

Saipem Ltd. - UK Tax Strategy 2024

Introduction

Saipem Ltd. is a multi-project based business, providing engineering, procurement, construction, installation, removal, subsea and project management services to the oil, gas and renewable energy industries. Saipem Ltd. is a member of the Saipem Group (hereinafter “Saipem”), headed by Saipem S.p.A., incorporated in Italy. Saipem Ltd. is the only Saipem entity in the UK and there are no Saipem branches within the UK.

The Tax Strategy covers UK taxes applicable to Saipem Ltd.’s operations and has been prepared in accordance with Part 2 of Schedule 19 Finance Act 2016 and is effective for the year ending 31st December 2024.

The Tax Strategy has been approved by the Saipem Ltd. Board of Directors and is subject to annual review.

Management of UK tax risks

Saipem Ltd. is committed to ensuring compliance with the spirit and the letter of UK and international tax laws and regulations. Compliance is pursued through the continuous monitoring of UK regulatory and tax changes and the payment of the right amount of tax and at the right time. Equally, it involves disclosing all relevant facts and circumstances to HM Revenue & Customs (‘HMRC’) and towards the tax authorities of the countries in which Saipem Ltd. operates as well as claiming reliefs and incentives where available and in accordance with UK applicable law.

Governance for the correct application of and compliance with UK law is the responsibility of the Board of Directors of the UK company and the specific responsibility of the Senior Accounting Officer. Since Saipem Ltd.’s incorporation in 2010 the Board of Directors has adopted and updated an Organisation, Management and Control Model (which includes the Code of Ethics) designed to prevent offences. Annex 1 of the Organisation, Management and Control Model lists the categories of offences and a short description of the crimes, including Tax Offences. Saipem Ltd. pursues, in line with the principles set out in the Code of Ethics, a Tax Strategy inspired by honesty, integrity,



Saipem Ltd.
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Company Registration No. 07195109
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fairness and transparency in managing all tax activities. Saipem has put in place a solid and effective whistleblowing system for discouraging, detecting, investigating and reporting any illegal behaviour.

Saipem Ltd. takes reasonable steps to establish and maintain appropriate accounting arrangements. This includes the adoption of appropriate procedures and internal controls designed to prevent and detect material errors and fraud, including specific controls performed to ensure the correctness and accuracy of the tax computations. The risk environment and mitigating controls established at entity and process levels are reviewed periodically.

Saipem Ltd. has a UK Tax Team with several experienced and trained professionals, who report directly to the Senior Accounting Officer. The UK Tax Team provides its support in an advisory capacity and in the performance of their day-to-day duties, which include for example: - assisting in the identification of UK and international tax risks, the design and execution of project contractual relations in adherence with UK tax legislation, VAT returns, the preparation of income tax computations, construction industry scheme reports, research and development expenditure credits, transfer pricing documentation and so forth. Those involved in areas linked to UK tax (including Human Resource and Supply Chain professionals) are encouraged to keep their knowledge up to date on an ongoing basis via professional memberships, communication channels with the wider Saipem Teams, training sponsorship contracts and courses, some of which are mandatory and via the company's engagement of external professionals who provide ongoing and ad-hoc support services.

Tax planning

Saipem Ltd. does not create incentive mechanisms that could unintentionally lead management to pursue aggressive actions to reduce the tax burden, nor does it carry out transactions that are aimed at obtaining an undue tax advantage and it does not use artificial corporate schemes or structures for tax convenience.

Saipem Ltd. applies the principles and recommendations established by the OECD, particularly with respect to the Transfer Pricing Guidelines. Transactions with other Saipem entities are governed by Saipem's Transfer Pricing policies which are deemed to ensure compliance with the "arm's length principle", aligning transfer pricing outcomes with value creation.

To eliminate cases of double taxation, Saipem Ltd. applies the provisions of the International Conventions for the elimination of double taxation, in accordance with the interpretative guidance of the OECD and of the United Nations, as the case may be.

Saipem Ltd. engages external professional services to assist on various tax related matters including, for example, clarification over the application or interpretation of UK tax law and the law in countries in which it operates or intends to operate within.

The level of risk accepted in relation to UK taxation

Saipem Ltd. aims to reduce tax and reputational risks to a minimum and takes a conservative approach to UK tax risk, by complying with UK tax laws and regulation.

Saipem Ltd. considers taxes as a business cost to be managed in full compliance with the law to ensure the protection of Saipem Ltd.'s assets and maximising value on a sustainable basis for stakeholders, including Government, Saipem shareholders, employees and the community in which it operates.

How the business works with HMRC

Saipem Ltd. undertakes to operate with transparency and good faith in its relations with HMRC, ensuring complete and accurate flows of information.

Saipem employees and management, at all levels, including persons involved in the tax process as well as external collaborators whose actions may be referred to Saipem Ltd., shall adopt the highest ethical standards in their interactions with counterparties, in compliance with the Saipem Code of Ethics. Non-compliance with these principles could lead to legal actions and the adoption of provisions against the recipients in accordance with Saipem Code of Ethics.

Saipem Ltd. recognises HMRC as an external stakeholder of the business and seeks to work constructively with HMRC and avoid unnecessary tax disputes. The UK Tax Team has regular dialogue with the appointed Customer Compliance Manager who is kept aware of significant transactions and changes in the business. Saipem Ltd. engages in the Business Risk Review proactively and views it as an opportunity to discuss the current and future UK tax risks in our business and to enhance the management of these risks to our and HMRC's mutual benefit.