Snamprogetti Limited Retirement Benefits Scheme (the “Scheme”)

Statement of Investment Principles (the “Statement”)

Scope of Statement

This Statement has been prepared in accordance with section 35 of the Pensions Act 1995 (as amended by the Pensions Act 2004, and the Occupational Pension Schemes (Investment) Regulations 2005).

The effective date of this Statement is 2 July 2025. SLRBS Trustee Limited (the “Trustee”) will review this Statement and the Scheme’s investment strategy no later than three years after the effective date of this statement and without delay after any significant change in investment policy. The Statement is intended to affirm the investment principles that govern decisions about the Scheme's investments. A separate document, the Investment Policy Implementation Document (“IPID”), detailing the specifics of the Scheme's investment arrangements, is available upon request.

Consultations made

The Trustee has consulted with the principal employer, Saipem Limited (the “Employer”), prior to writing this Statement and will take the Employer’s comments into account when they believe it is appropriate to do so.

The Trustee is responsible for the investment strategy of the Scheme. It has obtained written advice on the investment strategy appropriate for the Scheme and on the preparation of this Statement. This advice was provided by Aon Investments Limited (“Aon Advisory” or "Investment Advisor”), who are authorised and regulated by the Financial Conduct Authority.

The day to day management of the Scheme's assets has been delegated to investment managers who are authorised and regulated by the Financial Conduct Authority. A copy of this Statement has been provided to the investment managers appointed and is available to the members of the Scheme.

Objectives and policy for securing objectives

The Trustee’s primary objectives are:

- “funding objective” - to ensure that the Scheme is fully funded using assumptions that contain a margin for prudence. Where an actuarial valuation reveals a deficit, a recovery plan will be put in place which will take into account the financial covenant of the Employer;
- “stability objective” – to have due regard to the likely level and volatility of required contributions when setting the Scheme’s investment strategy; and
- “security objective” – to ensure that the solvency position of the Scheme is expected to improve. The Trustee will take into account the strength of the Employer’s covenant when determining the expected improvement in the solvency position of the Scheme.

Choosing investments

The types of investments held and the balance between them is deemed appropriate given the liability profile of the Scheme, its cashflow requirements, the funding level of the Scheme and the Trustee's objectives.

The Trustee will endeavour to ensure that the assets of the Scheme are invested in the best interests of the members and beneficiaries.

The Trustee exercises its powers of investment with the aim of ensuring the security, quality, liquidity and profitability of the portfolio as a whole. In order to avoid an undue concentration of risk a spread of assets is held, and diversification is both within and across the major asset classes.

Assets held to cover the Scheme's technical provisions (the liabilities of the Scheme) are invested in a manner appropriate to the nature and duration of the expected future retirement benefits payable under the Scheme.

The assets of the Scheme are invested predominantly in regulated markets (with investments not in regulated markets being kept to a prudent level) and properly diversified to avoid excessive reliance on any particular asset, issuer or group of undertakings so as to avoid accumulations of risk in the portfolio as a whole.

Investment in derivatives is only made in so far as derivatives contribute to the reduction of investment risks or facilitate efficient portfolio management and are managed so as to avoid excessive risk exposure to a single counterparty or other derivative operations.

The balance between different kinds of investments

The Trustee recognises that the key source of financial risk (in relation to meeting their objectives) arises from asset allocation. It therefore retains responsibility for setting asset allocation and takes expert advice as required from its professional advisers.

The asset allocation set out in the IPID was implemented after consideration of the actuarial valuation with an effective date of 31 December 2022. A broad range of available asset classes have been considered.

The types of investments held, and the balance between them, is deemed appropriate given the liability profile of the Scheme, its cash flow requirements, the funding level of the Scheme and the Trustee's objectives. The assets of the Scheme are invested in the best interests of the members and beneficiaries.

A broad range of available asset classes and implementation options (e.g. single manager funds with Legal & General ("LGIM") and multi manager funds with Aon Investments Limited ("AIL")) has been considered. This includes Government bonds, Cash, Credit, and Multi Asset Strategies which access a diversified mix of asset classes including equities, credit, and alternative assets.

Investment risk measurement and management

Investment strategy risk

The key investment risks are recognised as arising from asset allocation. These are assessed triennially in conjunction with the actuarial valuation of the Scheme, following which the Trustee will take advice on the continued appropriateness of the existing investment strategy.

Employer covenant risk

Risks associated with changes in the Employer covenant are assessed by presentations in each Trustee meeting from the Employer about business performance and outlook. The Trustee also has an agreement with the Employer to receive notification of any events which have the potential to alter the creditworthiness of the sponsoring employer. In particular, the Trustee will be informed of Type A events, as defined in appropriate guidance issued by the Pensions Regulator and Employer-related Notifiable Events. On receipt of such notification, the Trustee will re-consider the continued appropriateness of the Scheme's existing investment strategy.

Investment manager risks

The Trustee monitors the risks arising through the selection or appointment of investment managers on a quarterly basis via investment monitoring reports prepared by their professional advisors and investment managers together with guidance from their investment advisor. The monitoring reports detail the current valuation of assets held and performance (relative to their objective) achieved by each of the managers employed over the period.

The Trustee has appointed Aon Advisory to alert it on any matters of material significance that might affect the ability of each investment manager to achieve its objectives. Should there be any matters arising which the Trustee wishes to discuss, and taking into account advice from their investment adviser, the Trustee will then meet with their appointed managers.

Cashflow and collateral risk

Under the investment agreement with the LDI manager, the LDI manager has established protocols to ensure sufficient collateral is maintained within the funds it operates and has flexibility to access additional collateral within the assets they hold.

The Trustee's investment adviser provides additional advice on collateral headroom where required, and should collateral headroom be insufficient with the LDI portfolio, action will be taken to source this from the Scheme's wider assets. The majority of the Scheme's assets are liquid and generally realisable at short notice.

Cash flow risk is the risk of a shortfall of liquid assets (which may also include any cash held from time to time in the Trustee Bank Account) relative to the Scheme's benefit payment obligations and arises from the need to realise assets in the short term. If realisations of investments to meet the benefit outgo were to be made at a time when prices are depressed this could reduce the likelihood of meeting the primary objectives. To manage this, the Trustee and their advisers regularly monitor the Scheme's cash flow requirements over the short-term.

Custody

Investment in pooled funds gives the Trustee a right to the cash value of the units rather than to the underlying assets. The investment managers are responsible for the appointment and monitoring of custodians. The custodians are independent of the Employer.

Expected returns on assets

Based on Aon Advisory's capital market assumptions, the Trustee's long-term expectations are as follows:

(i) To achieve a net return on the managed growth strategy portfolio component of 4% per annum (net of fees) in excess SONIA

(ii) To achieve a net return on the low-risk bonds strategy portfolio component of 1% per annum (net of fees) in excess of SONIA

(iii) For the cash and synthetic credit strategies to provide a return in line with their respective benchmark.

(iv) For the LDI portfolio to match the movements of the Scheme's liabilities on an exposure basis.

Returns achieved by the investment managers are assessed against performance benchmarks set by the Trustee in consultation with their advisers and investment managers.

Realisation of Investments/Liquidity

The Trustee recognises that there is a risk in holding assets that cannot be easily realised should the need arise. The majority of the assets held are realisable at short notice through the sale of units in pooled funds.

Environmental, Social and Governance considerations

General

The Trustee's primary concern when setting the investment strategy is to act in the best financial interests of the beneficiaries, seeking the best return that is consistent with a prudent and appropriate level of risk. The Trustee believes that, in order to fulfil this commitment and to protect and enhance the value of the Scheme's investments, it must act as responsible stewards of the investments.

At present, the Trustee does not proactively seek the views of members and beneficiaries of the Scheme in relation to ESG factors or non-financial factors such as the present and future quality of life of the members and beneficiaries of the Scheme. However, if members express a view then the Trustee will consider this in relation to their policy on ESG and non-financial factors. The Trustee will periodically review this policy.

The Trustee acknowledges that financially material considerations include environmental, social and corporate governance (ESG) factors, such as climate change. Understanding these factors can help identify investment opportunities and financially material risks.

As part of their delegated responsibilities, the Trustee expects the investment managers to include ESG considerations in the selection, retention and realisation of investments. Any decision should not be based on personal, ethical or moral judgments in isolation but should consider the sustainability of business models that are influenced by them.

The Trustee is taking the following steps to monitor and assess ESG, including climate change related risks and opportunities:

- The Trustee will undertake periodic training on Responsible Investment to understand how ESG factors, including climate change and the associated risk and opportunities, may impact on the Scheme's assets and liabilities;

- As part of ongoing monitoring, the Trustee will use information, where available, provided by Aon Advisory of their assessment of the investment managers against ESG factors, including climate change;

  On a periodic basis, the Trustee will ask the investment managers to provide their policy on Responsible Investment to include details of how they integrate potentially material ESG risks and opportunities in their investment decision making process. Should the Trustee look to appoint a new manager, they will request this information as part of the selection process. All responses will be reviewed and monitored;

Arrangements with Investment Managers

The Trustee monitors the Scheme's investments to consider the extent to which the investment strategy and decisions of the investment managers are aligned with the Trustee's policies, including those on non-financial matters. This includes monitoring the extent to which investment managers:

- make decisions based on assessments about medium- to long-term financial performance of an issuer of debt or equity; and

- engage with issuers of debt or equity in order to improve their performance in the medium- to long-term.

The Trustee is supported in this monitoring activity by their investment advisor.

The Trustee receives reports and verbal updates from the investment advisor on various items including the investment strategy, performance, and longer-term positioning of the portfolio. The Trustee focuses on longer-term performance when considering the ongoing suitability of the investment strategy in relation to the Scheme objectives and assess the investment managers over three-year periods.

The Trustee shares the policies, as set out in this SIP, with the Scheme's investment managers, and requests that the investment managers review and confirm whether their approach is in alignment with the Trustee's policies.

Before appointment of a new asset manager, the Trustee reviews the governing documentation associated with the investment and will consider the extent to which it aligns with the Trustee's policies. Where possible, the Trustee will seek to amend that documentation so that there is more alignment. Where it is not possible to make changes to the governing documentation, for example if the Scheme invests in a collective vehicle, then the Trustee will express their expectations to the investment managers in by other means (such as through a side letter, in writing, or verbally at Trustee meetings).

The Trustee believes that having appropriate governing documentation, setting clear expectations to the investment managers by other means (where necessary), and regular monitoring of investment managers' performance and investment strategy, is in most cases sufficient to incentivise the investment managers to make decisions that align with the Trustee's policies and are based on assessments of medium- and long-term financial performance. The Trustee does not expect their investment managers to take particular account of non-financial performance in their decision making.

Where investment managers are considered to make decisions that are not in line with the Trustee's policies, expectations, or the other considerations set out above, the Trustee will typically first engage with the investment manager but could ultimately replace the investment manager where this is deemed necessary. There is typically no set duration for arrangements with investment managers, although the continued appointment all for investment managers will be reviewed periodically, and at least every three years.

Costs and Performance

The Trustee is aware of the importance of monitoring their investment managers' total costs and the impact these costs can have on the overall value of the Scheme's assets. The Trustee recognises that in addition to annual management charges, there are a number of other costs incurred by the Scheme's investment managers that can increase the overall cost incurred by their investments.

Evaluation of Asset Managers performance and remuneration

The Trustee assesses the performance of their investment managers relative to their respective objectives on a quarterly basis via consolidated investment monitoring reports from Aon Advisory and updates from the investment managers. The Trustee also reviews the remuneration of their investment managers regularly to ensure these costs are reasonable in the context of the kind and balance of investments held.

Portfolio turnover costs

The Trustee is aware of the portfolio turnover costs (portfolio turnover costs are defined as the costs incurred as a result of the buying, selling, lending or borrowing of investments) associated to the Scheme's underlying investments through the information provided by their investment managers. The target portfolio turnover and turnover range is monitored annually with the assistance of the Scheme's investment advisor.

The Trustee accepts that transaction costs will be incurred to drive investment returns and that the level of these costs varies across asset classes and by manager style within an asset class. In both cases, a higher level of transaction costs is acceptable as long as it is consistent with the asset class characteristics, manager's style and historic trends. Where the Trustee monitoring identifies a lack of consistency the investment manager will be reviewed.

The Trustee is supported in their cost transparency monitoring activity by their investment advisor.

Stewardship - voting and engagement

The Trustee recognises the importance of their role as a steward of capital, promoting corporate responsibility and ensuring the highest standards of governance. The Trustee recognises that ultimately this will help to protect the financial interests of the beneficiaries of the Scheme.

The Trustee regularly reviews the suitability of the Scheme's appointed investment managers and takes advice from their investment adviser with regard to any changes. This advice includes consideration of broader stewardship matters and the exercise of voting rights by the appointed investment managers. The Trustee accepts responsibility for how managers steward assets on their behalf. If an incumbent investment manager is found to be falling short of the standards the Trustee has set out in their policy, the Trustee undertakes to engage with the investment manager and seek a more sustainable position but may look to replace the investment manager.

The Trustee expects the investment managers to use their influence as institutional investors to carry out the Trustee's rights and duties as a shareholder including voting, engaging when appropriate with underlying companies to promote good corporate governance, accountability and positive change.

For the AIL delegated multi manager pooled funds, AIL considers active ownership – engagement and voting – to be a key part of the overall integration of ESG considerations into portfolio management. AIL carries out regular engagement with the appointed underlying managers in its portfolios via business-as-usual meetings with asset class specialist researchers, which may be broader in nature and might include ESG integration more generally, or via its engagement programme where the focus is on engagement with managers on core topics of investment stewardship, such as climate change, biodiversity loss and modern slavery. The Trustee believes these are important areas, which may have the potential to significantly impact the value of the Scheme investments, so support the themes within AIL's engagement programme as the Trustee believes this is in the members best interests. The Trustee will continue to receive regular updates from AIL on its engagement activities.

The Trustee expects that the investment managers will provide details of their stewardship policy and activities on an annual basis, covering both voting and engagement actions. The Trustee will engage with the investment managers where necessary for more information.

The transparency for voting should include voting actions and rationale with relevance to the Scheme, in particular, where: votes were cast against management; votes against management generally were significant, votes were abstained; voting differed from the voting policy of either the Trustee or the investment manager.

Where voting is concerned the Trustee expect their investment managers to recall stock lending as necessary, in order to carry out voting actions.

From time to time, the Trustee will consider the methods by which, and the circumstances under which, they would monitor and engage with an issuer of debt or equity, an investment manager or another holder of debt or equity, and other stakeholders. The Trustee may (either with the investment managers or with underling investee companies) engage on matters concerning an issuer of debt or equity, including their performance, strategy, risks, social and environmental impact and corporate governance, the capital structure, and management of actual or potential conflicts of interest.

Additional Voluntary Contributions (“AVCs”) Arrangements

Some members have historically obtained further benefits by paying AVCs to the Scheme. The liabilities in respect of these AVCs are equal to the value of the investments bought by the contributions. Details of AVC providers and fund options are included in the IPID.

From time to time the Trustee reviews the choice of investments available to members to ensure that they remain appropriate to the members' needs.

Effective Decision Making

The Trustee recognises that decisions should be taken only by persons or organisations with the skills, information and resources necessary to take them effectively. The Trustee also recognises that where they take investment decisions, they must have sufficient expertise and appropriate training to be able to evaluate critically any advice received.

Approved and agreed by the Trustee of the Snamprogetti Limited Retirement Benefits Scheme