoverable amount over the value of net capital employed referred to the Energy Carriers CGU would increase if working capital cash flows were reduced to zero.

Sensitivity analysis on the Robotics & Industrialized Solutions CGU

The excess of the recoverable amount of the Robotics & Industrialized Solutions CGU over its carrying amount, including the allocated portion of goodwill, is reduced to zero under the following circumstance:
- decrease by 12.1% in the operating result, over the entire plan period and in perpetuity;
- use of a discount rate of 11.5%;
- use of a terminal growth rate of 0.2%.

In addition, the excess of the recoverable amount over the value of net capital employed referred to the Robotics & Industrialized Solutions CGU would increase if working capital cash flows were reduced to zero.

17 Right-of-Use assets, lease assets and lease liabilities

Movements in Right-of-Use assets, financial assets and liabilities for leasing as of December 31 are shown below:

(€ million)	Right-of-Use assets	Lease assets		Lease liabilities	
		Current	Non-current	Current	Non-current
Dec. 31, 2023					
Opening balance	**258**	**26**	**57**	**139**	**264**
Increases	312	-	195	-	499
Decreases and cancellations	(18)	(35)	-	(182)	(18)
Depreciation and amortisation	(122)	-	-	-	-
Net reversals of impairment losses	-	-	-	-	-
Exchange differences	(2)	(1)	(3)	(4)	(10)
Interest	-	14	-	42	-
Other changes	-	94	(94)	304	(304)
Closing balance	**428**	**98**	**155**	**299**	**431**
Dec. 31, 2022					
Opening balance	**261**	**30**	**46**	**147**	**247**
Increases	164	-	42	-	203
Decreases and cancellations	(28)	(30)	(11)	(180)	(44)
Depreciation and amortisation [(a)]	(141)	-	-	-	-
Net reversals of impairment losses	-	-	-	-	-
Exchange differences	2	1	2	3	6
Interest	-	3	-	21	-
Other changes	-	22	(22)	148	(148)
Closing balance	**258**	**26**	**57**	**139**	**264**

(a) Amortisation includes €5 million relating to discontinued operations.

During the year, Right-of-Use assets showed an increase of €170 million compared to December 31, 2022, mainly due to new contracts, changes in existing contracts and their depreciation.
In particular, increases for €312 million are mainly related to new lease contracts on vessels.
The net decrease of €165 million (-€200 million of lease liabilities and -€35 million of lease assets) related to the payment of fees for the period and the closure of certain contracts.
As of December 31, 2023, no Right-of-Use asset is a stand-alone CGU. For the purposes of determining recoverable amount, the Right-of-Use assets have been allocated to the relevant CGUs and tested as described under "Impairment" in Note 15 "Property, plant and equipment".
On the basis of business assessments, renewal options mainly relating to land and property totalling €19 million (€5 million as of December 31, 2022) are not considered in the determination of the total lease term and lease liability as of December 31, 2023.
The breakdown of renewal options by year is as follows:

(€ million)	2024	2025	2026	2027	2028	2029	After	Total
Renewal options	-	-	1	1	1	2	14	**19**

Lease assets refer to subleases of vessels for the offshore drilling business, registered as replacement of the "Right-of-Use" asset relating to the main lease.
Other changes in lease liabilities mainly reflect the reclassification of liabilities from non-current to current.

Right-of-Use assets as of December 31 are broken down by type in the table below:

(€ million)	Land	Buildings	Plant and equipment	Industrial and commercial equipment	Other assets	Total
Dec. 31, 2023						
Opening net balance	**25**	**173**	**40**	**13**	**7**	**258**
Increases	13	77	195	22	5	312
Decreases and cancellations	-	(16)	-	(1)	(1)	(18)
Depreciation and amortisation	(6)	(40)	(58)	(15)	(3)	(122)
Net reversals of impairment losses	-	-	-	-	-	-
Exchange differences	(1)	(1)	-	-	-	(2)
Other changes	-	-	-	-	-	-
Closing net balance	**31**	**193**	**177**	**19**	**8**	**428**
Closing gross balance	58	323	317	41	14	753
Depreciation and impairment losses	27	130	140	22	6	325
Dec. 31, 2022						
Opening net balance	**21**	**157**	**61**	**13**	**9**	**261**
Increases	14	83	45	17	5	164
Decreases and cancellations	(5)	(17)	-	(5)	(1)	(28)
Depreciation and amortisation	(6)	(50)	(67)	(12)	(6)	(141)
Net reversals of impairment losses	-	-	-	-	-	-
Exchange differences	1	-	1	-	-	2
Other changes	-	-	-	-	-	-
Closing net balance	**25**	**173**	**40**	**13**	**7**	**258**
Closing gross balance	46	290	179	28	12	555
Depreciation and impairment losses	21	117	139	15	5	297

The analysis by maturity of net lease liabilities as of December 31, 2023 is as follows:

		Non-current portion					
(€ million)	2024 current portion	2025	2026	2027	2028	After	Total
Lease liabilities	299	147	79	46	42	117	730
Lease assets	98	72	52	22	9	-	253
Total	**201**	**75**	**27**	**24**	**33**	**117**	**477**

The average marginal loan rate used for discounting Right-of-Use assets and lease financial liabilities as of December 31, 2023, was 8.2% (8.6% as of December 31, 2022).
Financial lease transactions with related parties are detailed in Note 43 “Related party transactions”.

18 Equity investments

Equity investments accounted for using the equity method

Equity-accounted investments were valued at €211 million (€229 million as of December 31, 2022), as follows:

(€ million)	Opening carrying amount	Acquisitions and subscriptions	Sales and reimbursements	Share of profit of equity - accounted investees	Share of loss of equity - accounted investees	Deduction for dividends	Change in the consolidation scope	Exchange differences of financial	Movements in reserves	Other changes	Closing carrying amount	Loss allowance
Dec. 31, 2023												
Investments in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-
Investments in joint ventures	65	1	(1)	4	(1)	-	-	(3)	(1)	-	64	-
Investments in associates	164	-	-	56	(3)	(69)	-	(3)	-	2	147	-
Total	**229**	**1**	**(1)**	**60**	**(4)**	**(69)**	**-**	**(6)**	**(1)**	**2**	**211**	**-**
Dec. 31, 2022												
Investments in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-
Investments in joint ventures	78	-	(10)	12	(13)	(3)	-	1	-	-	65	-
Investments in associates	79	-	-	16	(8)	(16)	-	3	-	90	164	-
Total	**157**	**-**	**(10)**	**28**	**(21)**	**(19)**	**-**	**4**	**-**	**90**	**229**	**-**

Equity investments accounted for using the equity method are listed in Note 6 "Consolidation scope as of December 31, 2023".
The share of profit of equity-accounted investees of €60 million includes profits for the period of €4 million recorded by joint ventures and €56 million by associates.
The share of loss of equity-accounted investees of €4 million includes losses for the period of €1 million recorded by joint ventures and €3 million by associates.
Deductions following the distribution of dividends of €69 million pertain to associates.
Other changes include capital gains from the disposal of associates to third parties for a total of €2 million.
The carrying amount of equity investments accounted for using the equity method related to the following companies:

(€ million)	Group share (%)	Carrying amount as of December 31, 2023	Carrying amount as of December 31, 2022
KCA Deutag International Ltd	10.00	85	88
Petromar Lda	70.00	61	61
Saipem Taqa Al Rushaid Fabricators Co Ltd	40.00	21	23
Rosetti Marino SpA	20.00	20	13
Gygaz Snc	7.50	19	25
Other		5	19
Total equity investments accounted for using the equity method		**211**	**229**

The total of equity investments accounted for using the equity method does not include the loss allowance mentioned in Note 26, "Provisions for risks and charges".

Other equity investments

The other equity investments are not individually significant as of December 31, 2023.

Other information on equity investments

The table below summarises key financial data from the IFRS financial statements of non-consolidated subsidiaries, joint ventures and associates accounted for using the equity method or measured at cost, in proportion to the Group interest held:

	Dec. 31, 2023			Dec. 31, 2022		
(€ million)	Subsidiaries	Joint ventures	Associates	Subsidiaries	Joint ventures	Associates
Total assets	4	277	873	4	530	1,509
Cash and cash equivalents	-	122	95	-	127	272
Total liabilities	4	262	776	4	557	1,391
Net revenue	-	263	766	-	558	777
Operating profit (loss)	-	71	94	-	(95)	14
Profit (loss) for the year	-	45	62	-	(76)	11

The table below shows the financial and economic data relating to joint ventures (full amounts at 100%).

(€ million)	Dec. 31, 2023	Dec. 31, 2022
Current assets	457	986
Cash and cash equivalents	*219*	*288*
- of which current lease assets	-	-
Non-current assets	38	70
- of which non-current lease assets	-	-
Total assets	**495**	**1,056**
Current liabilities	526	1,170
- of which current financial liabilities	*10*	*2*
- of which current portion of non-current lease liabilities	-	*7*
Non-current liabilities	10	16
- of which non-current financial liabilities	-	-
- of which non-current lease liabilities	-	*3*
Total liabilities	**536**	**1,186**
Equity	**(41)**	**(130)**
Carrying amount of equity investment	**15**	**(27)**
Revenue and other operating income	535	1,161
Operating expenses	(385)	(1,371)
Depreciation, amortisation and impairment losses	(14)	(32)
Operating profit (loss)	**136**	**(242)**
Financial income (expense)	(17)	14
Gains (losses) on equity investments	-	-
Pre-tax profit (loss)	**119**	**(228)**
Income taxes	(26)	22
Profit (loss) for the year	**93**	**(206)**
Other items of comprehensive income	(3)	1
Comprehensive income (loss) for the year	**90**	**(205)**
Profit (loss) attributable to the owners of the parent	**45**	**(76)**
Dividends to the Group approved by joint ventures	**-**	**3**

The table below shows the financial and economic data relating to associates (full amounts at 100%).

(€ million)	Dec. 31, 2023	Dec. 31, 2022
Current assets	2,699	5,391
Cash and cash equivalents	*715*	*1,368*
- of which current lease assets	-	-
Non-current assets	1,595	1,215
- of which non-current lease assets	*95*	*83*
Total assets	**4,294**	**6,606**
Current liabilities	1,963	4,933
- of which current financial liabilities	*38*	*41*
- of which current portion of non-current lease liabilities	*50*	*37*
Non-current liabilities	1,547	858
- of which non-current financial liabilities	*826*	*170*
- of which non-current lease liabilities	*53*	*59*
Total liabilities	**3,510**	**5,791**
Equity	**784**	**815**
Carrying amount of equity investment	**147**	**155**
Revenue and other operating income	4,168	2,907
Operating expenses	3,161	(2,846)
Depreciation, amortisation and impairment losses	(158)	(32)
Operating profit (loss)	**849**	**29**
Financial income (expense)	(134)	17
Gains (losses) on equity investments	-	-
Pre-tax profit (loss)	**715**	**46**
Income taxes	(36)	(27)
Profit (loss) for the year	**679**	**19**
Other items of comprehensive income	(29)	7
Comprehensive income (loss) for the year	**650**	**26**
Profit (loss) attributable to the owners of the parent	**62**	**11**
Dividends to the Group approved by associates	**69**	**16**

19 Deferred tax assets and liabilities

Deferred tax assets of €257 million (€345 million as of December 31, 2022) are shown net of €135 million in offsettable deferred tax liabilities.
Deferred tax liabilities of €6 million (€3 million as of December 31, 2022) are shown net of €135 million in offsettable deferred tax assets.
Movements in deferred tax assets and deferred tax liabilities were as follows:

(€ million)	Dec. 31, 2022	Accruals	Utilisations	Exchange differences	Other changes	Dec. 31, 2023
Deferred tax assets	345	72	(142)	(4)	(14)	257
Deferred tax liabilities	(3)	(25)	31	2	(11)	(6)
Total net deferred tax assets (liabilities)	**342**	**47**	**(111)**	**(2)**	**(25)**	**251**

The item "Other changes" in deferred tax assets, decreasing by €14 million, includes: (i) the offsetting at the individual company level of deferred tax assets with deferred tax liabilities (positive for €2 million); (ii) the recognition (negative for €20 million) against equity reserves of the tax effect related to the fair value assessment of derivative hedging contracts (cash flow hedge); (iii) the recognition (positive for €3 million) against equity reserves of the tax effect related to revaluations of defined benefit plans for employees; (iv) other changes (positive for €1 million).
The item "Other changes" in deferred tax liabilities, increasing by €11 million, includes: (i) the offsetting at the individual company level of deferred tax assets with deferred tax liabilities (positive for €2 million); (ii) the recognition (positive for €9 million) against equity reserves of the tax effect related to the fair value assessment of derivative hedging contracts (cash flow hedge); (iii) the recognition (positive for €1 million) against equity reserves of the tax effect related to the fair value assessment of financial assets with OCI effects; (iv) other changes (negative for €1 million).

Net deferred tax assets are broken down below.

(€ million)	Dec. 31, 2023	Situation as of Jan. 1, 2023	Dec. 31, 2022
Gross deferred tax assets	392	482	428
Offsettable deferred tax liabilities	(135)	(137)	(83)
Deferred tax assets	**257**	**345**	**345**
Gross deferred tax liabilities	(141)	(140)	(86)
Offsettable deferred tax assets	135	137	83
Deferred tax liabilities	**(6)**	**(3)**	**(3)**
Net deferred tax assets (liabilities)	**251**	**342**	**342**

The situation as of January 1, 2023 includes the effects of the application of changes to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction" as reported in the Accounting policies section "Changes to accounting standards". Deferred tax assets and liabilities relating to lease operations are entirely offsettable.
The most significant temporary differences giving rise to net deferred tax assets (liabilities) are as follows:

(€ million)	Dec. 31, 2022	Effects of changes to IAS 12	Situation as of Jan. 1, 2023	Accruals	Utilisations	Exchange differences	Other changes	Dec. 31, 2023
Deferred tax assets:								
- accruals to loss allowance and non-deductible risks and charges	128	-	128	35	(43)	-	-	120
- non-deductible depreciation	42	-	42	7	(20)	(1)	-	28
- hedging derivatives	46	-	46	-	(13)	-	(20)	13
- employee benefits	26	-	26	2	(6)	-	3	25
- tax losses carried forward	60	-	60	5	(12)	(1)	1	53
- project progress rate	61	-	61	3	(32)	-	-	32
- leasing IFRS 16	2	54	56	17	(14)	(1)	-	58
- other	63	-	63	3	(2)	(1)	-	63
	428	**54**	**482**	**72**	**(142)**	**(4)**	**(16)**	**392**
less:								
Offsettable deferred tax liabilities	(83)	(54)	(137)	-	-	-	2	(135)
Deferred tax assets	**345**	**-**	**345**	**72**	**(142)**	**(4)**	**(14)**	**257**
Deferred tax liabilities:								
- advance and excess depreciation	(33)	-	(33)	(2)	10	1	-	(24)
- hedging derivatives	(18)	-	(18)	(3)	16	-	(8)	(13)
- employee benefits	(1)	-	(1)	(2)	-	-	-	(3)
- non-distributed reserves held by investees	(12)	-	(12)	(6)	-	-	-	(18)
- project progress rate	(7)	-	(7)	(3)	2	-	-	(8)
- leasing IFRS 16	(1)	(54)	(55)	(4)	2	1	-	(56)
- other	(14)	-	(14)	(5)	1	-	(1)	(19)
	(86)	**(54)**	**(140)**	**(25)**	**31**	**2**	**(9)**	**(141)**
less:								
Offsettable deferred tax assets	83	54	137	-	-	-	(2)	135
Deferred tax liabilities	**(3)**	**-**	**(3)**	**(25)**	**31**	**2**	**(11)**	**(6)**
Net deferred tax assets (liabilities)	**342**	**-**	**342**	**47**	**(111)**	**(2)**	**(25)**	**251**

Unrecognised deferred tax assets of €1,597 million (€1,459 million as of December 31, 2022) mainly concern tax losses that it will probably not be possible to utilise against future taxable income in the next four years.

Tax losses

Tax losses amounted to €6,799 million (€6,614 million as of December 31, 2022), of which €5,056 million can be carried forward indefinitely. Tax recovery corresponds to a tax rate of 24% for Italian companies and to an average tax rate of 22.1% for foreign companies.

Tax losses related mainly to foreign companies and can be used in the following periods:

(€ million)	Italy	Outside Italy
2024	-	29
2025	-	38
2026	-	59
2027	-	3
2028	-	34
After 2028	-	1,580
Indefinitely	1,871	3,185
Total	**1,871**	**4,928**

Tax losses for which deferred tax assets have not been recognised, in accordance with IAS 12, amounted to €6,558 million. Deferred tax assets recognised in the financial statements as of December 31, 2023 relating to tax losses amounted to €53 million and are considered recoverable in the next four years.
Taxes are shown in Note 38 "Income taxes".

20 Other non-current assets

Other non-current assets amounted to €52 million (€30 million as of December 31, 2022) and consisted of the following:

(€ million)	Dec. 31, 2023	Dec. 31, 2022
Fair value of derivative financial instruments	3	-
Other receivables	25	10
Other assets	24	20
Total	**52**	**30**

For information on the fair value of derivative financial instruments see Note 29 "Derivative financial instruments".
Other receivables as of December 31, 2023 amounted to €25 million, an increase of €15 million compared to December 31, 2022, and related to guarantee deposits of various kinds, mainly for property leases and the preliminary phase of legal proceedings.
Other assets as of December 31, 2023 amounted to €24 million, an increase of €4 million compared to December 31, 2022, and mainly included costs not pertaining to the financial year, mainly related to insurance policies and costs for lease contracts.
Other non-current financial assets from related parties are detailed in Note 43 "Related party transactions".

21 Trade payables and other liabilities

Trade payables and other liabilities amounted to €2,944 million (€2,907 million as of December 31, 2022) and consisted of the following:

(€ million)	Dec. 31, 2023	Dec. 31, 2022
Trade payables	2,668	2,630
Other liabilities	276	277
Total	**2,944**	**2,907**

Trade payables amounted to €2,668 million, representing an increase of €38 million compared to December 31, 2022.
Trade and other liabilities with related parties are detailed in Note 43 "Related party transactions".
Other liabilities of €276 million were as follows:

(€ million)	Dec. 31, 2023	Dec. 31, 2022
Liabilities to:		
- employees	155	154
- social security institutions	62	62
- insurance companies	3	2
- consultants and professionals	2	3
- directors and statutory auditors	1	1
Other	53	55
Total	**276**	**277**

The fair value of trade payables and other liabilities did not differ significantly from their carrying amount due to the short period of time elapsed between their date of origination and their due date.

22 Contract liabilities

Contract liabilities of €3,088 million (€2,613 million as of December 31, 2022) consisted of the following:

(€ million)	Dec. 31, 2023	Dec. 31, 2022
Contract liabilities (from work in progress)	2,301	1,880
Advances from customers	787	733
Total	**3,088**	**2,613**

Contract liabilities (from work in progress) of €2,301 million (€1,880 million as of December 31, 2022) relate to adjustments in revenue invoiced on long-term contracts in order to comply with the accruals principle, in accordance with the accounting policies based on the contractual amounts accrued.
Specifically, contract liabilities (from work in progress) increased by €421 million due to adjustments to revenues invoiced during the year following the evaluation based on the operational progress of projects for €1.168 billion, partly offset by the impact of exchange rate effects and other changes for €20 million, and by the recognition as revenues for the current year of €727 million adjusted at the end of the previous year.
Advances from customers of €787 million (€733 million as of December 31, 2022) refer mainly to amounts received at the signing of contracts, in previous years and during the financial year, and gradually reduced when contractual milestones are met.
Contract liabilities with related parties are detailed in Note 43 "Related party transactions".

23 Other current liabilities

Other current liabilities amounted to €33 million (€107 million as of December 31, 2022) and were made up as follows:

(€ million)	Dec. 31, 2023	Dec. 31, 2022
Fair value of derivative financial instruments	17	94
Other liabilities	16	13
Total	**33**	**107**

The decrease of fair value on derivatives of €77 million is attributable mainly to the EUR/USD exchange rate, as well as all the other currencies linked to the latter.
For information on the fair value of derivative financial instruments see Note 29 "Derivative financial instruments".
Other liabilities amount to €16 million, an increase of €3 million since December 31, 2022.
Other liabilities with related parties are detailed in Note 43 "Related party transactions".

24 Financial liabilities

Financial liabilities were as follows:

	Dec. 31, 2023				Dec. 31, 2022			
(€ million)	Current financial liabilities	Current portion of non-current financial liabilities	Non-current financial liabilities	Total	Current financial liabilities	Current portion of non-current financial liabilities	Non-current financial liabilities	Total
Banks	63	96	374	533	82	206	234	522
Bonds	-	32	1,794	1,826	-	536	1,495	2,031
Other financial institutions	34	-	-	34	77	-	-	77
Total	**97**	**128**	**2,168**	**2,393**	**159**	**742**	**1,729**	**2,630**

As of December 31, 2023, there are bank loan agreements containing Financial Covenant clauses that require compliance with the ratio of net financial debt to EBITDA (as defined in the respective loan agreements), not to exceed 3.5 times. As of December 31, 2023, the Company satisfied all conditions on the use of borrowings, including these financial covenants, change of control clauses, and negative pledge and cross-default clauses.
The item "Bonds" includes three ordinary bonds, with a total nominal value of €1,380 million (carrying value of €1,405 million at December 31, 2023), and one convertible bond, with a notional value of €500 million, placed on August 30, 2023 (carrying value of €421 million as of December 31, 2023).

The analysis by maturity of non-current financial liabilities as of December 31, 2023, is as follows:

(€ million)

Type	Maturity range	2025	2026	2027	2028	After	Total non-current financial liabilities
Banks	2025-2027	191	168	15	-	-	374
Bonds	2025-2029	353	479	-	479	483	1,794
Total		**544**	**647**	**15**	**479**	**483**	**2,168**

With reference to future contractual payments due, the maturities of non-current financial liabilities were analysed as follows:

			Long-term maturity					
(€ million)	Carrying amount as of Dec. 31, 2023	Current portion Dec. 31, 2024	2025	2026	2027	2028	After	Total future payments as of Dec. 31, 2023
Banks	470	98	195	168	15	-	-	476
Bonds	1,826	33	380	500	-	500	500	1;913
Other financial institutions	-	-	-	-	-	-	-	-
Total	**2,296**	**131**	**575**	**668**	**15**	**500**	**500**	**2,389**

The difference of €93 million between the carrying amount of the non-current financial liabilities recognised in the financial statements as of December 31, 2023 and the total of future payments is because of the measurement using the amortised cost method.
The analysis of financial liabilities by currency with an indication of the interest rate is as follows:

(€ million)

	Dec. 31, 2023						Dec. 31, 2022					
		Interest rate %			Interest rate %			Interest rate %			Interest rate %	
Currency	Current financial liabilities	from	to	Non-current financial liabilities (including current portion)	from	to	Current financial liabilities	from	to	Non-current financial liabilities (including current portion)	from	to
Euro	34	0.00	0.00	2,296	1.34	7.58	77	0.00	0.00	2,471	1.38	4.80
US dollar	-	-	-	-			-	-	-	-		
Other	63	variable		-			82	variable		-		
Total	**97**			**2,296**			**159**			**2,471**		

Non-current financial liabilities, including the current portion, mature between 2024 and 2029.
As of December 31, 2023, Saipem had unused uncommitted short-term credit lines amounting to €114 million (€169 million as of December 31, 2022) and unused committed short-term credit lines amounting to €473 million (no undrawn committed long-term credit line as of December 31, 2022).
Commission fees on unused lines of credit were not significant.
There were no financial liabilities secured by mortgages or liens on real estate of consolidated companies and by pledges on securities.
The fair value of non-current financial liabilities, including the current portion, amounted to €2,383 million (€2,316 million as of December 31, 2022) and was calculated by discounting the present value of future cash flows in the main currencies of the loan at the following, approximate rates:

(%)	2023	2022
(€)	3.91-4.84	5.77-6.97

The market value of listed financial instruments was calculated using the closing stock price at the last available date of the year.
The following table lists the comparison between the notional value, the carrying amount and the fair value of non-current financial liabilities:

	Dec. 31, 2023			Dec. 31, 2022		
(€ million)	Notional amount	Carrying amount	Fair value	Notional amount	Carrying amount	Fair value
Banks	474	470	480	444	440	429
Bonds	1,880	1,826	1,903	2,000	2,031	1,887
Other financial institutions	-	-	-	-	-	-
Total	**2,354**	**2,296**	**2,383**	**2,444**	**2,471**	**2,316**

In accordance with the "Disclosure Initiative" (IAS 7), the following is a reconciliation between changes in financial liabilities and cash flows from financing activities:

(€ million)	Dec. 31, 2022	Change in cash flows	Non-cash changes: Acquisitions	Exchange differences of financial	Change in fair value	Other non-cash changes	Dec. 31, 2023
Current financial liabilities	159	(60)	-	(2)	-	-	97
Non-current financial liabilities, including current portion	2,471	(175)	-	-	-	-	2,296
Net lease liabilities (assets)	320	(127)	-	(2)	-	286	477
Total net liabilities from financing activities	**2,950**	**(356)**	**-**	**(4)**	**-**	**286**	**2,870**

Financial liabilities to related parties are shown in Note 43 "Related party transactions".

25 Analysis of net financial debt

The financial debt statement prepared according to the provisions established in the Consob document 5/21 of April 29, 2021, which implements the ESMA guidelines, is presented below.

(€ million)	Dec. 31, 2023 Current	Dec. 31, 2023 Non-current	Dec. 31, 2023 Total	Dec. 31, 2022 Current	Dec. 31, 2022 Non-current	Dec. 31, 2022 Total
A. Cash and cash equivalents	**2,136**	**-**	**2,136**	**2,052**	**-**	**2,052**
B. Cash equivalents	**-**	**-**	**-**	**-**	**-**	**-**
C. Other current financial assets:	**472**	**-**	**472**	**569**	**-**	**569**
- Financial assets measured at fair value through OCI	86	-	86	75	-	75
- Financial receivables	386	-	386	494	-	494
D. Liquidity (A+B+C)	**2,608**	**-**	**2,608**	**2,621**	**-**	**2,621**
E. Current financial debt:	**396**	**-**	**396**	**298**	**-**	**298**
- Current financial liabilities with banks	63	-	63	82	-	82
- Current financial liabilities with related parties	1	-	1	1	-	1
- Other current financial liabilities	33	-	33	76	-	76
- Lease liabilities	299	-	299	139	-	139
F. Current portion of the non-current financial debt:	**128**	**-**	**128**	**742**	**-**	**742**
- Non-current financial liabilities with banks	96	-	96	206	-	206
- Bonds	32	-	32	536	-	536
G. Current debt (E+F)	**524**	**-**	**524**	**1,040**	**-**	**1,040**
H. Net current financial debt (G-D)	**(2,084)**	**-**	**(2,084)**	**(1,581)**	**-**	**(1,581)**
I. Non-current financial debt:	**-**	**805**	**805**	**-**	**498**	**498**
- Non-current financial liabilities with banks	-	374	374	-	234	234
- Non-current financial liabilities with related parties	-	-	-	-	-	-
- Lease liabilities	-	431	431	-	264	264
J. Debt instruments:	**-**	**1,794**	**1,794**	**-**	**1,495**	**1,495**
- Bonds	-	1,794	1,794	-	1,495	1,495
K. Trade payables and other non-current payables	**-**	**-**	**-**	**-**	**-**	**-**
L. Non-current debt (I+J+K)	**-**	**2,599**	**2,599**	**-**	**1,993**	**1,993**
M. Total net financial debt as set out in Consob document No. 5/21, April 29, 2021 (H+L)	**(2,084)**	**2,599**	**515**	**(1,581)**	**1,993**	**412**

Net financial debt does not include the fair value of derivatives indicated in Note 14 "Other current assets", Note 20 "Other non-current assets", Note 23 "Other current liabilities", and Note 28 "Other non-current liabilities".

Reconciliation of net financial debt

(€ million)	Dec. 31, 2023 Current	Non-current	Total	Dec. 31, 2022 Current	Non-current	Total
M. Total net financial debt as set out in Consob document No. 5/21, April 29, 2021 (H+L)	**(2,084)**	**2,599**	**515**	**(1,581)**	**1,993**	**412**
N. Non-current financial assets	**-**	**1**	**1**	**-**	**65**	**65**
O. Lease assets	**98**	**155**	**253**	**26**	**57**	**83**
P. Net financial debt (M-N-O)	**(2.182)**	**2.443**	**261**	**(1,607)**	**1,871**	**264**

The pre-IFRS 16 net financial position as of December 31, 2023 was positive at €216 million, including the positive impact of €72 million from the convertible bond issue. Net debt, including IFRS 16 lease liability of €477 million, amounted to €261 million. Pre-IFRS 16 gross debt as of December 31, 2023, amounted to €2,393 million, liquidity to €2,609 million of which available cash for €1,323 million.
Financial receivables are explained in Note 9 “Other financial assets”.

26 Provisions for risks and charges

Provisions for risks and charges amounted to €767 million (€1,148 million as of December 31, 2022) and consisted of the following:

(€ million)	Opening balance	Accruals	Utilisations	Other changes	Closing balance
Dec. 31, 2023					
Provision for taxes	9	-	-	-	9
Provision for litigation	234	7	(72)	13	182
Provision for losses on investments	101	-	(51)	(1)	49
Provision for contractual expenses and losses on long-term contracts	745	111	(391)	(2)	463
Provision for redundancy incentives	1	-	(3)	3	1
Other provisions	58	31	(21)	(5)	63
Total	**1,148**	**149**	**(538)**	**8**	**767**
Dec. 31, 2022					
Provision for taxes	14	2	(7)	-	9
Provision for litigation	265	15	(55)	9	234
Provision for losses on investments	30	75	(3)	(1)	101
Provision for contractual expenses and losses on long-term contracts	973	115	(344)	1	745
Provision for redundancy incentives	17	1	(19)	2	1
Other provisions	54	27	(24)	1	58
Total	**1,353**	**235**	**(452)**	**12**	**1,148**

The **provisions for taxes** amounted to €9 million and related principally to disputes concerning indirect taxes with foreign tax authorities and also take into account the results of recent assessments.
The Group operates in numerous countries with complex tax laws to which it adheres thanks also to the support of local tax consultants. In some of these jurisdictions, the Group is handling, through appeals, some requests made by the tax authorities, from which the Directors believe that no further significant charges will arise with respect to what has already been accrued.
The **provision for litigation** amounted to €182 million and consisted of provisions set aside by Saipem SpA and a number of foreign subsidiaries in relation to ongoing litigation, of which €8 million were for litigation with employees. The provision mainly includes an estimate of contingent liabilities arising from settlements and legal proceedings. Specifically, the provision includes the equivalent of around €142 million for litigations in Algeria regarding a contract completed some time ago; for further information, see "Legal proceedings" in Note 33 “Guarantees, commitments and risks”.
The **provisions for losses on investments** amounted to €49 million and related to provisions for losses of investees accounted for using the equity method. The use of the provision is attributable mainly to the negotiations ongoing with a client to close a project in Russia, whose contractual relations have come to an end and are being formalised.
The **provision for contractual expenses and losses on long-term contracts** amounts to €463 million and includes estimated losses of €443 million and final project costs of €20 million related mainly to Engineering & Construction projects.
The **provision for redundancy incentives** amounted to €1 million attributable to Saipem SpA.
Other provisions amounted to €63 million and are for other contingencies.

27 Employee benefits

Employee benefits amount to €193 million (€183 million as of December 31, 2022) and consisted of the following:

(€ million)	Dec. 31, 2023	Dec. 31, 2022
TFR	25	25
Foreign defined benefit plans	72	67
FISDE and other health plans	21	22
Other long-term employee benefits	75	69
Total	**193**	**183**

Post-employment benefits ("TFR"), regulated by Article 2120 of the Italian Civil Code, relate to the statutory provisions, estimated using actuarial hypotheses, to be paid to employees by Italian companies upon termination of the employment relationship.
Foreign defined benefit plans relate to the following:

- defined pension benefit plans of foreign companies located, primarily, in Saudi Arabia, France, Switzerland, the United Arab Emirates, India, and the United Kingdom;
- pension provisions and similar obligations for personnel employed abroad, to whom local legislation applies.

On the basis of the length of service and the salary paid in the last year of service, or the average annual salary paid in a determined period preceding termination, an amount representing the company's obligation to employees is set aside.
The supplementary medical reserve for Eni managers (FISDE) includes liabilities and welfare costs calculated on the basis of the contributions paid or to be paid by the company for retired managers.
Other provisions for long-term employee benefits relate mainly to long-term incentive plans, jubilee awards, the voluntary redundancy incentive plan (Article 4, Italian Law No. 92/2012) and other long-term plans.
The long-term incentive plans cover the estimate, determined based on actuarial assumptions, of the amount to be paid to beneficiaries provided that they remain employed for the period established by each plan following the allocation of the relevant incentive; the cost is allocated pro-rata temporis over the vesting period. Jubilee awards are benefits due following the attainment of a minimum period of service; at the Italian companies they consist of remuneration in welfare credit.
The voluntary redundancy incentive plan, allocated following agreements which implemented the provisions of Article 4 of Italian Law No. 92/2012 between Saipem SpA and the representatives of the main Trade Union organisations in order to implement, in the least traumatic way possible, a correct restructuring of personnel, includes the actuarial estimate of expenses for offers early, consensual termination of the employment relationship.

Employee benefits calculated using actuarial techniques are analysed as follows:

(€ million)	Dec. 31, 2023 TFR	Foreign defined benefit plans	FISDE and other foreign health plans	Other long-term employee benefits	Total	Dec. 31, 2022 TFR	Foreign defined benefit plans	FISDE and other foreign health plans	Other long-term employee benefits	Total
Present value of benefit obligation at the start of the year	**25**	**126**	**22**	**69**	**242**	**33**	**177**	**32**	**69**	**311**
Current cost	-	10	-	4	14	-	18	1	27	46
Interest expense	1	5	1	2	9	-	3	1	-	4
Remeasurements:	1	10	(1)	6	16	(3)	(41)	(11)	(5)	(60)
- actuarial gains and losses arising from changes in demographic assumptions	*-*	*(1)*	*(1)*	*-*	*(2)*	*-*	*-*	*(3)*	*-*	*(3)*
- actuarial gains and losses arising from changes in financial assumptions	*-*	*8*	*-*	*4*	*12*	*(5)*	*(32)*	*(7)*	*(7)*	*(51)*
- experience adjustments	*1*	*3*	*-*	*2*	*6*	*2*	*(9)*	*(1)*	*2*	*(6)*
Past service cost and gains/losses from termination	-	-	-	16	16	-	-	-	(3)	(3)
Contributions to plan:	-	-	-	-	-	-	-	-	-	-
- employee contributions	-	-	-	-	-	-	-	-	-	-
- employer contributions	-	-	-	-	-	-	-	-	-	-
Benefits paid	(2)	(10)	(1)	(20)	(33)	(5)	(16)	(1)	(19)	(41)
Discontinued operations	-	-	-	-	-	-	(2)	-	-	(2)
Sale of business	-	-	-	-	-	-	(14)	-	-	(14)
Change in the consolidation scope	-	(3)	-	(2)	(5)	-	-	-	-	-
Exchange differences and other changes	-	-	-	-	-	-	1	-	-	1
Present value of benefit obligation at end of the year (a)	**25**	**138**	**21**	**75**	**259**	**25**	**126**	**22**	**69**	**242**
Plan assets at start of the year	**-**	**61**	**-**	**-**	**61**	**-**	**80**	**-**	**-**	**80**
Interest income	-	2	-	-	2	-	1	-	-	1
Return on plan assets	-	-	-	-	-	-	(20)	-	-	(20)
Past service cost and gains/losses from termination	-	-	-	-	-	-	-	-	-	-
Contributions to plan:	-	-	-	-	-	-	-	-	-	-
- employee contributions	-	-	-	-	-	-	-	-	-	-
- employer contributions	-	*8*	-	-	*8*	-	*6*	-	-	*6*
Benefits paid	-	(4)	-	-	(4)	-	(4)	-	-	(4)
Exchange differences and other changes	-	1	-	-	1	-	(2)	-	-	(2)
Plan assets at end of the year (b)	**-**	**68**	**-**	**-**	**68**	**-**	**61**	**-**	**-**	**61**
Net liability (c=a-b)	**25**	**70**	**21**	**75**	**191**	**25**	**65**	**22**	**69**	**181**
Additional liability to be recognised pre IFRIC 14 at start of the year	**-**	**2**	**-**	**-**	**2**	**-**	**7**	**-**	**-**	**7**
Increase/decrease	-	(2)	-	-	(2)	-	(5)	-	-	(5)
Additional liability to be recognised per IFRIC 14 at end of the year (d)	**-**	**-**	**-**	**-**	**-**	**-**	**2**	**-**	**-**	**2**
Changes in the maximum limit of plan assets (e)	**-**	**2**	**-**	**-**	**2**	**-**	**-**	**-**	**-**	**-**
Net liability recognised (f=c+d+e)	**25**	**72**	**21**	**75**	**193**	**25**	**67**	**22**	**69**	**183**

Other provisions for long-term employee benefits of €75 million (€69 million as of December 31, 2022) relate to the voluntary redundancy incentive plan for €26 million (€40 million as of December 31, 2022), long-term incentive plans for €21 million (€3 million as of December 31, 2022), other foreign long-term plans for €26 million (€24 million as of December 31, 2022), and jubilee awards for €2 million (€2 million as of December 31, 2022).

Costs for employee benefits determined using actuarial assumptions and charged to the income statement are detailed below:

	Dec. 31, 2023					Dec. 31, 2022				
(€ million)	TFR	Foreign defined benefit plans	FISDE and other foreign health plans	Other long-term employee benefits	Total	TFR	Foreign defined benefit plans	FISDE and other foreign health plans	Other long-term employee benefits	Total
Current cost	-	10	-	4	14	-	18	1	27	46
Past service cost and gains/losses from termination	-	-	-	16	16	-	-	-	(3)	(3)
Net interest expense (income):										
- interest expense on bond	1	5	1	2	9	-	3	1	-	4
- interest income on plan assets	-	2	-	-	2	-	1	-	-	1
Total net interest expense (income)	1	3	1	2	7	-	2	1	-	3
of which recognised in personnel cost	-	-	-	*2*	*2*	-	-	-	-	-
of which recognised in financial income (expense)	*1*	*3*	*1*	-	*5*	-	*2*	*1*	-	*3*
Remeasurements of long-term plans	-	-	-	6	6	-	-	-	(5)	(5)
Total	**1**	**13**	**1**	**28**	**43**	**-**	**20**	**2**	**19**	**41**
of which recognised in personnel cost	-	*10*	-	*28*	*38*	-	*18*	*1*	*19*	*38*
of which recognised in financial income (expense)	*1*	*3*	*1*	-	*5*	-	*2*	*1*	-	*3*

Costs for defined benefit plans recognised in other comprehensive income were as follows:

	2023				2022			
(€ million)	TFR	Foreign defined benefit plans	FISDE and other foreign health plans	Total	TFR	Foreign defined benefit plans	FISDE and other foreign health plans	Total
Remeasurements:								
- actuarial gains and losses arising from changes in demographic assumptions	-	(1)	(1)	(2)	-	-	(3)	(3)
- actuarial gains and losses arising from changes in financial assumptions	-	8	-	8	(5)	(32)	(7)	(44)
- experience adjustments	1	3	-	4	2	(9)	(1)	(8)
- return on plan assets	-	-	-	-	-	20	-	20
Additional liability to be recognised per IFRIC 14	-	(2)	-	(2)	-	(5)	-	(5)
Changes in the maximum limit of plan assets	-	2	-	2	-	-	-	-
Total	**1**	**10**	**(1)**	**10**	**(3)**	**(26)**	**(11)**	**(40)**

Foreign defined benefit plan assets are as follows:

(€ million)	Cash and cash equivalents	Equity Instruments	Debt instruments	Property	Derivatives	Mutual funds	Assets held by insurance companies	Structured debt securities	Other assets	Total
Plan assets:										
- prices quoted in active markets	2	-	-	-	-	-	-	-	16	18
- prices not quoted in active markets	-	-	5	-	25	5	13	-	2	50
Total	**2**	**-**	**5**	**-**	**25**	**5**	**13**	**-**	**18**	**68**

The main actuarial assumptions used to measure benefit obligations at year end and to estimate costs for the following year are as follows:

		TFR	Foreign defined benefit plans	FISDE and other foreign health plans	Other long-term employee benefits
Year 2023					
Main actuarial assumptions:					
- discount rate	(%)	3.30	1.35-16.60	3.30-7.09	3.10-7.09
- growth rate of salary increase	(%)	2.50	0.84-12.00	6.00	2.50-6.00
- expected rates of return on plan assets	(%)	-	1.35-4.50	7.09	-
- inflation rate	(%)	2.00	1.25-15.30	2.00-4.00	15.30
- life expectancy at age 65	(years)	-	12-24	-	-
Year 2022					
Main actuarial assumptions:					
- discount rate	(%)	3.70	2.10-20.00	3.70-7.25	3.20-7.25
- growth rate of salary increase	(%)	2.90	0.84-10.00	6.00	1.00-6.00
- expected rates of return on plan assets	(%)	-	2.10-7.25	-	-
- inflation rate	(%)	2.40	1.25-12.55	2.40-4.00	1.00-12.55
- life expectancy at age 65	(years)	-	12-24	-	-

Below are the main actuarial assumptions by geographical area:

		Eurozone	Rest of Europe	Africa	Other
Year 2023					
Discount rate	(%)	3.10-3.30	1.35-4.50	3.20-16.60	2.50-9.20
Growth rate of salary increase	(%)	2.50	1.50-3.50	5.60-12.00	0.84-10.00
Inflation rate	(%)	2.00-2.20	1.25-3.00	3.10-15.30	2.00-4.00
Life expectancy at age 65	(years)	-	22-24	-	12-14
Year 2022					
Discount rate	(%)	3.20-3.70	2.10-4.90	3.70-20.00	2.10-9.32
Growth rate of salary increase	(%)	2.50-2.90	1.50-3.75	1.00-10.00	0.84-10.00
Inflation rate	(%)	2.00-2.40	1.25-3.20	3.00-12.55	2.00-4.00
Life expectancy at age 65	(years)	-	22-24	-	12-14

The discount rate used was determined based on market yields on primary corporate bonds (AA rating) in countries with a sufficiently deep market, or based on government bond yields if this is not the case.
The inflation rates used were based on long-term forecasts prepared by domestic and international banking institutions.
The demographic tables employed are those used by local actuaries to perform IAS 19 measurements.
The effects of reasonably possible changes in the main actuarial assumptions at year end are as follows:

(€ million)	Discount rate		Inflation rate	Growth rate of salary increase	Growth rate of pensions	Growth rate of healthcare costs
	Increase of 0.5%	Decrease of 0.5%	Increase of 0.5%	Increase of 0.5%	Increase of 0.5%	Increase of 1%
Effect on DBO	**(10)**	**11**	**3**	**4**	**1**	**1**
TFR	(1)	1	1	-	-	-
Foreign defined benefit plans	(7)	7	2	3	1	-
FISDE and other foreign health plans	(1)	1	-	-	-	1
Other long-term employee benefits	(1)	2	-	1	-	-

The sensitivity analysis was performed by applying the modified parameters to the results of the analyses conducted for each plan.
The expected amount of contributions to be paid to foreign defined benefit plans in the subsequent year is €12 million.

The maturity profile of employee benefit plan obligations is as follows:

(€ million)	TFR	Foreign defined benefit plans	FISDE and other foreign health plans	Other long-term employee benefits
2024	2	13	1	23
2025	1	13	1	37
2026	2	14	1	12
2027	2	15	1	10
2028	2	15	1	5
After	10	75	6	10

The weighted average duration of obligations is as follows:

(years)	TFR	Foreign defined benefit plans	FISDE and other foreign health plans	Other long-term employee benefits
2023	7	10	13	5
2022	8	10	14	5

28 Other non-current liabilities

Other non-current liabilities of €3 million (€2 million as of December 31, 2022) consisted of the following:

(€ million)	Dec. 31, 2023	Dec. 31, 2022
Fair value of derivative financial instruments	-	-
Other liabilities	2	2
Other liabilities	1	-
Total	**3**	**2**

29 Derivative financial instruments

(€ million)	Dec. 31, 2023 Active fair value	Dec. 31, 2023 Passive fair value	Dec. 31, 2022 Active fair value	Dec. 31, 2022 Passive fair value
Derivatives qualified for hedge accounting				
Interest Rate Contracts (Forward component)				
- purchases	-	-	1	-
- sales	-	-	-	-
Currency forwards (Spot component)				
- purchases	5	2	31	10
- sales	65	1	83	60
Currency forwards (Forward component)				
- purchases	-	2	(3)	-
- sales	(16)	2	(13)	5
Commodity forwards (Forward component)				
- purchases	-	2	4	2
- sales	-	-	-	-
Total derivatives qualified for hedge accounting	**54**	**9**	**103**	**77**
Derivatives not qualified for hedge accounting				
Currency forwards (Spot component)				
- purchases	4	6	13	6
- sales	12	1	19	9
Currency forwards (Forward component)				
- purchases	1	-	-	(1)
- sales	(4)	1	(2)	3
Commodity forwards (Forward component)				
- purchases	-	-	-	-
- sales	-	-	-	-
Total derivatives not qualified for hedge accounting	**13**	**8**	**30**	**17**
Total derivatives accounting	**67**	**17**	**133**	**94**
Of which:				
- current (includes IRS, Note 25 "Analysis of net financial debt")	64	17	133	94
- non-current	3	-	-	-

The derivative contracts' fair value hierarchy is level 2.
Purchase and sale commitments on derivatives are detailed as follows:

(€ million)	Dec. 31, 2023 Active	Dec. 31, 2023 Passive	Dec. 31, 2022 Active	Dec. 31, 2022 Passive
Purchase commitments				
Derivatives qualified for hedge accounting:				
- interest rate derivatives	-	-	-	37
- exchange rate derivatives	441	405	656	633
- commodity contracts	-	28	-	46
Derivatives not qualified for hedge accounting:				
- exchange rate derivatives	840	737	486	1,192
	1,281	**1,170**	**1,142**	**1,908**
Sale commitments				
Derivatives qualified for hedge accounting:				
- exchange rate derivatives	2,415	333	1,518	696
Derivatives not qualified for hedge accounting:				
- exchange rate derivatives	624	279	1,227	242
	3,039	**612**	**2,745**	**938**

The fair value of derivative financial instruments was determined by taking into account valuation models widely used in the financial sector and market parameters (exchange rates and interest rates) at the balance sheet date.
The fair value of forward transactions (outright, forward and currency swaps) was determined by comparing the net present value at the negotiated terms of the transactions outstanding as of December 31, 2023 with the present value recalculated at

the conditions quoted by the market on the closing date. The model used is the Net Present Value model, which is based on the forward contract exchange rate, the year-end exchange rate, and the respective forward interest rate curves.
As of December 31, 2023, no Interest Rate Swaps (IRS) (positive for €1 million as of December 31, 2022) contracts were in existence.
Cash flow hedging transactions relate to forward purchase and sale transactions (forwards, outright and currency swaps).
The recognition of the effects on the income statement and the realisation of the economic flows of the highly probable future transactions hedged as of December 31, 2023, are expected over a period of time up to 2025.
During the financial year 2023, there were no significant cases in which transactions previously qualified as hedges were no longer considered highly probable.
The fair value asset on qualified hedging derivative contracts as of December 31, 2023 amounted to €54 million (€103 million as of December 31, 2022). In respect of these derivatives, the spot component, amounting to €70 million (€114 million as of December 31, 2022), was suspended in the hedging reserve in the amount of €61 million (€117 million as of December 31, 2022) and recognised in financial income and expenses in the amount of €9 million (-€3 million as of December 31, 2022), while the forward component, not designated as a hedging instrument, was recognised in financial income and expenses in the amount of -€16 million (-€16 million as of December 31, 2022).
With regard to commodity contracts, the active fair value assets of €0,2 million was suspended in the hedging reserve (€4 million as of December 31, 2022).
The fair value liability on qualified hedging derivative contracts as of December 31, 2023 amounted to €9 million (€77 million as of December 31, 2022). In respect of these derivatives, the spot component, amounting to €3 million (€70 million as of December 31, 2022), was suspended in the hedging reserve in the amount of €5 million (€61 million as of December 31, 2022) and recognised in financial income and expenses in the amount of -€2 million (€9 million as of December 31, 2022), while the forward component, not designated as a hedging instrument, was recognised in financial income and expenses in the amount of €4 million (€5 million as of December 31, 2022).
With regard to commodity contracts, the fair value liability of €2 million was suspended in the hedging reserve (€2 million as of December 31, 2022).
The hedging reserve, relating to currency contracts, amounted to a positive amount of €15 million with a weighted average exchange rate of the hedging instruments of 1.0941 to the US dollar (USD), 3.7357 to the Israeli shekel (ILS) and 0.3348 to the Kuwaiti dinar (KWD). The hedging reserve, relating to commodity contracts, was a positive €1 million, with a weighted average price of hedging instruments of 5,734 USD/MT (Metric Ton) for copper hedges and 814 USD/MT (Metric Ton) for fuel hedges.

The table below shows the change in the hedging reserve attributable to the change in the fair value of hedging transactions outstanding for the entire year, or of new hedging relationships designated during the year, and to the release of hedging effects from shareholders' equity to the income statement due to the economic manifestation of the hedged commercial transactions, or as a result of the discontinuation of hedging relationships due to exposures that are no longer certain or highly probable.

(€ million)	Dec. 31, 2022	Profit for the period	Losses for the period	EBITDA adjustment profit	EBITDA adjustment losses	Profit underlying cancellation	Losses underlying cancellation	Dec. 31, 2023
Exchange rate hedge reserve								
Saipem SpA	(37)	135	(93)	(189)	215	(2)	7	36
Saipem SA	(54)	55	(24)	(62)	74	(1)	1	(11)
Sofresid SA	1	1	(1)	(1)	1	-	-	1
Saipem (Portugal) Comércio Marítimo, Sociedade Unipessoal Lda	14	31	(17)	(30)	14	(2)	2	12
Saipem Ltd	-	20	(24)	(36)	40	-	-	-
Saipem Misr for Petroleum Services (S.A.E.)	-	10	(2)	(3)	2	-	-	7
Servizi Energia Italia SpA	(36)	68	(82)	(37)	45	-	1	(41)
Snamprogetti Saudi Arabia Co Ltd Llc	(9)	13	(9)	(27)	32	-	-	-
Saipem Contracting Netherlands BV	(2)	3	(1)	(4)	4	(1)	1	-
Saipem Contracting Nigeria	3	1	(1)	(5)	3	-	-	1
Saipem do Brasil	-	-	(2)	-	1	-	-	(1)
Saipem Drilling Norway AS	4	5	(2)	(5)	2	-	-	4
Saipem Guyana	(2)	1	-	-	-	-	1	-
Saipem Luxembourg	3	11	(6)	(5)	4	-	-	7
Saipem Singapore	-	1	-	(1)	-	-	-	-
Saipem Australia Pty Ltd	4	19	(14)	(29)	22	(1)	-	1
Snamprogetti Engineering & Contracting	(3)	1	-	(1)	2	-	-	(1)
Total exchange rate hedge reserve	**(114)**	**375**	**(278)**	**(435)**	**461**	**(7)**	**13**	**15**
Commodity hedge reserve								
Saipem Ltd	1	1	(1)	(1)	-	-	-	-
Saipem SpA	2	5	(3)	(4)	-	-	-	-
Saipem SA	(1)	1	(2)	-	-	-	-	(2)
Saipem (Portugal) Comércio Marítimo, Sociedade Unipessoal Lda	-	2	(1)	(1)	-	-	-	-
Snamprogetti Saudi Arabia Co Ltd Llc	4	6	(1)	(6)	-	-	-	3
Total commodity hedge reserve	**6**	**15**	**(8)**	**(12)**	**-**	**-**	**-**	**1**
Interest rate hedge reserve								
Saipem SpA	1	-	(1)	-	-	-	-	-
Total interest rate hedge reserve	**1**	**-**	**(1)**	**-**	**-**	**-**	**-**	**-**
Total hedge reserve	**(107)**	**390**	**(287)**	**(447)**	**461**	**(7)**	**13**	**16**

During the financial year 2023, the project margins were adjusted by a net negative amount of €26 million for hedging.
Information on the risks being hedged and the carrying amounts of the financial instruments and their economic and equity effects is provided in Note 33 "Guarantees, commitments and risks"; information on hedging policies is provided in Note 3 "Accounting policies" under "Financial risk management".

30 Discontinued operations, assets held for sale and directly associated liabilities

Discontinued operations

In accordance with the provisions of IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", the Onshore Drilling (DRON) business is recognised under Discontinued operations. During 2022, the activities in Saudi Arabia, Congo, the United Arab Emirates, and Morocco were transferred, and during the first half of 2023 the activities in Kuwait and Latin America were sold; exception is made for the activities in Argentina, which are expected to be transferred, together with those in Kazakhstan and Romania, within the first half of 2024.
The economic results of the DRON sector are shown separately from Continuing operations in a single line in the income statement, and limited to only transactions with third parties, while intercompany transactions continue to be eliminated.
Assets and liabilities directly associated with activities in Argentina, Kazakhstan and Romania were classified as held for sale.
Finally, the net cash flows of Discontinued operations have been presented separately from the net cash flows of Continuing operations.

Below are the main balance sheet values of Discontinued operations.

(€ million)	Dec. 31, 2023	Dec. 31, 2022
Current assets	4	112
Non-current assets	22	31
Total assets	**26**	**143**
Current liabilities	26	43
Non-current liabilities	-	2
Total liabilities	**26**	**45**

Below is the main financial information of Discontinued operations.

(€ million)	Dec. 31, 2023	Dec. 31, 2022
Total core business revenue and other revenue	99	477
Operating expenses	(105)	(465)
Operating result	(6)	12
Financial income (expense)	-	(7)
Gains (losses) on equity investments	-	-
Pre-tax profit (loss)	(6)	5
Income taxes	-	(18)
Capital gain	-	119
Net profit (loss):	(6)	106
- of which Saipem shareholders	(6)	106
- of which non-controlling interests	-	-
Net income per share	-	0.11
Cash flows from operating activities	-	46
Net cash flows from investing activities	-	(27)
Capital expenditure	-	27

Assets held for sale

As of December 31, 2023, there were no assets held for sale.
During 2023, the sale of the floating, production storage and offloading (FPSO) unit Cidade de Vitória and of Saipem SpA Kazakhstan branch assets was finalised.

31 Equity

Non-controlling interests

Minority shareholders' capital and reserves amounted to €2 million as of December 31, 2023 (€18 million as of December 31, 2022).
The breakdown of minority interests is shown below.

	Profit (loss) for the year		Equity	
(€ million)	2023	2022	2023	2022
ER SAI Caspian Contractor Llc	-	-	-	17
Other	-	-	2	1
Total	**-**	**-**	**2**	**18**

Saipem's equity

Saipem's shareholders' equity amounted to €2,394 million as of December 31, 2023 (€2,068 million as of December 31, 2022) and can be broken down as follows:

(€ million)	Dec. 31, 2023	Dec. 31, 2022
Share capital	502	502
Share premium reserve	1,622	1,877
Legal reserve	-	-
Hedging reserve	19	(76)
Fair value reserve	(2)	(4)
Exchange rate difference reserve	(45)	(20)
Actuarial reserve for employees	(22)	(16)
Reserve for OCI on equity-accounted investments	(2)	-
Other	80	-
Retained earnings	137	91
Profit (loss) for the year	179	(209)
Negative reserve for treasury shares in portfolio	(74)	(77)
Total	**2,394**	**2,068**

Share capital

As of December 31, 2023, Saipem SpA's fully paid-up share capital amounted to €501,669,790.83, corresponding to 1,995,558,791 shares, all without par value (1,995,558,791 as of December 31, 2022), of which 1,995,557,732 (1,995,557,732 as of December 31, 2022) were ordinary shares and 1,059 savings shares (1,059 as of December 31, 2022).

Share premium reserve

The excess reserve for shares amounted to €1.622 million as of December 31, 2023 (€1.877 million as of December 31, 2022).

Other reserves

Other reserves as of December 31, 2023 were positive by €28 million (negative by €116 million as of December 31, 2022) and consisted of the following:

(€ million)	Dec. 31, 2023	Dec. 31, 2022
Legal reserve	-	-
Hedging reserve	19	(76)
Fair value reserve	(2)	(4)
Exchange rate difference reserve	(45)	(20)
Actuarial reserve for employees	(22)	(16)
Reserve for OCI on equity-accounted investments	(2)	-
Other	80	-
Total	**28**	**(116)**

Hedging reserve

The reserve is positive by €19 million (negative by €76 million as of December 31, 2022), net of tax effects of €3 million (as €31 million of December 31, 2022) and relates to the fair value measurement of interest rate hedging contracts, commodity risk hedging contracts and the spot component of exchange rate risk hedging contracts outstanding as of December 31, 2023.

Fair value reserve

The negative reserve of €2 million (negative by €4 million as of December 31, 2022) includes fair value of available-for-sale financial instruments.

Exchange rate difference reserve

The reserve is negative by €45 million (negative by €20 million as of December 31, 2022) and relates to exchange rate differences from the translation into euros of financial statements expressed in currencies other than the euro (mainly the US dollar).

Actuarial reserve for employees

The reserve shows a negative balance of €22 million (negative by €16 million as of December 31, 2022), net of the tax effect of €7 million.
This reserve, in accordance with the provisions of IAS 19, includes the actuarial gains and losses related to the employee defined benefit plans.

Reserve for OCI on equity-accounted investments

The OCI reserve of the investments accounted for using the equity method includes a negative value of €2 million relating to the defined employee benefit plans.

Other

"Other" includes the "convertible bond reserve", which is positive by €80 million and represents the option that grants holders of compound financial instruments the right to convert into a fixed quantity of the Company's ordinary shares. This value is equal to the difference between the fair value of the compound financial instrument as a whole and the fair value of the financial liability, net of emission costs of €1,041 thousand.

Negative reserve for treasury shares in portfolio

The negative reserve amounted to €74 million (€77 million as of December 31, 2022) and included the value of treasury shares allocated to the implementation of incentive plans for Group executives.
During the year, 17,308 shares were assigned to implement the 2016-2018 Long-Term Incentive Plan.
Taking into account the transactions described above, the breakdown of treasury shares is as follows:

	Number of shares	Average cost (€)	Total cost (€million)	Share capital (%)
Treasury shares in portfolio as of December 31, 2022	**415,957**	**186.183**	**77**	**0.02**
Procurement year 2023	-	-	-	-
Allocations 2023	(17,308)	186.183	(3)	n.a.
Treasury shares in portfolio as of December 31, 2023	**398,649**	**186.183**	**74**	**0.02**

At the same date, 1,995,160,142 shares were outstanding (1.995.142.834 as of December 31, 2022).

Reconciliation of Saipem SpA's shareholders' equity and profit for the year with the consolidated figures

	Dec. 31, 2023		Dec. 31, 2022	
(€ million)	Profit (loss) for the year	Equity	Profit (loss) for the year	Equity
As per the financial statements of Saipem SpA	**107**	**2,395**	**(256)**	**2,148**
Surplus of the net assets of the financial statements including the results for the period, compared to the carrying values of participations in consolidated companies	36	(518)	225	(556)
Consolidation adjustments, net of tax effect, for:				
- difference between purchase price and corresponding book net worth	(23)	694	(3)	717
- elimination of unrealised intra-group profits	25	(163)	23	(191)
- other corrections	34	(12)	(198)	(32)
Total equity	**179**	**2,396**	**(209)**	**2,086**
Non-controlling interests	-	(2)	-	(18)
As per consolidated financial statements	**179**	**2,394**	**(209)**	**2,068**

The item "Other adjustments" mainly includes the impact of consolidation entries aimed at aligning the margins of job orders involving several Group companies whose individual progressions may not have a homogeneous economic-temporal development to the progress of the consolidated job order.

32 Additional information

Additional information on the statement of cash flows

(€ million)	Dec. 31, 2023
Analysis of disposals in companies which have left the consolidation scope and business units	
Current assets	32
Non-current assets	47
Net liquid funds (net financial debt)	(42)
Current and non-current liabilities	24
Net effect of disposals	**61**
Current value of investments retained after transfer of control	-
Capital gain (loss) from disposals	(24)
Non-controlling interests	(14)
Reclassification of other items	(2)
Total sale price	**21**
less:	
Cash and cash equivalents	*42*
Cash flow from disposals	**63**

Disposals in 2023 are related to the sale of the equity investment in the company ER SAI Caspian Contractor Llc, the sale of the equity investment in the company Sofresid Engineering SA and, as part of the sale of Onshore Drilling started in 2022, the sale of the assets in Kuwait and Latin America, with the exception of those in Argentina.

33 Guarantees, commitments and risks

Guarantees

Guarantees amounted to €7,898 million (€7,393 million as of December 31, 2022), and were as follows:

	Dec. 31, 2023			Dec. 31, 2022		
(€ million)	Unsecured	Other personal guarantees	Total	Unsecured	Other personal guarantees	Total
Joint ventures and associates	19	374	393	54	522	576
Subsidiaries	46	4,777	4,823	51	4,839	4,890
Own	-	2,682	2,682	-	1,927	1,927
Total	**65**	**7,833**	**7,898**	**105**	**7,288**	**7,393**

Other personal guarantees issued for consolidated companies amounted to €4,777 million (€4,839 million as of December 31, 2022), which are related to independent guarantees given to third parties mainly to bid bonds and to ensure compliance with contractual agreements, together with sureties and other personal guarantees issued to banks.
Guarantees issued to/through related parties are detailed in Note 43 “Related party transactions”.

Commitments

Saipem SpA has commitments with clients and/or other beneficiaries (financial and insurance institutions, export credit agencies) relating to the fulfilment of contractual obligations entered into by itself and/or by its subsidiaries, associates and joint ventures in the event of non-performance and payment of any damages arising from non-performance.
The total value of corporate commitments, which also entail the obligation to take action, amounted to €74,350 million (€78,607 million as at December 31, 2022).
The repayment obligations of bank loans granted to Group companies are generally supported by guarantees issued by the parent company Saipem SpA and other Group companies. The repayment obligations of the Group’s bond issues are covered by guarantees issued by the parent company Saipem SpA, and other Group companies.

Risks

For information on risk management, both financial and industrial, please refer to the analytical description in Note 3 “Accounting policies” in the “Financial risk management” section and to the “Risk management” section in the Directors’ Report.

Additional information on financial instruments

FINANCIAL INSTRUMENTS - CARRYING AMOUNTS AND EFFECT ON INCOME STATEMENT AND EQUITY

The carrying amounts and effect on income statement and equity of financial instruments were as follows:

(€ million)	Carrying amounts	Income (expense) recorded in the income statement	Income (expense) recorded to other items of comprehensive income
Financial instruments held for trading			
Non-hedging derivatives [a]	5	(74)	-
Financial instruments measured at fair value			
Bonds	86	-	3
Financial fixed assets			
Investments carried at fair value	-	-	-
Receivables and payables and other assets (liabilities) measured at amortised cost			
Trade receivables and other assets [b]	2,441	(11)	-
Financial receivables [c] [g]	641	54	-
Trade payables and other debts [d]	2,944	(48)	-
Contract liabilities	3,088	-	-
Loans and borrowings [e] [h]	3,123	(153)	-
Net hedging derivative assets (liabilities) [f]	45	(26)	124

(a) The income statement effects relate only to the income (expense) indicated in Note 36 "Financial income (expense)".
(b) The effects on the income statement were reported in the "Financial income (expense)" for €11 million of expense (relating to currency translations gains (losses) arising from adjustments to the year-end exchange rate).
(c) The effects on the income statement were reported in the "Financial income (expense)" for €54 million of income (financial income (expense) relating to net debt), of which €14 million of income related to lease financial assets.
(d) The effects on the income statement were reported in the "Financial income (expense)" for €48 million of expense (relating to currency translations gains (losses) arising from adjustments to the year-end exchange rate).
(e) The effects on the income statement were reported in the "Financial income (expense)" for €8 million of income (relating to currency translations gains (losses) arising from adjustments to the year-end exchange rate), for €161 million of expense due to lease financial liabilities, of which €42 million of expense related to lease financial liabilities.
(f) Project margins were adjusted in the income statement by €26 million in expense.
(g) The item includes current and non-current lease assets amounting to €253 million.
(h) The item includes current and non-current lease liabilities amounting to €730 million.

NOTIONAL AMOUNTS OF DERIVATIVES

The notional amount of a derivative is an amount used as a reference to calculate the contractual payments to be exchanged. This amount may be expressed in terms of a monetary or physical quantity (e.g., barrels, tonnes, etc.). Monetary quantities in foreign currencies are converted into euros at the exchange rate prevailing at year end.
Notional amounts of derivatives, as summarised below, do not represent the amounts actually exchanged between the parties and do not therefore constitute a measure of Saipem's credit risk exposure. This is instead represented by the fair value of derivatives at year end.

INTEREST RATE RISK MANAGEMENT

No Interest Rate Swaps (IRS) contracts were in existence as of December 31, 2023.
The data relating to the Interest Rate Swaps in force at the end of 2022, entered into with third party banks, is set out in the table below:

		Dec. 31, 2023	Dec. 31, 2022
Notional amount	(€ million)	-	37
Weighted average buying rate	(%)	-	2.132
Weighted average selling rate	(%)	-	0.129
Floor	(%)	-	(1.25)
Weighted average maturity	(years)	-	1

EXCHANGE RATE RISK MANAGEMENT

The Group enters into various types of exchange rate derivatives to manage its exchange rate risk. For contracts involving the exchange of two foreign currencies, both the amount received, and the amount sold are indicated.

(€ million)	Notional amount as of Dec. 31, 2023	Notional amount as of Dec. 31, 2022
Forward foreign exchange contracts	1,228	718

The table below shows forward foreign exchange contracts and other instruments used to manage the exchange rate risk for the main currencies.

	Notional amount as of Dec. 31, 2023		Notional amount as of Dec. 31, 2022	
(€ million)	Purchases	Sales	Purchases	Sales
AED	17	31	12	53
AUD	97	12	87	31
BRL	20	35	46	79
CAD	-	-	-	7
CHF	1	3	1	3
EUR	427	14	613	2
GBP	250	122	216	39
IDR	-	-	9	-
ILS	25	37	29	22
JPY	8	-	10	-
KWD	-	125	-	120
MXN	2	6	22	10
NOK	28	8	31	10
RON	5	93	-	56
SAR	567	36	311	-
SGD	7	-	2	100
THB	1	14	-	34
USD	968	3,115	1,577	3,118
Total	**2,423**	**3,651**	**2,966**	**3,684**

The table below shows the hedged cash flows as of December 31, 2023, by time period of occurrence and expressed in euro.

(€ million)	First quarter 2024	Second quarter 2024	Third quarter 2024	Fourth quarter 2024	2025 and beyond	Total
Revenue	1,398	1,594	1,386	883	1,543	**6,804**
Expenses	999	974	946	476	1,592	**4,987**

COMMODITY PRICE RISK

The Group only enters into commodity contracts with the purpose of managing its commodity price risk exposure.
The following table shows hedged cash flows as of December 31, 2023 by time period of occurrence.

(€ million)	First quarter 2024	Second quarter 2024	Third quarter 2024	Fourth quarter 2024	2025 and beyond	Total
Expenses	28	-	-	-	-	**28**

INFORMATION ON FAIR VALUE

The classification of financial assets and liabilities is given below; these are measured at fair value in the statement of financial position, according to the fair value hierarchy defined according to the significance of the inputs used in the assessment process. In particular, depending on the characteristics of the inputs used for assessment, the fair value hierarchy has the following levels:

a) level 1: prices (not subject to variations) listed on active markets for the same financial assets or liabilities;
b) level 2: assessments made on the basis of inputs, other than the listed prices referred to in the preceding point, which, for the measured asset/liability, can be observed directly (prices) or indirectly (derived from prices); and
c) level 3: inputs not based on observable market data.

In relation to the above, the financial instruments measured at fair value as of December 31, 2023 were as follows:

	Dec. 31, 2023			
(€ million)	Level 1	Level 2	Level 3	Total
Financial assets (liabilities) held for trading:				
- non-hedging derivatives	-	5	-	5
Financial assets available for disposal:				
- financial assets measured at fair value through OCI	86	-	-	86
Net hedging derivative assets (liabilities)	-	45	-	45
Total	**86**	**50**	**-**	**136**

Throughout the financial year 2023, there were no transfers between the different levels of the fair value hierarchy.

Legal proceedings

The Group is a party in certain judicial proceedings. Provisions for legal risks are made on the basis of information available at the date of the present Report, including information acquired by external consultants providing the Group with legal support. Information available regarding criminal proceedings at the preliminary investigation phase is by its nature incomplete due to the principle of pre-trial secrecy.
With respect to pending legal proceedings, provisions are not made when a negative outcome is evaluated as not probable or when it is not possible to estimate its outcome.
Except as noted below, for all the criminal proceedings evaluated, also with the support of external lawyers, and considered to be proceedings whose outcome cannot be predicted, no provisions were made.
The Company has made provisions for the following proceedings:

a) actions for damages brought by institutional investors following Consob Resolution No. 18949 of June 18, 2014, for which the Company prudently deemed it necessary to establish a provision;
b) the Algerian GNL 3 Arzew criminal proceeding, for which it was necessary to acknowledge the sentence in the first instance of February 14, 2022, confirmed by the Court of Appeal of Algiers on June 28, 2022 and subsequently by the Algerian Supreme Court, as indicated in the press release dated November 18, 2022.

For more details, please see the coming paragraphs.
A summary of the most significant judicial proceedings is set out below.

ALGERIA

Proceedings in Algeria - Sonatrach 1: in 2010, proceedings were initiated in Algeria regarding various matters and involving 19 parties investigated for various reasons ("Sonatrach 1 investigation"). The Société nationale pour la recherche, la production, le transport, la transformation et la commercialisation des hydrocarbures SpA ("Sonatrach") appeared as plaintiff in these proceedings and the Algerian Trésor Public also applied to appear as a plaintiff.
The Algerian company Saipem Contracting Algérie SpA ("Saipem Contracting Algérie") is also a party to the proceedings regarding the manner in which the GK3 contract was awarded by Sonatrach. In the course of these proceedings, some bank accounts of Saipem Contracting Algérie denominated in local currency were frozen.
In particular, in 2012 Saipem Contracting Algérie received formal notice of the referral to the Chambre d'accusation at the Court of Algiers of an investigation into the company regarding allegations that it took advantage of the authority or influence of representatives of a government-owned industrial and trading company in order to inflate prices in relation to contracts awarded by that company. The GK3 contract was awarded in June 2009 and had an equivalent value of €433.5 million (at the exchange rate in effect when the contract was awarded).
At the beginning of 2013, the "Chambre d'accusation" ordered Saipem Contracting Algérie to stand trial and further ordered that the aforementioned bank accounts remained frozen. According to the allegation, the price offered had been up to 60% higher than the market price; this alleged increase over the market price had been reduced to 45% of the market price as a result of the discount negotiated between the parties after the offer. In April 2013, and in October 2014, the Algerian Supreme Court rejected requests made by Saipem Contracting Algérie since 2010 to unfreeze the bank accounts. The documentation was then transmitted to the Court of Algiers which, in the hearing of March 15, 2015, adjourned the proceedings to the hearing of June 7, 2015, during which, in the absence of certain witnesses, the Court officially handed over the case to a criminal court. The trial commenced with the hearing fixed for December 27, 2015. In the hearing of January 20, 2016, the Algiers Public Prosecutor requested the conviction of all 19 defendants accused in the "Sonatrach 1" trial.
The Algiers Public Prosecutor requested that Saipem Contracting Algérie be fined 5 million Algerian dinars (approximately €40,000).
The Algiers Public Prosecutor also requested the confiscation of the alleged profit ascertained by the Court, of all 19 parties whose conviction has been requested (including Saipem Contracting Algérie).
For the offence with which Saipem Contracting Algérie was charged, local regulations prescribed a fine as the main punishment (up to a maximum of approximately €40,000) and allowed, in the case of the alleged offence, additional sanctions such as the confiscation of the profit arising from the alleged offence (which would be the equivalent of the amount allegedly over the market price of the GK3 contract as ascertained by the judicial authority) and/or disqualification sanctions.
On February 2, 2016, the Court of Algiers issued the first instance ruling. Amongst other things, this ruling ordered Saipem Contracting Algérie to pay a fine of approximately 4 million Algerian dinars (corresponding to approximately €30,000). In particular, Saipem Contracting Algérie was held to be responsible, in relation to the call for bids for the construction of the GK3 gas pipeline, of "an increase in price during the awarding of contracts signed with a public company of an industrial and

commercial character in a way that causes benefit to be derived from the authority or influence of representatives of said company", an act punishable under Algerian law. The ruling also returned two bank accounts denominated in local currency to Saipem Contracting Algérie. These held a total of approximately €64.8 million (amount calculated at the exchange rate as of December 31, 2023), which had been frozen in 2010.
The client Sonatrach, which appeared as a civil plaintiff in the proceedings, reserved its right to pursue its claims in the civil courts. The request by the Algerian Trésor Civil to appear as plaintiff was rejected.
Pending the filing of the reasons thereof, the ruling of February 2, 2016 of the Court of Algiers was challenged before the Supreme Court: by Saipem Contracting Algérie (which requested acquittal and had announced that it would challenge the decision); by the Prosecutor General (who had requested the imposition of a fine of 5 million Algerian dinars and the confiscation, requests that were rejected by the Court, which, as noted, fined Saipem Contracting Algérie with the lesser amount of approximately 4 million Algerian dinars); by the Trésor Public (whose request to be admitted as plaintiff against Saipem Contracting Algérie had been, as already stated, rejected by the Court); by all the other parties sentenced, in relation to the cases concerning them.
Owing to these challenges, the implementation of the decision of the Court of Algiers was fully suspended and remained so, pending the ruling of the Supreme Court in respect of:
- the payment of the fine of approximately €30,000; and
- the unfreezing of the two bank accounts, containing a total of approximately €64.8 million (amount calculated at the exchange rate as of December 31, 2023).

Sonatrach has not challenged the decision of the Court, consistently with its request, accepted by the Court, to be allowed to claim compensation subsequently in civil proceedings. Civil action was not initiated by Sonatrach.
With the judgement of July 17, 2019, which reasons were filed on October 7, 2019, the Algerian Supreme Court overruled the decision of the Court of Algiers dated February 2, 2016, upholding the challenge of all the appellants (including the appeal of Saipem Contracting Algérie) and referring the case to the Court of Appeal of Algiers.
The proceedings began on February 17, 2021 and on December 12, 2022, the Court of Appeal of Algiers issued its judgement.
Saipem's press release dated December 12, 2022 informed that:
"Most of the Company's defence arguments were accepted. New summons to appear.
Following the press releases dated February 2, 2016 and July 17, 2019, Saipem informs that today the Court of Appeal of Algiers has pronounced a judgment in the Sonatrach 1 criminal proceedings, against Saipem Contracting Algérie ongoing since 2010, in Algeria, in relation to the award of the GK3 contract in 2009. In this proceeding Saipem Contracting Algérie was accused of "inflating the price on contracts awarded by a public company engaged in industrial and commercial activities, taking advantage of the authority or influence of representatives of said company" which bears a criminal sanction under Algerian law.
Specifically, today the Court of Appeal of Algiers, having accepted most of the Company's defence arguments, rejected the claim for damages of the Algerian Treasury, confirming the rest of the first instance sentence. As a result of this decision, the same Court of Appeal also ordered to revoke the seizure of current accounts in the amount of €63.2 million equivalent, referable to the proceedings in question.
It should be noted that the proceeding in the first instance concluded on February 2, 2016, when the Court of Algiers ordered Saipem Contracting Algérie to pay a fine of approximately 4 million Algerian dinars (corresponding to around €30,000). The ruling issued in the first instance was challenged before the Algerian Supreme Court, which on July 17, 2019, had fully overruled the decision by the Court of Algiers dated February 2, 2016, thus the Court of Appeal of Algiers started the trial which ended today.
It should be noted that the Italian judiciary authority – further to criminal proceedings in which also the process of award of the GK3 project in 2009 had been analysed – fully acquitted the company on December 14, 2020.
Saipem Contracting Algérie, in welcoming the ruling, will consider whether to challenge the decision of the Court of Appeal regarding the fine imposed before the Supreme Court. Additional information on this proceeding in Algeria is provided under the section "Legal proceedings" in Saipem's Interim Consolidated Financial Report as of June 30, 2022 (pages 142-143).
Still concerning projects dating back to 2008, Saipem has also received a summons to appear, with other individuals and legal entities, before the Algerian Court in a new proceeding for "inflating the price on contracts awarded by a public company engaged in industrial and commercial activities, taking advantage of the authority or influence of representatives, to obtain advantageous prices compared to those normally charged, or to modify, to their advantage, the quality of the materials or services or the delivery or supply times. Trafficking in influence. Violation of laws and regulations concerning exchange and transfer of capital to and from abroad". The company denies all charges and will actively participate in the proceedings to show it was not involved in the alleged facts, having always acted in accordance with the relevant regulatory framework".
On December 19, 2022, Saipem Contracting Algérie challenged the decision of the Algiers Court of Appeal decision of December 12, 2022, relating to the pecuniary fine before the Algerian Supreme Court.
On February 16, 2023, Saipem Contracting Algérie filed its brief with its grounds for appeal.
On March 2, 2023, Saipem Contracting Algérie filed its reply to the appeal presented by the General Attorney to the Algerian Supreme Court. The hearing before the Supreme Court, initially set for May 25, 2023, had been postponed to July 27, 2023.
On July 27, 2023, following the Algerian Supreme Court hearing, Saipem issued the following press release:
"Making reference to the press release of December 12, 2022, Saipem informs that today the Algerian Supreme Court has pronounced a judgement in the Sonatrach 1 criminal proceedings ongoing since 2010, in Algeria, against, among others, Saipem Contracting Algérie SpA, in relation to the award of the GK3 contract in 2009. Based on the decision read out by the Algerian Supreme Court, whose text and reasons will be made available in the manner and timeframe provided under local regulations, Saipem was pleased to learn from its lawyers that the Algerian Supreme Court, concerning specifically Saipem Contracting Algérie, upheld the ruling by the Court of Appeal of Algiers. Further information on this proceeding is provided in detail, in addition to the aforementioned press release, under the section "Legal proceedings" in the Annual Report as of December 31, 2022 of Saipem SpA".

At the following hearing, on February 8, 2024, the Court of Appeal of Algiers fully acquitted Saipem Contracting Algérie and ordered the release of the bank accounts that had been frozen. On the same date, Saipem issued the following press release:
"With reference to the press release of July 27, 2023, Saipem informs that today the Court of Appeal of Algiers, following referral by the Supreme Court of July 27, 2023, has fully acquitted Saipem Contracting Algérie SpA in the Sonatrach 1 criminal proceedings ongoing since 2010 in Algeria, in relation to the award of the GK3 contract in 2009. The text and reasons of today's decision will be made available in the manner and timeframe provided under local regulations. Further information on this proceeding is provided in detail, in addition to the aforementioned press release, under the section "Legal proceedings" in the Interim Report as of June 30, 2023 of Saipem SpA".
Ongoing Investigation - Algeria - Sonatrach 2: in March 2013, the legal representative of Saipem Contracting Algérie was summoned to appear at the Court of Algiers, where he received verbal notification from the local investigating judge of the commencement of an investigation ("Sonatrach 2") underway "into Saipem Contracting Algérie for charges pursuant to Articles 25a, 32 and 53 of the Algerian Anti Corruption Law No. 01/2006". The investigating judge also requested documentation (Articles of Association) and other information concerning Saipem Contracting Algérie, Saipem SpA and Saipem SA. After this summon, no further activities or requests have followed.
GNL3 Arzew - Algeria: on October 16, 2019 and October 21, 2019, Saipem Contracting Algérie and Snamprogetti SpA Algiers branch were summoned by the investigating judge at the Supreme Court as part of investigations relating to events in 2008 (award of the GNL3 Arzew contract). Saipem Contracting Algérie and the Algiers Branch of Snamprogetti SpA were further summoned on November 18, 2019 by the General Public Prosecutor at the Supreme Court of Algiers to provide information and documents relating to the same GNL3 Arzew contract awarded by Sonatrach in 2008.
A further hearing of the representatives of Saipem Contracting Algérie and the Algiers Branch of Snamprogetti SpA took place on November 18, 2019, at which the General Public Prosecutor of Algiers was provided with the information and documentation he had requested; the General Public Prosecutor of Algiers instructed Saipem Contracting Algérie and Snamprogetti SpA Algiers branch to provide further documentation by December 4, 2019. Saipem Contracting Algérie and the Algiers Branch of Snamprogetti SpA promptly filed the documentation requested by the deadline of December 4, 2019.
The Algiers General Public Prosecutor also summoned a representative of Saipem Contracting Algérie. On November 20, 2019, the Algiers General Public Prosecutor informed Saipem Contracting Algérie and Snamprogetti SpA Algiers branch that Algeria's Trésor Public had joined the proceedings as a plaintiff.
On December 9, 2020, the local representative of Saipem Contracting Algérie was heard.
Saipem SpA Algiers branch, Saipem Contracting Algérie and Snamprogetti SpA Algiers Branch were again called on December 16, 2020.
In September 2021, it became known that the Court of Algiers – Sidi Mhamed *pole economic et financier* – having taken note of the closure of the investigations, had issued an order to seize certain bank accounts of Saipem Group companies in Algeria, already subject to a similar previous provision set out in the context of the GK3 proceeding, as indicated above.
The commencement of the trial relating to the 2008 award of the GNL3 Arzew contract was initially set for a hearing before the Court of Algiers *pole economic et financier* on December 6, 2021, which was first postponed to December 20, 2021, then to January 3, 2022.
At the hearing of January 17, 2022, the trial was postponed to January 24, 2022 and then to January 31, 2022.
In these criminal proceedings, which involved 38 individuals (including the former Algerian Ministry of Energy, certain former executives of Sonatrach and Algerian customs officials) and legal persons, the Public Prosecutor alleged that, with regard to the award in 2008 and the execution of the contract for the GNL3 Arzew project (the original value of which was approximately €2.89 billion), the following offences were committed, *inter alia*, by Saipem SpA Algerian branch, Snamprogetti SpA Algerian branch, Saipem Contracting Algérie, two former employees of the Saipem Group and an employee of the Saipem Group:
(i) the *"inflating of prices in connection with the award of contracts concluded with a public company of an industrial and commercial nature benefiting from the authority or influence of representatives of that body"*;
(ii) infringement of certain Algerian customs regulations.
Sonatrach, the Algerian Trésor Public and the Customs Agency requested to appear as civil plaintiffs. The trial was declared open at the hearing of January 31, 2022. At the hearing of February 1, 2022, the judge closed the hearing stage. The Saipem Group defended itself on the merits, stating the lack of grounds for the charges, noting, among other things, the verdict of final acquittal pronounced by the Italian judicial authority regarding matters that included the award of the GNL3 Arzew contract and in any case the effects of the settlement signed with Sonatrach on February 14, 2018, which also concerned the previous pending arbitration regarding the same project.
By its press release dated February 15, 2022, Saipem informed:
"The Court of Algiers yesterday has ruled in first instance on the legal proceeding ongoing since 2019 in Algeria concerning, among other things, the award of the 2008 project GNL3 Arzew.
Saipem, Saipem Contracting Algérie and Snamprogetti SpA Algeria Branch will appeal the decision of the Court of Algiers with subsequent suspension of its effects.
It should be noted that the Italian judicial authority, at the end of a criminal proceeding in which the award methods of the 2008 project GNL3 Arzew were also scrutinised, pronounced on December 14, 2020 a final acquittal.
With reference to the criminal proceeding by the Court of Algiers, the companies Saipem, Saipem Contracting Algérie and Snamprogetti SpA Algeria Branch were accused of the offences sanctioned by the Algerian law in the case of: 'price increase when awarding contracts with a public company, industrial and commercial, benefitting of the authority or influence of representatives of said company' and of 'false customs declaration'.
The ruling of the Court of Algiers, with reference to both charges, established for Saipem, Saipem Contracting Algérie and Snamprogetti SpA Algeria Branch a fine and damage compensation for a total of approximately €192 million. The ruling determined the recognition in the financial statements as of December 31, 2021 of an obligation of equal value, of which the payment remains on hold due to the appeal.

The Court of Algiers has also sentenced two former employees of the Saipem Group (the former head of the GNL3 Arzew project and an Algerian employee) to 5 and 6 years of conviction respectively. Another employee of the Saipem Group was acquitted of all charges.
The ground of the sentence have not yet been made available by the Court of Algiers".
The first-degree sentence had imposed the payment of approximately €208 million, of which €145 million was awarded in favour of the civil parties and €63 million in damages.
On February 16, 2022, Saipem SpA, Saipem Contracting Algérie and Snamprogetti SpA Algeria Branch appealed the sentence of February 14, 2022, whose grounds were made available on April 4, 2022.
The first hearing in the appeal judgment, initially scheduled for April 12, 2022, was postponed to May 10, 2022 and then to May 24, 2022 then June 14, 2022.
At the hearing on June 14, 2022, the Judge indicated a decision would be issued on June 28, 2022.
Saipem's press release dated June 28, 2022, informed:
"The Court of Appeal of Algiers today ruled in the criminal proceeding, ongoing in Algeria since 2019, connected, inter alia, to the 2008 tender for the award of the GNL3 Arzew contract. In this proceeding, the companies Saipem SpA, Saipem Contracting Algérie and Snamprogetti SpA Algeria Branch were charged, in accordance with Algerian law, of allegedly 'having obtained a contract, with a price higher than the correct value, concluded with a state-owned commercial and industrial company, benefitting of the influence of representatives of that company'; and of 'false custom declarations'.
The Court of Appeal of Algiers upheld, on both charges, the judgement of the first-degree ruling issued by the Court of Algiers on February 14, 2022. This ruling had imposed against Saipem SpA, Saipem Contracting Algérie and Snamprogetti SpA Algeria Branch fines and damages for an overall amount of approximately €199 million euros equivalent at today's exchange rate (of which approximately €60 million in fines and around €139 million in favour of the civil parties). Following the first degree ruling by the Court of Algiers, the Company set aside an equivalent amount in the Financial Statements as of December 31, 2021, even though the payment had been suspended following the appeal against the decision. The Tribunal of Algiers had also sentenced two former employees of Saipem Group (the then head of the project GNL3 Arzew and a former Algerian employee) to 5 years and 6 years of imprisonment, respectively. Another employee of Saipem Group had been acquitted of all charges.
The reasons for the ruling have not yet been made available by the Court of Appeal of Algiers.
Saipem notes that the Italian judiciary authority – further to criminal proceedings in which also the process of award in 2008 of the project GNL3 Arzew had been analysed – fully acquitted the Company on December 14, 2020.
Saipem SpA, Saipem Contracting Algérie and Snamprogetti SpA Algeria Branch will promptly challenge before the Algerian Supreme Court the decision issued by the Court of Appeal of Algiers. Under Algerian law, the opposition against the ruling of the Court of Appeal suspends the effects of such ruling with regard to the fines (equal to approximately €60 million) while the ruling in favour of the civil parties (equal to approximately €139 million) is enforceable despite the pending opposition.
The judgement, whose amount has already been set aside in the financial statements as of December 31, 2021, does not affect the validity of the financing package and the achievement of the objectives of the 2022-2025 Strategic Plan".
On July 31, 2022, Saipem SpA Algeria branch, Saipem Contracting Algérie and Snamprogetti SpA Algeria Branch challenged the decision of the Algiers Court of Appeal issued on June 28, 2022 before the Algerian Supreme Court.
Saipem's press release dated November 18, 2022 informed:
"Saipem SpA, Saipem Contracting Algérie and Snamprogetti SpA Algeria Branch reserve the right to challenge the decision issued by the Algerian Supreme Court.
Following the press releases dated February 18 and June 22, 2022, Saipem informs that the Algerian Supreme Court has ruled in the criminal proceeding related to the GNL3 Arzew project, rejecting the appeal presented by all defendants against the ruling issued by the Algiers Court of Appeal on June 28, 2022. Specifically, today, Saipem SpA, Saipem Contracting Algérie and Snamprogetti SpA Algeria branch were notified of the aforementioned ruling by their local legal counsels.
It is recalled that the decision by the Algiers Court of Appeal, on June 28, 2022, had upheld the first instance sentence by the Court of Algiers dated February 14, 2022, which had convicted the abovementioned defendants for charges and amounts as they are indicated in the recalled press releases.
Saipem notes that the Italian judiciary authority - further to criminal proceedings in which the process of award in 2008 of the project GNL3 Arzew had been analysed – fully acquitted the Company on December 14, 2020.
Saipem SpA, Saipem Contracting Algérie and Snamprogetti SpA Algeria Branch, which have always contested the charges, reserve the right to challenge the decision issued by the Algerian Supreme Court before the relevant judicial authority.
Following the original award by the Court of Algiers dated February 14, 2022, the aforementioned amounts had been set aside in the financial statements as of December 31, 2021.
Additional information on the GNL3 Arzew proceeding in Algeria is provided under the section "Legal proceedings" in Saipem's Interim Consolidated Financial Report as of June 30, 2022 (pages 144-145)".
According to Algerian law, the pecuniary fine and the compensation amounts are not currently due.
Regarding the bank accounts already frozen, Saipem Contracting Algérie had informally learned of a request of confiscation of sums held therein and had informed the banks involved, *inter alia,* of the existence of a previous similar provision which insisted on the same sums set out in the GK3 proceedings which would have determined the illegitimacy of any subsequent payment by them of the aforementioned sums. Saipem Contracting Algérie had informed the local competent Authority for the execution which, noting the foregoing, ordered the temporary suspension of the execution, pending the conclusion of the GK3 proceedings. Despite the information made available by Saipem, pending the issuance of the aforementioned ministerial provision, one of the local banks had proceeded to implement the confiscation request for a sum equal to 1,693,222,124.55 Algerian Dinars (equivalent to €11.4 million at the exchange rate of December 31, 2023).
After excluding the possibility of presenting an extraordinary appeal, the management of the Company carried out, also through external legal consultants, an in-depth analysis on the recognition and enforceability of the rulings of the Algerian Supreme Court outside the local jurisdiction. At the same time, the management of Saipem Contracting Algérie, with the help of its legal

advisors, made a formal request for an authentic interpretation of the ruling to the Attorney General's Office, the only body delegated to enforce judgments under Algerian law, regarding the permissibility of confiscation of bank accounts that had no connection to the aforementioned project. This request has not yet been processed.

The Algerian proceedings - Sonatrach 3: on November 17, 2022, the legal representative of Saipem SpA Algeria branch was summoned by the Judge of the Economic and Financial Criminal Division of the Court of Algiers, as part of an investigation concerning some 2008 Competitive FEED contracts also involving other natural and legal persons.

The Judge indicated the following alleged charges against Saipem SpA Algeria branch: *"inflating the price on contracts awarded by a public company engaged in industrial and commercial activities, taking advantage of the authority or influence of representatives, to obtain advantageous prices compared to those normally charged, or to modify, to their advantage, the quality of the materials or services or the delivery or supply times. Trafficking in influence. Violation of laws and regulations concerning exchange and transfer of capital to and from abroad"*.

On November 22, 2022, a second hearing was held with the legal representative of Saipem SpA Algeria branch, who provided all the elements, including documents, aimed at clarifying the regularity of the activities of Saipem SpA Algeria Branch in relation to the Competitive FEED procedures.

The first hearing originally scheduled for December 8, 2022 was postponed to December 29, 2022 and then to January 5, 2023.

On January 5, 2023, the proceedings began and on January 10, 2023 it was closed.

With press release dated January 19, 2023, Saipem SpA informed:

"Saipem: ruling issued by the Court of Algiers in the proceedings related to a 2008 bid for studies of the Rhourde Nouss QH competitive feed. The Company will challenge the decision before the Court of Appeal of Algiers.

Milan, January 19, 2023 - Following the press release dated December 12, 2022, the Company informs that today the Court of Algiers issued a first-degree ruling in relation to the criminal proceedings, which started in Algeria in December 2022 against Saipem SpA, in relation to the company's participation in a 2008 bid for studies of the Rhourde Nouss QH competitive feed.

Based on the decision communicated to Saipem SpA by its local attorneys, the Court of Algiers, upholding the Company's defences, acquitted the latter of the crime of 'violation of laws and regulations concerning exchange and transfer of capital to and from abroad' and the crime of 'trafficking in influence'.

The Court of Algiers found Saipem SpA liable for the crime of 'inflating the price on contracts awarded by a public company engaged in industrial and commercial activities, taking advantage of the authority or influence of representatives, to obtain advantageous prices compared to those normally charged, or to modify, to their advantage, the quality of the materials or services or the delivery or supply times' imposing only a fine of about 34,000 euros equivalent at today exchange rate.

With reference to the claims brought by Sonatrach and Trésor Public as civil plaintiffs, the Court of Algiers, noted the absence of compensatory claims by Sonatrach against Saipem and upheld in minimal part the claims brought by Trésor Public, recognising in favour of the latter a compensation for an overall amount of about €680.000 equivalent at today's exchange, which the quota directly pertaining to Saipem SpA is equal to approximately €170,000 equivalent at today's exchange rate.

The Company, in welcoming the absolutory content of the decision, will appeal the condemnatory content of the ruling by the Court of Algiers, resulting in the suspension of its criminal and civil effects".

On January 26, 2023, Saipem SpA appealed against the first instance decision dated January 19, 2023.

At the end of the Appeal proceeding, on April 16, 2023, the Algiers Court of Appeal acquitted Saipem of all charges. On the same date, the Company issued the following press release:

"Saipem: full acquittal by the Court of Appeal of Algiers in the proceeding related to a 2008 bid for studies of the Rhourde Nouss QH competitive FEED - Saipem welcomes with satisfaction the full acquittal issued by the Court of Appeal of Algiers - Following the press release dated January 19, 2023, the Company informs that today, the Court of Appeal of Algiers issued a second-degree ruling in relation to the criminal proceeding, which started in December 2022 against Saipem SpA, in relation to the Company's participation in a 2008 bid for studies of the Rhourde Nouss QH competitive FEED. Based on the decision read out in Court and communicated to Saipem SpA by its local attorneys, the Court of Appeal of Algiers, in light of the objective arguments presented by Saipem's defence, reversing the first-degree ruling, extended the Company's acquittal to all charges and therefore annulled the fines and rejected the claims for compensation imposed by the Court of Algiers in the first-degree ruling".

On June 19, 2023, the bailiff notified Saipem of the request, presented by the General Attorney to the Algiers Court of Appeal, for the annulment of the judgment of the Court of Algiers pronounced on April 16, 2023, which had, among other things, acquitted Saipem of all charges. Saipem SpA, through its local lawyers, filed a brief to oppose the grounds for appeal proposed by the General Attorney.

At the hearing on January 11, 2024, the Algerian Supreme Court rejected the appeals filed by the Algerian Attorney General and Trésor Public, thus upholding the April 16, 2023 ruling and making Saipem SpA's full acquittal final.

The Company issued the following press release on January 14, 2024:

"Following the press releases issued on January 19 and April 16, 2023, the Company informs that, following the appeals presented by some of the other parties to the proceeding, the Algerian Supreme Court has ruled on the criminal proceedings initiated in December 2022 against Saipem SpA in relation to the participation of the latter in a 2008 tender for competitive FEED studies in relation to the Rhourde Nouss QH project. Based on the decision, read out at the hearing and communicated to Saipem SpA by its local lawyers, the Supreme Court, having rejected all the appeals, definitely confirmed the acquittal of the Company already pronounced by the Court of Appeal of Algiers on April 16, 2023".

BRAZIL

On August 12, 2015, the Public Prosecutor's office of Milan served Saipem SpA. with a notice of investigation and a request for documentation in the framework of new criminal proceedings for the alleged crime of international corruption occurring between 2004-2014 concerning three contracts: "Mexilhao 1", "Uruguà - Mexilhao Pipeline Project" and "Operation of the Floating, Production, Storage and Offloading FPSO - Cidade de Vitória" awarded by the Brazilian company Petrobras to Saipem SA (France) and Saipem do Brasil (Brazil). On January 30, 2023, the Milan Public Prosecutor served the Company's lawyers with

the decree of dismissal of the Saipem SpA's proceeding pursuant to Article 58 of Legislative Decree No. 231/2001 dated January 24, 2022.
On January 31, 2023, the Company's lawyers acquired a copy of the dismissal order, sending it to the company on the same date.
It states that the dismissal regards Saipem SpA pursuant to Article 746-*quater*, paragraph 6 of the Code of Criminal Procedure. Following the aforementioned dismissal, the file was taken over by the Paris Public Prosecutor's Office (Parquet National Financier). To assist the subsidiary Saipem SA, involved in a request for the acquisition of documents by the French Public Prosecutor, a law firm in Paris has been engaged and is currently dealing with it.
With reference to the aforementioned contracts, the Company learned only through the press, that the award of this contract was being looked into by the Brazilian judicial authorities in relation to a number of Brazilian citizens, including a former associate of Saipem do Brasil.
In particular, on June 19, 2015, Saipem do Brasil learned through the media of the arrest (in regard to allegations of money laundering, corruption and fraud) of a former associate, as a result of a measure taken by the Brazilian Public Prosecutor's office of Curitiba, in the framework of a judicial investigation in progress in Brazil since March 2014 ("Lava Jato" investigation). On July 29, 2015, Saipem do Brasil then learned through the press that, in the framework of the conduct alleged against the former associate of Saipem do Brasil, the Brazilian Public Prosecutor's office also alleges that Petrobras was unduly influenced in 2011 to award Saipem do Brasil a contract called "Cernambi" (for a value of approximately €56 million). This has been purportedly deduced from the circumstance that in 2011, in the vicinity of the Petrobras headquarters, said former associate of Saipem do Brasil claims to have been the target of a robbery in which approximately 100,000 reals (approximately €18,650 amount updated at the exchange rate as of December 31, 2023) just withdrawn from a credit institution were stolen from him. According to the Brazilian Prosecutor, the robbery allegedly took place in a time period prior to the award of the aforesaid "Cernambi" contract.
Saipem SpA has cooperated fully with the investigations and has started an audit with the assistance of a third-party consultant. The audit examined the names of numerous companies and persons reported by the media as being under investigation by the Brazilian judicial authorities. The audit report, issued on July 14, 2016, recognised the absence of communications or documents relating to transactions and/or financial movements between companies of the Saipem Group and the personnel of Petrobras under investigation.
The witnesses heard in the criminal proceedings underway in Brazil against this former associate, as well as in the framework of the works of the parliamentary investigative committee set up in Brazil on the "Lava Jato" case, have stated that they were unaware of any irregularities regarding Saipem's activities.
Petrobras appeared as a plaintiff (*Assistente do Ministerio Publico*) in the proceedings against the three individuals charged. The Brazilian Attorney General considered that the conditions for keeping confidential an agreement signed in October 2015 by the former associate of Saipem do Brasil – who, with such agreement committed himself to substantiating with evidence some of the statements made – had ceased. The proceeding resumed on June 9, 2017. At the hearing on June 9, 2017, the depositions of the three defendants were obtained, among them the former associate of Saipem do Brasil and a former Petrobras official.
Saipem do Brasil's former associate, with regard to the robbery he suffered where 100,000 Brazilian reals were stolen in October 2011, said that money was needed to pay the costs of real estate for a company he was managing on behalf of a third party vis-à-vis Saipem (that is, the former Petrobras official charged in the same proceeding who confirmed that statement).
The former Saipem do Brasil associate had also stated that the Saipem Group did not pay any bribes because Saipem's compliance system prevented this from happening. That statement was confirmed by the former Petrobras official charged in the same proceeding. The former associate of Saipem do Brasil and the former Petrobras official charged in the same proceeding, while offering a reconstruction of the facts which was partially different, had reported that the possibility of some inappropriate payments was discussed with reference to certain contracts of Saipem do Brasil but in any case, no payment had been made by the Saipem Group. The former Saipem do Brasil associate and the former Petrobras official charged in the same proceeding stated that the contracts awarded by the client to the Saipem Group had been won through regular bidding procedures. During the proceedings against the former associate of Saipem do Brasil, no evidence of irregularities emerged in the management of tenders assigned by Petrobras to Saipem Group and/or evidence of illegal payments by Saipem Group in relation to tenders assigned by Petrobras to Saipem Group and/or evidence of damages suffered by Petrobras in relation to tenders assigned to Saipem Group. Saipem Group has not been involved in this proceeding.
The audit that was concluded in 2016 was relaunched with the support of the same third-party consultant used earlier and with the same methodology in order to analyse some of the information mentioned during the depositions of June 9, 2017.
The audit report, issued on July 18, 2018, confirmed the absence of communications or documents relating to transactions and/or financial movements between companies of the Saipem Group and the personnel of Petrobras under investigation.
With the press release dated May 30, 2019, Saipem informed as follows:
"Saipem: notification of administrative proceedings in Brazil to the subsidiaries Saipem SA and Saipem do Brasil in relation to a contract awarded in 2011.
San Donato Milanese (Milan), May 30, 2019 - Saipem informs that today its French subsidiary Saipem SA and its Brazilian subsidiary Saipem do Brasil were notified by the competent Brazilian administrative authority (Controladoria-Geral da União through the Corregedoria-Geral da União) about the opening of administrative proceedings with respect to alleged irregularities in relation to the award by the Brazilian oil company Petrobras, as leader of the 'Consortium BMS 11', in December 2011, of the contract (whose value was equal to approximately 249 million Brazilian reals, currently equivalent to approximately €56 million) for the installation of the underwater gas pipeline connecting the Lula and Cernambi fields in Santos Basin.
Saipem SA and Saipem do Brasil will cooperate in the administrative proceedings by providing all the clarifications requested by the competent administrative authority and have confidence in the correctness of the award of the above-mentioned contract and in the absence of circumstances to affirm the administrative liability of the companies".

As part of the aforementioned administrative proceedings, on June 21, 2019, Saipem do Brasil and Saipem SA presented their initial defence statements before the competent administrative authority *(Controladoria-Geral da União* through *Corregedoria Geral da União*).
With a communication dated August 21, 2019, the competent administrative authority (*Controladoria-Geral da União* through *Corregedoria-Geral da União*) informed Saipem do Brasil and Saipem SA that, following the preliminary investigation carried out up to that moment, the administrative procedure has not been closed and invited Saipem do Brasil and Saipem SA to present further defence statements by September 20, 2019.
Saipem do Brasil and Saipem SA submitted their defence statements by the set deadline. On April 24, 2020, the competent Brazilian Administrative Authority (*Controladoria-Geral da União* through the *Corregedoria-Geral da União*) ordered a 180-day postponement for the conclusion of the administrative procedure.
On November 30, 2020, Saipem SA and Saipem do Brasil submitted further defence statements before the Brazilian Administrative Authority (*Controladoria-Geral da União* through the *Corregedoria-Geral da União*).
On December 29, 2022, it was published in the *Diario Oficial da Uniao* the decision of the Minister at the *Controladoria-Geral da União* which applied against Saipem SA and to Saipem do Brasil the sanction of the interdiction from participating in tenders or concluding agreements with the Brazilian Public Administration with suspended effect.
On January 6, 2023, the aforementioned Saipem companies presented a request to review the decision of December 29, 2022, within the *Controladoria-Geral da União*.
On January 12, 2024, the ruling by the *Controladoria-Geral da União* was published in the *Diario Oficial da Uniao*, applying against Saipem SA and Saipem do Brasil the sanction of suspension from participating in tenders or entering into agreements with the Brazilian Public Administration for a period of 2 years.
On the same date, by press release, Saipem SpA informed as follows:
"With reference to the press release of May 30 2019, we inform that the Brazilian Controladoria-Geral da União (CGU) has published today its final ruling in the administrative proceedings initiated against Saipem SA and Saipem do Brasil in reference to alleged irregularities in the award, dating back to December 2011, by the BM-S-11 Consortium, of the contract for the installation of a gas pipeline.
The CGU has amended its previous interim decision consisting in the ban on contracting with the Public Administration issued on December 29, 2022 and substituted it with the temporary suspension limited to a period of two years.
The reclassification of the sanction was obtained also thanks to the recognition by the same CGU of the effectiveness of the Compliance model of the two companies.
The sanction has no impacts on the ongoing projects in Brazil since it applies solely to potential new contracts and concerns exclusively dealings with the Public Administration.
Notwithstanding the above, Saipem SA and Saipem do Brasil intend to appeal the decision in the appropriate jurisdictions, considering it to be inconsistent with what the companies demonstrated during the proceedings".
On January 18, 2024, Saipem SA and Saipem do Brasil filed their appeal before the Federal District Court in Brasilia.
On June 8, 2020, the Brazilian Federal Prosecutor's office issued a press release informing of a new charge against a former President of Saipem do Brasil, who left the Saipem Group on December 30, 2009. The charge concerns alleged episodes of corruption and money laundering that allegedly occurred between 2006 and 2011 in relation to two contracts awarded by Petrobras Group companies to Saipem Group companies (the Mexilhao contract signed in 2006 and the Uruguà-Mexilhao contract signed in 2008).
The new charge was made only against individuals (not Saipem Group companies) and involved, in addition to the former President of Saipem do Brasil, some former Petrobras officials.
The Brazilian Federal Court of Curitiba on July 6, 2020, accepted the complaint filed by the Brazilian Federal Prosecutor's Office against the former Chairman of Saipem do Brasil (who left the company on December 30, 2009) and a former Petrobras official against whom a criminal trial was opened in Brazil. Petrobras was admitted as plaintiff ("Assistente do Ministerio Publico") in the same proceeding against the two accused persons. No company of the Saipem Group is party to this proceeding.

FOS CAVAOU

With regard to the Fos Cavaou ("FOS") project for the construction of a regasification terminal, the client Société du Terminal Méthanier de Fos Cavaou ("STMFC", now Fosmax LNG) in January 2012 commenced arbitration proceedings before the International Chamber of Commerce in Paris ("Paris ICC") against the contractor STS, a French "société en participation" made up of Saipem SA (50%), Tecnimont SpA (49%) and Sofregaz SA (1%). On July 11, 2011, the parties signed a mediation memorandum pursuant to the rules of Conciliation and Arbitration of the Paris ICC. The mediation procedure ended on December 31, 2011 without agreement having been reached, because Fosmax LNG refused to extend the deadline.
The brief filed by Fosmax LNG in support of its request for arbitration included a demand for payment of approximately €264 million for damages allegedly suffered, penalties for delays and costs for the completion of works (*mise en régie*). Of the total sum demanded, approximately €142 million was for loss of profit, an item excluded from the contract except for cases of willful misconduct or gross negligence. STS filed its defence brief, including a counterclaim for compensation for damage due to excessive interference by Fosmax LNG in the execution of the works and for the payment of extra work not approved by the client (and reserving the right to quantify the amount as the arbitration proceeds). On October 19, 2012, Fosmax LNG lodged a *Mémoire en demande*. Against this, STS, on January 28, 2013, lodged its own *Mémoire en défense*, in which it filed a counterclaim for €338 million. The final hearing was held on April 1, 2014. On the basis of the award issued by the Arbitration Panel on February 13, 2015, Fosmax LNG paid STS the sum of €84,349,554.92, including interest on April 30, 2015, of which 50% is due to Saipem SA. On June 26, 2015, Fosmax LNG challenged the award before the French Conseil d'Etat, requesting its annulment on the alleged basis that the Arbitration Panel had erroneously applied private law to the matter instead of public law. On November 18, 2015, a hearing was held before the *Conseil d'Etat*. Subsequently to the submission of the *Rapporteur Public*, the judges concluded the discussion phase. The *Rapporteur* requested a referral to the *Tribunal des Conflits*. With its judgement

of April 11, 2016, the *Tribunal des Conflits* held that the *Conseil d'Etat* had jurisdiction for deciding on the dispute regarding the appeal to overrule the arbitration award of February 13, 2015. On October 21, 2016, a hearing was held before the *Conseil d'Etat* and on November 9, the latter issued its own ruling, with which it partially nullified the award of February 13, 2015, for only the *mise en régie* costs (quantified by Fosmax LNG in €36,359,758), stating that Fosmax LNG should have relinquished such costs back to an arbitration tribunal, unless otherwise agreed by the parties.
Parallel with the aforementioned appeal before the *Conseil d'Etat*, on August 18, 2015, Fosmax LNG also filed an appeal with the Court of Appeal of Paris to obtain the annulment of the award and/or the declaration of nullity of the relevant exequatur, the enforceability of which had been recognised and of which Fosmax LNG had been notified on July 24, 2015. On February 21, 2017, the Court of Appeal declared itself incompetent to decide on the annulment of the award and stated that it would postpone the subsequent decision on the alleged nullity of the exequatur. On July 4, 2017, the Court annulled the exequatur issued by the President of the Tribunal de grande instance and sentenced STS to pay the costs (€10,000) of the proceeding in favour of Fosmax LNG.
On June 21, 2017, Fosmax LNG notified Sofregaz, Tecnimont SpA and Saipem SA, of a request for arbitration, requesting that the aforementioned companies (as members of the *société en partecipation* STS) be jointly and severally condemned to pay the *mise en régie* costs as quantified above beyond delays and legal fees. On April 13, 2018, Fosmax LNG filed its *Mémoire en demande* in which it detailed its demands at €35,926,872 in addition to interest for late payments of approximately €4.2 million. STS filed its brief and response on July 13, 2018, with which it has made the counter claim that Fosmax LNG be ordered to pay €2,155,239 in addition to interest for loss of profit and €5,000,000 for non-material damage.
Hearings were held from February 25 to February 27, 2019. By the award communicated to the lawyers of the parties on July 3, 2020, the Arbitration Tribunal fully rejected the counterclaims made by the STS members and sentenced them, jointly and severally, to pay Fosmax LNG: (i) €31,966,704 for *en règie* works made by Fosmax LNG; (ii) default interest on the aforementioned amount at the annual rate EURIBOR 1 month plus two basis points, starting from the 45th day from the issue of the accepted invoices and up to complete payment; (iii) USD 204,400 as a partial refund of the advance paid by Fosmax LNG for the costs of the arbitration procedure; and (iv) €1,343,657 as compensation for legal defence costs. With an *addendum* to the award, the Arbitral Tribunal provided some clarification on the application of the default interest.
On July 30, 2020, Saipem SA paid Fosmax LNG its share of the principal capital of the award, equal to €16,744,610. In 2021, the appeal process against the award proposed by Tecnimont SpA was concluded with the rejection of the appeal.
By letter dated November 16, 2020, Fosmax LNG's defence jointly notified Tecnimont SpA and Saipem SA to pay the outstanding part of the award within 15 days, quantifying the interest and VAT at €11,374,761. However, there was no consensus on how to calculate interest, and the issue is still under discussion between the parties. Tecnimont SpA paid its capital share and expenses. On December 30, 2021, Saipem SA paid its VAT share (€3,196,670). Tecnimont SpA and Saipem SA agreed to pay FOSMAX LNG only the amount of undisputed interests, notifying such decision to Fosmax LNG through their lawyers. On February 1, 2022, Saipem has therefore made a payment of €3,073,902.
On April 25, 2022, Fosmax LNG notified of a seizure order for four Saipem SA current accounts up to the amount of €5,712,140 plus expenses, for alleged additional interest on arrears over and above the interest already paid. On May 20, 2022, Saipem SA opposed the execution of the seizure. The amount seized is equal to €92,154. Saipem SA, disputing the legitimacy of the action by Fosmax LNG, notified Fosmax LNG that it opposed the execution and requested the annulment of the seizure, deemed illegitimate, and that Fosmax LNG be sentenced to a fine of €3,000 for reckless litigation plus the payment of €20,000 for damages. After the first hearing held on September 14, 2022, the Judge adjourned the case to the hearing of November 23, 2022, for Saipem SA to present its defence. On February 8, 2023, the discussion hearing was held and the Judge retained the case for decision. Following the judge's rejection of Saipem SA's opposition, the latter filed an appeal. The Court of Appeal has set the timetable for the procedure which should end on October 18, 2023 with the final hearing for discussion.
On November 29, 2023, the Court of Appeals issued a ruling upholding Saipem SA's appeal, lifting the freezing of current accounts. On January 29, 2024, Fosmax LNG appealed the decision of the Court of Appeals to the Supreme Court.

ACTIONS FOR DAMAGES FOLLOWING CONSOB RESOLUTION NO. 18949 OF JUNE 18, 2014

First proceeding with institutional investors

First instance proceedings: on April 28, 2015, a number of foreign institutional investors initiated legal action against Saipem SpA before the Court of Milan, seeking judgement against the Company for the compensation of alleged loss and damage (quantified in approximately €174 million), in relation to investments in Saipem SpA shares which the claimants alleged that they had made on the secondary market. In particular, the claimants sought judgement against Saipem SpA requiring the latter to pay compensation for alleged loss and damage which purportedly derived from the following: (i) with regard to the main claim, from the communication of information alleged to be "imprecise" over the period from February 13, 2012 to June 14, 2013; or (ii) alternatively, from the allegedly "delayed" notice, only made on January 29, 2013, with the first "profit warning" (the so-called "First Notice") of privileged information which would have been in the Company's possession from July 31, 2012 (or such other date to be established during the proceedings, identified by the claimants, as a further alternative, on October 24, 2012, December 5, 2012, December 19, 2012 or January 14, 2013), together with information which was allegedly "incomplete and imprecise" disclosed to the public over the period from January 30, 2013 to June 14, 2013, the date of the second "profit warning" (the so-called "Second Notice"). Saipem SpA appeared in court, case number R.G. 28789/2015, fully disputing the adverse parties'requests, challenging their admissibility and, in any case, their lack of grounds.
Following the first instance ruling, on November 9, 2018, the Court filed the first instance ruling No. 11357 rejecting the merit of the request by the parties. The Court has indeed ruled that there is lack of evidence of ownership of Saipem SpA shares by said plaintiffs in the period indicated above and has condemned them to pay €100,000 in favour of Saipem SpA, by way of reimbursement of legal expenses.

Appeal proceedings: on December 31, 2018, the institutional investors challenged the aforementioned sentence before the Court of Appeal of Milan, requesting that Saipem SpA be ordered to pay approximately €169 million. On February 23, 2021, the Judge ordered an integrative evidence phase.
On April 14, 2022, the court technical expert ("CTU") filed his technical report integrated on February 20, 2023. On March 6, 2023, at the request of the Court of Appeal, the court technical expert filed a clarification. At the hearing of May 3, 2023, the decision was retained.
In a ruling dated November 7, 2023, the Milan Court of Appeals partially reformed the first instance ruling and – against a claim of more than €170 million (plus interest and revaluation) – partially upheld that claim granting approximately €10.2 million (plus interest and revaluation). The Milan Court of Appeals substantially rejected the investors' claims, having found Saipem SpA liable only for an informational delay for a very limited period of time.
Supreme Court: on December 21, 2023, Saipem SpA filed an appeal to the Supreme Court against the ruling of the Milan Court of Appeals.
On January 30, 2024, the investors filed their counter-appeal and cross-appeal.
Saipem SpA filed its own counter-appeal in response to the cross-appeal within the legal deadlines.

Second proceeding with 27 institutional investors

First instance proceedings: with a writ of summons dated December 4, 2017, twenty-seven institutional investors initiated legal action before the Court of Milan section specialised in the field of corporate law, against Saipem SpA and two former Chief Executive Officers of said company, requesting that they are jointly condemned to pay compensation (with respect to the two former members of the company, limited to their periods of stay in office) for damages, material and non-material, allegedly suffered due to an alleged manipulation of information released to the market during the period between January 2007 and June 2013.
Saipem SpA liability was assumed pursuant to Article 1218 of the Civil Code (contractual liability) or pursuant to Article 2043 of Civil Code (non-contractual liability) or pursuant to Article 2049 of the Civil Code (owner and client liabilities) for the illegal conduct committed by the two former company representatives.
The Company appeared in Court to contest the claims in full, pleading inadmissibility and in any case the groundlessness in fact and in law.
In the pleading pursuant to Article 183, paragraph 6, No. 1, Civil Procedure Code, the plaintiffs provided for the quantification of damages allegedly suffered in the amount of approximately €139 million. With the pleading under Article 183, paragraph 6, No. 3, Civil Procedure Code, one of the plaintiffs declared to waive the action pursuant to Article 306, Civil Procedure Code.
On November 9, 2018, the Company filed sentence No. 11357 issued by the Court of Milan on November 9, 2018 at the outcome of case R.G. No. 28789/2015, as this provision decided the same preliminary issues of merit raised by Saipem SpA and the other defendants in the case under consideration, in particular with reference to the failed proof of purchase of Saipem SpA shares.
On November 9, 2019, Saipem SpA produced in the proceedings the order of the Criminal Court of Milan dated October 17, 2019, with reference to the pending criminal judgment R.G.N.R. 5951/2019, in which the constitution of approximately 700 civil parties was declared inadmissible in that case, with reasons similar to those of judgment No. 11357 issued by the Court of Milan on November 9, 2018 at the outcome of case R.G. No. 28789/2015.
On February 9, 2021, the Judge held the case in decision – having deemed it necessary to remit the decision on all claims and exceptions made by the parties to the Court – setting the legal terms for the filing of the final statements and the replies which were respectively filed on April 12 and May 3, 2021.
With a ruling dated November 20, 2021, the Court of Milan ruled in favour of Saipem SpA, rejecting the plaintiffs' claims for approximately €101 million out of €139.6 million, considering the ownership of Saipem SpA shares in the relevant period to be unproven.
Investors have paid Saipem SpA approximately €150,000 in legal fees.
The Court of Milan, with the above ruling and with an order dated November 20, 2021, referred the case to the preliminary investigation for claims made by other plaintiffs for damages amounting to a total of approximately €38 million.
With a correction order dated March 10, 2022, the Court of Milan – at the request of all the parties in the proceedings – made some changes to the first instance sentence, adding some plaintiffs and funds/assets separated to the group of those whose claims had been fully rejected, and adding other plaintiffs and funds/assets to the group of investors for which the prosecution in first instance was ordered.
By order dated October 4, 2022, communicated on October 6, 2022, reserving any assessment on the relevance of the criminal acquittal decision dated December 21, 2021 issued in the R.G.N.R. 5951/2019 proceedings and the court technical expert report ("CTU") rendered in the R.G. 28789/2015 proceedings (both produced by Saipem SpA in the proceedings), the Court decided to initiate the expert technical activity ordered on November 20, 2021, with a question crystallized in the cross-examination of the parties at the hearing of December 14, 2022, appointing the same technical expert of the R.G. 28789/2015 proceedings.
The Judge accepted the request for extension of the filing of the expert opinion, the deadline being July 15, 2024, and set the hearing for September 17, 2024 to examine the findings of the expert opinion itself.
Appeal proceedings: on January 22, 2022, Saipem SpA appealed the ruling of November 20, 2021, insofar as it remanded the claims of these plaintiffs for investigation. The parties appeared in the proceedings within the terms, also formulating a cross-appeal against the same sentence.
On January 24, 2022, the investors whose claims were rejected, because they had failed to prove they owned Saipem SpA shares in the relevant period, had also appealed the ruling of November 20, 2021.
Saipem SpA appeared in this judgment with a brief filed on May 25, 2022, also containing an cross-appeal. The other defendants appeared by filing a brief with cross- appeal on May 19 and May 20, 2022.

In light of the changes made by the correction order (*ordinanza di correzione*) of the Court of Milan on March 10, 2022 to the judgement of the Court of Milan of November 20, 2021, Saipem SpA, on March 18, 2022, challenged the judgement also in the parts corrected by the correction order, with reference to the plaintiffs and funds initially omitted from the proceeding and subsequently "added" to the group of those for which the continuation of the trial in the first instance had been ordered. The other parties appeared in the proceedings filing their briefs on July 25, 2022.
Three appeals were pending against the same ruling and, at the request of the parties, on September 28, 2022, the Court of Appeal united the three appeals. At the final hearing closing arguments were submitted by the parties in the three combined proceedings, held on July 5, 2023, the case was held in decision, setting terms for the exchange of final briefs and replies to be filed by the Company within the legal deadlines.

Third proceedings with 27 institutional investors

On December 1, 2022, 27 institutional investors served Saipem SpA and two previous managing directors of the Company with a writ of summons before the Civil Court of Milan – section specialised in corporate matters – requesting jointly (with respect to the two former company representatives, limited to their respective terms of office) the compensation for pecuniary and non-pecuniary damages allegedly suffered in the period between January 2007 and June 2013.
The liability of Saipem SpA is claimed pursuant to Article 1218, Civil Code (contractual liability), or pursuant to art. 2043, Civil Code (non-contractual liability), or pursuant to Article 2049, Civil Code (liability of owners and clients) for the offenses allegedly committed by the two former company representatives sued, as well as liability for a crime pursuant to Article 185 Italian Criminal Code.
The amount of damage is not quantified by the plaintiffs, who reserved the right to proceed with the related quantification during the proceedings.
In its defence, Saipem SpA appeared before the Court on September 27, 2023, contesting each charge and requesting the dismissal of all investors' claims.
On November 22, 2023, the first hearing was held in which some preliminary issues of Saipem SpA were discussed, and the Judge reserved the right to proceed. On February 21, 2024, the Judge decided to deal in advance with the issue of the plaintiffs' standing/representation with respect to the merits of the case. The hearing was adjourned to September 24, 2024 to deal with this issue, the Judge having given deadlines to the parties to submit the relevant briefs.

Fourth proceedings with 14 investors

On December 21, 2023, 14 investors served Saipem SpA with a writ of summons before the Court of Milan, claiming the Company's alleged liability, pursuant to Article 94 et seq., of Legislative Decree No. 58 of February 24, 1998, and Articles 1337 and/or 2043 of the Italian Civil Code for having allegedly communicated erroneous and misleading information to the market in the period between the date of publication of the financial results for the first nine months of 2015, i.e., October 27, 2015, and the date of publication of the results for the first nine months of 2016, i.e., October 25, 2016, with regard to, inter alia, the 2016-2019 Strategic Plan, the 2015 consolidated financial statements, and the documentation relating to the 2016 capital increase.
The claim for damages is formulated with regard to the difference between the investment in Saipem shares made by the plaintiffs during the relevant period and the value of the shares on the date of sale or, if still held by the investor, on the date of the summons' notification, for an overall amount (combining the claims of the individual plaintiffs) of approximately €1.7 million.
The first hearing listed in the summons is scheduled on May 6, 2024. On February 26, 2024, Saipem SpA appeared in the proceedings. The Court of Milan confirmed the hearing on May 6, 2024, and set deadlines for the parties to file supplementary briefs.
Demands for out-of-court settlement and mediation proceedings: in relation to alleged delays in providing information to the market, Saipem SpA received a number of out-of-court claims and requests for mediation during the period 2015-2023 and in the first months of 2024.
With regard to out-of-court requests, the following were made: (i) in April 2015 by 48 institutional investors on their own behalf and/or on behalf of the funds respectively managed for a total amount of approximately €291.9 million, without specifying the value of the claims of each investor/fund (subsequently, 21 of these institutional investors together with 8 others proposed a request for mediation, for a total amount of approximately €159 million; 5 of these institutional investors together with 5 others proposed a request for mediation, for a total amount of approximately €21.9 million); (ii) in September 2015 by 9 institutional investors on their own behalf and/or on behalf of the funds respectively managed, for a total amount of approximately €21.5 million, without specifying the value of the claims of each investor/fund (subsequently 5 of these institutional investors together with 5 others proposed a request for mediation, for a total amount of approximately €21.9 million); (iii) during 2015 by two private investors respectively for approximately €37,000 and for approximately €87,500; (iv) during July 2017 by some institutional investors for approximately €30 million; (v) on December 4, 2017 by 141 institutional investors for an unspecified amount (136 of these investors on June 12, 2018 renewed their out-of-court request, again for an unspecified amount); (vi) on April 12, 2018 for approximately €150-200 thousand by a private investor; (vii) on July 3, 2018 by a private investor for approximately €330 thousand; (viii) on October 25, 2018 for approximately €8,800 from three private investors; (ix) on November 2, 2018 for approximately €48,000 from a private investor; (x) on May 22, 2019 for approximately €53,000 from a private investor; (xi) on June 3, 2019 for an unspecified amount from a private investor; (xii) on June 5, 2019 for an unspecified amount from two private investors; (xiii) in February 2020 by a private investor who claims to have suffered damages worth €1,538,580; (xiv) in March 2020 by two private investors who did not indicate the value of their claims; (xv) in April 2020 by two private investors who did not indicate the value of their claims and by a private investor claiming alleged damages of approximately €40,000; (xvi) in May 2020 by a private investor who did not indicate the value of his claim; (xvii) in June 2020 by one private investor who did not indicate the value of its claim for damages; (xviii) in June 2020 by twenty-three private investors who did not indicate the value of their claim for damages; (xix) in July 2020 by eighteen investors claiming damages of approximately €22.4 million; (xx) in July 2020 by thirty-four private investors who did not indicate the value of their claim for damages; (xxi) in August 2020: (a) by four private

investors who did not indicate the value of their claim; (b) by three institutional investors in their own right and/or on behalf of the funds respectively managed for an amount of approximately €7.5 million; (xxii) in September 2020 by ten private investors who did not indicate the value of their claim; (xxiii) in October 2020 by: (a) twelve private investors who did not indicate the value of their claim, (b) by one private investor claiming to have suffered damages in the amount of €113,810, (c) by six hundred and forty-four associated private investors who did not indicate the value of their claim and (d) by three institutional investors in their own right and/or on behalf of the funds respectively managed for a total amount of €115,000; (xxiv) in November 2020: (a) by eleven private investors who did not indicate the value of their claim, (b) by two institutional investors in their own right and/or on behalf of the funds respectively managed for an amount of approximately €166,000; (xxv) in December 2020 by ten private investors who did not indicate the value of their claim and by one private investor who claims to have suffered damages in the amount of €234,724; (xxvi) in January 2021 by four private investors who did not indicate the value of their claim; (xxvii) in March 2021 by three private investors who did not indicate the value of their claim and by five associated private investors who did not indicate the value of their claim; (xxviii) in April 2021 (a) by one private investor who did not indicate the value of his claim; (b) by fourteen institutional investors in their own right and/or on behalf of the funds respectively managed for a total amount of approximately €3 million; (xxix) in May 2021 (a) by two private investors who did not indicate the value of their claim, (b) by one private investor who indicated the value of his claim in a total amount of approximately €100,000 and (c) by a private investor who indicated the value of his claim in a total amount of approximately €84,000; (xxx) in July 2021 by a private investor who indicated the value of his claim in a total amount of approximately €92,000; (xxxi) in December 2021 by two private investors who indicated the value of their claim in a total amount of approximately €143,000; (xxxii) in January 2022 by 161 private investors who indicated the value of their claim in a total amount of approximately €23 million; (xxxiii) in May 2022 by 6 institutional investors who indicated the value of their claim in a total amount of €3.9 million and by 103 private investors claiming approximately €7.9 million; (xxxiv) in June 2022 by 14 private investors claiming a total of approximately €1.9 million; (xxxv) in July 2022 by two private investors claiming a total of approximately €387,000; (xxxvi) in September 2022 by 7 private investors claiming approximately €385 million; (xxxvii) in December 2022 by 1 private investors claiming approximately €106 million for a total amount of more than 1,000 claims for a total value of more than €300,000,000. Those applications where mediation has been attempted, but with no positive outcome, involve nine main demands: (a) in April 2015 by 7 institutional investors acting on their own behalf and/or of the funds managed by them, in relation to about €34 million; (b) in September 2015 by 29 institutional investors on their own behalf and/or for the funds managed by them respectively, for a total amount of approximately €159 million (21 of these investors, together with another 27, submitted out-of-court demands in April 2015, complaining that they had suffered loss and damage for a total amount of approximately €291 million without specifying the value of the claims for compensation for each investor/fund); (c) in December 2015 by a private investor in the amount of approximately €200,000; (d) in March 2016 by 10 institutional investors on their own and/or on behalf of the funds managed by each respectively, for a total amount of approximately €21.9 million (5 of these investors together with another 4 had presented out-of-court applications in September 2015 complaining they had suffered loss and damage for a total amount of approximately €21.5 million without specifying the value of the compensation sought by each investor/fund. Another 5 of these investors, together with a further 43, had submitted out-of-court applications in April 2015 alleging they had suffered loss and damage for an amount of approximately €159 million without specifying the value of the compensation sought by each investor/fund); (e) from a private investor in April 2017 for approximately €40,000; (f) in 2018-2019 by a private investor for approximately €48,000; (g) in December 2020, a private investor initiated an attempt at mediation aimed at the request of compensation for an undetermined value; (h) in October 2022 by a private investor initiated an attempt at mediation aimed at the request of compensation for an undetermined value; (i) in November 2022 by a private investor initiated an attempt at mediation aimed at the request of compensation for approximately €20,000; (l) in July 2023 by a private investor for approximately €60,000; (m) in January 2024 by a private investor for approximately €40,000.

Saipem SpA verified the aforementioned requests for out-of-court claims and mediation and found them to be groundless. As of today, the aforementioned requests carried out out-of-court and/or through mediation have not been the subject of legal action, except as specified above in relation to the four lawsuits pending before the Court of Milan, the Court of Appeal of Milan and the Supreme Court, respectively, and to another lawsuit, with a claim value of approximately €3 million, in which Saipem SpA had been summoned during 2018 by the defendant in the action and for which (after the claim against Saipem SpA was rejected by the Court of First Instance in the first instance and the Court of Appeal in the second instance, accepting Saipem SpA 's defence, rejected the counterparty's appeal, ordering the latter to pay Saipem SpA the costs of the litigation) is pending before the Supreme Court, another case with a claim value of approximately €40 thousand – which ended with a ruling in favour of Saipem SpA, and another case served on Saipem SpA with a claim value of approximately €200 thousand which also ended in favour of Saipem and another case with a claim value of approximately €20,000

ARBITRATION WITH CPB CONTRACTORS PTY LTD (FORMERLY LEIGHTON CONTRACTORS PTY LTD) ("CPB") - GORGON LNG JETTY PROJECT

In August 2017, CPB notified Saipem SA and Saipem (Portugal) Comércio Marítimo, Sociedade Unipessoal Lda (together "Saipem Companies" or, for the purpose of this section, "Saipem") of a request for arbitration.

The dispute stemmed from the construction of the jetty of an LNG plant for the Gorgon LNG project in Western Australia. The main contract for engineering and construction of the pier ("Jetty Contract") was signed on November 10, 2009, by CPB, Saipem SA, Saipem (Portugal) Comércio Marítimo, Sociedade Unipessoal Lda and Chevron Australia Pty Ltd ("Chevron").

CPB, based on alleged contractual breaches by Saipem SA and Saipem (Portugal) Comércio Marítimo, Sociedade Unipessoal Lda, had requested that Saipem Companies be ordered to pay approximately AUD 1.39 billion (approximately €900 million). Saipem sustained that the CPB claims were totally unfounded and filed its statement in which it has requested the rejection of all the claims made by CPB and filed a counterclaim for AUD 37,820,023 (approximately €24.5 million), subsequently increased to approximately AUD 50 million (approximately €32.4 million), for payments related to the consortium agreement, extra costs related to non-compliance and delays by CPB in the execution of the works and backcharges. Subsequently, the parties

specified their claims. In particular: (i) CPB clarified its demands by making a claim of approximately AUD 1 billion (approximately €649 million) for alleged violations of the consortium agreement between the parties and another alternative claim of approximately AUD 1.46 billion (approximately €948 million) based on the assumption that CPB would not have entered into the Jetty Contract (and would not have suffered the related damages), if Saipem had not violated the consortium contract (No Contract Claim); (ii) Saipem had, at the end, quantified its claims in a total amount of approximately AUD 30 million (approximately €19.4 million). During 2020 and 2021, the first tranches of hearings were held, while the last was held from March 28 to April 1, 2022. *Oral closing submissions* were held from July 5 to July 7, 2022.
The partial award was issued on December 29, 2022. The Tribunal condemned: (i) Saipem to pay CPB AUD 10,108,655.97; (ii) and CPB to pay Saipem AUD 450,513.50, €494,301.41, USD 161,656.94 and MYR 491,473.
The award was partial as the apportionment of costs and interests was still pending. On February 3, 2023, the briefs of the parties on the costs were filed (*"Costs Submission"*) and on interest and, on February 17, 2023, the replies.
On April 20, 2023, the final award was issued which condemned:
1) CPB to pay to Saipem AUD 34,402,000 in reimbursement of legal costs, AUD 79,477.12 in interest, USD 489,457.50 in reimbursement of costs, as well as USD 28,518.63 and €87,201.95 for other costs;
2) Saipem to pay to CPB the amount of AUD 1,821,878.91 as interest.

Also including the amount recognised to the parties by the partial award, the net amount in favour of Saipem was equal to AUD 23,001,455.74; USD 679,633.07; €581,503.36 and MYR 578,175.97. Saipem asked CPB for the immediate payment of these sums (equivalent to approximately €16 million) and, as no payment was received, initiated proceedings to enforce the award in Australia. CPB in parallel initiated proceedings to challenge the award in the Singapore Courts.
During July and August 2023, the parties entered into negotiations for an amicable settlement of the dispute, and a settlement agreement was signed on August 15, 2023, under which CPB awarded Saipem a substantial portion of the legal fees. As a result, the judgments before the Australian (enforcement) and Singapore (appeal of award) Courts were abandoned.
CPB honored the settlement agreement in full by paying the last tranche on January 10, 2024, and therefore the dispute is closed.

ARBITRATION BETWEEN GALFAR ENGINEERING AND CONTRACTING ("GALFAR") AND SAIPEM SPA ("SAIPEM") (PROJECT DUQM REFINERY, OMAN)

In March 2023, Saipem was served with a request for arbitration, administered by the International Chamber of Commerce, from the Omani company, Galfar (subcontractor in the Duqm Refinery project, Oman). Galfar requests that Saipem be ordered to pay USD 43,478,843.56 for prolongation costs (extension of time) and variation orders not recognised by Saipem. Galfar also contests the back charges of USD 14,617,966.13 made by Saipem. Saipem filed the response to the arbitration request on May 12, 2023, appointing its arbitrator, contesting Galfar's claims and proposing a counterclaim of approximately USD 20 million consisting of liquidated damages and back charges. Having established the Arbitration Panel, the parties agreed on the proceedings' calendar, under which the final hearing will be held from April 7 to 11, 2025.

ARBITRATION BETWEEN NATIONAL CONTRACTING CO ("NCC") AND SNAMPROGETTI SAUDI ARABIA (KHURAIS PROJECT, SAUDI ARABIA)

On July 17, 2023, Snamprogetti Saudi Arabia ("SSA") was served with a request for arbitration, administered by the International Chamber of Commerce, ICC, from the Saudi company NCC (a subcontractor in the Khurais Expansion Project) seeking an order for SSA to pay SAR 562,305,560 (approximately €135.7 million equivalent at the exchange rate of December 31, 2023) for prolongation costs (extension of time), variation orders and other damages.
SSA entered into arbitration on August 10 contesting NCC's claims and submitting a total counterclaim of approximately SAR 225,315,403 (approximately €54.4 million equivalent at the exchange rate of December 31, 2023).
Having established the Arbitration Panel, the parties agreed on the proceedings' calendar, under which the final hearing will be held from July 7, 2025.

LITIGATION INITIATED BY ISIODU COMMUNITY IN EMOHUA LOCAL GOVERNMENT AREA OF RIVERS STATE + OTHERS

HRH Eze Jacob O Ugwugwueli, Chief Tobin Iregbundah, Chief Robinson Chukwu, Chief Sunday P. Azundah, Elder Clifford Ikpo, Chief Samuel C. Azundah (on its own and on behalf of the Council of Chiefs and people of Isiodu Community in Emohua Local Government Area of Rivers State (together the "Plaintiffs") sued Saipem Contracting Nigeria Ltd ("SCNL"), Shell Petroleum Development Company Nigeria Ltd ("SPCD"), Patyco Global Concept Ltd, the Nigerian Federal Ministry of Environment and the Nigerian Department of Petroleum Resources before the Federal High Court of Port Harcourt (Nigeria) alleging that toxic substances deriving from the realisation of the Southern Swamp Associated Gas Solutions project in Nigeria were illegally spilled into the territory of their community by the Nigerian company Patyco Global Concept Ltd, a subcontractor appointed by SCNL/SPDC to dispose of the waste deriving from the realisation of this project. The Plaintiffs requested that all the defendants be sentenced to pay, jointly and severally, compensation of: (i) USD 60 million (approximately €49.5 million) for the alleged damage to the environment and the health/life of the Plaintiffs; (ii) USD 3 billion (approximately €2.47 billion) for the alleged special damages for all of the related consequences and recovery activities that would allegedly derive from them; (iii) legal fees and interest at 20%. The defendants contest any responsibility vis-à-vis the claims put forth by the Plaintiffs. After several postponements, the first hearing was held on March 30, 2022. At the hearing the judge postponed the proceeding to June 23, 2022 and to further dates without entering into the merit of the case. At the next hearing of September 28, 2023, some preliminary issues were discussed, which will be resolved by the Court at a later hearing to be set in due course.

CONSOB RESOLUTION OF MARCH 2, 2018

With reference to Consob Resolution No. 20324 of March 2, 2018 (the "Resolution"), Saipem SpA Board of Directors, resolved on March 5, 2018, to appeal the Resolution in the competent courts.

The appeal to the Regional Administrative Court (TAR)-Lazio was filed on April 27, 2018. Following access to the administrative proceedings, on May 24, 2018 Saipem SpA filed with the TAR-Lazio additional grounds for appeal against the aforementioned Resolution.
On June 15, 2021, a hearing was held before the TAR-Lazio to discuss Saipem SpA's appeal against the Consob Resolution of March 2, 2018.
On July 6, 2021, the TAR-Lazio rejected the appeal filed by Saipem SpA on April 27, 2018.
On July 6, 2021, Saipem SpA issued the following press release:
"Saipem: the Regional Administrative Court of Lazio rejects the appeal against Consob Resolution No. 20324 of March 2, 2018.
San Donato Milanese (Milan), July 6, 2021: Saipem informs that with the judgment filed today the Tribunale Amministrativo Regionale ('TAR') of Lazio rejected the appeal submitted by the Company on April 27, 2018 against Consob Resolution No. 20324 of March 2, 2018 (disclosed to the market in the press release of March 5, 2018, the 'Resolution').
*With the Resolution (the contents of which are described in paragraph 'Information regarding censure by Consob under Article 154-*ter*, paragraph 7, Legislative Decree No. 58/1998 and the notice from the Consob Offices dated April 6, 2018', of Saipem Annual Report as of December 31, 2020) Consob has stated the non-compliance of Saipem's 2016 Annual Statutory and Consolidated Reports with the regulations which govern their preparation, concerns in particular: (i) the incorrect application of the accrual basis of accounting affirmed by IAS 1; (ii) the non-application of IAS 8 in relation to the correction of errors with reference to the financial statements of 2015; and (iii) the estimation process of the discount rate pursuant to IAS 36.*
*With the Resolution, Consob has therefore asked the Company, under Article 154-*ter*, paragraph 7, Legislative Decree No. 58/1998, to disclose the following elements of information to the markets: (A) the weaknesses and non-compliance identified by Consob in relation to the accounting correctness of the financial statements mentioned above; (B) the applicable international accounting standards and the violations detected in relation thereto; (C) the illustration, in an appropriate pro-forma consolidated income statements and balance sheet – with comparative data – of the effects that accounting in compliance with the regulations would have produced on the 2016 balance sheet, income statement and shareholders' equity, for which incorrect information was supplied.*
Saipem on April 16, 2018 issued a press release providing a pro forma consolidated income statements and balance sheet as of December 31, 2016 with the only aim to comply with the Resolution.
The TAR of Lazio has rejected the appeal presented by Saipem requesting the annulment of the Resolution.
Saipem reserves its right to appeal the decision of the TAR of Lazio before the Council of State".
On November 6, 2021, Saipem SpA filed its own appeal before the Council of State against decision of the TAR-Lazio.
On March 7, 2024, a hearing was held before the Council of State to discuss the merits of the appeal brought by Saipem SpA against the ruling of the TAR-Lazio.

CONSOB RESOLUTION OF FEBRUARY 21, 2019

With reference to Consob Resolution No. 20828 of February 21, 2019, communicated to Saipem SpA on March 12, 2019 (the "Resolution") the contents of which are described in paragraph "Information regarding censure by Consob pursuant to Article 154-*ter*, paragraph 7, Legislative Decree No. 58/1998 and the notice from the Consob Offices dated April 6, 2018". The Board of Directors of Saipem SpA resolved on April 2, 2019, to appeal before the Court of Appeal of Milan the Resolution No. 20828. On April 12, 2019, Saipem SpA appealed against the Resolution before the Court of Appeal of Milan, under Article 195 TUF, requesting the Resolution cancellation. A similar appeal was filed by the two individuals sanctioned under the Resolution, i.e. the Chief Executive Officer of Saipem SpA and the Chief Financial Officer and Officer responsible for financial reporting in office at the time of the events. The first hearing before the Milan Court of Appeal was held on November 13, 2019.
On that day, the Milan Court of Appeal postponed the discussion on November 4, 2020.
On October 23, 2020, Saipem SpA and the two individuals sanctioned submitted an application to the Court of Appeal, to be allowed to file documents required to debate the appeal by November 4, 2020.
On November 2, 2020, the Court of Appeal authorised the filing of the documents requested on October 23, 2020 by the parties, also granting Consob a deadline to submit any counter-arguments on those documents by December 15, 2020 and postponed the hearing to discuss the appeal to January 27, 2021.
On January 20, 2021, Saipem SpA and the two individuals sanctioned presented a new application to the Court of Appeal, to be allowed to file additional documents required to debate the appeal by January 27, 2021, and to be authorised to propose new grounds for the appeal. which came to light when new documents were found.
On January 21, 2021, the Court of Appeal accepted the applications by Saipem SpA and the individuals and authorised the filing of the documents requested on January 20, 2021. The Court also upheld the proposal of additional grounds, to be submitted through written filings by February 26, 2021, and also granted Consob the right to submit its counter filings by March 25, 2021. The Court set the hearing for April 21, 2021.
At the hearing of April 21, 2021, the appeals were discussed.
The Milan Court of Appeal has partially upheld the appeals, whilst it rejected the remaining:
- reducing from €200,000 to €150,000 the administrative financial fine imposed by Consob in 2019 against the former Chief Executive Officer of the Company in office from April 30, 2015, to April 30, 2021;
- reducing from €150,000 to €115,000 the administrative financial fine imposed by Consob in 2019 against the former CFO and Officer responsible for the Company's financial reporting in office at the time of the capital increase of 2016 and until June 7, 2016; and
- consequentially reducing from a total of €350,000 to a total of €265,000 the condemnation of Saipem SpA to the payment of the afore mentioned administrative financial fines, as the party jointly and severally liable pursuant to Article 195, paragraph 9, of the Italian Consolidated Law on Finance.

On January 20, 2022, Saipem SpA has filed an appeal to the Supreme Court against the sentence of the Court of Appeal of Milan.
On March 1, 2022, Consob has notified Saipem SpA of its cross-appeal with counterclaim.
Saipem SpA's cross-appeal against Consob's counterclaim was notified on April 8, 2022.
The proceeding is pending.

Tax proceedings

The Group is a party in some tax proceedings. Provisions for tax risks are made on the basis of information currently available, including information acquired by external consultants providing the Group with tax consultant support.
A summary of the most important disputes is provided below.

Snamprogetti Saudi Arabia Ltd

On October 21, 2020, the Saudi tax authority, following a tax audit on the tax periods from 2015 to 2018, notified Snamprogetti Saudi Arabia Ltd of an assessment of higher taxes on income and omitted withholding taxes for a total amount of approximately €180 million; the amount of the fine was updated as of the closing date of the 2023 financial statements.
The main findings disputed that led to the demand for higher income taxes concern:

- restatement of higher taxable amounts corresponding to the difference between the values of the imported goods resulting from the declarations submitted to the Saudi customs and the value of the goods purchased from foreign suppliers booked in the accounts. The explanation for this difference lies instead in the purely administrative activity of importing project materials carried out, based on precise contractual provisions, by the Saudi subsidiary on behalf of its local clients, actual buyers of those same materials;
- assessment of higher taxable amounts corresponding to 25% of the revenues of a contractual joint venture (therefore an unincorporated entity, that is a temporary association of companies that does not give rise to a new autonomous legal entity separate from the shareholders) constituted by Snamprogetti Saudi Arabia Ltd together with a local partner for the execution of a contract on behalf of Saudi Aramco. The defence of the company is essentially based on the fact that, since the joint venture is totally transparent, its revenues are periodically attributed, pro-rata to the two partners, on the basis of the provisions of the collaboration agreement, and are therefore regularly taxed via the partners;
- denial of the deductibility of accruals of costs pertaining to previous years and carried forward to the years that have been audited. The Saudi administration raised the assessment by completely ignoring the reversals of the same accruals recorded by the company in the tax periods audited, in accordance with national and international accounting standards. These reversals had in fact totally sterilised the economic, and therefore also fiscal, effects of those provisions on the income declared by the company for the periods being assessed.

As regards the finding in respect of the omitted withholding taxes, the local tax authority contested the existence of a permanent establishment of some foreign Group companies providing services in favour of Snamprogetti Saudi Arabia Ltd and consequently claimed the failure to apply withholding taxes to the related payments in accordance with the domestic law. In formulating this dispute, the Saudi tax authority did not consider the provisions of the Double Tax Treaty signed by Saudi Arabia with the countries of residence of the supplier companies, which prevail over the internal law. In particular, Article 5, paragraph 21 of the OECD model convention establishes that the provision of services by a company resident in a contracting state may give rise to the existence of a permanent establishment in the other contracting state only in case the activities are actually carried out in that same state. In the present case, all the activities were carried out by the non-Saudi companies of the Group entirely at their own head offices. On April 26, 2022, Saipem SpA submitted an application to the Revenue Agency for the initiation of an amicable procedure (Mutual Agreement Procedure, MAP) based on Article 25 of the Double Tax Treaty stipulated between the Republic of Italy and the Kingdom of Saudi Arabia as the notices of assessment would not comply with the provisions of Articles 5 and 7 of the Treaty itself. The initiation of the mutual agreement procedure caused the administrative proceedings in Saudi Arabia to be suspended, limited to the issue covered by the MAP.
On December 19, 2020, the Company filed an application for cancellation of the assessment to the Saudi tax authority which was rejected on March 16, 2021. Consequently, on April 13, 2021 an appeal was filed against the assessment document with the Tax Commission of first instance ("Tax Violations and Disputes Resolution Committee"), which only partially accepted the complaints of the respondent party on October 31, 2021. On December 20, 2021, the Company therefore appealed the unfavourable ruling with the Tax Commission of second degree ("Tax Violations and Disputes Appellate Committee") where the judgement is still pending.

Petrex SA, Colombian subsidiary

On October 7, 2019, the Colombian tax authority, following an audit on the 2014 tax year, notified the local branch of Petrex SA of a notice of assessment which contested, pursuant to a local anti-avoidance rule, the USD 120 million loan agreement signed in that same year with Eni Finance International SA, a financial company of the Eni Group, as a sham operation. In accordance with the above-mentioned rule, the entire amount of the loan was considered taxable income by the tax authority, with a consequent assessment of higher taxes and the imposition of penalties for a total amount of €105 million equivalent as of the closing of the 2023 financial statements. The tax authority claims that the relevant Group company has not provided sufficient evidence to demonstrate the use of the financing to support its economic activities. Moreover, the same notice of assessment does not recognise the interest accrued on the same loan and the losses on foreign exchange arising from the accounting of the financial debt in US dollars as deductible, which leads to higher taxes and penalties for additional €2 million.
On December 3, 2019, the company filed an application for the annulment of the assessment with the Colombian tax authority, supported by accurate and indisputable evidence that demonstrate the pertinence of the loan agreement with respect to its business activity. In summary, the borrowed funds were used to purchase some drilling rigs that were needed to execute commercial contracts signed with local clients. On October 14, 2020, the local tax authority rejected the application.

On February 15, 2021, the company appealed the notice of assessment with the Administrative Court, which is the court of first instance for the tax disputes, where the judgement is still pending.

Saipem SpA - Saipem SA - Snamprogetti Engineering BV - Saipem (Portugal) Comércio Marítimo, Sociedade Unipessoal Lda - Saipon Snc

Following a tax audit carried out through questionnaires in 2016, on November 10, 2016, the Nigerian tax administration ("FIRS") notified Saipem SpA, Saipem SA, Snamprogetti Engineering BV, Saipem (Portugal) Comércio Marítimo, Sociedade Unipessoal Lda and Saipon Snc with a notice of assessment in which the local administration claims the existence of their permanent establishments in Nigeria during the period 2009-2013 in relation to the carrying out of engineering and procurement activities for the execution of turnkey contracts for various Nigerian clients and consequently assesses the failure to pay income tax. In the notices, the tax authority, in fact, ascribes to the alleged permanent establishments all the income obtained from the performance of the aforementioned activities, non-recognising that, as regards the taxability of the income, the same activities were exclusively carried out by the overseas head offices of the recipient companies of the assessment. The tax claim, including the imposed fines, amounts to approximately €235 million equivalent as of the closing of the 2023 financial statements.
The companies involved challenged the notices of assessment before the Federal High Court on April 11, 2017, requesting to combine all the cases into one procedure, which was granted by the Court. On July 17, 2020, the Court decided in favour of the applicant companies and accepted all the reasons for the grievances. The Nigerian administration lodged an appeal at the Court of Appeal on October 15, 2020. The first hearing has not yet been scheduled by the Court.

Saipem SpA

Following a criminal proceeding against Saipem SpA and a number of individuals who held top positions within the Company concerning the criminal offenses of "international bribery" and "fraudulent misrepresentation", the Company received writs of assessment for the tax years 2008 and 2009 – served in 2015 – and for the tax year 2010 – served in 2016 – which alleged the so-called "non-deductibility of criminal costs" related to the aforementioned international bribery hypothesis.
The Company challenged the 2008 and 2009 writs and, pending the criminal and tax proceedings, both of which were lost in the first instance, on September 8, 2017 it settled the tax disputes by availing itself of Article 11 of Legislative Decree No. 50/2017, a provision that allowed for settlement without the application of penalties and part of the interest.
The assessment writ for the 2010 tax year was settled on May 26, 2017.
After the unfavorable criminal judgment issued by the Court of Milan (dated September 19, 2018), on January 15, 2020, the second instance ruling issued by the Court of Appeals of Milan fully acquitted Saipem SpA's top executives from the crime of international bribery and rejecting the liability of Saipem SpA from the alleged administrative offense. On December 14, 2020, the ruling by the Supreme Court was issued, definitively closing the criminal proceedings for international bribery, confirming the acquittal of the Company and the individuals involved.
In light of the aforementioned outcome of the criminal proceedings, on June 1, 2021, the Company applied for a refund of the tax paid.
As the refund application was met with silence-refusal, the Company appealed before the Milan Tax Court (Corte di Giustizia Tributaria) requesting in the First Instance that the Internal Revenue Service be made to refund the higher taxes paid in connection with the assessment writs concerning the non-deductibility of costs related to the alleged crime of international bribery, totaling €64 million. On July 5, 2022, the Milan Tax Court in the First Instance partially upheld Saipem SpA's appeal. Specifically, the ruling established that this right be limited to the taxes paid in relation to assessment that was settled (year 2010), excluding the amount paid for the settlement of disputes relating to the tax years 2008 and 2009.
On October 6, 2022, the Company appealed the sentence that had excluded the right to a refund for the amount paid as a result of the settlement of pending litigation in relation to the tax years 2008 and 2009. At the same time, the Internal Revenue Service filed suit to defend the parts of the judgment that were in its favor, also challenging the ruling regarding the entitlement to the refund for the 2010 year.
On June 12, 2023, the ruling of the Lombardy Tax Court in the Second Instance upheld the Company's appeal and rejected the Revenue Agency's appeal. As a result of the ruling, the Company is entitled to be refunded all amounts paid in 2017 plus statutory interest. As of the closing date of the 2023 financial statements, the Inland Revenue Service has already refunded approximately half of the amount due.
On November 15, 2023, the Internal Revenue Service filed an appeal with the Court of Cassation. On January 22, 2024, the Company filed a counter-appeal. To date, the parties are awaiting the hearing dates before the Court of Cassation.

34 Revenue

The following is a summary of the main components of revenue. For more information about changes in revenues and reporting by business segment, see the "Financial and economic results" section of the "Directors' Report".

Core business revenue

Core business revenue was as follows:

(€ million)	2023	2022
Asset Based Services - Revenue from sales and services	6,069	5,026
Energy Carriers - Revenue from sales and services	5,062	4,389
Offshore Drilling - Revenue from sales and services	743	565
Total	**11,874**	**9,980**

Net sales by geographical segment were as follows:

(€ million)	2023	2022
Italy	681	400
Rest of Europe	956	1,040
CIS	303	409
Middle East	3,893	3,821
Far East and Oceania	739	676
North Africa	288	210
Sub-Saharan Africa	3,165	2,251
Americas	1,849	1,173
Total	**11,874**	**9,980**

As described in "Accounting policies" in the paragraph "Contract assets and contract liabilities", to which we refer, in consideration of the nature of the contracts and the type of works performed by Saipem, the individual obligations contractually identified are mainly satisfied over time. The revenue that measures the progress of the work is determined, in line with the provisions of IFRS 15, by using an input method based on the percentage of costs incurred with respect to the total contractually estimated costs ("cost-to-cost" method).

Contract revenue includes the amount agreed in the initial contract, plus revenue from change orders and claims.

The change orders consist of additional fees deriving from changes to the contractually agreed works requested by the client; price revisions (claims) consist of requests for additional fees deriving from higher charges incurred for reasons attributable to the client. Change orders and claims (pending revenue) are included in the amount of revenue when the changes to the agreed works and/or price has a high probability of recognition, even if their definition has not yet been agreed. Any pending revenue reported for a period longer than one year, with no changes in the negotiations with the client, is impaired, despite the confidence in recovery of the business. Amounts higher than €30 million are reported only if supported by outside technical-legal expert opinions.

The cumulative amount of additional payments (pending revenue) of Engineering & Construction contracts, including amounts pertaining to previous years, based on projects progress as of December 31, 2023, totalled €265 million (€236 million as of December 31, 2022). There are no additional amounts relating to ongoing legal proceedings.

The contractual obligations to be fulfilled by the Saipem Group (backlog), which as of December 31, 2023 amounted to €29,802 million, are expected to generate revenue of €11,647 million in 2024 while the remainder will be generated in subsequent years.

The share of revenues for leasing in the item "Core business revenues" does not have a significant impact on the overall amount of core business revenues, as it amounts to less than 2% of the total and it refers to the Offshore Drilling and Leased FPSO sectors.

Revenue from related parties is shown in Note 43 "Related party transactions".

Other revenue and income

Other revenue and income were as follows:

(€ million)	2023	2022
Gains on disposal of assets	15	4
Indemnities	2	-
Other income	7	7
Total	**24**	**11**

35 Operating expenses

The following is a summary of the main components of operating expenses. The most significant variations are analysed in the "Financial and economic results" section of the "Directors' Report".

Purchases, services and other costs

Purchases, services and other costs included the following:

(€ million)	2023	2022
Raw, ancillary and consumable materials and goods	3,451	2,704
Services	4,945	4,542
Use of third party assets	1,167	901
Net accruals to (utilisation of) the provisions for risks and charges	(335)	(266)
Other expenses	72	31
less:		
- internal work capitalised	(16)	(11)
- changes in inventories of raw, ancillary and consumable materials and goods	(52)	(70)
Total	**9,232**	**7,831**

During 2023, no brokerage fees were incurred.
Use of third-party assets equal to €1,167 million, refer to €1,158 million for lease contracts, of which €876 million relate mainly to "Short-term Leases" with a term of less than or equal to 12 months, €281 million relate to "Variable payments" and €1 million relate to "Low Value".
Net accruals to/utilisations of the provisions for risks and charges for a total of €335 million refer to the provisions for risks related to litigation, provisions for contractual expenses and losses on long-term contracts and other provisions included in Note 26 "Provisions for risks and charges".
Research and development costs that do not meet the requirements for capitalisation amounted to €32 million (€31 million in 2022).
Purchases, services and other costs to related parties are detailed in Note 43 "Related party transactions".

Net reversals of impairment losses (impairment losses) on trade receivables and other assets

Net reversals of impairment losses (impairment losses) on trade receivables and other assets include the effects relative to IFRS 9 applied to contract assets and are broken down as follows:

(€ million)	Dec. 31, 2023	Dec. 31, 2022
Trade receivables	-	35
Other receivables	-	(1)
Contract assets	1	(2)
Total	**1**	**32**

Personnel expenses

Personnel expenses were as follows:

(€ million)	2023	2022
Wages and salaries	1,453	1,350
Social security contributions	218	224
Contributions to benefit plans	38	31
Accrual to provision for TFR recognised as a counter-item to pension or Inps funds	24	22
Voluntary redundancy incentives	(3)	(18)
Other costs	15	54
less:		
- internal work capitalised	(9)	(7)
Total	**1,736**	**1,656**

Net accruals to provisions for employee benefits are shown under Note 27 "Employee benefits".
Incentives for voluntary redundancy refer to net balance between accruals and utilisations of the provisions for redundancy incentives as commented in Note 26 "Provisions for risks and charges".

Incentive plans

In order to create a system of incentives and loyalty among Group's Senior Managers, Saipem SpA, defined, among other things, variable incentive plans, through the free assignment of Saipem SpA ordinary shares, with a three-year cycles (vesting period) of attributions.

As of December 31, 2023, the active plans approved by the Shareholders' Meeting of Saipem SpA are as follows: 2019-2021 Long-Term Variable Incentive Plan (2021 attribution), 2023-2025 Long-Term Variable Incentive Plan (2023 attribution), and 2021-2023 Short-Term Variable Incentive Plan (2021 attribution).
All plans provide for the free allocation of Saipem ordinary shares to the executives of Saipem SpA and its subsidiaries, holders of organisational positions with significant impact on the achievement of business results, also in relation to performance expressed and professional skills. For additional information about the characteristics of the plans, please see the disclosure made available to the public on the Company's website (www.saipem.com), under the current law (Article 114-*bis* of Legislative Decree No. 58/1998 and Consob implementing regulations).
The cost is determined with reference to the fair value of the option assigned to the senior manager, while the portion for the year is determined pro-rata temporis throughout the period to which the incentive refers (so-called vesting period and co-investment period/retention premium).
The fair value for the year, relative to all the attributions in place, is approximately €6 million.
The assessment was made using the Stochastic and Black & Scholes models, according to the provisions set forth in international accounting policies, in line with the provisions of IFRS 2.
In particular, the Stochastic model was used to assess the allocation of market-based subordinated equity instruments (TSR) and the Black & Scholes model was used to assess the economic and financial goals.
On the attribution date, the classification and number of beneficiaries, the respective number of shares attributed and the subsequent fair value calculation, are as follows:

LTI Attribution for 2018

	No. of managers	No. of shares (1)	Share portion (%)	Unit fair value TSR (weight 50%)	Unit fair value PFN (weight 50%)	Total fair value	Fair value 2023	Fair value 2022 (2)
Strategic senior managers (vesting period)	98	74,757	75	130	196	8,210,400	253,190	650,136
Strategic senior managers (co-investment period)			25	259	391			
Non-strategic senior managers	263	49,577	100	130	196	4,479,459	-	-
Chief Executive Officer-CEO (March 2018)	1	4,322	100	98	156	324,448	-	-
Chief Executive Officer-CEO (July 2018)	1	8,686	100	130	196	847,078	-	-
Total	**363**	**137,342**				**13,861,385**	**253,190**	**650,136**

(1) The number of shares shown in the table corresponds to the attributed number to the beneficiaries at the right attribution date, appropriately restated on the basis of the reverse stock splits of May 23 and June 13, 2022. The number of shares used for total fair value and fair value calculation as of July 24, 2023 (end of the co-investment period), on the other hand, corresponds to 126,416 shares, and reflects the forfeited rights due to unilateral/consensual employment relationship resignations, as well as the percentage of achievement of the non-market conditions at the end of the vesting period.
(2) The fair value for the period is measured as of the observation date.

LTI Attribution for 2021

	No. of managers	No. of shares (1)	Share portion (%)	Unit fair value TSR (weight 35%)	Unit fair value TSR Drilling (weight 15%)	Unit fair value PFN (weight 15%)	Unit fair value ROAIC (weight 15%)	Unit fair value EBITDA (weight 20%)	Total fair value	Fair value 2023	Fair value 2022 (2)
Strategic senior managers (vesting period)	80	80,552	75	88	89	104	104	104	3,677,054	943,129	1,028,372
Strategic senior managers (Retention Premium)			25	175	175	104	104	104			
Non-strategic senior managers	304	81,205	100	88	89	104	104	104	3,467,787	1,131,732	1,153,914
Chief Executive Officer-CEO (vesting period)	1	10,326	75	88	89	104	104	104	598,891	-	167,492
Chief Executive Officer-CEO (co-investment period)			25	175	175	104	104	104			
Total	**385**	**172,083**							**7,743,732**	**2,074,861**	**2,349,778**

(1) The number of shares shown in the table corresponds to the number attributed to beneficiaries at the right attribution date. The number of shares used for total fair value and fair value calculation as of December 31, 2023, on the other hand, corresponds to 128,437 shares, and reflects the forfeited rights due to unilateral/consensual termination of the employment relationship, as well as the percentage of achievement of the estimated non-market conditions at the end of the vesting period.
(2) The fair value for the period is measured as of the observation date.

STI Attribution for 2021

	No. of managers	No. of shares [1]	Share portion (%)	Unit fair value	Total fair value	Fair value as of Dec. 31, 2023	Fair value as of Dec. 31, 2022 [2]
Senior managers	132	19,338	100	102	1,344,877	420,756	447,477
Total	**132**	**19,338**			**1,344,877**	**420,756**	**447,477**

(1) The number of shares shown in the table corresponds to the number attributed to beneficiaries at the right attribution date. The number of shares used for the total fair value and fair value calculation as of December 31, 2022, on the other hand, is 12,324 shares, and reflects the forfeited rights due to unilateral/consensual employment relationship resignations as of the observation date.
(2) The fair value for the period is measured as of the observation date.

LTI Attribution for 2023

	No. of managers	No. of shares [1]	Share portion (%)	Unit fair value TSR (weight 40%)	Unit fair value ESG (weight 20%)	Unit fair value ROAIC (weight 15%)	Unit fair value ROAIC (weight 20%)	Unit fair value EBITDA (weight 20%)	Total fair value	Fair value 2023	Fair value 2022
Senior managers (vesting period)			75	1.38	1,177	1,177	1,177	1,177			
Senior managers	395	13,004,900							1,181,762	2,964,754	-
(Retention Premium period)			25	2,910	1,177	1,177	1,177	1,177			
Chief Executive Officer-CEO (vesting period)			75	1.38	1,177	1,177	1,177	1,177			
Chief Executive Officer-CEO	1	744,300							20,648,482	169,672	-
(co-investment period)			25	2,910	1,177	1,177	1,177	1,177			
Total	**396**	**13,749,200**							**21,830,244**	**3,134,426**	**-**

(1) The number of shares shown in the table corresponds to the number attributed to beneficiaries at the right attribution date. The number of shares used for total fair value and fair value calculation as of December 31, 2023, on the other hand, corresponds to 15,738,095 shares, and reflects the forfeited rights due to unilateral/consensual termination of the employment relationship, as well as the percentage of achievement of the estimated non-market conditions at the end of the vesting period.

The evolution of the share plans is as follows:

	2023			2022		
	No. of shares	Average strike price [a] (€ thousand)	Market price [b] (€ thousand)	No. of shares	Average strike price [a] (€ thousand)	Market price [b] (€ thousand)
Options outstanding as of January 1	**313,362**	**-**	**353**	**455,675**	**-**	**40,034**
New options granted	13,749,200	-	16,183	-	-	-
(Options exercised during the period) [c]	(17,308)	-	(24)	(33,334)	-	924
(Options expired during the period)	(240,493)	-	(336)	(108,979)	-	(3,021)
Options outstanding at the end of the year	**13,804,761**	**-**	**20,293**	**313,362**	**-**	**353**
Of which:						
- exercisable as of Dec. 31, 2023	-	-	-	-	-	-
- exercisable at the end of the vesting period	10,374,418	-	-	269,517	-	-
- exercisable at the end of the co-investment period/Retention Premium	3,430,343	-	-	43,845	-	-

(a) Since these are free shares, the strike price is zero.
(b) The market value of the shares underlying options granted or expired in the period corresponds to the average market value of the shares. The market value of shares underlying options outstanding at the beginning and end of the period is equal to the last available data as of January 1 and December 31.
(c) Options exercised in 2023 are represented by shared assigned to beneficiaries of the co-investment of the 2018 attribution of the 2016-2018 plan, as provided for in the Plan's regulation.

Option outstanding as of December 31, 2023 and the number of beneficiaries are as follows:

Attributions	No. of managers	Financial year price [(a)]	No. of shares
LTI 2016	372	-	128,121
LTI 2017	345	-	141,697
LTI 2018	363	-	137,342
LTI 2019	368	-	88,038
LTI 2020	382	-	182,259
LTI 2021	387	-	172,083
STI 2021	132	-	19,338
LTI 2023	396	-	13,749,200
As of December 31, 2023			
Shares assigned			
LTI 2016			(3,323)
LTI 2017 [(b)]			(144,040)
LTI 2018			(92,026)
LTI 2019			-
LTI 2020			-
LTI 2021			-
STI 2021			-
Expired options			
LTI 2016			(124,798)
LTI 2017			(11,908)
LTI 2018			(45,316)
LTI 2019			(88,038)
LTI 2020			(182,259)
LTI 2021			(43,646)
STI 2021			(7,014)
LTI 2023			(85,200)
Stock options			
LTI 2016	-		-
LTI 2017	-		-
LTI 2018	-		-
LTI 2019	-		-
LTI 2020	-		-
LTI 2021	332		128,437
STI 2021	104		12,324
LTI 2023	393		13,664,000
			13,804,761

(a) Since these are free shares, the strike price is zero.
(b) The number of shares assigned in relation to the 2017 attribution of the 2016-2018 plan also includes the additional share accruing to those eligible against the co-investment.

The incentive plans for employees of the Group are shown in the item “Personnel expenses” and as a counter-item to “Other reserves” of equity.

The parameters used to calculate the fair value relating to the 2023 attribution of the LTI 2023-2025 plan and 2021 attribution of the LTI 2019-2021 plan are as follows[20]:

		Attribution	LTI 2023	Attribution	LTI 2021
Share price [(a)]	(€)	June 27, 2023	**1,177**	October 27, 2021	**104**
Strike price [(b)]	(€)		**-**		**-**
Parameter adopted in the Black & Scholes model	(€)	June 27, 2023	**1,177**	October 27, 2021	**104**
Expected life					
Vesting period	(years)		3		3
Co-investment/Retention Premium	(years)		2		2
Risk-free interest rate					
TSR					
- Vesting period	(%)	June 27, 2023	3.71	October 27, 2021	0.00
- Co-investment/Retention Premium	(%)	June 27, 2023	3.63	October 27, 2021	0.20
Black & Scholes	(%)		n.a.		n.a.
Expected dividends	(%)		**0.00**		**0.00**
Expected volatility					
TSR					
- Vesting period	(%)	June 27, 2023	105,53	October 27, 2021	49.02
- Co-investment/Retention Premium	(%)	June 27, 2023	116.72	October 27, 2021	50.48
Black & Scholes	(%)		n.a.		n.a.

(a) Corresponding to the closing price of Saipem SpA shares on the date of attribution, recorded on the Electronic Stock Market managed by Borsa Italiana.
(b) Since these are grants, the strike price is zero.

Remuneration of Senior Managers with Strategic Responsibilities

To ensure better consistency between disclosures provided in the Report on Remuneration Policy and Compensation Paid and this annual report, the definition of Senior Managers with Strategic Responsibilities is consistent with Article 65, section 1-*quater* of the Issuer Regulations. This definition refers to individuals with direct or indirect planning, coordination and control powers and responsibilities.

The table shows the remuneration payable to Saipem's key management personnel, defined as executives, other than Directors and Statutory Auditors, who are required to participate in the Management Committee and in any case the first reports to the Chief Executive Officer-CEO/Chairman of the Board of Directors of Saipem SpA.

(€ million)	2023	2022
Wages and salaries	7	7
Employee termination indemnities	-	-
Other long-term benefits	-	-
Fair value stock-based incentive plans	1	1
Total	**8**	**8**

Compensation of Statutory Auditors

Remuneration of Statutory Auditors amounted to €170 thousand in 2023.

Compensation included emoluments and all other retributive and social security compensations due for the function of Statutory Auditor of Saipem SpA or other companies within the scope of consolidation that represented a cost to the Parent Company.

(20) For more information on the parameters used for past and still active implementations as of December 31, 2023, please refer to the Annual Report of Saipem SpA for the financial years 2017, 2018, 2019, 2020, 2021 and 2022.

Average number of employees

The average number of employees, by category, for all consolidated companies was as follows:

(number)	2023	2022
Senior managers	383	383
Junior managers	4,576	4,533
White collars	14,478	15,248
Blue collars	9,434	11,000
Seamen	237	230
Total	**29,108**	**31,394**

The average number of employees was calculated as the arithmetic mean of the number of employees at the beginning and end of the year. The average number of senior managers included managers employed and operating in foreign countries whose position was comparable to senior manager status.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses are detailed below:

(€ million)	2023	2022
Depreciation and amortisation:		
- property, plant and equipment	327	294
- intangible assets	11	14
- Right-of-Use lease assets	122	136
Total depreciation and amortisation	**460**	**444**
Impairment losses:		
- property, plant and equipment	29	1
- intangible assets	-	-
- Right-of-Use lease assets	-	-
Total impairment losses	**29**	**1**
Total	**489**	**445**

Impairment losses of €29 million (€1 million in 2022) related mainly to impairment losses of assets of the Asset Based Services business line.

Other operating income (expense)

During the year, €5 million in operating expenses was recorded (€7 million in operating income in 2022).

36 Financial income (expense)

Financial income (expense) consisted of the following:

(€ million)	2023	2022
Financial income (expense)		
Financial income	672	1,008
Financial expense	(765)	(1,075)
Total	**(93)**	**(67)**
Derivative financial instruments	(74)	(128)
Total	**(167)**	**(195)**

Net financial income (expense) was as follows:

(€ million)	2023	2022
Net exchange gains (losses)	**5**	**92**
Exchange gains	575	993
Exchange losses	(570)	(901)
Financial income (expense) related to net financial debt	**(107)**	**(133)**
Interest income from banks and other financial institutions	40	6
Interest income on leases	14	3
Interest and other expense due to banks and other financial institutions	(119)	(121)
Interest expense on leases	(42)	(21)
Other financial income (expense)	**9**	**(26)**
Other financial income from third parties	43	6
Other financial expense to third parties	(29)	(30)
Financial income (expense) on defined benefit plans	(5)	(2)
Net financial income (expense)	**(93)**	**(67)**

Net income (expense) on derivatives consisted of the following:

(€ million)	2023	2022
Exchange rate derivatives	(75)	(127)
Interest rate derivatives	1	(1)
Total	**(74)**	**(128)**

The balance of income (expense) from derivative contracts is negative for €74 million (negative for €128 million in 2022) mainly related to the recognition in the income statement of the effects related to the fair value measurement of derivative contracts that do not qualify for hedge accounting under IFRS and the measurement of the forward component of derivative contracts qualifying for hedge accounting.
Financial income (expense) with related parties is shown in Note 43 “Related party transactions”.

37 Gains (losses) on equity investments

Effect of accounting using the equity method

The share of profit (loss) of equity-accounted investees consisted of the following:

(€ million)	2023	2022
Share of profit of equity-accounted investees	60	28
Share of loss of equity-accounted investees	(4)	(21)
Net utilisations of (accruals to) the provisions for losses related to equity-accounted investees	51	(72)
Total	**107**	**(65)**

The share of profits (losses) of equity-accounted investees is commented in Note 18 “Equity investments”.

Other gains (losses) from equity investments

Net losses for €47 million were recorded in the year (no other gains (losses) on equity investments in 2022) due mainly to the disposal of investments.

38 Income taxes

Income taxes consisted of the following:

(€ million)	2023	2022
Current taxes:		
- Italian subsidiaries	(55)	11
- foreign subsidiaries	136	152
Net deferred tax assets and liabilities:		
- Italian subsidiaries	44	(2)
- foreign subsidiaries	20	(8)
Total	**145**	**153**

The reconciliation between the theoretical tax burden, calculated by applying a 24% tax rate (Ires) to pre-tax profit as per the Italian laws, and the effective tax burden for the years ended December 31, 2023 and 2022 is as follows:

(€ million)	2023	2022
Pre-tax profit (loss)	**330**	**(162)**
Theoretical income tax	**79**	**(39)**
Items increasing (decreasing) tax rate:		
- different foreign subsidiaries tax rate	(34)	(10)
- permanent differences and other factors	67	64
- effect of Italian regional production tax (Irap) on Italian companies	3	4
- impact of uncertainty in tax treatment	(67)	35
- unrecognised deferred income tax assets	91	99
- impairment (recognition) of deferred tax assets and income taxes	6	-
Total changes	**66**	**192**
Effective taxes	**145**	**153**

(€ million)	2023	2022
Income taxes recognised in the income statement	145	153
Income tax related to items of other comprehensive income that may be reclassified to profit or loss	(30)	18
Of which:		
- tax effect due to the change in the fair value of cash flow hedges	(29)	17
- tax effect due to the change in the fair value of financial assets, other than equity investments, measured at fair value through OCI	(1)	1
Income tax related to items of other comprehensive income that will not be reclassified to profit or loss	3	(10)
Of which:		
- tax effect due to the remeasurement of defined benefit plans for employees	3	(10)
Tax on comprehensive income (loss)	**118**	**161**

On December 27, 2023, the Legislative Decree No. 209 "International Taxation" was approved with effect from January 1, 2024. It adopted the EU Regulation 2022/2523 of December 14, 2022 and introduced into Italian law rules to ensure a global minimum tax for large multinational and national groups, in accordance with the OECD Pillar Two in order to reduce the phenomena of tax base erosion and profit transfer. Saipem SpA, in its capacity as Ultimate Parent Entity, therefore assessed the income tax exposure to the new Pillar Two system, in view of the fact that the Group meets the requirements for its application. The assessment is based on the most recent tax returns submitted by entities within the scope of Pillar Two, on their financial statements and on the Country by Country Report. From Saipem's analysis, it appeared that the actual tax rates, determined according to the rules of Pillar Two, in the main jurisdictions in which the Group operates are higher than 15%, which the global minimum tax within the system; on the other hand, there are a few jurisdictions where the tax rate is lower than 15%. The Group does not foresee significant exposure to Pillar Two income taxes.

39 Non-controlling interests

There was no income by non-controlling interests in 2023, as for 2022.

40 Profit (loss) per share

Basic profit (loss) per ordinary share is calculated by dividing profit (loss) for the year attributable to the Group's shareholders by the weighted average of Saipem SpA ordinary shares outstanding during the year, excluding treasury shares.
Diluted profit (loss) per share is calculated by dividing profit (loss) for the year by the weighted average number of Saipem SpA ordinary shares outstanding during the year, excluding treasury shares, increased by the potential number of shares that could be issued. Losses for the year are excluded to the extent that their inclusion would have an anti-dilutive effect.
The weighted average number of outstanding shares used for the calculation of the basic profit (loss) per share was 1,995,147,895 in 2023 and 940,341,988 in 2022.
The weighted average number of outstanding shares used for the calculation of the diluted profit (loss) per share was 2,008,953,715 in 2023 and 940,343,047 in 2022.

Reconciliation of the weighted average number of outstanding shares used for the calculation of basic and diluted profit and loss per share is as follows:

		Dec. 31, 2023	Dec. 31, 2022
Weighted average number of outstanding shares used for the calculation of the basic profit (loss) per share		**1,995,147,895**	**940,341,988**
Number of potential shares against convertible bonds		74,220,137	-
Number of potential shares following incentive plans		13,804,761	313,362
Number of savings shares convertible into ordinary shares [(a)]		1,059	1,059
Weighted average number of outstanding shares used for the calculation of the diluted profit (loss) per share [(b)]		**2,008,953,715**	**940,343,047**
Profit (loss) attributable to Saipem - Continuing operations	(€ million)	**185**	**(315)**
Basic profit (loss) per share	(€ per share)	0.09	(0.33)
Diluted profit (loss) per share	(€ per share)	0.09	(0.33)
Profit (loss) attributable to Saipem - Discontinued operations	(€ million)	**(6)**	**106**
Basic profit (loss) per share	(€ per share)	-	0.11
Diluted profit (loss) per share	(€ per share)	-	0.11
Profit (loss) attributable to Saipem	(€ million)	**179**	**(209)**
Basic profit (loss) per share	(€ per share)	0.09	(0.22)
Diluted profit (loss) per share	(€ per share)	0.09	(0.22)

(a) It should be noted that for 2022, the number of potential shares following the incentive plans was not considered when computing the weighted average number of outstanding shares used for the calculation of the diluted earnings (loss) per share.
(b) Potential shares against convertible bonds were excluded in the calculation as they have an anti-dilutive effect.

41 Reporting by business segment

As already commented in the Director's Report, to which we refer, information to the market starting from the first quarter of 2023, in accordance with the provisions of IFRS 8, is prepared following the reporting segments below:
- Asset Based Services, which includes Offshore Engineering & Construction and Offshore Wind activities;
- Offshore Drilling; and
- Energy Carriers, which includes the Onshore Engineering & Construction, Sustainable Infrastructures, and Robotics & Industrialized Solutions.

The sectors clustered in the reporting segments above have similar economic characteristics; moreover, the new Offshore Wind, Sustainable Infrastructures, and Robotics & Industrialized Solutions sectors are not, at present, so significant that they deserve separate reporting, in accordance with IFRS 8. Given its relevance and economic characteristics, the Offshore Drilling sector will be reported separately, as usual.
The results restated based on the new reporting are broadly in line with the data released to the market in 2022; in any case, for the purpose of a more complete understanding of the effects of the re-aggregation, the data on revenues, EBITDA and adjusted EBIT for the year 2022, relating to the two sectors subject to re-aggregation, are reported at the end of this note.

Reporting by business segment*

(€ million)	Asset Based Services	Energy Carriers	Offshore Drilling	Unallocated	Total
December 31, 2023					
Core business revenue	9,461	5,632	1,266	-	16,359
less: intra-group revenues	3,392	570	523	-	4,485
Net revenues	**6,069**	**5,062**	**743**	**-**	**11,874**
Operating profit (loss)	301	(42)	178	-	437
Depreciation, amortisation and impairment losses	313	53	123	-	489
Gains (losses) on equity investments	14	66	-	(20)	60
Capital expenditure in property, plant and equipment and intangible assets	258	22	202	-	482
Property, plant and equipment and intangible assets	2,320	400	906	-	3,626
Right-of-use of leased assets	315	101	12	-	428
Equity investments [(a)]	102	(25)	-	85	162
Current assets	1,904	2,447	613	3,140	8,104
Current liabilities	2,938	3,090	335	492	6,855
Provisions for risks and charges [(a)]	349	306	33	30	718
December 31, 2022					
Core business revenue	6,969	4,875	914	-	12,758
less: intra-group revenues	1,943	486	349	-	2,778
Net revenues	**5,026**	**4,389**	**565**	**-**	**9,980**
Operating profit (loss)	84	(85)	99	-	98
Depreciation, amortisation and impairment losses	314	59	72	-	445
Gains (losses) on equity investments	10	(75)	-	-	(65)
Capital expenditure in property, plant and equipment and intangible assets	146	27	350	-	523
Property, plant and equipment and intangible assets	2,293	440	837	-	3,570
Right-of-use of leased assets	166	79	13	-	258
Equity investments [(a)]	98	(58)	-	88	128
Current assets	1,841	2,343	348	3,095	7,627
Current liabilities	2,194	3,293	279	1,148	6,914
Provisions for risks and charges [(a)]	599	403	28	17	1,047

(*) The results of the Onshore Drilling segment being divested, have been recognized as discontinued operations in accordance with the criteria set out in IFRS 5.
(a) See the section "Reconciliation of reclassified statement of financial position with the mandatory templates" on page 75.
Revenues and associated profit levels are not consistent over time, as they are influenced not only by market performance but also by climatic conditions and individual project schedules in the Engineering & Construction segment, and by contract expiry and renegotiation timing in the drilling activities.

Impact of reorganisation - data reported

(€ million)	**2022**
Offshore E&C	
Core business revenue	5,127
Adjusted gross operating profit (EBITDA)	420
Adjusted operating profit (EBIT)	105
Onshore E&C	
Core business revenue	4,288
Adjusted gross operating profit (EBITDA)	1
Adjusted operating profit (EBIT)	(57)

Impact of reorganisation - data reported

(€ million)	2022
Asset Based Services	
Core business revenue	5,026
Adjusted gross operating profit (EBITDA)	414
Adjusted operating profit (EBIT)	100
Energy Carriers	
Core business revenue	4,389
Adjusted gross operating profit (EBITDA)	7
Adjusted operating profit (EBIT)	(52)

For more details on the information by sectors please see the specific sections of the "Directors' Report".

42 Reporting by geographical segment

Reporting by geographical segment

Since Saipem's business involves the deployment of a fleet on a number of different projects over a single year, it is difficult to allocate assets to a specific geographic segment and some activities are deemed not to be directly allocable.
The unallocated part of property, plant and equipment, intangible assets and capital expenditure relates to vessels and their related equipment and goodwill.
The unallocated part of current assets pertained to inventories related to vessels.
A breakdown of revenues by geographical segment is provided in Note 34 "Revenue".

(€ million)	Italy	Rest of Europe	CIS	Rest of Asia	North Africa	Sub-Saharan Africa	Americas	Unallocated	Total
2023									
Capital expenditure in property, plant and equipment and intangible assets	22	104	-	7	-	5	2	342	482
Property, plant and equipment and intangible assets	63	36	-	249	1	41	61	3,175	3,626
Right-of-use of leased assets	110	98	-	60	17	4	13	126	428
Identifiable assets (current)	1,602	641	39	2,711	138	1,205	1,016	752	8,104
Assets held for sale	-	-	3	-	-	-	23	-	26
2022									
Capital expenditure in property, plant and equipment and intangible assets	22	27	-	5	-	11	3	455	523
Property, plant and equipment and intangible assets	64	33	21	69	-	42	70	3,271	3,570
Right-of-use of leased assets	98	60	-	60	4	10	12	14	258
Identifiable assets (current)	1,629	729	103	2,632	55	947	870	662	7,627
Assets held for sale	-	-	-	38	-	4	168	1	211

Current assets were allocated by geographical segment using the following criteria: (i) cash and cash equivalents and loan assets were allocated on the basis of the country in which individual company bank accounts were held; (ii) inventories were allocated on the basis of the country in which onshore storage facilities were situated (i.e. excluding inventories in storage facilities situated on vessels); (iii) trade receivables and other assets were allocated to the geographical segment to which the related project belonged.
Non-current assets were allocated on the basis of the country in which the asset operates, except for offshore drilling and construction vessels, which were included under "Unallocated".

43 Related party transactions

From January 22, 2016, following the entry into force of the transfer of 12.5% of Saipem SpA's ("Saipem") share capital from Eni SpA to CDP Equity SpA (formerly Fondo Strategico Italiano SpA), Eni SpA no longer has sole control over Saipem, which has been replaced by the joint control exercised by Eni SpA and CDP Equity SpA (taken over on December 13, 2019 by CDP Industria SpA), on the basis of the shareholders' agreement, with a resulting variation in the scope of related parties.
As of December 31, 2022, the merger became effective through the absorption of CDP Industria SpA into CDP Equity SpA, both of which are wholly and directly owned subsidiaries of Cassa Depositi e Prestiti SpA ("CDP SpA"). Therefore, also effective as of December 31, 2022, CDP Equity SpA took over the Agreement in lieu of CDP Industria SpA and all the rights and obligations previously held by the latter under the Agreement by signing a letter of assumption.

Eni SpA and CDP Industria SpA do not exercise sole control over Saipem pursuant to Article 93 of TUF.
Eni SpA is subject to the de facto control of the Ministry of Economy and Finance ("MEF"), on account of the participation held by the latter both directly and through CDP SpA. CDP Equity SpA is a fully-owned subsidiary of CDP SpA, whose majority shareholder is the MEF.
Transactions carried out by Saipem and the companies included in the scope of consolidation with related parties mainly consist of the supply of services and the exchange of goods with joint ventures, associates and subsidiaries that are not fully consolidated, with subsidiaries, joint ventures and associates of Eni SpA and CDP SpA, with companies controlled by the Ministry of Economy and Finance (MEF); these transactions form part of ordinary operations and are settled at market conditions, i.e., at the conditions that would have applied between two non-related parties. All transactions were carried out in the interest of Saipem SpA companies.
In addition, relations with members of the Board of Directors, Statutory Auditors, key management personnel, their close family members and the entities controlled, even jointly, by them, of Saipem, Eni SpA, CDP SpA and CDP Equity SpA were represented.
Directors, statutory auditors, general managers, and key management personnel must declare, every 6 months, any transactions they enter into with Saipem or its subsidiaries, directly or through a third party. Directors and Statutory Auditors release every six months and/or in the event of a change, a statement in which each potential interest is represented in relation to the parent and the Group and in any case report to the Chief Executive Officer (or the Chairman where the Chief Executive Officer is involved), who informs the other directors and the Board of Statutory Auditors of the individual transactions that the parent intends to perform, in which they have direct interests.
Saipem is not under the management or coordination of any other company. Saipem manages and coordinates its subsidiaries pursuant to Article 2497 of the Italian Civil Code.
Within the framework of related party transactions and pursuant to disclosure requirements of Consob Regulation No. 17221 of March 12, 2010, during 2023, the following transactions were carried out and communicated to Consob, which exceeded the relevance threshold in compliance with the aforementioned Regulation in the Saipem, Management System Guideline "Transactions with Related Parties and Parties of Interest" (the "Procedure"), published on Saipem's website in section "Governance", for greater importance transactions.

CDP and SACE - Revolving Credit Facility and SACE Facility

On February 10, 2023, a loan transaction was entered into consisting of the following:
(i) a revolving credit facility in favour of Saipem and its subsidiary Saipem Finance International BV ("SAFI") in the amount of around €470 million (the "new RCF"), and with a term of three years, granted by a pool of lending banks including CDP SpA; and
(ii) a senior unsecured term loan, with a maturity of five years and a pre-amortisation period of two years, in favour of Saipem for an amount of around €390 million granted by a pool of lending banks (the "SACE Facility"), backed by a guarantee provided by SACE SpA ("SACE") in accordance with Legislative Decree No. 50/2022 covering 70% of the loan amount (together the "Loans" or the "Transaction").

In view of the fact that: (i) Saipem controls SAFI; (ii) Saipem is jointly controlled by Eni SpA and CDP Equity SpA; (iii) CDP Equity SpA is controlled by CDP SpA; (iv) CDP SpA and Eni SpA are in turn controlled by the MEF; (v) SACE is in turn controlled by the MEF; the signing of the Loan Agreements qualifies as a Related Party transaction, as it is being carried out between companies subject to common control, including joint control, with Saipem.
The signing of the Loan Agreements – although it qualifies as a "greater importance" transaction, since it exceeds the applicable *pro tempore* significance index – is classed as an ordinary transaction carried out at equivalent market or standard conditions, and is therefore exempt from the procedural and reporting obligations established for greater importance transactions in the Regulation and the Procedure in light of the following:

- this Transaction forms part of the ordinary operating activities of Saipem and its subsidiary SAFI for the purpose of entering into loan facilities necessary to support ordinary operating activities and to ensure an adequate financial structure and level of liquidity for the Group;
- the Loans have been entered into under standard terms and conditions in line with CDP SpA's and SACE's ordinary operations, as well as national and international practice;
- the financial conditions envisaged in the Loans are applied uniformly to all the lending institutions and are aligned with the conditions applied in the related markets with non-related counterparties for transactions with similar characteristics;
- the financial terms and conditions of the guarantee provided by SACE under the SACE Facility are governed by the General Conditions of the SupportItalia Guarantee published on the SACE website and are not negotiable.

Eni Côte d'Ivoire Ltd - drilling services offshore Ivory Coast

On February 22, 2023, a Contract was signed between Saipem (Portugal) Comércio Marítimo, Sociedade Unipessoal Lda (SPCM) and Eni Côte d'Ivoire Ltd, concerning offshore drilling activities off the Ivory Coast using the leased vessel Deep Value Driller. The contract involves the drilling of several offshore wells with an estimated duration of around 985 days plus optional periods.
The contract value amounts to $400,000,000 before lease costs for the vessel Deep Value Driller. If the contractual options are exercised, the respective financial conditions will be agreed with the client.
In view of the fact that: (i) SPCM is indirectly controlled by Saipem (100%) through its subsidiary Saipem International BV, which is also a wholly owned subsidiary of Saipem (100%); (ii) Saipem is in turn jointly controlled by Eni SpA and CDP Equity SpA; (iii) Eni Côte d'Ivoire Ltd is a subsidiary of Eni SpA; this transaction qualifies as a related party transaction, as it is being carried out with companies subject to common control, including joint control.
Although this transaction qualifies as a transaction of "greater importance" as it exceeds the applicable *pro tempore* relevance index of the countervalue, it is an ordinary transaction concluded at market or standard equivalent conditions, and is therefore

excluded from the procedural and disclosure requirements provided for transactions of greater importance, which do not fall within the cases of exclusion provided for by the Consob Regulation and the Procedure adopted by the Company.
In particular, the transaction is configured as an ordinary transaction and concluded under equivalent market or standard conditions for the reasons below:

- it falls within the scope of ordinary activity of the Saipem Group, in particular of the Asset Based Services Business Line - Offshore Drilling segment (offshore drilling services);
- the financial conditions applied are in line with the market conditions reported by specialised and international third party sources for the industry concerned (offshore drilling rigs) and used by the Asset Based Services Business Line, Offshore Drilling segment;
- the contractual terms agreed for the Contract are in line with those applied to similar contracts entered into with parties not identified as related parties of Saipem.

Eni Angola SpA - EPCI Flowline for AGOGO FF Project

On February 27, 2023, the Engineering, Procurement, Construction and Installation Contract was signed between Saipem SA, Petromar Lda, Saipem Luxembourg SA Angola Branch, on the one hand, and Eni Angola SpA, on the other hand, concerning the procurement, construction and installation (EPCI) of around 12 km of pipelines in Angola. The Contract has a duration of 30 months and a value of $499,000,000, of which $445,000,000 for the lump sum and $54,000,000 for the reimbursable portion.
In view of the fact that: (i) Saipem SA and Saipem Luxembourg SA are controlled (respectively directly and indirectly) by Saipem SpA; (ii) Petromar Lda is a jointly controlled subsidiary of Saipem and third parties; (iii) Saipem is in turn controlled jointly by Eni SpA and CDP Equity SpA; (iv) Eni Angola SpA is a subsidiary of Eni SpA; this transaction qualifies as related party transaction, as it is being carried out between companies under common or joint control.
Although this transaction qualifies as a transaction of "greater importance" as it exceeds the applicable *pro tempore* relevance index of the countervalue, it is an ordinary transaction concluded at market or standard equivalent conditions, and is therefore excluded from the procedural and disclosure requirements provided for transactions of greater importance, which do not fall within the cases of exclusion provided for by the Consob Regulation and the Procedure adopted.
In particular, the transaction is configured as an ordinary transaction and concluded under equivalent market or standard conditions for the reasons below:

- it falls within the scope of ordinary activity of the Saipem Group and, specifically, Saipem's Subsea, Umbilical, Risers and Flowline (SURF) of the Asset Based Services Business Line (Offshore E&C segment);
- the contractual conditions are based on client's standards in line with contractual standards of international industrial projects;
- the prices for the execution of the activities have been agreed at market financial, technical and contractual conditions, comparable to those applied to similar projects, including unrelated parties.

Rete Ferroviaria Italiana - Passante Ferroviario Alta Velocità Nodo di Firenze

On March 1, 2023, Rete Ferroviaria Italiana ("RFI") notified Consorzio Florentia (49% Saipem) of the effectiveness of the final award for the contract for the "Execution and Completion of the works for the High-Speed Railway Link and the High-Speed Station of the Florence Node" (the "Project"). The Project involves the construction of a new HS/HC railway line of approximately 7 kilometres underground with two parallel tunnels, completed with two terminal sections above ground, to the north between the stations of Firenze Castello and Firenze Rifredi, and to the south near the station of Firenze Campo di Marte. The new HS/HC Firenze Belfiore station will be built along the underground section. The Project will have a duration of 2,291 days (about 76 months) and a value of €1,079 million (Saipem's share is €529 million).
In view of the fact that: (i) the Consorzio Florentia is jointly controlled by Saipem and third parties; (ii) Saipem is in turn jointly controlled by Eni SpA and CDP Equity SpA; (iii) Eni SpA and CDP Equity SpA are controlled by the MEF; (iv) RFI is in turn controlled by the MEF; the transaction qualifies as a related party transaction, as it is being carried out with companies under common control, including joint control.
Although this transaction qualifies as a transaction of "greater importance" as it exceeds the applicable *pro tempore* relevance index of the countervalue, it is an ordinary transaction concluded at market or standard equivalent conditions, and is therefore excluded from the procedural and disclosure requirements provided for transactions of greater importance, which do not fall within the cases of exclusion provided for by the Consob Regulation and the Procedure adopted by the Company.
In particular, the transaction is configured as an ordinary transaction and concluded under equivalent market or standard conditions for the reasons below:

- it falls within the scope of ordinary activity of the Saipem Group and, specifically, the rail infrastructure work, typical of Saipem's Sustainable Infrastructures business line;
- the financial terms are in line with similar turnkey contracts in the Infrastructure sector, with an average margin in line with other projects of the Sustainable Infrastructures business line that have been implemented or for which bids have been submitted in recent years, including with unrelated parties;
- the financial conditions of the Project are based on RFI's standard conditions and price lists;
- the interest rates applied by the banks for the issuance of guarantees for the Project are in line with those applicable to similar transactions with parties classed as unrelated counterparties.

Eni Congo SAU - Scarabeo 5 Engineering, Procurement and Conversion for Congo LNG Project

On March 2, 2023, the "Scarabeo 5 Engineering, Procurement and Conversion for Congo LNG Project" Agreement for Preliminary Activities (the "APA") was signed between Eni Congo SA ("Eni Congo") and Saipem, relating to the execution of engineering services, project management, materials procurement and selection of the yard where the semi-submersible Scarabeo 5 (owned by Saipem) will be sent for conversion and fabrication activities.

The maximum amount of the APA is $55,000,000 (approximately €51,862,329 equivalent). The APA is part of the initiative called "Scarabeo 5 Conversion in a Separation & Boosting Platform", related to the expansion of the production capacity connected to the client's gas field located in Nené (Congo) and the broader Congo LNG project. The scope of the overall work involves the conversion of the Scarabeo 5 semi-submersible unit into a platform for the separation and compression of gas from the Nené field to be sent to the FLNG offshore unit, and includes installation and operation & maintenance activities.
The APA is to be considered preparatory to the potential future signing of several contracts for the execution of the entire EPCIC (Engineering, Procurement, Construction, Installation, Commissioning) scope and subsequent operation & maintenance activities.
In view of the fact that: (i) Saipem is jointly controlled by Eni SpA and CDP Equity SpA; (ii) Eni Congo is a subsidiary of Eni SpA; this transaction qualifies as a transaction with related parties, as it is entered into with companies subject to common control, including joint control.
Although this transaction qualifies as a transaction of "greater importance" as it exceeds the applicable *pro tempore* relevance index of the countervalue, it is an ordinary transaction concluded at market or standard equivalent conditions, and is therefore excluded from the procedural and disclosure requirements provided for transactions of greater importance, which do not fall within the cases of exclusion provided for by the Consob Regulation and the Procedure adopted by the Company.
In particular, the transaction is configured as an ordinary transaction and concluded under equivalent market or standard conditions for the reasons below:
- it falls within the scope of ordinary activity of the Group and, specifically, the Floaters segment of the Energy Carriers business.
- the margin expected for the APA is in line with market conditions for similar projects with unrelated parties;
- the agreed prices for the execution of the APA activities comply with conditions typical of the relevant market sector, in particular: (i) with regard to the remuneration for engineering services, project management, third-party studies, procurement management, inspections and surveys, the rates applied are those stated in previous agreements in place between Saipem and Eni SpA, in accordance with international contract standards for similar projects in the sector; (ii) with regard to the remuneration for the purchase of equipment and materials, a fee of 12% will be paid in addition to the value of the invoices of the suppliers concerned.

SACE SpA - Mandate and indemnity agreement

On April 12, 2023, a mandate and indemnity agreement (the "Agreement") was signed between Saipem and SACE SpA ("SACE"), related to the partial coverage by SACE of the amount of a Performance Security Guarantee ("PSG") with an overall initial value of $353,125,000 (around €325 million equivalent) issued by HSBC Australia in favour of the client Perdaman Chemicals and Fertilisers Pty Ltd ("Perdaman"). The PSG was issued as security for the obligations under the contract signed between the Unincorporated Joint Venture made up of Saipem Australia Pty Ltd and Clough Projects Australia Pty Ltd, on the one hand, and Perdaman, on the other, for the execution of the project "Design, engineering, procurement, and supply of equipment, construction and commissioning of the Burrup Urea Plant" in Australia.
The initial value of Saipem's share of the PSG (50% of the total value), amounting to $176,562,500 (approximately €163 million equivalent), was covered by the issuance of the following counter-guarantees in favour of HSBC Australia:
(i) a counter-guarantee issued by HSBC Continental Europe for an initial amount of $114,781,250 (approximately €106 million equivalent).
(ii) a counter-guarantee issued by UniCredit SpA for an initial amount of $61,781,250 (approximately €56 million equivalent).
The Agreement provided for the coverage by SACE of 50% of the value of Saipem's share (amounting, as indicated above, to $176,562,500) through the issuance of a counter-guarantee in favour of HSBC Continental Europe for an initial value of $88,281,250 (approximately €81.3 million equivalent), to partially cover the counter-guarantee mentioned in point (i).
In view of the fact that: (i) Saipem Australia Pty Ltd is controlled by Saipem; (ii) Saipem is jointly controlled by Eni SpA and CDP Equity SpA;, (iii) CDP Equity SpA is controlled by CDP SpA; (iv) CDP SpA and Eni SpA are in turn controlled by the MEF; (v) and SACE is in turn controlled by the MEF; this transaction qualifies as a related party transaction, as it is being carried out with companies subject to common control, including joint control.
The transaction subject to their joint, although qualified as an of "greater importance" as it exceeds applicable *pro tempore* countervalue significance index, is an ordinary transaction which is concluded at equivalent market or standard conditions, for the reasons described below:
- the issuance of a first demand performance bank guarantee is standard practice in connection with the ordinary operating activities of Saipem and its subsidiaries for the performance of engineering services, material supply and construction activities;
- the transaction subject to the Agreement was carried out under standard terms and conditions in line with widely established national and international practice;
- the fee paid by Saipem on the portion counter-guaranteed by SACE is equivalent to the fee charged by HSBC Continental Europe in remuneration of its portion and is in line with the market prices applied to Saipem's credit risk for this type of guarantee;
- the fee agreed with SACE for the issuance of the counter-guarantee in favour of HSBC Continental Europe, as well as the related contractual terms and conditions, are in line with the fees and contractual terms paid by Saipem to unrelated counterparties for transactions with similar characteristics.

Eni SpA - Amendment to offshore drilling contract with the "Santorini" vessel

On April 17, 2023, an amendment to Contract No. 2500039715 (the "Contract") was signed between Saipem and Eni SpA ("Eni"), providing for an extension of offshore drilling activities with the drillship "Santorini".
The amendment envisages the possibility of using the vessel in specific areas with subsequent contractual commitments, also with other Eni Group companies.

The contract extension has a duration of two years and the contract value is $280 million, plus additional revenue related to investments for improvements of the vessel totalling around $15 million.
Given that Saipem is jointly controlled by Eni and CDP Equity SpA, this Contract qualifies as a related party transaction.
The transaction, although qualified as an of “greater importance” as it exceeds the applicable *pro tempore* countervalue significance index, is an ordinary transaction which is concluded at equivalent market or standard conditions, for the reasons described below:

- it falls within the scope of ordinary activity of the Saipem Group, in particular of the Asset Based Services Business Line - Offshore Drilling segment;
- the financial conditions applied are in line with the market conditions reported by specialised and international third party sources for the industry concerned (offshore drilling rigs) and used by the Asset Based Services business line, Offshore Drilling segment;
- the contractual terms agreed for the Contract are in line with those applied to similar contracts entered into with parties identified as parties not related to Saipem.

Eni Côte d’Ivoire Ltd - Agreement for preliminary activities “Baleine Phase 2”

On May 30, 2023, under the "Baleine Phase 2" project, the Amendment 1 to the Agreement for Preliminary Activities ("APA SURF") was signed between Saipem SA and Servizi Energia Italia SpA, on the one hand, and Eni Côte d'Ivoire Ltd, on the other hand, for the execution of Engineering, Procurement, Construction and Installation (EPCI) services for Subsea Umbilicals, Risers & Flowlines (SURF) activities for the connection of the Floating, Production, Storage and Operations (FPSO) to six wells. The total value of the APA SURF is $75 million.
In view of the fact that: (i) Saipem SpA and Servizi Energia Italia SA are fully controlled by Saipem; (ii) Saipem is in turn jointly controlled by Eni and CDP Equity SpA; and (iii) Eni Côte d'Ivoire Ltd is a subsidiary of Eni; this transaction qualifies as a related party transaction, as it is being carried out with companies subject to common control, including joint control.
The transaction, although qualified as an of “greater importance” as it exceeds the applicable *pro tempore* countervalue significance index, is an ordinary transaction which is concluded at equivalent market or standard conditions, for the reasons described below:

- it falls within the scope of ordinary activity of the Saipem Group and, specifically, Saipem’s Asset Based Services Business Line (Offshore E&C segment);
- the contractual conditions applied are in line with the conditions usually applicable to similar international industrial projects, as well as the standard contractual terms and conditions of the Eni Group and, in any event, are in line with those applied to similar contracts entered into with parties identified as non-related parties of the Saipem Group;
- the financial and technical conditions agreed in the APA SURF are in line with comparable market conditions for similar types of projects.

Eni Congo SAU - Scarabeo 5 Conversion in S&B Platform

On August 7, 2023, as part of the “Scarabeo 5 Conversion in S&B Platform” initiative (relating to the expansion of the offshore facilities linked to Eni SpA gas field in Congo), a contract (the “Contract”) was signed between Saipem and Servizi Energia Italia SpA on the one hand, and Eni Congo SAU on the other; the scope of the contract is the conversion of the semisubmersible Scarabeo 5 into a platform for the separation and compression of the gas from the Nené field, to be sent to the Offshore FLNG unit. In particular, the scope of the Contract includes: (i) conversion activities of the Scarabeo 5 into a production unit; (ii) commissioning, start-up and performance test activities on the plant. The total value of the Contract is €662 million.
In view of the fact that: (i) Saipem is jointly controlled by Eni SpA and CDP Equity SpA; (ii) Servizi Energia Italia SpA is a subsidiary of Saipem; (iii) Eni Congo SAU is a subsidiary of Eni SpA; this transaction qualifies as a transaction with related parties, as it is entered into with companies subject to common control, including joint control.
The transaction, although qualified as an of “greater importance” as it exceeds the applicable *pro tempore* countervalue significance index, is an ordinary transaction which is concluded at equivalent market or standard conditions, for the reasons described below:

- it falls within the scope of ordinary activity of the Saipem Group and, specifically, the E&C activities for the Floaters segment of the Energy Carriers business line;
- negotiated contractual conditions are equivalent to market or standard conditions for similar contracts;
- the margin expected for the execution of activities related to the Contract is in line with market conditions for similar projects with unrelated parties;
- the economic conditions are in line with market conditions for similar contracts, based on a comparative analysis of said conditions compared to the benchmarks for similar projects carried out by Saipem in the same sector (Floaters FPSO).

Mellitah Oil & Gas BV Libyan Branch - contract for Engineering, Procurement, Construction, Installation and Commissioning (EPCIC) of a Gas Recovery Module (GRM)

On August 9, 2023, as part of the “Bouri Gas Utilisation Project”, a contract was signed between Saipem Libyan Branch and Mellitah Oil & Gas BV Libyan Branch for the engineering, procurement, construction, installation and commissioning (EPCIC) of a gas recovery module (GRM) of around 5,000 tonnes on the DP4 offshore structure, as well as laying 28 km of pipes to connect the DP3, DP4 and Sabratha platforms. The total value of the contract is around $1,050,000,000.
In view of the fact that: (i) Saipem is jointly controlled by Eni SpA and CDP Equity SpA; (ii) Mellitah Oil & Gas BV Libyan Branch is a consortium formed by National Oil Corporation of Libya and Eni North Africa; (iii) Eni North Africa is a subsidiary of Eni SpA; this transaction qualifies as a transaction with related parties, as it is entered into with companies subject to common control, including joint control.

The transaction, although qualified as an of "greater importance" as it exceeds the applicable *pro tempore* countervalue significance index, is an ordinary transaction which is concluded at equivalent market or standard conditions, for the reasons described below:
- it falls within the scope of ordinary activity of the Saipem Group and, specifically, Saipem's Asset Based Services Business Line (Offshore E&C segment);
- the contractual and economic conditions are in line with market conditions for similar contracts, signed with non-related parties;
- the margin expected for the execution of the activities included in the Project is comparable to those in similar projects, based on a comparative analysis compared to the benchmarks in similar projects in the same business segment (Offshore E&C).

Snam Rete Gas SpA - FSRU Ravenna Contract for the execution of offshore activities

On September 6, 2023, a contract relating to the FSRU Ravenna project for the execution of offshore activities (the "Project") was signed between Snam Rete Gas SpA ("Snam") and Saipem, as authorised representative of the Temporary Group of Companies consisting of Saipem, Rosetti Marino SpA and Micoperi Srl.
The Project includes the engineering, procurement, construction, and installation (EPCI) of a new offshore structure, connected to an existing one, for the berthing and mooring of a FSRU vessel, to be connected to the mainland via an offshore 26'' pipeline, 8.5 kilometres long, plus 2.6 km onshore, and a parallel fibre-optic cable. The total value of the Project is around €522 million, and Saipem's share is around €204.6 million.
The transaction qualifies as "related party", as it was carried out between companies under common control by Cassa Depositi e Prestiti SpA ("CDP") (or joint control by Saipem). In particular: (i) Saipem is jointly controlled by Eni SpA and CDP Equity SpA; (ii) CDP Equity SpA is jointly controlled by CDP SpA; (iii) Snam Rete Gas SpA is in turn controlled by CDP, through Snam SpA and CDP Reti SpA.
The transaction, although qualified as an of "greater importance" as it exceeds the applicable *pro tempore* countervalue significance index, is an ordinary transaction which is concluded at equivalent market or standard conditions, for the reasons described below:
- it falls within the scope of ordinary activity of the Saipem Group and, specifically, Saipem's Asset Based Services Business Line (Offshore E&C segment);
- the contractual and economic conditions are in line with market conditions for similar contracts, signed with non-related parties;
- the margins expected for the execution of the activities included in the Project is comparable to those in similar projects, based on a comparative analysis compared to the benchmarks in similar projects in the same business segment (Offshore E&C).

Eni Côte d'Ivoire Ltd - Subsea Umbilicals, Risers and Flowlines (SURF) contract for the development of the "Baleine Phase 2" project

On September 7, 2023, a Subsea Umbilicals, Risers and Flowlines (SURF) contract was signed between Saipem SA and Servizi Energia Italia SpA, on one hand, and Eni Côte d'Ivoire Ltd on the other, for the development of the Baleine Phase 2 project regarding the Baleine oil and gas field located in the offshore Ivory Coast, at a depth of 1,200 metres (the "Project").
The scope of work involves the engineering, procurement, construction and installation (EPCI) of approximately 20 kilometres of rigid lines, 10 kilometres of flexible jumpers and risers, and 15 kilometres of umbilicals connected to a dedicated floating unit. The total value of the Contract is €675.16 million equivalent.
The transaction qualifies as "related party", as it was carried out between companies under common control by Eni SpA (or joint control by Saipem). In particular: (i) Saipem controls both Saipem SA and Servizi Energia Italia SpA; (ii) Saipem is jointly controlled by Eni SpA and CDP Equity SpA; (iii) Eni Côte d'Ivoire Ltd is in turn controlled by Eni SpA.
The transaction, although qualified as an of "greater importance" as it exceeds the applicable *pro tempore* countervalue significance index, is an ordinary transaction which is concluded at equivalent market or standard conditions, for the reasons described below:
- it falls within the scope of ordinary activity of the Group and, specifically, Saipem's Subsea, Umbilical, Risers and Flowline (SURF) of the Asset Based Services Business Line (Offshore E&C segment);
- the contractual and economic conditions are in line with market conditions for similar contracts, signed with non-related parties;
- the margin expected for the execution of the activities included in the Project is comparable to those in similar projects, based on a comparative analysis compared to the benchmarks in similar projects in the same business segment (Offshore E&C).

Rete Ferroviaria Italiana ("RFI") - Executive design and execution of the works of doubling the Codogno-Cremona-Mantova line, on the Piadena-Mantova route

On October 10, 2023, RFI notified the temporary grouping of companies of Impresa Pizzarotti & C SpA, Saipem, ICM SpA, and Salcef SpA of the effectiveness of the final award relating to the award procedure for the "Executive design and execution of doubling the Codogno-Cremona-Mantova line, on the Piadena-Mantova route" (the "Operation"). The scope of work includes the execution of doubling works on the Piadena-Mantova railway. The total value of the operation (including Saipem's share) amounts to €470,406,216.44 million.
In view of the fact that: (i) Saipem is part of RTI; (ii) Saipem is jointly controlled by Eni SpA and CDP Equity SpA; (iii) Eni SpA and CDP Equity SpA are controlled by the MEF; (iv) RFI is in turn controlled by the MEF; the transaction qualifies as a related party transaction, as it is being carried out with companies under common control.

The transaction, although qualified as an of "greater importance" as it exceeds the applicable *pro tempore* countervalue significance index, is an ordinary transaction which is concluded at equivalent market or standard conditions, for the reasons described below:
- it falls within the scope of ordinary activity of the Group and, specifically, Saipem's Sustainable Infrastructures Business Line;
- the contractual and economic conditions are in line with market conditions for similar contracts, signed with non-related parties;
- the expected margin for the execution of the Operation is comparable to those on similar projects, based on a comparative analysis compared to an average profitability identified in line with other projects carried out by the Sustainable Infrastructures business line in the past years.

Rete Ferroviaria Italiana ("RFI") - Executive design and execution of the works relating to Civil works, Railway Infrastructures, Electric Traction and Technological Systems for the HS/HC hub of Verona: West Entrance

On October 12, 2023, RFI notified the temporary grouping of companies of Impresa Pizzarotti & C SpA, Saipem, and Salcef SpA of the effectiveness of the final award relating to the award procedure for the "Executive design and execution of the works relating to Civil works, Railway Infrastructures, Electric Traction and Technological Systems for the HS/HC hub of Verona: West Entrance" (the "Operation").
The scope of the Operation includes the execution of works in the Verona Ovest rail junction, for the construction of 3.6 km of new HS/HC line, 4.2 km of new historic line, and 3.3 km of independent freight line, in addition to adjustment of the master plan of Verona Porta Nuova. The total value of the Operation (including Saipem's share) amounted to €253,440,139.19.
In view of the fact that: (i) Saipem is part of RTI; (ii) Saipem is jointly controlled by Eni SpA and CDP Equity SpA; (iii) Eni SpA and CDP Equity SpA are controlled by the MEF; (iv) RFI is in turn controlled by the MEF; the transaction qualifies as a related party transaction, as it is being carried out with companies under common control.
The transaction, although qualified as an of "greater importance" as it exceeds the applicable *pro tempore* countervalue significance index, is an ordinary transaction which is concluded at equivalent market or standard conditions, for the reasons described below:
- it falls within the scope of ordinary activity of the Group and, specifically, Saipem's Sustainable Infrastructures Business Line;
- the contractual and economic conditions are in line with market conditions for similar contracts, signed with non-related parties;
- the expected margin for the execution of the Operation are comparable to those on similar projects, based on a comparative analysis compared to an average k-factor identified in line with other projects carried out by the Sustainable Infrastructures business line in the past years.

SACE FCT - Factoring Framework Agreement for the conclusion of transactions involving the sale of claims by Saipem against Eni Congo SAU

On December 13, 2023, a factoring framework agreement (hereinafter the "Framework Agreement") was signed between Saipem and SACE FCT SpA ("SACE FCT") for the conclusion of transactions involving the sale of claims by Saipem against Eni Congo SAU ("Eni Congo"), relating to the contract "Engineering, Procurement, Construction and Commissioning for Scarabeo 5 Conversion Project" ("Scarabeo 5 Contract") on behalf of SACE FCT. The Scarabeo 5 Contract was notified to Consob on August 7, 2023 as greater importance transaction, ordinary and concluded to conditions equal to market or standard conditions.
The Framework Agreement entails that individual sale transactions be debated each time by Saipem, and the potential acceptance by SACE FCT has a total estimated maximum value of €79.2 million. The Framework Agreement is part of a reverse factoring transaction between SACE FCT on one hand, and Eni Congo and Eni SpA ("Eni") on the other, deriving from the latter's need to postpone the terms of payment included in the Scarabeo 5 Contract. It should be noted that the cost associated to the Framework Agreement will be borne exclusively by Eni Congo, and it was negotiated by them with SACE FCT, while Saipem will keep the payment conditions in line with the Scarabeo 5 Contract. With regards to Saipem's interest in the Framework Agreement, it should be noted that credit transfer transactions will ensure a neutral project cash flow for Saipem.
In view of the fact that: (i) Saipem is jointly controlled by Eni and CDP Equity SpA; (iii) Eni and CDP Equity SpA are controlled by the MEF; (iv) SACE FCT is controlled by SACE SpA; the transaction qualifies as a related party transaction, as it is being carried out with companies under common control on the Ministry of Economy and Finance ("MEF").
The framework agreement, although qualified as an of "greater importance" as it exceeds the applicable *pro tempore* countervalue significance index, is an ordinary transaction which is concluded at equivalent market or standard conditions, for the reasons described below:
- the Framework Agreement is a transaction ancillary to Saipem's ordinary business activity, intended to mitigate the liquidity risk associated with the execution of the Scarabeo 5 Contract (which in turn falls within the ordinary activity of the Saipem Group, and in particular of the E&C activity for the Floaters sector of the Energy Carriers business line);
- the contractual conditions in the Framework Agreement (such as, the non-recourse of divestments, the methods for the transfer notifications, the timing of payment of the consideration) are equal to market or standard conditions for similar transactions (entered into with non-related parties) and in line with national and international practice;
- the cost associated to the Framework Agreement will be bore exclusively by Eni Congo, and the payment conditions on behalf of Saipem are in line with the Scarabeo 5 Contract.

Eni Côte d'Ivoire Ltd - Amending agreements to contracts No. 5000000171 and No. 5000000172

On December 20, 2023, the following agreements were signed:
- amending agreement of contract No. 5000000171 between Eni Côte d'Ivoire Ltd, Saipem SA and Servizi Energia Italia SpA for the execution of EPCI Subsea, Umbilicals, Risers & Flowlines (SURF) services, and a gas pipeline to ground for connection to the distribution network (the "SURF Amending Agreement"); and

- amending agreement No. 5000000172 between Eni Côte d'Ivoire Ltd, Saipem and Servizi Energia Italia SpA for the execution of EPC services for the modernisation of vessels FPSO Firenze (the "FPSO Amending agreement" and together the "Amending Agreement".

The aforementioned Amending Agreements aim at include additional materials and services, as well as regulating the costs related to the completion of works in contracts No. 5000000171 and No. 5000000172. In particular, the SURF Amending Agreement has a total value of $233 million (increasing the total value of contract No. 5000000171 from $452 million to $685 million), while the FPSO Amending Agreement has a total value of $306 million (increasing the total value of contract No. 5000000172 from $295 million to $601 million).
Contracts No. 5000000171 and No. 5000000172, subject to modification, were notified to Consob on September 29, 2022 as greater importance transactions, ordinary and concluded at conditions equal to market or standard conditions. In view of the fact that: (i) Saipem SA and Servizi Energia Italia SA are fully controlled by Saipem; (ii) Saipem is in turn jointly controlled by Eni and CDP Equity SpA; and (iii) Eni Côte d'Ivoire Ltd is a subsidiary of Eni SpA; the Amending Agreements qualify as related party transaction, as they are being carried out with companies subject to common control, including joint control.
The Amending Agreements, although qualified as an of "greater importance" as it exceeds the applicable *pro tempore* countervalue significance index, is an ordinary transaction which is concluded at equivalent market or standard conditions, for the reasons described below:

- the activities subject of the Amending Agreements fall within the ordinary scope of Offshore Engineering & Construction business of Saipem's Asset Based Services Business Line (for the SURF Amending Agreement) and Onshore Engineering & Construction business of Saipem's Energy Carriers Business Line (FPSO Amending Agreement);
- the economic conditions of the Amending agreements are in line with market conditions and with those applied to similar projects signed with non-related parties, as well as with conditions of contracts No. 5000000171 and No. 5000000172;
- the contractual conditions of the Amending agreements are in line with international industry practice and comparable to those in similar operations (entered into with non-related parties), as well as with conditions of contracts No. 5000000171 and No. 5000000172.

The tables below show the value of transactions of a trade, financial or other nature entered into with related parties. The company analysis is made on the basis of the principle of materiality related to the overall size of the individual relationships; relationships not shown analytically, because they are not material, are indicated according to the following aggregation:

- subsidiaries not fully consolidated;
- joint ventures and associates;
- companies controlled by Eni and CDP Equity SpA;
- Eni and CDP Equity SpA associates and jointly controlled companies;
- State-controlled companies and other related parties.

Trade and other transactions

Trade and other transactions for 2023 consisted of the following:

(€ million)

	Dec. 31, 2023			Year 2023			
				Expenses		Revenue	
Name	Trade receivables and other assets	Trade payables, other liabilities, and contract liabilities	Guarantees	Goods	Services [1]	Goods and services	Other
Continuing operations							
Subsidiaries not consolidated with the full consolidation method							
Smacemex Scarl	5	4	-	-	-	-	-
Other (for transactions not exceeding €500 thousand)	-	-	-	-	-	-	-
Total subsidiaries not consolidated with the full consolidation method	**5**	**4**	**-**	**-**	**-**	**-**	**-**
Joint ventures and associates							
ASG Scarl [2]	1	1	-	-	-	-	-
CCS JV Scarl [2]	78	439	-	-	120	179	-
CEPAV (Consorzio Eni per l'Alta Velocità) Due [2]	110	213	332	-	277	294	-
CEPAV (Consorzio Eni per l'Alta Velocità) Uno [2]	-	-	34	-	-	-	-
Consorzio Florentia [2]	7	30	-	-	28	7	-
Gygaz Snc	5	-	-	-	-	5	-
KCA Deutag International Ltd	9	8	-	-	(1)	15	-
KWANDA Suporte Logistico Lda	1	4	-	-	3	(4)	-
Petromar Lda	12	2	1	-	(1)	14	2
PSS Netherlands BV	2	3	-	-	-	1	-
Saipem Taqa Al Rushaid Fabricators Co Ltd	7	1	26	-	1	-	-
Saipon Snc	1	-	-	-	-	-	-
SAME Netherlands BV	74	-	-	-	-	281	-
Saren BV	-	-	-	-	-	7	-
SCD JV Scarl [2]	13	88	-	-	111	145	-
TSGI Mühendislik Insaat Ltd Sirketi	-	-	-	-	-	1	-
Other (for transactions not exceeding €500 thousand)	-	-	-	-	-	-	-
Total joint ventures and associates	**320**	**789**	**393**	**-**	**538**	**945**	**2**
Eni Group							
Azule Energy Angola BV	39	5	12	-	-	191	-
Azule Energy Angola SpA	55	1	-	-	3	377	-
Eni Congo SAU	41	33	1	-	-	174	-
Eni Côte d'Ivoire Ltd	199	34	-	-	-	1,041	-
Eni Mediterranea Idrocarburi SpA	29	-	29	-	-	175	-
Eni México, S de RL de Cv	6	1	-	-	-	45	-
Eni SpA [3]	16	1	10	-	1	46	-
Eni US Operating Co Inc	-	1	-	6	-	79	-
Mellitah Oil&Gas BV	60	107	105	-	-	47	-
Petrobel Belayim Petroleum Co	164	36	61	-	-	250	-
Other Eni Group companies (for transactions not exceeding €21 million)	9	4	9	3	3	22	-
Total Eni Group	**618**	**223**	**227**	**9**	**7**	**2,447**	**-**
CDP Group							
Snam Rete Gas	33	42	29	-	-	51	-
Trans Adriatic Pipeline AG	-	-	26	-	-	-	-
Other CDP Group companies (for transactions not exceeding €21 million)	7	7	3	-	5	11	-
Total CDP Group	**40**	**49**	**58**	**-**	**5**	**62**	**-**

(1) The item "Services" includes costs for services, costs for the use of third-party assets and other expenses.
(2) Revenue from limited liability consortium companies refer to the retrocession of fees that these companies invoice to the client and that on the basis of the consortium nature of the investee company are attributed to the consortium partner.
(3) The item "Eni SpA" includes also the transactions with Eni SpA Divisione Exploration & Production, Eni SpA Divisione Gas & Power, and Eni SpA Divisione Refining & Marketing.

Trade and other transactions for 2023 consisted of the following:

(€ million)

	Dec. 31, 2023			Year 2023			
				Expenses		Revenue	
Name	Trade receivables and other assets	Trade payables, other liabilities, and contract liabilities	Guarantees	Goods	Services [1]	Goods and services	Other
Companies controlled or owned by the State	**2**	**5**	**-**	**-**	**15**	**-**	**-**
Total related party transactions - Continuing operations	**985**	**1,070**	**678**	**9**	**565**	**3,454**	**2**
Incidence (%)	**40.35**	**17.74**	**8.62**	**0.26**	**9.14**	**29.09**	**8.33**
Overall total - Continuing operations	**2,441**	**6,032**	**7,862**	**3,451**	**6,184**	**11,874**	**24**
Discontinued operations							
Joint ventures and associates							
KCA Deutag International Ltd	-	-	-	-	20	1	-
Total joint ventures and associates	**-**	**-**	**-**	**-**	**20**	**1**	**-**
Total related party transactions - Discontinued operations	**-**	**-**	**-**	**-**	**20**	**1**	**-**
Overall total - Discontinued operations	**-**	**26**	**36**	**4**	**73**	**99**	**-**
Total related party transactions	**985**	**1,070**	**678**	**9**	**585**	**3,455**	**2**
Overall total	**2,441**	**6,058**	**7,898**	**3,455**	**6,257**	**11,973**	**24**
Incidence (%)	**40.35**	**17.66**	**8.58**	**0.26**	**9.35**	**28.86**	**8.33**

(1) The item "Services" includes costs for services, costs for the use of third-party assets and other expenses.

Trade and other transactions for financial year 2022 consisted of the following:

(€ million)

	Dec. 31, 2022			Year 2022			
				Expenses		Revenue	
Name	Trade receivables and other assets	Trade payables, other liabilities, and contract liabilities	Guarantees	Goods	Services [1]	Goods and services	Other
Continuing operations							
Subsidiaries not consolidated with the full consolidation method							
Smacemex Scarl	5	4	-	-	-	-	-
Other (for transactions not exceeding €500 thousand)	-	-	-	-	-	-	-
Total subsidiaries not consolidated with the full consolidation method	**5**	**4**	**-**	**-**	**-**	**-**	**-**
Joint ventures and associates							
ASG Scarl [2]	1	2	-	-	(1)	-	-
CCS JV Scarl [2]	44	405	-	-	105	161	-
CEPAV (Consorzio Eni per l'Alta Velocità) Due [2]	131	263	503	-	274	269	-
CEPAV (Consorzio Eni per l'Alta Velocità) Uno [2]	-	-	34	-	1	-	-
Gydan Lng Ltd	1	-	-	-	-	5	-
Gydan Yard Management Services (Shanghai) Co Ltd	-	-	-	-	-	1	-
KCA Deutag International Ltd	6	1	-	-	-	2	-
KWANDA Suporte Logistico Lda	1	5	-	-	2	5	-
Novarctic Ltd	-	-	-	-	-	8	-
Petromar Lda	6	1	3	-	(1)	16	-
PSS Netherlands BV	-	3	-	-	-	30	-
Saipem Taqa Al Rushaid Fabricators Co Ltd	13	10	36	-	4	-	-
Saipon Snc	1	-	-	-	-	-	-
SAME Netherlands BV	-	-	-	-	-	82	-
Saren BV	76	1	-	-	-	41	-
SCD JV Scarl [2]	32	161	-	-	142	191	-
TSGI Mühendislik Insaat Ltd Sirketi	2	-	-	-	-	-	-
Other (for transactions not exceeding €500 thousand)	-	-	-	-	-	-	-
Total joint ventures and associates	**314**	**852**	**576**	**-**	**526**	**811**	**-**

(1) The item "Services" includes costs for services, costs for the use of third-party assets and other expenses.
(2) Revenue from limited liability consortium companies refer to the retrocession of fees that these companies invoice to the client and that on the basis of the consortium nature of the investee company are attributed to the consortium partner.

Trade and other transactions for 2022 consisted of the following:

(€ million)

	Dec. 31, 2022			Year 2022			
				Expenses		Revenue	
Name	Trade receivables and other assets	Trade payables, other liabilities, and contract liabilities	Guarantees	Goods	Services [1]	Goods and services	Other
Eni Group							
Azule Energy Angola BV	15	7	-	-	-	34	-
Azule Energy Angola SpA	96	1	34	-	-	319	-
Eni Cote d'Ivoire Ltd	77	4	-	-	-	351	-
Eni Kenya BV	-	-	-	-	-	21	-
Eni Mediterranea Idrocarburi SpA	2	-	29	-	-	11	-
Eni México, S de RL de Cv	5	-	-	-	-	49	-
Eni US Operating Co Inc	21	19	-	-	-	99	-
Naoc - Nigerian Agip Oil Co Ltd	-	-	-	-	-	184	-
Petrobel Belayim Petroleum Co	38	17	107	-	-	198	-
Solenova Ltd	16	-	-	-	-	33	-
Other Eni Group companies (for transactions not exceeding €21 million)	26	15	23	-	9	68	-
Total Eni Group	**296**	**63**	**193**	**-**	**9**	**1,367**	**-**
CDP Group							
Snam Rete Gas	23	23	1	-	-	29	-
Other CDP Group companies (for transactions not exceeding €21 million)	4	5	5	-	-	13	-
Total CDP Group	**27**	**28**	**6**	**-**	**-**	**42**	**-**
Companies controlled or owned by the State	**33**	**11**	**-**	**-**	**12**	**1**	**-**
Total related party transactions - Continuing operations	**675**	**958**	**775**	**-**	**547**	**2,221**	**-**
Incidence (%)	**30.93**	**17.36**	**10.57**	**-**	**9.99**	**22.25**	**-**
Overall total - Continuing operations	**2,182**	**5,520**	**7,333**	**2,704**	**5,474**	**9,980**	**11**
Discontinued operations							
Joint ventures and associates							
KCA Deutag International Ltd	-	2	-	-	-	2	-
Total joint ventures and associates	**-**	**2**	**-**	**-**	**-**	**2**	**-**
Eni Group							
Eni Congo SAU	4	-	-	-	-	6	-
Total Eni Group	**4**	**-**	**-**	**-**	**-**	**6**	**-**
Total related party transactions - Discontinued operations	**4**	**2**	**-**	**-**	**-**	**8**	**-**
Overall total - Discontinued operations	**54**	**43**	**60**	**75**	**187**	**476**	**1**
Total related party transactions	**679**	**960**	**775**	**-**	**547**	**2,229**	**-**
Overall total	**2,236**	**5,563**	**7,393**	**2,779**	**5,661**	**10,456**	**12**
Incidence (%)	**30.37**	**17.26**	**10.48**	**-**	**9.66**	**21.32**	**-**

(1) The item 'Services' includes costs for services, costs for the use of third-party assets and other expenses.

The values shown in the table refer to Notes 10 "Trade receivables and other assets", 21 "Trade payables and other liabilities", 22 "Contractual liabilities", 33 "Guarantees, commitments and risks", 34 "Revenues (core business revenues and other income)" and 35 "Operating expenses (purchases, services and other costs)".
The Saipem Group provides services to Eni Group companies in all sectors in which it operates, both in Italy and abroad.

Other transactions consisted of the following:

(€ million)	Dec. 31, 2023 Other assets	Dec. 31, 2023 Other liabilities	Dec. 31, 2022 Other assets	Dec. 31, 2022 Other liabilities
CCS JV Scarl	22	-	22	-
CEPAV (Consorzio Eni per l'Alta Velocità) Uno	1	-	1	-
Other Eni Group companies (for transactions not exceeding €21 million)	-	-	5	-
Total related party transactions - Continuing operations	**23**	**-**	**28**	**-**
Total related party transactions - Discontinued operations	**-**	**-**	**-**	**-**
Overall total - Continuing operations	**296**	**36**	**302**	**109**
Overall total - Discontinued operations	**-**	**-**	**14**	**-**
Incidence - Continuing operations (%)	**7.77**	**-**	**9.27**	**-**

Financial transactions

Financial transactions, excluding net lease liabilities, for 2023 consisted of the following:

(€ million)

Name	Dec. 31, 2023 Receivables [1]	Dec. 31, 2023 Payables	Dec. 31, 2023 Commitments	Year 2023 Expenses	Year 2023 Income
CCS JV Scarl	277	-	-	2	17
Petromar Lda	-	-	-	-	1
PSS Netherlands BV	3	-	-	-	-
Saipon Snc	-	1	-	-	-
SCD JV Scarl	102	-	-	-	-
Société pour la Réalisation du Port de Tanger Méditerranée	1	-	-	-	-
Other Eni Group companies (for transactions not exceeding €21 million)	1	-	-	-	11
Total related party transactions	**384**	**1**	**-**	**2**	**29**

(1) Shown in the statement of financial position under "Other current financial assets".

Financial transactions, excluding net lease liabilities, for 2022 consisted of the following:

(€ million)

Name	Dec. 31, 2022 Receivables [1]	Dec. 31, 2022 Payables	Dec. 31, 2022 Commitments	Year 2022 Expenses	Year 2022 Income
CCS JV Scarl	326	-	-	-	4
Petromar Lda	-	-	-	-	1
Saipem Taqa Al Rushaid Fabricators Co Ltd	-	-	-	-	(2)
Saipon Snc	-	1	-	-	-
SCD JV Scarl	161	-	-	-	1
Société pour la Réalisation du Port de Tanger Méditerranée	1	-	-	-	-
TSGI Mühendislik Insaat Ltd Sirketi	-	-	-	1	-
Other Eni Group companies (for transactions not exceeding €21 million)	1	-	-	15	1
Total related party transactions	**489**	**1**	**-**	**16**	**5**

(1) Shown in the statement of financial position under "Other current financial assets".

The incidence of financial transactions and positions with related parties was as follows:

(€ million)	Dec. 31, 2023 Total	Dec. 31, 2023 Related parties	Dec. 31, 2023 Incidence %	Dec. 31, 2022 Total	Dec. 31, 2022 Related parties	Dec. 31, 2022 Incidence %
Current financial liabilities	97	1	1.03	159	1	0.63
Non-current financial liabilities (including current portion)	2,296	-	-	2,471	-	-
Total	**2,293**	**1**		**2,630**	**1**	

(€ million)	Year 2023 Total	Year 2023 Related parties	Year 2023 Incidence %	Year 2022 Total	Year 2022 Related parties	Year 2022 Incidence %
Financial income (expense)	(93)	27	n.s.	(67)	(11)	16.42
Derivative financial instruments	(74)	-	-	(128)	-	-
Other operating income (expense)	(5)	-	-	7	-	-
Total - Continuing operations	**(172)**	**27**		**(188)**	**(11)**	
Total - Discontinued operations	**-**	**-**		**(7)**	**-**	

Financial lease transactions

Financial lease transactions as of December 31, 2023, consisted of the following:

(€ million)

	Dec. 31, 2023		Year 2023		
Name	Receivables	Payables	Commitments	Expenses	Income
Consorzio FSB	-	1	-	-	-
Total related party transactions	**-**	**1**	**-**	**-**	**-**

The incidence of transactions or positions with related parties relating to financial lease transactions is as follows:

	Dec. 31, 2023		
(€ million)	Total	Related parties	Incidence %
Non-current lease liabilities (including current portion)	730	1	0.14
Total - Continuing operations	**730**	**1**	
Total - Discontinued operations	**-**	**-**	

Financial lease transactions as of December 31, 2022 consisted of the following:

(€ million)

	Dec. 31, 2022		Year 2022		
Name	Receivables	Payables	Commitments	Expenses	Income
Consorzio FSB	-	1	-	-	-
Total related party transactions	**-**	**1**	**-**	**-**	**-**

The incidence of transactions or positions with related parties relating to financial lease transactions is as follows:

	Dec. 31, 2022		
(€ million)	Total	Related parties	Incidence %
Non-current lease liabilities (including current portion)	403	1	0.25
Total - Continuing operations	**403**	**1**	
Total - Discontinued operations	**-**	**-**	

The main cash flows with related parties were as follows:

(€ million)	Dec. 31, 2023	Dec. 31, 2022
Revenue and income	3,456	2,221
Costs and other expenses	(574)	(547)
Financial income (expenses) and derivatives	27	(11)
Change in trade receivables and payables	(198)	(350)
Net cash flows from operating activities - Continuing operations	**2,711**	**1,313**
Net cash flows from operating activities - Discontinued operations	**(17)**	**6**
Change in financial receivables	105	65
Net cash flows from investing activities - Continuing operations	**105**	**65**
Net cash flows from investing activities - Discontinued operations	**-**	**-**
Change in financial liabilities	-	(17)
Net cash flows from financing activities - Continuing operations	**-**	**(17)**
Net cash flows from financing activities - Discontinued operations	**-**	**-**
Total cash flows with related parties - Continuing operations	**2,816**	**1,361**
Total cash flows with related parties - Discontinued operations	**(17)**	**6**

The incidence of cash flows with related parties was as follows:

	Dec. 31, 2023			Dec. 31, 2022		
(€ million)	Total	Related parties	Incidence %	Total	Related parties	Incidence %
Cash flows from operating activities	586	2,711	n.s.	(523)	1,313	n.s.
Cash flows from investing activities	(175)	105	n.s.	32	65	n.s.
Cash flows from financing activities (*)	(354)	-	n.s.	(1,047)	(17)	1.62

(*) The cash flows from financing activities do not include dividends distributed, the net purchase of treasury shares, capital contributions from third parties, the purchase of shares in consolidated companies, and the change in the convertible bond.

Information on jointly controlled entities

Jointly controlled companies classified as joint operations do not have a significant value.

44 Significant non-recurring events and operations

During the year, except for the instances mentioned above, there were no significant non-recurring events and operations, as defined in the Consob Communication No. DEM/6064293 of July 28, 2006.

45 Positions or transactions arising from atypical and/or unusual operations

During the year, there were no atypical and/or unusual positions or transactions, as defined in the Consob Communication No. DEM/6064293 of July 28, 2006.

46 Events after the reporting period

Physical Settlement Notice

On January 8, 2024, Saipem SpA delivered today the Physical Settlement Notice to all bondholders of the equity-linked bonds named "€500,000,000 Senior Unsecured Guaranteed Equity-linked bonds due 2029". In accordance with the Physical Settlement Notice, the bondholders shall be granted the right, effective from January 26, 2024, to convert the Bonds into ordinary shares of the Company according to the terms and conditions of the Bonds.

Launch of the buy-back programme for Saipem ordinary shares to service the 2023-2025 Variable Long-Term Incentive Plan

On January 15, 2024, Saipem SpA has launched the buy-back programme for the Company's ordinary shares, pursuant to Article 5 of EU Regulation No. 596/2014, as subsequently amended, concerning a maximum number of 29,500,000 shares to service the 2023 allocation of the Company's 2023-2025 Long-Term Variable Incentive Plan. As of January 29, 2024, 22,500,000 treasury shares have been purchased for a total consideration of €32,933,508 (weighted average price 1.4637).

Incident on Castorone vessel

On January 30, 2024, Saipem confirms that early this morning an incident occurred on the Castorone pipelay vessel off the waters of Australia during normal pipelaying operations. The incident did not cause injuries to personnel and localised damage to the trunkline was sustained which will be remediated. Castorone vessel did not sustain any major damages. As of February 13, 2024, the Australian Commonwealth regulator NOPSEMA (National Offshore Petroleum Safety and Environmental Management Authority) has confirmed today it is satisfied that the Castorone vessel may resume pipelay operations.

Authorisation to buy-back treasury shares for the 2024 allocation of the 2023-2025 Long-Term Variable Incentive Plan

Following the proposal of the Remuneration and Nomination Committee, the Board of Directors resolved to submit to the Shareholders' Meeting a proposal for authorisation of the buy-back of treasury shares up to a maximum of 31,900,000 ordinary shares, and in any case, up to the overall maximum amount of €77,500,000, for the 2024 allocation of the 2023-2025 Long-Term Variable Incentive Plan approved by the General Shareholders' Meeting on May 3, 2023. On the same date, the Company holds 22,898,649 treasury shares, equal to 1.15% of the share capital, earmarked for the implementation of the long-term incentive plans approved in previous years.

47 Obligations regarding transparency and disclosure. Italian Law August 4, 2017, No. 124 (Article 1, sections 125-129)

During 2023, Saipem SpA and other Italian companies have not received public payments within the scope of application of the Law No. 124/2017 (Article 1, sections 125-129) and following changes.
In particular, the scope of application of the aforementioned law does not include: (i) the forms of incentive/subsidy received under a general aid scheme to all those eligible; (ii) sums relating to provision of works/services, including sponsorships; (iii) reimbursements and allowances paid to individuals in training and guidance; (iv) contributions received for continuing education by inter-professional funds set up as associations; (v) membership fees for membership of professional and territorial associations, as well as in favour of foundations or equivalent organisations which are functional to activities linked to corporate business. Disbursements are identified according to the cash criterion.
The notice falling within the scope of the aforementioned legislation includes disbursements over €10 thousand paid by the same paying entity during 2023, also through multiple payments.

INFORMATION REGARDING CENSURE BY CONSOB PURSUANT TO ARTICLE 154-*TER*, SUBSECTION 7, OF LEGISLATIVE DECREE NO. 58/1998 AND THE NOTICE FROM THE CONSOB OFFICES DATED APRIL 6, 2018

On January 30, 2018, Consob, having concluded its inspection commenced on November 7, 2016 (which ended on October 23, 2017) and about which Saipem gave information in the Annual Report 2016, has informed Saipem that it has detected non compliances in "the Annual Report as of December 31, 2016, as well as in the Interim Consolidated Report as of June 30, 2017" with the applicable international accounting standards (IAS 1 "Presentation of Financial Statements"; IAS 34 "Interim Financial Reporting"; IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", par. 5, 41 and 42; IAS 36 "Impairment of Assets", par. 31, 55-57) and, consequently, has informed Saipem about the commencement "of proceedings for the adoption of measures pursuant to Article 154-*ter*, subsection 7, of Legislative Decree No. 58/1998".
With notes of February 13 and 15, 2018, the Company transmitted to Consob its own considerations in relation to the remarks formulated by the offices of Consob, highlighting the reasons for which it does not share such remarks.
On March 2, 2018, the Commission of Consob, partially accepting the remarks of the offices of Consob, informed Saipem of its own Resolution No. 20324 (the "Resolution"), with which it ascertained the "non-compliance of Saipem's Annual Report 2016 with the regulations governing their preparation", without censuring the correctness of the Interim Consolidated Report as of June 30, 2017.
According to the Resolution, the non-compliance of Saipem's Annual Report 2016 with the regulations which govern its preparation, concerns in particular: (i) the incorrect application of the accrual basis of accounting affirmed by IAS 1; (ii) the non-application of IAS 8 in relation to the correction of errors with reference to the financial statements of 2015; and (iii) the estimation process of the discount rate pursuant to IAS 36.
Consob has therefore asked the Company, pursuant to Article 154-*ter*, subsection 7 of Legislative Decree No. 58/1998, to disclose the following elements of information to the markets:
(A) the weaknesses and non-compliance identified by Consob in relation to the accounting correctness of the financial statements mentioned above;
(B) the applicable international accounting standards and the violations encountered in relation thereto;
(C) the illustration, in an appropriate pro forma consolidated income statement and balance sheet – with comparative data – of the effects that accounting in compliance with the regulations would have produced on the 2016 balance sheet, income statement and shareholders' equity, for which incorrect information was supplied.

A. Weaknesses and non-compliance identified by Consob regarding the correctness of accounting in the consolidated and statutory financial statements of 2016.
The weaknesses and non-compliance identified by Consob with regard to the 2016 consolidated and statutory financial statements can be substantially attributed to the following two items:
(a) non-compliance of the "2016 consolidated and statutory Saipem SpA financial statements with reference to the comparative data for 2015";
(b) non-compliance of the estimation process of the discount rate underlying the impairment test for the 2016 financial statements with the requirements of IAS 36, which requires the Company to "apply the appropriate discount rate to future cash-flows".
With regard to point (a), the contestation concerns the non-compliance of the 2016 consolidated and statutory financial statements with:
(i) IAS 1, paragraph 27, according to which "an entity shall prepare its statements (except for cash flow information) using the accrual basis of accounting"; and paragraph 28, according to which "when the accrual basis of accounting is used, an entity recognises items as assets, liabilities, equity, revenue and costs (the elements of financial statements) when they satisfy the definitions and recognition criteria for those elements in the Framework"; and
(ii) IAS 8, paragraph 41, according to which "[...], material errors are sometimes not discovered until a subsequent period, and these prior period errors are corrected in the comparative information presented in the financial statements for that subsequent period"; and paragraph 42 according to which "the entity shall correct the material prior period errors retrospectively in the first financial statements authorised for issue after their discovery by: (a) restating the comparative amounts for the year/years prior to the one in which the error occurred [...]".
In substance, in Consob's opinion, the circumstances at the basis of some of the impairment losses recognised in the 2016 financial statements already existed, wholly or in part, when preparing 2015 financial statements. Indeed, Consob alleges that the Company approved 2016 consolidated and statutory financial statements without having corrected the "material errors" contained in the consolidated and statutory financial statements of the previous administrative period, in relation to the following items:
> "property, plant, and equipment";
> "inventories" ;
> "tax assets".
With regard to point sub (b), Consob does not approve that the Company, for the purposes of the impairment test: (i) used a single rate to discount business unit cash flows, characterised by a different risk profile; (ii) did not consider the country risk in relation to some assets operating in specific geographical areas over a long period of time; (iii) did not take into account the changes in the Company risk profile subsequent to the transaction that determined the deconsolidation of Saipem from the Eni Group.

B. The applicable international accounting standards and the violations encountered in relation thereto.

Consob holds that the 2016 consolidated and statutory financial statements of Saipem as of December 31, 2016, were not compliant with the following standards: IAS 1, IAS 8, and IAS 36.

Specifically, Consob observed that the Company approved 2016 consolidated and statutory financial statements without having corrected the "material errors" contained in the consolidated and statutory financial statements of the previous administrative period, in relation to the following items:

- "property, plant, and equipment";
- "inventories";
- "tax assets".

With reference to the item "Property, plant and equipment" as of December 31, 2015, Consob alleges the incorrect application of IAS 16 "Property, plant and equipment" and of IAS 36.

Specifically, Consob alleges that some impairment losses carried out by the Company on "property, plant and equipment" in the 2016 consolidated financial statements should have been accounted for, at least in part, in the previous year.

In particular Consob alleges:

(i) the incorrect application of IAS 36 with reference to the impairment test of some assets recognised as "property, plant and equipment" of the Offshore Drilling business unit and with respect to the assets recognised in the Offshore and Onshore Engineering & Construction business units. Consob's remark relates to the manner in which the cash flows expected from the use of these assets were estimated for the purpose of applying the impairment test with regard to the 2015 financial year, and in particular to the incorrect application of IAS 36: (a) paragraph 33, letter a).This states that "in assessing value in use, an entity shall: a) base cash flow projections on reasonable and supportable assumptions that represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the asset. Greater weight shall be given to external evidence"; (b) paragraph 34 in the sections that requires management to assess the reasonableness of the assumptions on which its current cash flow projections are based by examining the causes of differences between past cash flow projections and actual cash flows and ensuring that the assumptions on which its current cash flow projections are based are consistent with past actual outcomes; (c) paragraph 35 in the section that mentions the approach to be followed when using cash flow projections over a period longer than five years, stressing that such an approach is allowed "if [the entity] is confident that these projections are reliable and it can demonstrate its ability, based on past experience, to forecast cash flows accurately over that longer period";

(ii) the incorrect application of IAS 16, paragraphs 51, 56 and 57 with reference to the residual useful life of some assets registered as "Property, plant and equipment" of the Onshore Drilling business unit, of the Offshore Engineering & Construction business unit and of the Onshore Engineering & Construction business unit. Consob's remarks concern the circumstances that the review of the estimation of the residual useful life of assets cited (reported in the 2016 financial statements) should have already been done in the financial year 2015. Specifically, Consob alleges that IAS 16: (a) paragraph 51 was not correctly applied in the part that requests that "the residual value and the useful life of an asset shall be reviewed at least at each financial year-end and, if expectations differ from previous estimates, the change(s) shall be accounted for as a change in an accounting estimate in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors"; (b) paragraph 56 in the part that requires that "the future economic benefits embodied in an asset are consumed by an entity principally through its use. However, other factors, such as technical or commercial obsolescence and wear and tear while an asset remains idle, often result in the diminution of the economic benefits that might have been obtained from the asset" [...]; paragraph 57 in the part that requires that "the useful life of an asset is defined in terms of the asset's expected utility to the entity. The asset management policy of the entity may involve the disposal of assets after a specified time or after consumption of a specified proportion of the future economic benefits embodied in the asset. Therefore, the useful life of an asset may be shorter than its economic life. The estimation of the useful life of the asset is a matter of judgement based on the experience of the entity with similar assets".

As a consequence of the above-mentioned remarks, Consob likewise does not agree with the recognition of the impairment losses included in the 2016 consolidated and statutory financial statements with reference to some inventories and to a deferred tax asset related to the items criticised by Consob for which the items of the impairment loss according to Consob should have been accounted for in 2015.

Consob notes in this regard:

(i) IAS 2, paragraph 9, that "inventories shall be measured at the lower of cost and net realisable value" and at paragraph 30 that "estimates of net realisable value are based on the most reliable evidence available at the time the estimates are made, of the amount the inventories are expected to realise";

(ii) IAS 12 in the part that requires at paragraph 34 that "a deferred tax asset shall be recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised" and that "to the extent that it is not probable that taxable profit will be available against which unused tax losses or unused tax credits can be utilised, the deferred tax asset is not recognised".

Furthermore, Consob criticises the process of estimating the discount rate at the base of the impairment test for 2016 in so far as it is characterised by an approach that is not compliant with IAS 36 which requires that the Company "shall apply the appropriate discount rate to the future cash flows". More precisely, with respect to 2016 Consob does not agree with the approach taken by the Company, i.e., with reference to the execution of the impairment test it: (i) has used a single rate to discount cash flows of different business units which are characterised by different risk profiles; (ii) has not considered the country risk in relation to some assets operating in specific geographical areas over a long period of time.

In relation to the above, Consob also alleges the violation of the principle of correct representation of the company's situation which would not guarantee the observance of fundamental assumptions and qualitative characteristics of information.

Consob believes, in fact, that the importance of the errors and the significance of the shortcomings can likewise determine the non-compliance of the aforementioned financial statements with the requirements of reliability, prudence and completeness, pursuant to IAS 1.

C. The illustration, in an appropriate pro-forma consolidated income statement and balance sheet – with comparative data – of the effects that accounting in compliance with the regulations would have produced on the 2016 balance sheet, income statement and shareholders' equity, for which incorrect information was supplied.
While not sharing the judgement of non-compliance of the 2016 consolidated and statutory financial statements put forward by Consob in its Resolution, Saipem points out that the 2016 consolidated and statutory financial statements of the Company were approved by the Board of Directors on March 16, 2017 and by the Shareholders' Meeting on April 28, 2017 and were subject to audit pursuant to Legislative Decree No. 39 of January 27, 2010, Articles 14 and 16, and the report was issued on April 3, 2017.
In addition, with the press release of March 6, 2018, Saipem reported that "the Board of Directors of Saipem, in disagreement with the Resolution of Consob, resolved on March 5, 2018, to appeal the Resolution in the competent courts".
In the press release dated March 21, 2018, Saipem reported that for the purposes of ensuring a correct interpretation, and in order to implement the findings of the Resolution, today the Company has filed a petition with Consob in order to obtain interpretative clarifications suitable for overcoming the technical and evaluation complexities related to the findings of the Authority and to be able, in this way, to inform the market correctly, reaffirming that it does not share – and has no intention of accepting – the judgement of non-compliance of the consolidated and statutory financial statements as of December 31, 2016.

On April 27, 2018, Saipem lodged an appeal with the Regional Administrative Court ("TAR") of Lazio requesting the annulment of the Resolution and of any other presumed or related act and/or provision.
On May 24, 2018, Saipem filed with the TAR-Lazio additional grounds for appeal against the aforementioned Resolution.
On June 15, 2021, a hearing was held before the TAR-Lazio to discuss Saipem's appeal against the Consob Resolution of March 2, 2018.
On July 6, 2021, the TAR-Lazio rejected the appeal filed by Saipem SpA on April 27, 2018.
On July 6, 2021, Saipem SpA issued the following press release:
"Saipem: the Regional Administrative Court of Lazio rejects the appeal against Consob Resolution No. 20324 of March 2, 2018.
San Donato Milanese (Milan), July 6, 2021: Saipem SpA informs that the Regional Administrative Court ('TAR') of Lazio, through decision filed today, has rejected the appeal presented on April 27, 2018, by the Company against Consob resolution No. 20324 dated March 2, 2018 (of which the markets were informed with the Press Release dated March 5, 2018, the 'Resolution').
With the Resolution (the contents of which are described in paragraph 'Information regarding censure by Consob pursuant to Article 154-ter, subsection 7, of Legislative Decree No. 58/1998 and the notice from the Consob Offices dated April 6, 2018' of the Annual Report 2020 of Saipem SpA) Consob has stated the non-compliance of Saipem's 2016 Annual Statutory and Consolidated Reports with the regulations which govern their preparation, concerns in particular: (i) the incorrect application of the accrual basis of accounting affirmed by IAS 1; (ii) the non-application of IAS 8 in relation to the correction of errors with reference to the financial statements of 2015; and (iii) the estimation process of the discount rate pursuant to IAS 36.
With the Resolution Consob has therefore asked the Company, pursuant to Article 154-ter, subsection 7, of Legislative Decree No. 58/1998, to disclose the following elements of information to the markets: (A) the weaknesses and non-compliance identified by Consob in relation to the accounting correctness of the financial statements mentioned above; (B) the applicable international accounting standards and the violations detected in relation thereto; (C) the illustration, in an appropriate pro-forma consolidated income statements and balance sheet – with comparative data – of the effects that accounting in compliance with the regulations would have produced on the 2016 balance sheet, income statement and shareholders' equity, for which incorrect information was supplied.
Saipem SpA on April 16, 2018 issued a press release providing a pro forma consolidated income statements and balance sheet as of December 31, 2016 with the only aim to comply with the Resolution.
The TAR of Lazio has rejected the appeal presented by Saipem SpA requesting the annulment of the Resolution.
Saipem reserves its right to appeal the decision of the TAR of Lazio before the Council of State".
On November 6, 2021, Saipem SpA filed its appeal before the Council of State against the decision of the TAR of Lazio.
On March 7, 2024, a hearing was held before the Council of State to discuss the merits of the appeal brought by Saipem SpA against the ruling of the TAR-Lazio.

On April 16, 2018, Saipem issued a press release regarding the pro-forma consolidated income statements and statement of financial position as of December 31, 2016, for the sole purpose of complying with the Resolution.

On April 6, 2018, after the closure of the market, the Offices of Consob (Divisione Informazione Emittenti - Issuer Information Division) announced with their communication No. 0100385/18 (the "Communication"), that they started an administrative sanctioning procedure, claiming some violations pursuant to Articles 191 and 195 of Italian Legislative Decree No. 58/1998 (the "Financial Law"), relating to the offer documentation (Prospectus and Supplement to the Prospectus) made available to the public by Saipem on the occasion of its capital increase operation, which took place in January and February 2016. The alleged violations were exclusively addressed to the members of the Board of Directors and the Chief Financial Officer/Officer responsible for financial reporting in office at that time.
The Offices of Consob, in communicating their allegations to the interested parties also pointed out that, if the alleged violations were ascertained by the Commission of Consob at the outcome of the procedure, said violations *"would be punishable by an administrative fine between €5,000 and €500,000".*

Saipem received notice of the communication solely as guarantor ex lege for the payment *"of any economic fines that may eventually be charged to the company executives at the outcome of the administrative procedure"*.
The allegations follow Consob Resolution No. 20324 of March 2, 2018 (the "Resolution"), the content of which was communicated to the market by the Company with its press release of March 5, 2018. The Resolution – with which, as also communicated to the market, the Company disagreed and that it will appeal before the TAR-Lazio – alleged, among other things, *"the inconsistency of the assumptions and elements underlying the Strategic Plan for 2016-2019 with respect to the evidence at the disposal of the administrative bodies"*, as the indicators of possible impairment of value of the assets, later impaired by Saipem in its nine-month interim report as of September 30, 2016 would already have existed, in the opinion of Consob, at the time of approval of the consolidated financial statements of 2015.
With its Communication, the Offices of Consob have charged the company executives who, at the time of the capital increase, performed management functions, with the violations that are the subject of the Resolution and have already been communicated to the market, as stated above. The Offices of Consob further claim certain *"elements relative to the incorrect drafting of the declaration on the net working capital"* required by the standards in force applicable to the prospectus.
The foregoing would imply, according to the Offices of Consob, *"the inability of the offer documentation to ensure that the investors would be able to formulate a well-grounded opinion about the equity and financial position of the issuer, its economic results and prospects, pursuant to Article 94, sections 2 and 7, of the Financial Law, with regard to the information concerning: a) estimates of the Group's results for 2015 (Guidance 2015 and underlying assumptions)"; "b) forecast of the Group results drawn from the Strategic Plan for 2016-2019 and underlying assumptions"; "c) the declaration on the Net Working Capital"*.
Also according to the Offices of Consob, Saipem would have additionally omitted, in violation of Article 97, section 1 and Article 115, section 1, letter a), of the Financial Law, to report to Consob *"information pertaining to: (i) the assumptions underlying the declaration on its Net Working Capital; (ii) the availability of an updated 'Eni Scenario' on the price of oil; and (iii) the existence of significant amendments to the assumptions underlying the Strategic Plan for 2016-2019"*.
On July 4, 2018, Saipem, as guarantor ex lege for the payment *"of any fines that may eventually be charged to the company executives at the outcome of the administrative procedure"*, submitted its defence to Consob.
Saipem and all the company executives who have received the Communication have proceeded to file their defences with the Consob Offices.
Consob, with its Resolution No. 20828 of February 21, 2019, communicated to Saipem on March 12, 2019 and adopted at the outcome of the procedure for application of a fine initiated on April 6, 2018, applied the following fines: (a) €200,000 on the company CEO; (b) €150,000 on the Officer responsible for financial reporting in office at the time of the capital increase in 2016.
Consob also sentenced Saipem SpA to a payment of €350,000, as the party jointly liable for payment of the aforementioned administrative fines with the two persons fined pursuant to Article 195, section 9, of the Finance Law (in force at the time of the alleged violations), with obligation to recourse against the authors of the alleged breaches.
Consob ordered the filing of the procedure launched on April 6, 2018, against the non-executive Directors in office at the time of the facts alleged.
The Board of Directors of Saipem resolved on April 2, 2019 to appeal the Resolution No. 20828 before the Court of Appeal.
A similar appeal was filed by the two individuals sanctioned under the Resolution, i.e., the Chief Executive Officer of Saipem SpA and the Chief Financial Officer and Officer responsible for financial reporting in office at the time of the events. The first hearing before the Milan Court of Appeal was held on November 13, 2019.
On that day, the Milan Court of Appeal postponed the discussion to November 4, 2020.
On October 23, 2020, Saipem SpA and the two individuals sanctioned applied to the Court of Appeal, to be allowed to file documents required to debate the appeal by November 4, 2020.
On November 2, 2020, the Court of Appeal authorised the filing of the documents requested on October 23, 2020, by the parties, also granting Consob a deadline to submit any counterarguments on those documents by December 15, 2020 and postponed the hearing to discuss the appeal to January 27, 2021.
On January 20, 2021, Saipem SpA and the two individuals sanctioned presented a new application to the Court of Appeal, to be allowed to file additional documents required to debate the appeal by January 27, 2021, and to be authorised to propose new grounds for the appeal. which became known when new documents were found.
On January 21, 2021, the Court of Appeal accepted the applications by Saipem and the individuals and authorised the filing of the documents requested on January 20, 2021. The Court also upheld the proposal of additional grounds, to be submitted through written filings by February 26, 2021, and also granted Consob the right to submit its counter filings by March 25, 2021. The Court set the hearing for April 21, 2021.
At the hearing of April 21, 2021, the appeals were discussed.
The Milan Court of Appeal, partially upholding the appeals, (whilst it rejected the remaining):
- reduced from €200,000 to €150,000 the administrative financial fine imposed by Consob in 2019 against the former Chief Executive Officer of the Company in office from April 30, 2015 until April 30, 2021;
- reduce from €150,000 to €115,000 the administrative financial fine imposed by Consob in 2019 against the former CFO and Officer responsible for the Company's financial reporting in office at the time of the 2016 capital increase until June 7, 2016; and
- consequentially reduced from €350,000 to €265,000 the payment of the afore-mentioned administrative financial fines by Saipem as the party jointly and severally liable pursuant to Article 195, paragraph 9, of the Italian Consolidated Law on Finance.

On January 20, 2022, Saipem appealed the Milan Court of Appeal decision before the Italian Supreme Court ("Corte di Cassazione"). On March 1, 2022, Consob served Saipem SpA with its appeal ("controricorso con ricorso incidentale").
Saipem SpA filed its appeal against Consob's appeal ("controricorso con ricorso incidentale") on April 8, 2022.
The proceedings is still pending.

CERTIFICATION PURSUANT TO ARTICLE 154-*BIS*, PARAGRAPH 5 OF THE LEGISLATIVE DECREE NO. 58/1998 (TESTO UNICO DELLA FINANZA)

1. The undersigned Alessandro Puliti and Paolo Calcagnini in their quality as Chief Executive Officer (CEO) and Manager responsible for the preparation of financial reports of Saipem SpA, also pursuant to Article 154-*bis*, paragraphs 3 and 4 of Legislative Decree No. 58 of February 24, 1998, certify that internal controls over financial reporting in place for the preparation of the consolidated financial statements as of December 31, 2023 and during the period covered by the report, were:

- adequate to the Company structure, and
- effectively applied during the process of preparation of the report.

2. Internal controls over financial reporting in place for the preparation of the 2023 consolidated financial statements have been defined and the evaluation of their effectiveness has been assessed based on principles and methodologies adopted by Saipem in accordance with the Internal Control - Integrated Framework Model issued by the Committee of Sponsoring Organizations of the Treadway Commission, which represents an internationally-accepted framework for the internal control system.

3. The undersigned officers also certify that:

3.1 the consolidated financial statements as of December 31, 2023:

a) have been prepared in accordance with applicable international accounting standards adopted by the European Commission pursuant to Regulation (CE) n. 1606/2002 of the European Parliament and European Council of July 19, 2002;

b) correspond to the accounting books and entries;

c) fairly and truly represent the financial position, the performance and the cash flows of the issuer and the companies included in the consolidation as of, and for, the period presented in this report;

3.2 the Directors' Report provides a reliable analysis of business trends and results, including a trend analysis of the issuer and the companies included in the consolidation, as well as a description of the main risks and uncertain situations to which they are exposed.

March 12, 2024

/signed/ Alessandro Puliti
Alessandro Puliti
CEO

/signed/ Paolo Calcagnini
Paolo Calcagnini
Manager responsible for the preparation of the financial reports

INDEPENDENT AUDITORS' REPORT

KPMG

KPMG S.p.A.
Revisione e organizzazione contabile
Via Vittor Pisani, 25
20124 MILANO MI
Telefono +39 02 6763.1
Email it-fmauditaly@kpmg.it
PEC kpmgspa@pec.kpmg.it

(The accompanying translated consolidated financial statements of the Saipem Group constitute a non-official version which is not compliant with the provisions of Commission Delegated Regulation (EU) 2019/815. This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)

Independent auditors' report pursuant to article 14 of Legislative decree no. 39 of 27 January 2010 and article 10 of Regulation (EU) no. 537 of 16 April 2014

To the shareholders of
Saipem S.p.A.

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of the Saipem Group (the "group"), which comprise the statement of financial position as at 31 December 2023, the income statement and the statements of comprehensive income, changes in equity and cash flows for the year then ended and notes thereto, which include material information on the accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Saipem Group as at 31 December 2023 and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05.

Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the "*Auditors' responsibilities for the audit of the consolidated financial statements*" section of our report. We are independent of Saipem S.p.A. (the "parent") in accordance with the ethics and independence rules and standards applicable in Italy to audits of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KPMG

Saipem Group
Independent auditors' report
31 December 2023

Revenue recognition and measurement of contract assets and liabilities

Notes to the consolidated financial statements: notes 3 "Accounting policies - Contract assets and contract liabilities, Provisions for risks and charges, contingent assets and liabilities and Revenue from contracts with customers", 4 "Accounting estimates and significant judgements - Revenue, contract assets and contract liabilities and Provisions for risks and charges", 12 "Contract assets", 22 "Contract liabilities", 26 "Provisions for risks and charges and 34 "Revenue"

Key audit matter	Audit procedures addressing the key audit matter
The consolidated financial statements at 31 December 2023 include contract assets of €1,925 million, contract liabilities of €3,088 million, provisions for contract costs and losses on long-term contracts of €463 million and core business revenue of €11,874 million, which is also related to significant long-term contracts with customers for the performance of large projects that are complex from an engineering, technological and construction point of view. Revenue from those projects is recognised over time, based on their stage of completion and using the cost-to-cost method. Measuring contract assets and contract liabilities is based on significant estimates about the total contract revenue and costs and the related stage of completion which entail a high level of judgement by the directors. These estimates are affected by many factors, including: • claims for additional consideration compared to that contractually agreed; • the projects' long timeframe, size and engineering and operating complexity; • the risk profile of certain countries in which the work is carried out. These estimates, therefore, require a high level of directors' judgement that may significantly affect the recognition of revenue and the measurement of contract assets and liabilities. Accordingly, we believe that the revenue recognition and measurement of contract assets and liabilities are a key audit matter.	Our audit procedures included: • understanding the process for the allocation of revenue from contract with customers and additional consideration, assessing the design and implementation of controls and performing procedures to assess the operating effectiveness of material controls; • selecting a sample of contracts on which we performed, inter alia, the following procedures: - analysing contracts with customers in order to check that the main contractual terms have been appropriately considered by group management; - analysing the reasonableness of the assumptions underlying the project budgets and forecasts through (i) discussions with group management and the individual contract managers to support the information obtained from historical analyses (ii) analysis of supporting documentation, including any correspondence with customers and suppliers and legal-technical opinions possibly expressed by external experts engaged by group management (iii) analysis of the most significant discrepancies between past years' estimates and actual figures; • checking the recognition of costs and their allocation to the contracts in progress; • assessing the accuracy of the stage of completion calculation and the consequent recognition of revenue and contract assets and liabilities; • analysing the events after the reporting date that provide information useful for an assessment of management estimates; • assessing the appropriateness of the disclosures provided in the notes about revenue and contract assets and liabilities.

2

Provisions for risks and charges and contingent liabilities

Notes to the consolidated financial statements: notes 3 "Accounting policies - Provisions for risks and charges, contingent assets and liabilities", 4 "Accounting estimates and significant judgements - Provisions for risks and charges", 12 "Contract assets", 26 "Provisions for risks and charges" and 33 "Guarantees, commitments and risks - Legal proceedings"

Key audit matter	Audit procedures addressing the key audit matter
The consolidated financial statements at 31 December 2023 comprise provisions for risks and charges of €767 million, including provisions for contract costs and losses on long-term contracts of €463 million. The parent and certain group companies are involved in a number of legal proceedings and, when a liability is considered to be probable and its amount can be estimated reliably, group management makes the related provisions for risks and charges. The process and methods for assessing the risk arising from the legal proceedings are complex and, by their very nature, entail a high level of judgement by group management, especially the evaluation of the uncertainty surrounding the outcome of the proceedings, the classification as provisions or liabilities and the appropriateness of the disclosures provided in the notes, including about possible liabilities. For the above reasons, we believe that this issue is a key audit matter.	Our audit procedures included: • understanding the process for the assessment of legal proceedings and assessing the design and implementation of controls and procedures on the operating effectiveness of material controls; • analysing the accounting policies used by the directors to estimate the outcome of significant legal proceedings; • assessing group management's evaluations of the proceedings and their reasonableness by checking the main internal documentation, related reports and any technical appraisals prepared by experts engaged by management, as well as through the information obtained from external and internal legal advisors and group management; • exchanging information with the parent's *Collegio Sindacale*, control and risk committee, supervisory board and internal auditors; • analysing the events after the reporting date that provide information useful for an assessment of the significant legal proceedings; • assessing the appropriateness of the disclosures provided in the annual report about significant legal proceedings.

Measurement of property, plant and equipment and intangible assets

Notes to the consolidated financial statements: notes 3 "Accounting policies - Property, plant and equipment, Right-of-use assets, Intangible assets and Impairment of non-financial assets", 4 "Accounting estimates and significant judgements - Impairment of non-financial assets and right-of-use assets", 15 "Property, plant and equipment", 16 "Intangible assets" and 17 "Right-of-use-assets and lease assets and lease liabilities"

Key audit matter	Audit procedures addressing the key audit matter
The consolidated financial statements at 31 December 2023 include property, plant and equipment of €2,960 million, intangible assets of €666 million, including goodwill of €641 million, and right-of-use assets of €428 million. The parent's directors have identified thirteen cash-generating units ("CGUs"): Asset Based services, Energy Carriers, Robotics and Industrialized Solutions, Sustainable Infrastructures and nine vessels included in the Offshore drilling business segment.	Our audit procedures, which also involved our own specialists, included: • understanding the process adopted to prepare the impairment tests approved by the parent's directors; • understanding the process adopted to prepare the forecasts from which the expected cash flows used for impairment testing have been derived;

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Saipem Group
Independent auditors' report
31 December 2023

Key audit matter	Audit procedures addressing the key audit matter
The parent's directors allocated goodwill to the Asset Based Services CGU (€403 million), the Energy Carriers CGU (€228 million) and the Robotics and Industrialized Solutions CGU (€10 million). Group management tests the carrying amounts of all CGUs for impairment whenever there are indicators of impairment, and of the CGUs that include goodwill at least annually, by comparing the individual CGU's estimated recoverable amount, calculated by discounting the expected cash flows using the discounted cash flow model, to the net capital employed allocated thereto. The recoverable amounts of those assets is based on assumptions, sometimes complex, that entail a high level of judgement. They are based on the expected cash flows forecast in the 2024-2027 strategic plan approved by the parent's directors, as well as projections for future years. The key assumptions underlying the expected cash flows forecast by the parent's directors relate to the future acquisition of orders, their profitability and the payments that the group will obtain by leasing its fleet of vessels, principally included in the Offshore drilling business segment. For the above reasons, we believe that this issue is a key audit matter.	• analysing the criteria used to identify the CGUs and the assets and liabilities allocated thereto; • analysing the reasonableness of the main assumptions underlying the 2024-2027 strategic plan approved by the parent's directors, mainly through inquiries with the managers of the business segments that include the CGUs identified, analysis of the supporting documentation and comparison of expected orders to the order backlog; • checking the consistency of the forecasts included in the 2024-2027 strategic plan approved by the parent's directors with the data underlying the expected cash flows used for impairment testing; • checking any discrepancies between the previous year forecast and actual figures, in order to check the accuracy of the group management's estimation process; • analysing the reasonableness of the valuation methods and key assumptions used by the parent's directors, and especially: - the application of the discounted cash flow model; - the criteria and parameters used to calculate the discount rate applied to the projected cash flows and the long-term growth rate; • checking the sensitivity analysis presented in the notes in relation to the key assumptions used for impairment testing; • analysing the events after the reporting date that provide information useful for an assessment of management estimates; • assessing the appropriateness of the disclosures provided in the notes about the measurement of property, plant and equipment, intangible assets and right-of-use assets.

Responsibilities of the parent's directors and board of statutory auditors ("Collegio Sindacale") for the consolidated financial statements

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05 and, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the group's ability to continue as a going concern and for the appropriate use of the going concern basis in the preparation of the consolidated financial statements and for the adequacy of the related disclosures. The use of this basis of accounting is appropriate unless the directors believe that the conditions for liquidating the parent or ceasing operations exist, or have no realistic alternative but to do so.

The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, the group's financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA Italia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISA Italia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance, identified at the appropriate level required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the ethics and independence rules and standards applicable in Italy and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the measures taken to eliminate those threats or the safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are, therefore, the key audit matters. We describe these matters in this report.

Other information required by article 10 of Regulation (EU) no. 537/14

On 3 May 2018, the parent's shareholders appointed us to perform the statutory audit of its separate and consolidated financial statements as at and for the years ending from 31 December 2019 to 31 December 2027.

We declare that we did not provide the prohibited non-audit services referred to in article 5.1 of Regulation (EU) no. 537/14 and that we remained independent of the parent in conducting the statutory audit.

We confirm that the opinion on the consolidated financial statements expressed herein is consistent with the additional report to the *Collegio Sindacale*, in its capacity as audit committee, prepared in accordance with article 11 of the Regulation mentioned above.

Report on other legal and regulatory requirements

Opinion on the compliance with the provisions of Commission Delegated Regulation (EU) 2019/815

The parent's directors are responsible for the application of the provisions of Commission Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (ESEF) to the consolidated financial statements at 31 December 2023 to be included in the annual financial report.

We have performed the procedures required by Standard on Auditing (SA Italia) 700B in order to express an opinion on the compliance of the consolidated financial statements with Commission Delegated Regulation (EU) 2019/815.

In our opinion, the consolidated financial statements at 31 December 2023 have been prepared in XHTML format and have been marked up, in all material respects, in compliance with the provisions of Commission Delegated Regulation (EU) 2019/815.

Due to certain technical limitations, some information included in the notes to the consolidated financial statements when extracted from the XHTML format to an XBRL instance may not be reproduced in an identical manner with respect to the corresponding information presented in the consolidated financial statements in XHTML format.

Opinion pursuant to article 14.2.e) of Legislative decree no. 39/10 and article 123-bis.4 of Legislative decree no. 58/98

The parent's directors are responsible for the preparation of the group's directors' report and report on corporate governance and ownership structure at 31 December 2023 and for the consistency of such reports with the related consolidated financial statements and their compliance with the applicable law.

We have performed the procedures required by Standard on Auditing (SA Italia) 720B in order to express an opinion on the consistency of the directors' report and the specific information presented in the report on corporate governance and ownership structure indicated by article 123-bis.4 of Legislative decree no. 58/98 with the group's consolidated financial statements at 31 December 2023 and their compliance with the applicable law and to state whether we have identified material misstatements.

In our opinion, the directors' report and the specific information presented in the report on corporate governance and ownership structure referred to above are consistent with the group's consolidated financial statements at 31 December 2023 and have been prepared in compliance with the applicable law.

With reference to the above statement required by article 14.2.e) of Legislative decree no. 39/10, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have nothing to report.

Statement pursuant to article 4 of the Consob regulation implementing Legislative decree no. 254/16

The directors of Saipem S.p.A. are responsible for the preparation of a consolidated non-financial statement pursuant to Legislative decree no. 254/16. We have checked that the directors had approved such consolidated non-financial statement. In accordance with article 3.10 of Legislative decree no. 254/16, we attested the compliance of the consolidated non-financial statement separately.

Milan, 4 April 2024

KPMG S.p.A.

(signed on the original)

Cristina Quarleri
Director of Audit

Società per Azioni
Share Capital €501,669,790.83 fully paid up
Tax code and VAT 00825790157
Registry of Businesses of Milan
Monza-Brianza, Lodi registration No. 788744

Registered office in Milan - Italy
Via Luigi Russolo, 5
Information for Shareholders
Saipem SpA,, Via Luigi Russolo, 5
20138 Milan
Italy

Relations with institutional investors
and financial analysts
Fax +39-0244254295
e-mail: investor.relations@saipem.com

Publications
Financial statements as of December 31 (in Italian)
prepared in accordance with
Legislative Decree of April 9, 1991 No. 127
Annual Report (in English)

Interim consolidated financial report
as of June 30
(in Italian and English)

Sustainability Report 2023 (in Italian and English)

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SAIPEM

SAIPEM SpA
Via Luigi Russolo, 5
20138 – Milan
ITALY

SAIPEM.COM