ANNUAL REPORT 2024

Energy infrastructure
for a sustainable future

snam

Snam is a leading European operator in gas infrastructure, specialized in Transportation, with a network exceeding 40,000 km across Italy and abroad; in Storage, holding one-sixth of the European Union's entire storage capacity; and in Regasification, where today it ranks as the third largest European player, managing (or co-managing) an estimated annual capacity of 28 billion cubic metres, including the Ravenna LNG plant.
Snam's long-term ambition is to develop and strengthen energy infrastructure for a sustainable future, positioning itself as a multi-molecule operator at both national and European levels. The company prioritizes transformative innovation and all-round sustainability as its key strategic levers, enhancing the role of gas as a transition vector. Snam is among the top listed Italian companies by market capitalisation and is committed to continuous growth in sustainable finance.
With 80 years of experience in building and managing infrastructure, Snam ensures security of supply and supports the energy transition through investments in green gas (biomethane and hydrogen), energy efficiency, and Carbon Capture and Storage (CCS) technology. The company also fosters new green spaces via a benefit corporation dedicated to urban reforestation projects.
Compared to 2022, Snam has already reduced direct greenhouse gas emissions by 28% and is setting the next targets of 40% in 2030 and 50% in 2032, in order to achieve carbon neutrality (100%) by 2040 and Net Zero for all emissions, including those of associated companies and suppliers, by 2050. These ambitious goals, outlined in the Group's Transition Plan, are complemented by Snam's commitment to protecting biodiversity and regenerating natural capital.
The company's culture focuses on sustainable growth, transparency, valuing new generations, talent and diversity, along with social promotion and development of local communities.

www.snam.it

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This document is an English language translation of the official Italian version and is provided in the European Single Electronic Format (ESEF) and it is compliant with the provisions of the Commission delegated Regulation (EU) 2019/815. It was published and filed in accordance with the provisions of the law.

Energy infrastructure for a sustainable future

CORPORATE BODIES

BOARD OF DIRECTORS [*]

Chairwoman
Monica de Virgiliis [1] [2] [3]

Chief Executive Officer
Stefano Venier [1]

Board members
Massimo Bergami [1] [3]
Laura Cavatorta [3] [4]
Augusta Iannini [1] [3]
Piero Manzoni [3] [4]
Rita Rolli [3] [4]
Qinjing Shen [1]
Alessandro Tonetti [1]

CONTROL AND RISK COMMITTEE AND RELATED PARTIES OPERATIONS [**]

Piero Manzoni - **Chairman**
Augusta Iannini
Laura Cavatorta

SUSTAINABILITY COMMITTEE AND ENERGY TRANSITION SCENARIOS [**]

Laura Cavatorta - **Chairwoman**

Massimo Bergami
Qinjing Shen
Rita Rolli

BOARD OF STATUTORY AUDITORS [*]

Chairwoman
Stefano Gnocchi [6]

Standing auditors
Gianfranco Chinellato [5]
Ines Gandini [5]

Alternate auditorsi
Federica Albizzati [6]
Maria Gimigliano [5]
Federico Sambolino [5]

APPOINTMENTS AND REMUNERATION COMMITTEE [**]

Rita Rolli - **Chairwoman**

Massimo Bergami
Alessandro Tonetti

INDEPENDENT AUDITORS [***]

Deloitte & Touche S.p.A.

(*) Appointed by the Shareholders' Meeting of 27 April 2022 - in office until the date of the Shareholders' Meeting to be convened in 2025 to approve the [1]2024 financial statements.
(**) Established by the Board of Directors on 27 April 2022.
(***) Appointed by the Shareholders' Meeting of 23 October 2019 for the period covering the years 2020-2028.
[1] Director candidates in the list submitted by the shareholder CDP Reti S.p.A.
[2] Appointed Chairman of the Board of Directors upon the proposal of the shareholder CDP Reti S.p.A.
[3] Independent directors pursuant to the TUF and the Corporate Governance Code.
[4] Director candidates in the list presented jointly by Institutional Investors.
[5] Statutory Auditor candidates in the list submitted by the shareholder CDP Reti S.p.A.
[6] Statutory Auditor candidates in the list presented jointly by Institutional Investors.

LETTER TO STAKEHOLDERS

Chairwoman
Monica de Virgiliis

Chief Executive Officer
Stefano Venier

Dear stakeholders,

The way 2024 ended confirmed, once again, the volatility of the global energy market – which remains high despite stabilisation measures adopted at both national and EU level. These measures had led some to believe that the energy crisis was behind us. For example, there is a disconnect between the sector's increasingly solid fundamentals and price trends, with rises that, thanks to the progressive implementation of the many projects underway – including those led by Snam – have no longer reached the peaks of 2022.

Snam has continued to achieve significant results across all areas of its business and has reaffirmed its commitment to safety and the energy transition, demonstrating remarkable resilience in the face of a geopolitical context marked by the ongoing war in Ukraine, tensions linked to the expiry of Russian gas transit contracts through territory controlled by Kyiv, the escalation of the Middle East crisis, and the uncertainty arising from electoral processes in Europe and the United States.

While awaiting the gradual easing of central banks' restrictive policies to trigger a stronger recovery, the Italian economy – despite ongoing structural issues affecting business competitiveness – has recorded a sharp drop in the inflation rate and a significant increase in employment. Meanwhile, the implementation of the NRRP continues. Italy will face major tests in 2025 and 2026 to successfully complete the final phase of the plan.

In line with the REPowerEU Plan, the consolidation of the European energy system has progressed, with further diversification of supply sources. In 2024 in particular, the EU countries collectively received more than 50% of US liquefied natural gas exports – preparing, thanks also to strengthened storage and increased flows from the East and South, to absorb, largely without disruption, the halt in residual volumes of Russian gas.

Italy was no exception: 2024 closed with the arrival in Piombino of the 50th gas carrier. In the meantime, Snam also acquired a further stake in Adriatic LNG – increasing its share from 7.3% to 30% – thus becoming the third-largest regasification operator in Europe. It is now preparing for the entry into service of the Ravenna offshore terminal, which will raise the country's regasification capacity to 28 billion cubic metres – the same volume supplied by Russia in 2021. This is a volume greater than 40% of the national gas requirement, which in 2024, in line with 2023, stood at 62.04 billion cubic metres.
Precisely because it is a global market, LNG is subject to significant price variability – a scenario against which Snam continues to safeguard the country through the parallel development of pipeline infrastructure and storage facilities. In this direction, in 2024 alone, works worth over 2.6 billion euros have been approved by the Ministry of the Environment and Energy Safety and by the Regions. Then, the realisation of phase 1 of the Adriatic Line came into full swing and, included in the PNRR, was awarded funding of 375 million euros. The NRRP also includes adjustments to increase export capacity. The storage facilities proved to be equally strategic, filled in record time also thanks to the counterflow services. The approval of the capacity increase at the Fiume Treste site and the recent acquisition of Edison Stoccaggio further consolidate our leadership in the sector. All this enables us to continue ensuring the right balance between renewable energy sources such as solar and wind, with a clear awareness of the complementarity between electrons and molecules – both of which are crucial to achieving the decarbonisation goals shared across the system.

Snam continues to work on a broad scale to support the sustainable transition of both its business and the national system. In April last year, in particular, the European Commission officially recognized the SouthH_2 Corridor as a project of common interest (PCI), a fundamental step which was followed, at the end of the year, by the presentation of the national strategy for hydrogen by the Government. The same PCI *status* was also notified to the Ravenna project for the capture and storage of CO_2, conducted in joint venture with Eni and which entered the heart of phase 1 in August, with very promising results. The approval *procedures* required for phase 2, for which a market survey was conducted which registered considerable interest from the main hard-to-abate sectors, have begun and the project is expected to be operational starting from 2028.

On the emissions front, in 2024 (vs. 2015) we recorded a 63% decrease in methane emissions, obtaining the Gold Standard recognition from the Oil and Gas Methane Partnership for the fourth consecutive year. Furthermore, direct$_{CO2}$emissions have decreased by 25% in two years, a sign of the progressive progress of our climate strategy, which aims at Net Zero on scope 1, 2 and 3 emissions by 2050. These commitments were reaffirmed in the Transition Plan presented in October which, illustrating our short, medium and long-term objectives and the resources with which we intend to achieve them, is at the same time divided into scenarios that show the high rates of employment of our multi-molecule assets also in 2040 and 2050. Furthermore, with this document we intend to relaunch the evolution of our all-round commitment to sustainability, with the complete definition of a biodiversity strategy within which, by 2027, we aim to have a positive impact on the ecosystems affected by our activities and our construction sites.

Innovation received a strong boost in 2024, with progress on the SnamTec programme and the launch of our Asset Control Room – the result of work that will be systematised in the coming months and further strengthened by the rollout of our Innovation Plan, scheduled for mid-2025.

The year also ended with a further increase in sustainable finance, reaching 84% – a threshold that already enables us to meet the 85% target set for 2027, bringing us closer to the 90% target for 2029 and further strengthening investor confidence.

Confidence that is, after all, well placed, given the strong growth in financial indicators recorded over the past three years – from EBITDA (+23%) to net profit (+10%), not to mention capital investments, which were three times higher than the pre-crisis average. We also want to highlight the work undertaken since 2022 that has seen our main international subsidiaries grow, maximising their value.

The breadth and variety of these commitments allow us to reaffirm and build on the defining characteristics that, in many respects, make Snam unique within the European energy landscape. As a continental leader in gas infrastructure, our Group is in fact the only system operator active across the entire midstream value chain, with a pan-European presence and a clear ambition: to build and manage 'energy infrastructures for a sustainable future'.

To realise all this, we are working according to the strategic plan to 2029 presented in January, the most substantial in our history, with investments of 12.4 billion euros, more than a third of which are aligned with the European Taxonomy and more than half with the United Nations SDGs. Of this volume, 10.9 billion euros will strengthen the sustainable development of transport, storage and regasification infrastructures, while 1.5 billion (+25%) will further enable our business platform for the energy transition, including biomethane and energy efficiency. This commitment will not prevent us from increasing shareholder remuneration, with the dividend expected to grow by 4% per year (up from the previous 3%).

None of this would be possible without the active involvement of Snam's people, who at every level continue to represent the Group's most important asset – especially during such a complex and challenging phase, marked by the implementation of projects that are themselves complex, multifaceted and highly interconnected. We will therefore continue to invest in training, development, corporate welfare, and active diversity, equity and inclusion policies.
We thus look to the future with confidence – from infrastructure projects to the energy transition – fully aware of the challenges posed by the current context, but also of our ability to work together with all stakeholders to achieve goals that affect the future of us all.

19 March 2025

for the Board of Directors

Chairwoman ***Chief Executive Officer***

PRESENTATION OF THE REPORT

Adopting the 'Core & More' approach outlined by Accounting Europe, Snam has developed an integrated reporting system designed to provide all stakeholders with a comprehensive and transparent overview of economic, social, environmental and governance information. This system presents a detailed analysis of your activities, performance and your future goals.

The Core & More approach aims to present corporate reporting effectively, structuring financial and sustainability information according to the needs of different users. 'Core' reports include key data of interest to a broad range of stakeholders, while 'More' reports provide additional detail intended for a narrower audience.

CORE

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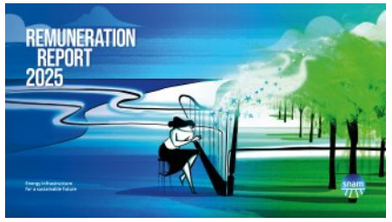
› DIRECTORS' REPORT
› CONSOLIDATED SUSTAINABILITY STATEMENT
› CONSOLIDATED HALF-YEAR CONSOLIDATED
› STATUTORY FINANCIAL STATEMENTS

MORE



REMUNERATION REPORT

Describes and investigates the Company's Remuneration Policy of Directors and Managers specifying the goals, the involved bodies, the procedures for its adoption and implementation in addition to the remuneration paid.

REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE

It provides detailed information about the company, its governance structure, the ownership structure, the composition of the shareholding structure, and the internal control and risk management system and related topics.

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The Annual Report is Snam's Core Report, offering a comprehensive view of financial and non-financial, qualitative and quantitative performance. The document is composed of the following sections: The Directors' Report representing Snam's Integrated Report inspired by the principles of the IIRC (International Integrated Reporting Council) Framework, and Snam's Consolidated and Separate Financial Statements.
The Directors' Report contains, in addition to the annual management results, the values, mission and purpose of Snam, as well as an overview of the Group's history and its business areas. The document also includes an overview of the main events that occurred during the year, an in-depth analysis of the 2025-2029 Strategic Plan, an illustration of the economic and financial results and a vision of the management trend in Snam's operating sectors. Finally, the main factors of uncertainty that influence the ordinary management of the Snam Group's activities are analysed, together with an assessment of emerging risks.
The Directors' Report is included in a dedicated section within the Directors' Report, and is prepared in accordance with the provisions of Legislative Decree 125 of 6 September 2024, which implements the Corporate Sustainability Reporting Directive (CSRD) in Italy.

Snam's Sustainability Statement complies with the structure provided by the European Sustainability Reporting Standard (ESRS) and contains the information required by art. 8 of European Regulation 2020/852 on the 'European Taxonomy for environmentally sustainable activities'. It includes a section dedicated to general information, in which Snam illustrates the criteria adopted for drafting the report, offers a summary of its governance system and describes the corporate strategy together with the business model. In addition, the methods used by the company to manage impacts, risks and opportunities are analysed. Particular attention is also paid to the topics defined as 'entity-specific' (innovation and digitalisation, cyber security, relations with authorities and quality of services, energy security and accessibility to energy), i.e. the relevant sustainability topics not covered by the ESRS, but which provide a complete vision of Snam's business. The reporting sections dedicated to environmental, social and governance information follow. The structure of these sections provides an overview of the impacts, risks and opportunities related to sustainability issues, and then delves into the policies adopted, the objectives defined, the actions taken to achieve them, as well as the metrics to monitor the Group's performance.
Finally, the Sustainability Statement contains interoperability tables with other frameworks, in particular the GRI Universal Standards, the standards set for the Oil & Gas midstream sector by the Sustainability Accounting Standards Board (SASB) and the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD) of the Financial Stability Board.
References to the Principal Adverse Impact Indicators (PAI indicators), required by the EU Sustainable Finance Disclosure Regulation (SFDR), are reported in the chapter 'Introduction and reading guide - Disclosure obligations of the ESRS subject to the company's Consolidated Sustainability Reporting', in relation to the requirements of the IRO-2 standard.

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The Annual Report contains forward-looking statements, particularly in the sections on Strategy and Business Outlook with reference to: evolution of natural gas demand, investment plans and future management performance. Such statements are, by their nature, subject to risk and uncertainty as they depend on whether future events and developments take place. Actual results could therefore differ from those announced due to various factors, including: the outlook for natural gas demand, supply and prices, overall macroeconomic conditions, geopolitical factors such as international tensions and socio-political instability, the impact of energy and environmental legislation, successful development and implementation of new technologies, changes in stakeholder expectations and other changes in business conditions.

Snam, Snam Group, Group, Company means Snam S.p.A. and the companies within its scope of consolidation.

DIRECTORS' REPORT - INTEGRATED REPORT

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1 HIGHLIGHTS

1.1 HIGHLIGHTS 2024

FINANCIAL

€ 3,568 MILLION
TOTAL REVENUES
(-9.5% vs. 2023)

€ 2,753 MILLION
EBITDA ADJUSTED
(+13.9% vs. 2023)

€ 1,289 MILLION
ADJUSTED NET PROFIT
(+10.4% vs. 2023)

€ 2,912 MILLION
in technical investments (+ 64.1% vs. 2023)

31%
of CapEx Taxonomy aligned

65%
of CapEx SDGs aligned

€ 0.2905
Proposed dividend per share
(+3% vs. 2023)

84%
Percentage of sustainable finance out of total funding

45%
Percentage of ESG investors out of total institutional investors

OPERATIONAL

62.04 BILLION^{M3}
GAS DEMAND
(+0.5% vs. 2023)

61.82 BILLION^{M3}
NATURAL GAS INJECTED INTO THE GRID
(-3.5% vs. 2023)

16.9 BILLION^{M3}
TOTAL STORAGE CAPACITY
(+1.3% vs. 2023, the largest offer at European level)

100%
Percentage of available storage capacity allocated for the thermal year 2024-2025

4.54 BILLION^{M3}
(+22.4% vs. 2023)
VOLUMES OF REGASIFIED LNG, of which 3.59 billion m^3 from the FSRU plant in Piombino

2,068 KM
CERTIFIED H_2-READY NETWORK
(+37% vs. 2023)

ENVIRONMENTAL

-29% VS 2022
CO_2e EMISSIONS SCOPE 1 AND SCOPE 2 - REGULATED PERIMETER

-63% VS. 2015
NATURAL GAS EMISSIONS

501,174 MWH
ENERGY PRODUCED FROM RENEWABLE SOURCES

ZERO NET CONVERSION
on all infrastructure projects

41%
expenditure out of total spending with decarbonisation plans received from suppliers

SOCIAL

3,901
EMPLOYEES
(+2.7% vs. 2023)

INCLUDED FOR THE FOURTH YEAR IN A ROW IN THE LIST OF ITALY'S BEST EMPLOYERS

74%
Local suppliers (SMEs in Italy) awarded contracts out of the total number of contracted suppliers (+1% vs. 2023)

6,377 HOURS
VOLUNTEERING AT THE SNAM FOUNDATION (-6.8% vs. 2023)

GOVERNANCE

6,058
REPUTATIONAL CHECKS ON COUNTERPARTIES

SNAM AMONG THE BEST ITALIAN COMPANIES ACCORDING TO THE INTEGRATED GOVERNANCE INDEX

551
TRAINING HOURS ON ANTI-CORRUPTION AND CODE OF ETHICS

OSCAR BUDGET
for the 2023 Consolidated Non-Financial Statement

SUSTAINABLE DEVELOPMENT GOALS

In pursuing its purpose, 'Energy to inspire the world' Snam reconciles its strategic choices with its commitment to achieving the Sustainable Development Goals (SDGs) defined by the United Nations in 2015.
Snam focuses its efforts on the four SDGs closest to its mission, its purpose and on which it can make a concrete impact in their achievement.
At the same time, it also contributes to Goals 3, 4, 5 and 10 with actions aimed at environmental protection, the development of cities and sustainable communities, the development of people and the creation of value for stakeholders

SDGs TO WHICH SNAM CONTRIBUTES

1.2 KEY EVENTS OF THE YEAR 2024

JANUARY

- Snam has been awarded a contribution of over 7 million euros by ARERA, about a quarter of the contributions recognised by the Authority, for the development of pilot projects on the innovative use of existing gas infrastructures.
- Snam presents the 2023-2027 Strategic Plan with a focus on investments in a multi-molecule infrastructure serving the energy transition.

FEBRUARY

- Snam has been included, for the third consecutive year, in the 'A List' of CDP (formerly Carbon Disclosure Project) for the disclosure and management of environmental risks, as well as the adoption of best practices, such as the 2023-2027 Strategic Plan.
- Snam is the first company on which Moody's has published its Net Zero Assessment, an independent assessment of the objectives and ability to implement companies' decarbonisation programmes.
- Snam publishes the new Sustainable Finance Framework, through which it will be able to issue Green and Sustainability-Linked debt instruments in the form of bonds, bank loans, project financing or any other financial instrument in different formats and currencies.
- Snam successfully issues a sustainable financing of 1.5 billion euros, in dual tranches: the first Green Bond of 500 million euros and a Sustainability-Linked Bond (SLB) of 1 billion euros.
- Snam launches the third edition of the HyAccelerator program, a global initiative aimed at start-ups and SMEs developing technologies related to hydrogen and decarbonization.
- Snam's Hydrogen Valley project in Puglia has been selected by the European Commission as part of the IPCEI hydrogen projects approved in the third wave of Hy2Infra.

MARCH

- Snam has been recognized, also in 2023, as a leader in CDP's Suppliers Engagement Rating (SER), obtaining the maximum 'A' score.
- The volunteering initiatives 'E-Lab (Empowerment Lab)' and 'Donare per Imparare', developed in collaboration with Snam Foundation ETS, received the National Award for Competent Volunteering during the first edition of 'Volontari@work', organized by Fondazione Terzjus at the Chamber of Deputies.

APRIL

- Snam exercises its right of pre-emption to increase its stake in Terminale GNL Adriatico Srl from 7.3% to 30%, the company that owns the Adriatic LNG terminal. Located about 15 kilometres off the Veneto coast, the terminal is the country's largest offshore infrastructure for the unloading, storage and regasification of liquefied natural gas (LNG).
- The SouthH_2 Corridor and Callisto Mediterranean CO_2 Network projects, in which Snam participates as a partner, have been included by the European Commission in the sixth list of Projects of Common Interest (PCI).
- Snam wins, for the second consecutive year, the 'Transition Bond of the Year' award given by Environmental Finance, a specialist magazine that addresses issues related to sustainable finance.

MAY

- The Shareholders' Meeting approves the 2023 financial statements and the distribution of a dividend of 0.1692 euros per share, as a balance of the interim dividend of which 0.1128 euros per share already distributed in January 2024. The dividend for the entire year is therefore equal to 0.2820 euros per share.
- Cassa Depositi e Prestiti (CDP) grants Snam an ESG-linked loan of 200 million euros, tied to the achievement of sustainability objectives. The loan is intended for the rebuilding of the Ravenna-Chieti gas pipeline, contributing to the improvement of energy infrastructures in line with sustainable principles.
- Snam has signed a new Sustainability-linked credit line, for a total amount of 1 billion euros, compliant with the new Group Sustainable Finance Framework.

JUNE

- Snam is among the top 500 most sustainable companies in the world in the special ranking of the World's Most Sustainable Companies for 2024, created by Statista and the American weekly Time with the aim of highlighting the best practices of companies in terms of sustainability.

JULY

- Snam has signed an agreement with the European Investment Bank (EIB) for a total of 100 million euros aimed at supporting energy requalification interventions of public buildings and energy efficiency measures for industrial activities.
- Snam, in collaboration with TenarisDalmine and Tenova, is testing the use of hydrogen in the steel industry for the decarbonisation of hard-to-abate sectors, the first experiment conducted in Italy at a steel plant that involves the use of hydrogen in the processing of steel products.
- Snam signs a binding agreement for the acquisition of 100% of Edison Stoccaggio from Edison, for a consideration of approximately 560 million euros.

AUGUST

- The Ministry of the Interior and Snam sign a protocol to protect legality and combat infiltration of organized crime into the activities that characterize the core business of the Snam Group.
- IGU, Snam and Rystad Energy present the Global Gas Report 2024.

SEPTEMBER

- Eni and Snam announce the start of CO_2 injection activities into the field related to Phase 1 of Ravenna CCS, the first CO_2 capture and storage project in Italy.
- Snam S.p.A successfully completes the first 1 billion euros subordinated perpetual hybrid instrument, with subscription demand exceeding the offer by more than 4 times.
- Snam is among the 25 Italian companies, and the only one in the energy sector, considered the most reliable worldwide in the special ranking of the World's Most Trustworthy Companies 2024, drawn up by Newsweek and Statista.
- Snam supports the new project 'Pari. Together against gender violence', an initiative born from the synergy of eight companies and a foundation to raise awareness and combat gender violence in all its forms.

OCTOBER

- Snam presents its first Transition Plan, a transparent roadmap towards Net Zero by 2050, to support the Group's energy transition and the country's decarbonisation.
- Snam, together with other important players in the sector, such as Sonatrach (Algeria), Sonelgaz (Algeria), VNG (Germany), SeaCorridor (Italy) and Verbund Green Hydrogen (Austria), signs a Memorandum of Understanding to jointly conduct the necessary studies along the entire hydrogen value chain.
- Snam publishes the results of the survey on the potential hydrogen market and the survey on the potential market for the transportation and storage of CO_2 at offshore fields of the CCS project.

NOVEMBER

- Snam obtains, for the fourth consecutive year, the maximum score of the United Nations Gold Standard for its commitment to reducing methane emissions.
- Snam successfully places a £600m 12-year and 750 million euros seven-year dual-tranche Sustainability-Linked bond, a significant milestone in sustainable finance and funding diversification.
- On the occasion of the International Day for the Elimination of Violence against Women, Snam promotes the initiative 'Together against gender violence | Panchine Rosse' aimed at raising awareness of the importance of gender equality and its social, cultural and economic value, through activities and programmes carried out throughout the year in the Italian communities where the Group is present.

DECEMBER

- VTTI and Snam complete the acquisition of the shares in Terminale GNL Adriatico Srl, following agreements signed in April. The two partners currently hold 70% and 30% of the company respectively.
- Snam promotes art and sustainability through the contest 'Drawing the Future', designed to artistically represent the company's role in the energy transition.
- Snam is the third company in Europe for digital corporate and financial communications, according to the Webranking Europe 500 2024-2025 ranking drawn up by Lundquist in collaboration with Comprend.
- Snam signs a new Sustainability-linked credit line for a total value of 4 billion euros, the largest revolving credit line in the utilities sector for the year, which also includes an option to increase up to 1.1 billion euros.
- Snam receives the special award for Non-Financial Disclosure as part of the 2024 Financial Statement Oscar, promoted by FERPI, Borsa Italiana and Bocconi University. This recognition highlights Snam's excellence in reporting environmental, social and governance performance, underlining the company's commitment to sustainability and transparency.
- Snam has been included for the fifteenth year in the Dow Jones Sustainability World Index by Standard & Poor's, with a score of 85/100, one of the most important stock market indices in the world that evaluate the commitments of companies in the sustainability field on the basis of rigorous long-term economic, environmental and social indicators.
- On 30 December, the BW Singapore ship, the FSRU (Floating Storage and Regasification Unit), will land in Italy, marking the beginning of the last phase for the plant's entry into service, scheduled for spring 2025.

2 OUTLOOK

At a crucial time for the global energy sector, characterised by growing uncertainties and price volatility, Snam's ability to build and maintain resilient systems is essential, also to enable the sustainable transition towards Net Zero. In line with this objective and with the need to build an interconnected European gas infrastructure, Snam is accelerating the investments needed to develop a pan-European energy infrastructure, capable of managing traditional and decarbonized molecules, ensuring safety, sustainability and innovation.

The investment plan of 12.4 billion euros in the period 2025-29 is concentrated on two main areas:

- Strengthening gas infrastructure along the entire midstream value chain: in transportation, the completion of the Adriatic Line, the replacement of approximately 850 kilometres of pipelines with hydrogen-ready standards, the installation of three dual-fuel compression stations and the connection of biomethane plants; in storage, expansion and upgrading of sites, installation of three dual-fuel compression stations; in regasification, the construction of small-scale infrastructures in Panigaglia and Pignataro;
- the development of energy transition businesses: Carbon Capture and Storage, to develop CO_2 transportation nationwide and CO_2 storage infrastructure in Ravenna; Hydrogen Backbone, a dedicated pipeline for the transportation of hydrogen included in the Projects of Common Interest (PCI) of the European Union; the reconversion and expansion of the capacity of biomethane plants; investments in the Energy Efficiency business, to boost the portfolio of activities towards industrial customers and Public Administration.

In 2024, there are important strategic initiatives to support the gas infrastructure. These include the commissioning of the Ravenna FSRU, increasing the national regasification capacity, with start of operations expected by the end of April 2025, as well as the increase of the shareholding in Adriatic LNG from 7.3% to 30%, one of the main regasification terminals operating in the waters off Porto Tolle (Rovigo). These initiatives were joined by the acquisition, in March 2025, of 100% of Edison Stoccaggio, for a value of approximately 565 million euros.

In a global context that continues to be volatile, interest rates, although decreasing compared to 2024, will remain at values higher than the average of recent years. For 2025, the average cost of debt is expected to be in line with that observed in 2024 and equal to 2.5%. The main levers for optimising the financial structure concern an greater diversification of markets, sources and instruments, as well as the dynamic management of working capital and treasury flows. Snam intends to maintain a solid financial structure.

Russian gas supplies to Europe increased in 2024, although they remained marginal compared to pre-conflict volumes. Starting from January 2025, they have further decreased following the failure to renew the agreement on the transit of gas flows through Ukraine. Thanks to continuous actions to diversify supply sources and investments in Security of Supply in the various countries, there are no significant situations of discontinuity or criticality in the scope of Snam's international assets.
With reference to the situation in the Middle East, the conflict in the Gaza Strip does not have a direct impact on Snam's assets and the operation of the pipeline (EMG). This turbulence could weigh on the world economy, increasing production costs and further affecting national and European economic stability and growth, as well as causing further challenges in managing energy supply sources.
Snam will continue to monitor the evolution of the situation in the Middle East and Ukraine, evaluating the possible consequences and the effects on the group; However, with regard to the management of operational activities and the implementation of the investment programme, there are currently no critical issues attributable to these events.

Financial objectives for 2025 confirmed:

- investments totalling 2.9 billion euros, of which:
  - 2.5 billion euros in gas infrastructure;
  - 0.4 billion euros for the energy transition.
- a tariff RAB of 25.8 billion euros, up approximately 9% compared to 2024, thanks to new investments, the effect of inflation, the integration of Edison Stoccaggio and the FSRU of Ravenna;
- an adjusted EBITDA of approximately 2.85 billion euros (+4% compared to 2024), thanks to the growth of the RAB, the contributions of Edison Stoccaggio and the FSRU of Ravenna, despite a lower WACC;
- an adjusted net profit of approximately 1.35 billion euros (+5% compared to 2024), thanks to the increase in EBITDA and contributions from investee companies, partially offset by the increase in amortization and depreciation in line with the implementation of the investment plan and the new assets entering the scope, despite the sale of ADNOC Gas Pipelines in March 2025;
- expected net debt of approximately 18.4 billion euros, compared to guidance of 18.6 billion euros, including the payment for the acquisition of Edison Stoccaggio and the sale of Galaxy Pipeline Assets HoldCo.

3 SNAM PROFILE

3.1 BETWEEN PURPOSE AND AMBITION

For some years now, Snam has given itself a very clear purpose, 'energy to inspire the world', qualifying itself as an enabler committed to transporting what the world needs most to improve itself: energy. A profound, fundamental reason for being, which, faced with the current international situation, in which growing uncertainties and price volatility require resilient systems capable of resisting geopolitical shocks, has had to be combined with an ambition capable of fitting more effectively into its time and its tasks. Snam has thus chosen to clarify its commitment to a system of 'energy infrastructures for a sustainable future', thanks to which the great challenge of the energy trilemma - to guarantee secure, competitive and environmentally friendly supplies - can be tackled with confidence, fostering the resilience, adaptability and transition of the territories served. In this perspective, the Group's engineering tradition and its ability to lead the country with competence and responsibility are further enhanced by innovation and the central role of people, becoming the drivers of a harmonious path that, by preserving the balance of the energy system, leads at the same time to the goal of Carbon Neutrality and the subsequent goal of Net Zero, as represented in the first Transition Plan. All in the name of unwavering values.

We support the world that changes

We play an essential role for sustainable development of our economies, the environment and society as a whole in an ethical and transparent manner. As our infrastructure integrates with the territory, so we evolve with the changing world. This means being at the forefront of the energy transition and infrastructure development, always providing our people with opportunities for growth.

We promote safety

We are committed to ensuring safety. We combine the process to progress, we operate in a way sure, we take care of communities and the environment in which we live, guaranteeing Europe the energy it needs.

We shape the future

We complete projects long-term, impressive and complex, helping to outline the economic and cultural scenario of tomorrow. Our abilities, united to the experience in infrastructure energetic, they allow us to have an overall vision and do as a guide to a larger system. Together we have the responsibility to imagine and shape a future that will go beyond us.

We connect to build opportunities

We are the connective tissue of our sector, we build energy networks, technology and humanity embracing Italy and unite the continents. We are aware that working together is essential to let ideas flow and multiply opportunities. We create inclusive bonds between us and with others others to be able to connect the world, community after community.

Together with the Group's vision, which intends to lead the evolution of the sector through an increasingly innovative sustainable energy network, purpose and ambition will help Snam to better face the many challenges of the future, from an environmental impact that wants to become positive to the increasingly widespread digitalisation of managed systems, from the concrete connection with local communities to the development of energy transition businesses. To achieve these objectives, as highlighted in the 2025-2029 Strategic Plan, Snam has declared significant investments in the energy transition, through the advancement of key initiatives such as the Ravenna CCS project and the SouthH_2 Corridor. Further attention is paid to the reconversion of biomethane plants and energy efficiency solutions.
In this way, Snam intends to realize its ambition by creating value for all stakeholders, through two strategic levers: sustainability and innovation.
Sustainability and innovation continue to be the strategic levers to support Snam's ambition to become a leading pan-European multi-molecule energy operator.

3.2 OUR HISTORY

1941 > 1999

THE BIRTH OF A GREAT STORY OF ENERGY AND INNOVATION

ESTABLISHMENT OF SNAM - On 30 October 1941, the National Methane Pipeline Company for the construction and use of methane pipelines, and the distribution and sale of gas, is established.

THE METHANISATION OF ITALY - From 1960 to 1980, the network in Italy is quadrupled, reaching almost 15,000 km of total length in 1980. Import pipelines from Holland, Siberia and Algeria are built.

SNAM COMPLETES THE TRANSMED - In 1983, construction of the Transmed pipeline was completed. Known as the "pipeline of records" – at the time, one of the longest in the world – it carries Algerian gas over more than 2,400 kilometres, crossing the Mediterranean and Italy from Sicily to Lombardy.

UPGRADING THE GAS PIPELINES - Snam completes upgrade works on the import pipelines from Northern Europe and begins construction of an additional entry line from Russia and from Libya via the offshore pipeline, Greenstream.

THE FIRST ENVIRONMENTAL BALANCE SHEET - Snam publishes its first Environmental Balance Sheet, a voluntary tool
adopted to make public data related to atmospheric emissions, waste management, land and biodiversity protection etc.

2000 > 2011

MARKET LIBERALIZATION AND THE STOCK MARKET LISTING

LISTING ON THE STOCK EXCHANGE - Rete Gas Italia is founded, later renamed Snam Rete Gas (SRG), which takes over Snam's technological assets and skills in the transportation sector. In 2001, GNL Italia was founded to manage the regasification activities of liquefied natural gas. On 6 December 2001, with the liberalisation of the gas market in Italy and the corporate separation from the transportation and dispatching activities of the gas supply and sales activities, Rete Gas Italia, renamed Snam Rete Gas, was listed on the Mercato Telematico Azionario managed by Borsa Italiana. Since March 18, 2002, the stock has been included in the MIB30 index.

THE ACQUISITION OF ITALGAS AND STOGIT - Snam Rete Gas acquires 100% of Stogit and Italgas from Eni for a total of 4,509 million euros. The operation creates a new group that represents an integrated operator of absolute relevance in the regulated activities of the gas sector, first in continental Europe in terms of size of capital invested for regulatory purposes or RAB (Regulated Asset Base)..

INCLUSION IN SUSTAINABILITY INDICES - Snam Rete Gas (SRG) is included in the FTSE4Good family of sustainability indices, which are internationally recognised by the financial community for their importance and influence in the composition of benchmarks and ethical portfolios.

THE FIRST SUSTAINABILITY REPORT - SRG publishes the Group's first Sustainability Report for the 2006 reporting year.

2012 > 2019

THE NEW CORPORATE STRUCTURE AND INTERNATIONAL EXPANSION

THE NEW CORPORATE STRUCTURE - The company name is changed from Snam Rete Gas to Snam, marking the introduction of a new corporate structure. Snam assumes the role of corporate company that controls 100% of the four operating companies focused on the management and development of theirrespective businesses (Stogit for storage, Italgas for distribution, Snam Rete Gas for transportation and dispatching and GNL Italia for regasification), in line with the provisions of the Third Energy Package of the European Union.

INTERNATIONAL ACQUISITIONS AND GROUP EXPANSION - Since 2012, Snam has launched a series of acquisitions (Interconnector Limited, DESFA, Teréga, TAG and TAP) to expand its international presence. Snam also signed several agreements and Memoranda of Understanding for business expansion (e.g.development of methane stations with Enel) and in 2017 acquired ITG and a share of Adriatic LNG.

OWNERSHIP SEPARATION FROM ENI AND ITALGAS - Cassa Depositi e Prestiti completes the closing of the acquisition transaction from Eni of a 30% stake in Snam's capital. As a result of the transaction, Snam is no longer subject to the control, management and coordination of Eni in accordance with the provisions of the Prime Ministerial Decree of 25 May 2012. Snam also sells a portion of its stake in Italgas, which is listed on the stockexchange.

SNAM PRESENTS THE RESTYLING OF THE BRAND IDENTITY - Snam relaunches its brand identity, renewing its logo and values that will accompany the company in its future challenges, from the creation of infrastructure to guarantee stable and secure energy supplies to the development of gas as a renewable source. 'Energy to inspire the world' is the message around which Snam's strategic repositioning revolves, in an increasingly global market characterised by changes and innovations that are transforming the energy and environmental scenarios.

2020 > TODAY

SNAM'S GROWTH AND SUSTAINABILITY

THE CHALLENGE FOR ENERGY SECURITY - Snam is addressing the challenges of the 'Energy Trilemma', in particular for the recovery of full energy security following the Russian-Ukrainian war, by developing its activities in the regasification business, through the purchase of two floating units (FSRU) with an annual regasification capacity of 5 billion cubic metres of gas each, the increase in the shareholding, from 7.3% to 30%, of Terminale GNL Adriatico and the expansion of the regasification capacity of OLT, from 3.75 to approximately 5 billion cubic metres per year, becoming the third European operator. Snam also strengthens its storage business, through the acquisition of 100% of Edison Stoccaggio, renamed Stogit Adriatica, and continues its further international expansion along the South-North Corridor, assuming a key role in the energy security of Italy and Europe, with the joint venture acquisition of 49.9% of SeaCorridor and ensuring reverse flow to Austria.

ENERGY TRANSITION - Snam opens up to non-business regulated related to the energy transition: biomethane, mobility sustainable, energy efficiency and creates a Business Unit entirely focused on the development of hydrogen and CCS. It plays a fundamental role in the energy transition by supporting key initiatives such as the Ravenna CCS project and the SouthH_2 Corridor. It places great emphasis on developing energy efficiency solutions and promoting the network integration of biomethane plants, to create a solid biomethane and biogas production platform. The objectives, actions and resources that Snam will deploy are collected in Snam's first Transition Plan, presented in October 2024. A transparent roadmap to support a credible transition to Net Zero by 2050, underpinned by clear governance, with actionable initiatives on emissions reduction and biodiversity and the growing role of sustainable finance.

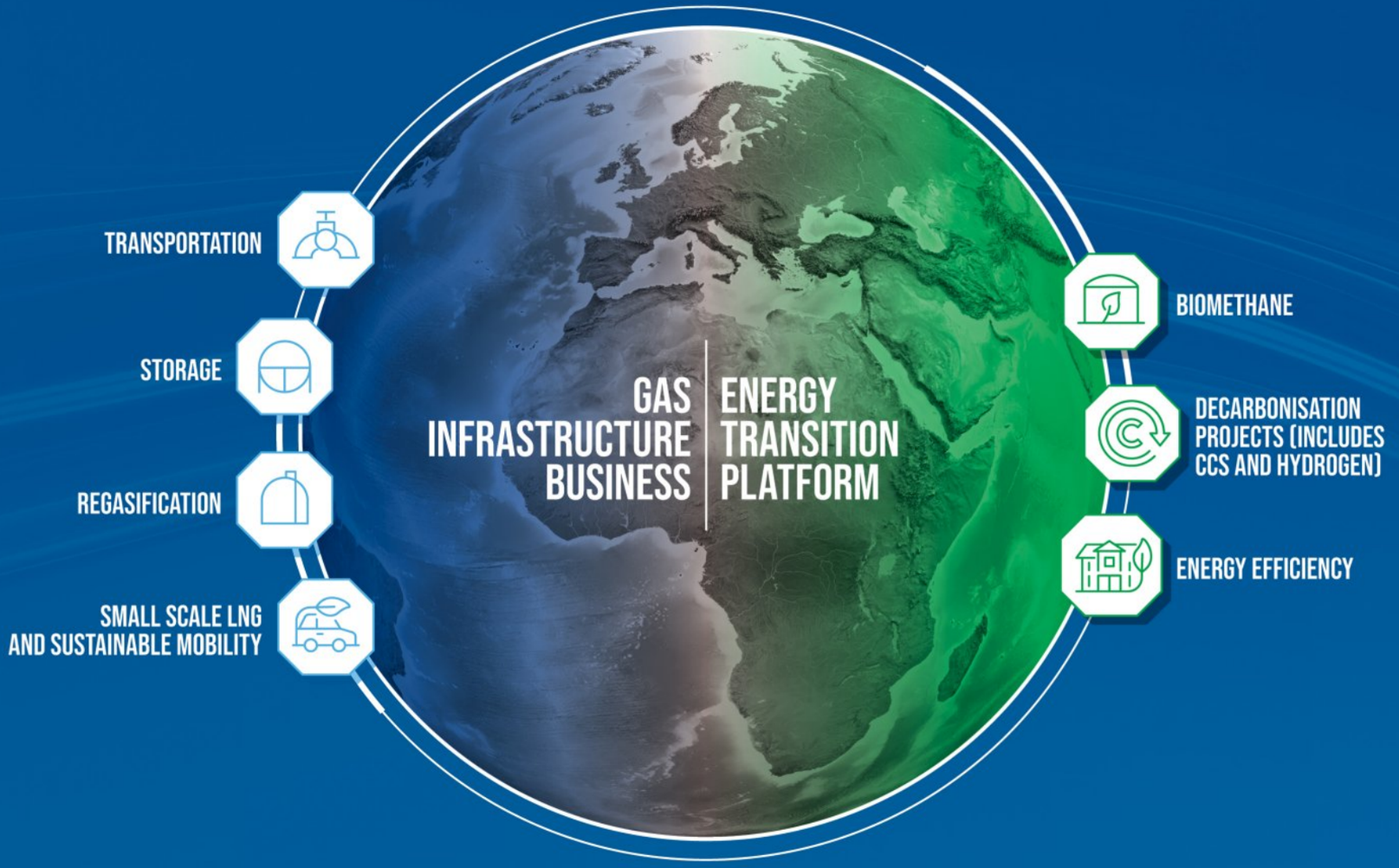
CREATING A PAN-EUROPEAN MULTI-MOLECULE INFRASTRUCTURE OPERATOR - At a crucial time for the energy sector, when growing uncertainty and price volatility demand resilient systems capable of withstanding geopolitical shocks while enabling the transition to Net Zero, Snam continues to provide a digitalised, efficient and secure energy infrastructure to ensure stable supply in Italy and across Europe. The corporate strategy focuses on investments in multi-molecule infrastructure, supporting the energy transition through green gases, carbon capture and storage technologies and a strong commitment to innovation and environmental and social sustainability.
The Group renews its ambitious decarbonisation objectives: 40% reduction in Scope 1+2 emissions and 30% reduction for Scope 3 by 2030, Net Zero for all emissions by 2050, net positive impact on biodiversity in 2027.

3.3 SNAM'S BUSINESSES

For over 80 years, Snam has been involved in the transportation, dispatching, storage and regasification of natural gas, its core businesses, in the European and national energy context, ensuring energy security.

Aware of the landscape in which it operates, the company has progressively integrated the Energy Transition Platform businesses - biomethane, hydrogen and energy efficiency - into its activities, becoming one of the enablers of the energy transition, which will also play a key role in achieving energy independence.

In a synergetic manner and by leveraging its know-how, sustainability and innovation, all of Snam's businesses, as a whole, will contribute to achieving Snam's emission reduction targets - carbon neutrality by 2040 and zero net emissions by 2050 - and, at the same time, to creating a pan-European multi-molecule infrastructure, i.e. capable of transporting and storing not only natural gas, but also renewable gases such as hydrogen and biomethane, at national and European levels.



3.3.1 Gas Infrastructure Business

Storage

Natural gas storage plays a crucial role in balancing the different needs between gas supply and consumption, ensuring continuity of service even in the event of sudden reductions in supplies or increases in demand.
Snam, through its subsidiary Stogit, manages nine storage facilities integrated with the Group's transportation and regasification infrastructures, contributing to national energy security. The plants are capable of expressing more than 17% of the entire European capacity.
Storage is essential to manage fluctuations in demand related to seasonal dynamics, representing a real mitigation strategy against unforeseen events, unexpected increases in demand due to extreme weather conditions or interruptions in extra-European supplies. The system, by implementing increasingly flexible supply and injection campaigns, allows gas to be stored during periods of lower demand, such as summer, to make it available during peaks in demand or in the event of temporary interruptions in imports, typically as in winter, thus ensuring national energy security.
In July 2024, Snam signed a binding agreement to purchase Edison Stoccaggio from Edison, a company that operates three storage facilities with a total capacity of approximately 1.1 billion cubic metres per year. The acquisition, which obtained the necessary authorizations required by the applicable antitrust and golden power regulations, has allowed Snam to further strengthen its industrial structure in the storage of natural gas, essential for energy security, reaching a total capacity of approximately 18 billion cubic metres (of which 4.5 billion cubic metres of strategic reserve),corresponding to over 17% of European capacity.

Transportation

Through its transport business, Snam manages the movement of natural gas from import points, regasification plants and production and storage centres distributed throughout the country to delivery points connected to import lines. From here, the gas is further transported and delivered to delivery points connected to local distribution networks and to large industrial and thermoelectric users.
Snam guarantees the transportation of natural gas throughout the entire Italian territory through a widespread network of gas pipelines managed by the subsidiary Snam Rete Gas. This system ensures high standards of safety and environmental sustainability, avoiding road transportation, which is less efficient and less reliable. Thanks to its consolidated know-how, Snam designs and builds infrastructures in harmony with the environment, combining operational efficiency and respect for the territory.
Snam, with the intention of ensuring energy distribution and security at a national level, uses 13 compression plants positioned along the gas pipeline network which, by maintaining the gas pressure constant during its journey, ensure a regular flow.
Furthermore, Snam has equipped itself with 8 Districts and a Dispatching Centre, the latter being the technological heart of the Italian gas network, to supervise and control the activities of the 48 Maintenance Centres distributed throughout the country.
Through the Jarvis IT platform, users of Snam's transportation services (known as shippers) can carry out gas sales and exchanges near the Virtual Trading Points (VTP) of the national network.

Regasification

Natural gas can be imported in its gaseous state, via the gas pipeline network, as an alternative to its liquid state (LNG), transported by methane tankers. These practices represent a global resource that contributes to strengthening energy independence. In addition to liquefaction plants, floating storage and regasification units (FSRUs) provide further support, improving the security and diversification of energy supplies in Italy.
The regasification process of liquefied natural gas (LNG) arriving in Italy by sea is managed through GNL Italia and Snam FSRU Italia, two companies controlled by Snam.
Natural gas, extracted from deposits, is subjected to a cooling process that transforms it into a liquid state, significantly reducing its volume. This allows for more efficient transportation via LNG carriers, making it easier to import into the country.
The Panigaglia terminal, located in La Spezia and built in 1971, represents the first regasification plant built in Italy, occupies an area of approximately 45 thousand square metres and includes two storage tanks of 50 thousand cubic metres each, with vaporization systems and a jetty for docking methane tankers. The design, construction and management of the terminal follow rigorous international standards and are based on the most advanced technologies to ensure safety and environmental protection.
Snam also purchased two floating units (FSRU), Golar Tundra, renamed Italis LNG in June 2024, located in Piombino in Tuscany and BW Singapore, located in Ravenna in Emilia-Romagna, terminals capable of storing and regasifying natural gas. The ships, positioned near a port area, docked at the quay and anchored offshore, receive LNG at a temperature of -160°C from other methane tankers, which subsequently regasify it, returning it to a gaseous state, to then feed it into the national gas transportation network.
In addition to being equipped with advanced leak detection tools and emergency systems, FSRUs are known to be safe, secure and low-impact infrastructures in terms of safety.
Both Snam regasification terminals have a maximum storage capacity of about 170 thousand cubic metres of liquefied natural gas and a nominal continuous regasification capacity of around 5 billion cubic metres per year.

Small scale LNG and sustainable mobility

The geopolitical dynamics that have characterized the global context in recent years and that drive price instability, and, in addition, the need to guarantee Italy's energy independence, have pushed Snam to redefine the strategy of its assets, including that of Greenture.
Greenture's mission is to promote the energy transition in the land, maritime and rail transportation sectors, as well as for off-grid industrial users, through the development of infrastructures dedicated to the use of Bio C-LNG (compressed and liquefied natural gas of biological origin), hydrogen (H_2) and other green molecules.
The Company was founded in 2017 with the aim of promoting the decarbonisation of transportation through the creation of a network of Bio C-LNG and H_2roadside refuelling stations.

Over the last three years, Greenture has expanded its scope of activity to include the automotive sector (with an ever-increasing focus on heavy transport), the railway sector and the naval sector. This development aims to consolidate Snam's role as a reference infrastructure operator in midstream and Small Scale LNG infrastructure projects, which include small liquefaction units and tanker truck loading, with the aim of relaunching sustainable mobility and the decarbonisation of the off-grid industrial segment in Italy.

3.3.2 Energy Transition Businesses

Snam, through the development of a multi-molecular infrastructure that is modular, flexible and cutting-edge, aims to ensure greater flexibility of the energy system; aims to enhance its Energy Transition platform, focused on the use of advanced technologies for decarbonisation.

Biomethane

Biomethane contributes significantly to achieving the emission reduction targets set at European and national level, being a renewable and sustainable energy source. Thanks to its properties, biomethane can be introduced into existing infrastructures, bringing significant benefits from both an economic and environmental point of view.

Through the experience and technical know-how of Bioenerys, Snam is dedicated to promoting the development of biomethane infrastructure and encouraging its diffusion on a national scale. The goal is to contribute to the creation of value, support the energy transition of the Italian system and facilitate the achievement of decarbonisation objectives. Bioenerys is a leading player on an industrial scale, with 35 plants in operation by the end of 2024, equivalent to 40 MW of biomethane and biogas capacity.

bio enerys

Decarbonisation Projects

Snam's initiatives relating to hydrogen and carbon capture and storage projects are managed by Decarbonization Projects, a function established in July 2022, dedicated to promoting and accelerating the adoption of hydrogen, both in industrial applications and in sustainable mobility, enhancing the positive role of this energy vector in supporting the achievement of European and global decarbonisation objectives.
In fact, hydrogen does not produce emissions of carbon dioxide or other gases that contribute to climate change. Its high versatility allows it to be used both in industrial applications (thermal, feedstock and fuel cells) and in the sustainable mobility sector (trains, fuelling stations for light and heavy vehicles, airports) and, in particular, in hard-to-abate sectors.

In addition, CCS represents a further opportunity to decarbonize the most emitting sectors, where carbon is an integral part of the production process and cannot be replaced by alternative energy sources. Snam, also through public funding sources, intends to play a leading role in the development of infrastructure dedicated to the transportation and storage of $_{CO2.}$

A relevant example is the Ravenna CCS project, the first of its kind in Italy, created in collaboration with Eni and included in the list of Projects of Common Interest (PCI) of the European Commission.

Energy efficiency

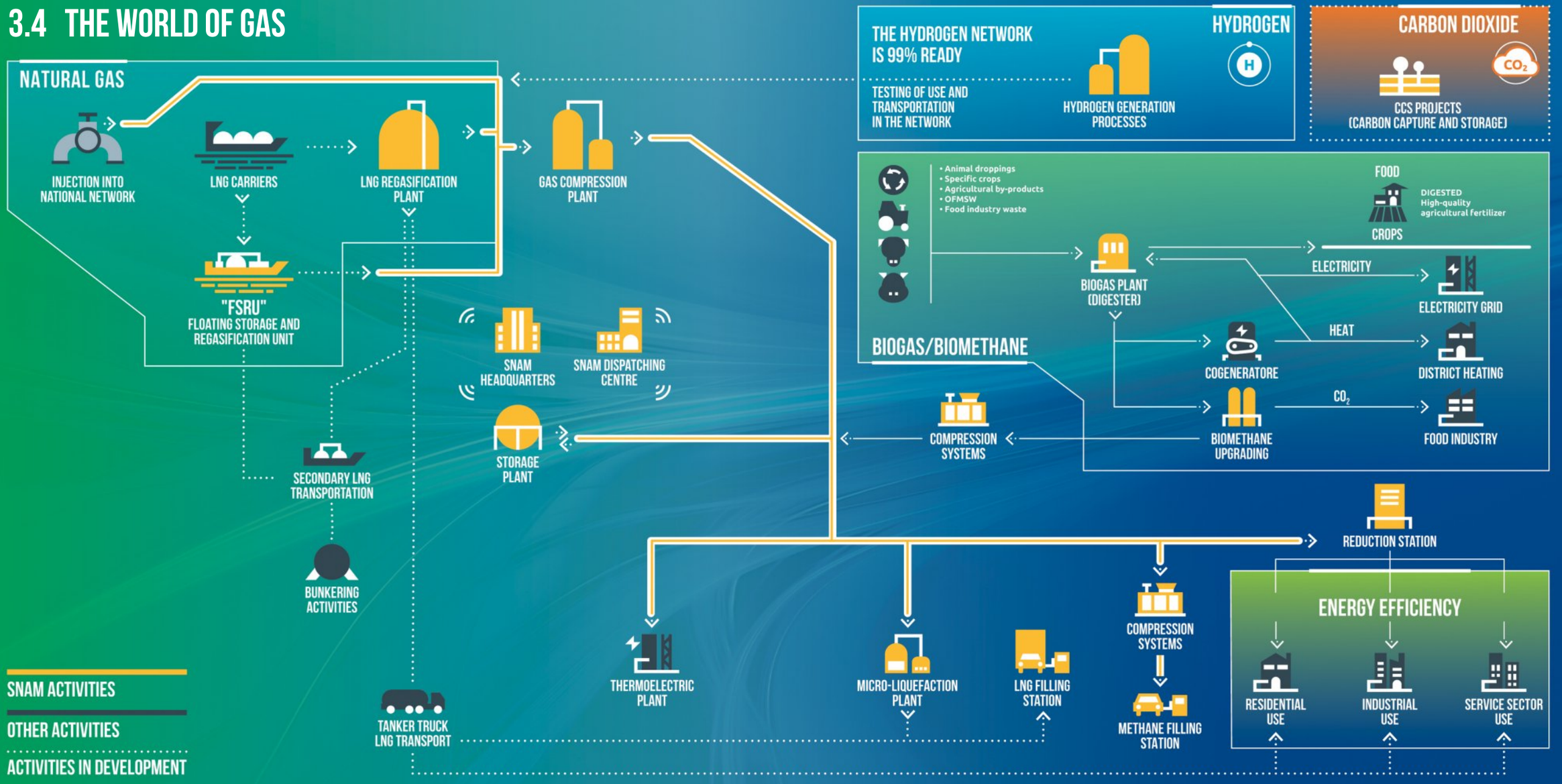
Energy efficiency is a key element in the fight against climate change and in building sustainable and competitive economic systems, contributing to decarbonisation, promoting economic and social development, and stimulating technological innovation in a neutral way. Aware of the critical role of energy efficiency, the European Union, in the Clean Energy for All Europeans strategy, has set the target of improving efficiency by 32.5% by 2030 compared to 1990 levels. Interventions aimed at energy efficiency, financed by incentives at national and local level, as well as by third parties, allow a more rational use of energy resources, contributing to the reduction of consumption and, consequently, of energy costs and environmental impact, to the benefit of citizens, businesses and public bodies, also in economic terms.

renovit

Snam is currently one of the main operators in Italy in the field of energy efficiency services, operating in the residential, industrial, tertiary and Public Administration sectors through its subsidiary Renovit. The latter was founded in 2021, thanks to a partnership between Snam and CDP Equity, obtaining B-Corp certification in early 2022 and Benefit Corporation *status* in 2023. Through Renovit, Snam offers innovative solutions to improve energy efficiency, investing directly in decarbonisation and digitalisation interventions and promoting energy self-consumption.

For more information on Snam's individual businesses, please refer to the chapters 'Strategic Plan, The Energy Infrastructure for a Sustainable Future: the 2025-2029 Strategic Plan' and, for separately disclosed businesses, in the chapter 'Operating Performance by Business Segment' from the Directors' Report. In Annex 2 - Data and performance indicators of the 2024 Consolidated Sustainability Statement, the sustainability performances are reported.

3.4 THE WORLD OF GAS



3.5 GROUP STRUCTURE AT 31 DECEMBER 2024

ENERGY TRANSITION

BIOMETHANE

Bioenerys S.r.l. 100%

BIOMETANO - AGRI

Bioenerys Agri S.r.l. 100%

- Biogas Bruso Società Agricola a r.l. **99,90%**
- BYS Società Agricola Impianti S.r.l. **100%**
- Emiliana Agroenergia Società Agricola S.r.l. **100%**
- Govone Biometano S.r.l. **100%**
- Maiero Energia Società Agricola a r.l. **100%**
- Moglia Energia Società Agricola a r.l. **100%**
- MST S.r.l. **100%**
- MZ Biogas Società Agricola a r.l. **99,90%**
- Società Agricola Agrimetano Pozzonovo S.r.l. **100%**
- Società Agricola Agrimetano Ro S.r.l. **100%**
- Società Agricola Carignano Biogas S.r.l. **100%**
- Società Agricola La Valle Green Energy S.r.l. **100%**
- Società Agricola Sangiovanni S.r.l. (**50%** Bioenerys Agri **50%** SQ Energy)
  - Società Agricola G.B.E. Gruppo Bio Energie S.r.l. **100%**
  - Società Agricola Zoppola Biogas S.r.l. **100%**
- Società Agricola SQ Energy S.r.l. **100%**
- Società Agricola T4 Energy S.r.l. **100%**
- Zibello Agroenergie Società Agricola S.r.l. **100%**

BIOMETANO - WASTE

Bioenerys Ambiente S.r.l. 100%

- Biowaste CH4 Legnano S.r.l. **100%**
- BYS Ambiente Impianti S.r.l. **100%**
- CH4 Energy S.r.l. **100%**
- Enersi Sicilia S.r.l. **100%**

ENERGY EFFICIENCY

Renovit S.p.A. 60.05%

- Renovit Business Solutions S.p.A. **70%**
- Renovit Public Solutions S.p.A. **70%**
  - T-Lux S.r.l. **100%**
- Renovit Business Solutions S.r.l. **100%**

HYDROGEN

Asset Company 10 S.r.l. 100%

GAS INFRASTRUCTURE

TRANSPORTATION

Snam Rete Gas S.p.A. 100%

Asset Company 2 S.r.l. 100%

- Infrastrutture Trasporto Gas S.p.A. **100%**

Enura S.p.A. 55%

STORAGE

Stogit S.p.A. 100%

REGASIFICATION

GNL Italia S.p.A. 100%

Snam FSRU Italia S.r.l. 100%

MOBILITY & LIQUEFACTION

Greenture S.p.A. 100%

- Cubogas S.r.l. **100%**

OTHER

Gasrule Insurance D.A.C. 100%

Snam International B.V. 100%

SCOPE OF CONSOLIDATION

ACCOUNTED FOR USING EQUITY METHOD

NATIONAL EQUITY INVESTMENTS:

Ecos S.r.l. **33.34%**
EIS S.r.l. **40%**
Industrie De Nora S.p.A. **21.59%**
Italgas S.p.A. **13.46%**
OLT Offshore LNG Toscana S.p.A. **49.07%**
SeaCorridor S.r.l. **49.90%**
Terminale GNL Adriatico S.r.l. **30%**
Zena Project S.p.A. **35.93%**

INTERNATIONAL EQUITY INVESTMENTS:

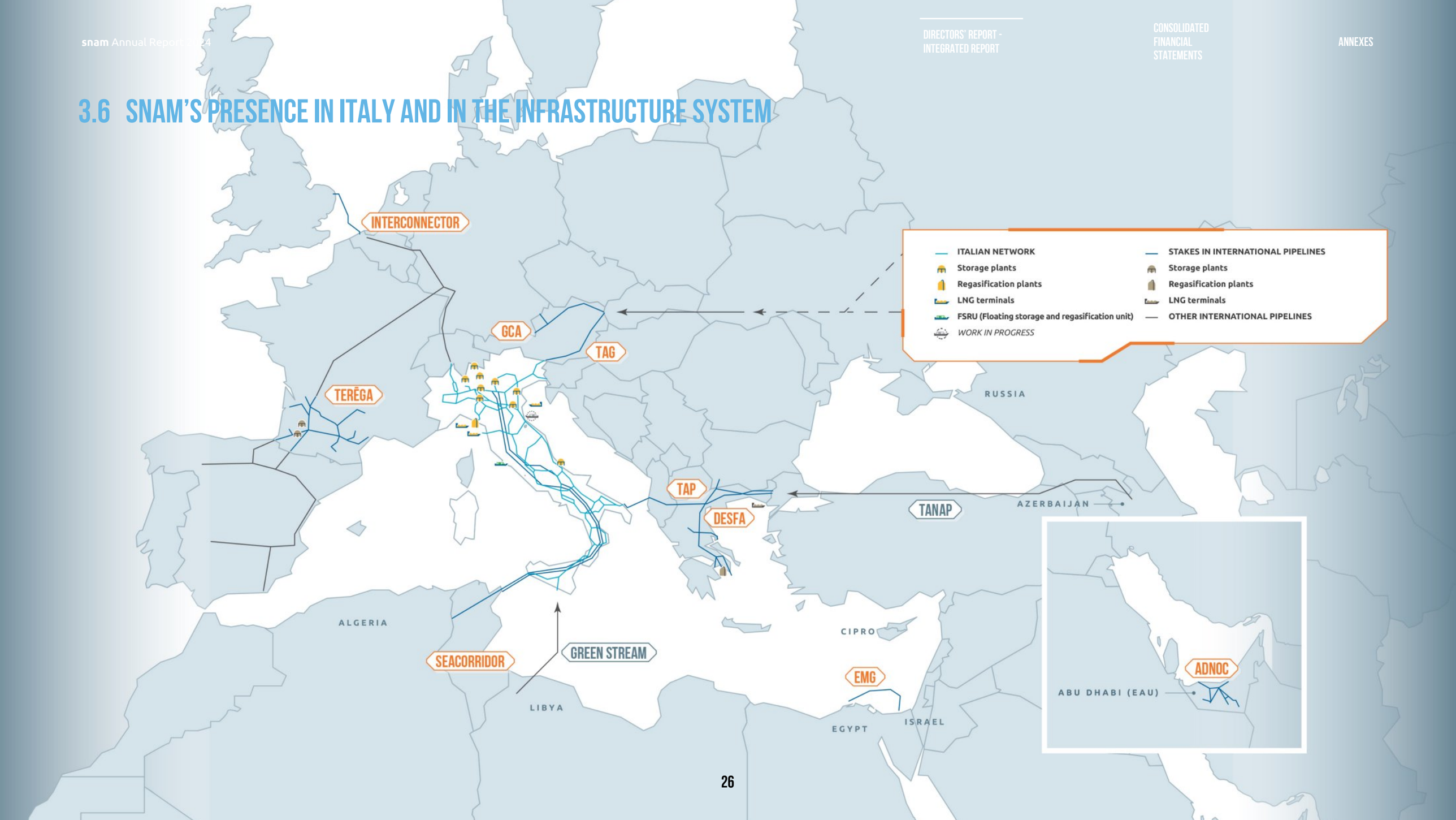
AS Gasinfrastruktur Beteiligung GmbH **40%**
dCarbonX Limited **50%**
East Mediterranean Gas Company S.A.E. (EMG) **25%**
Galaxy Pipeline Assets HoldCo Limited **12.327%**
Interconnector Limited **23.68%**
Interconnector Zeebrugge Terminal B.V. **25%**
Teréga Holding S.A.S. **40.50%**
Trans Adriatric Pipeline AG (TAP) **20%**
TAG GmbH **84.47%**
Senfluga Energy Infrastructure Holdings S.A. **54%**

The changes in the scope of consolidation of the Snam Group at December 31, 2024 compared to December 31, 2023 concerned:

1. merger by incorporation:
   - of 12 companies, active in the business of biomethane from agricultural waste and biomass, into BYS Società Agricola Impianti S.r.l., and 1 company into Bioenerys Agri S.r.l.,
   - of 7 companies, owners of plants for the production of biomethane from FORSU, into BYS Ambiente Impianti S.r.l.;
   - of FSRU I Limited, the owner of the Floating, Storage and Regasification Unit (FSRU) 'BW Singapore' into Snam FSRU Italia S.r.l.;
   - of the company Ravenna LNG Terminal Srl, owner of the maritime terminal, off the port of Ravenna, where the storage and regasification vessel (FSRU) 'BW Singapore' will be moored and connected to the transportation network, in Snam FSRU Italia Srl;
2. the sale of Renerwaste Cupello S.r.l., owner of a development project for a plant for the production of biomethane from OFMSW, 85% owned by Snam through its wholly-owned subsidiary Bioenerys Ambiente S.r.l.;
3. the entry into the perimeter of the company Govone Biometano S.r.l, in light of the start of the construction activities of the biomethane production plant from agro-industrial waste.

For more information on additional investee companies, please refer to the **Annexes to the Notes to the 2024 Consolidated Financial Statements**.

3.6 SNAM'S PRESENCE IN ITALY AND IN THE INFRASTRUCTURE SYSTEM

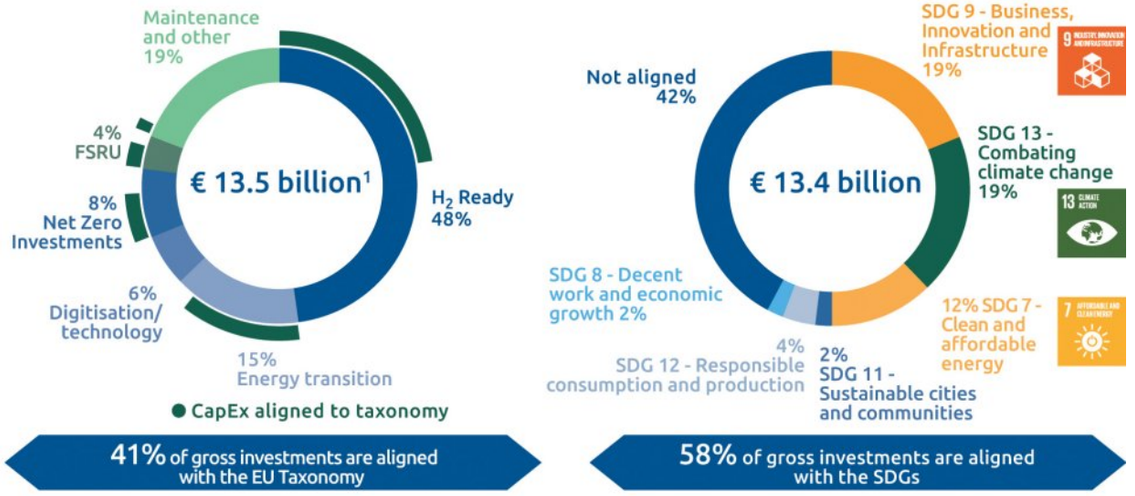


4 STRATEGIC PLAN

4.1 ENERGY INFRASTRUCTURE FOR A SUSTAINABLE FUTURE: 2025-2029 STRATEGIC PLAN

With the new Strategic Plan, Snam intends to develop a pan-European multi-molecule energy infrastructure for a sustainable future, through the retrofitting and continuous modernisation of the network, to manage increasing volumes of decarbonised molecules in the future. In addition to this direction, Snam plans to continue developing and investing in the energy transition platform, namely biomethane, hydrogen, CCS and energy efficiency, adopting a technology-neutral approach. At the same time, investments in sustainability and transformative innovation, the two strategic levers enabling the achievement of the goals of the Strategic Plan and the Decarbonisation Strategy, will continue.

In light of the challenges and volatility that still remain in the global energy context, Snam intends to leverage the distinctive traits that characterize the Group, to become a strategic European player in the field of multi-molecule infrastructures. The geographical position and the network of assets located along the key energy corridors that connect North Africa with the main consumption centres in Central Europe are the basis of the Group's expected development by 2029. Flexible and resilient infrastructures contribute to this vision, being able to adapt to market fluctuations, thus supporting energy security and transition, as well as the role of early mover in the market of decarbonized molecules.



1. Overall composition of CapEx and alignment to Taxonomy (gross of subsidies), including approximately 150 million euros of assets for royalties, in accordance with IFRS 16.

The current geopolitical context confirms a dynamic balance within the energy system, characterized by the intrinsic volatility of electricity and gas prices and a growing global demand for energy. Therefore, it is a priority to continue to respond in a balanced manner to the challenges of the energy trilemma, ensuring security, sustainability and competitiveness of gas supply, as well as diversification of sources through resilient energy systems.

Further challenges are related to achieving the increasingly challenging decarbonisation targets. Sustainability and innovation, through targeted investments in decarbonised molecules and the development of improved and digitalised infrastructure, will be key levers for their achievement.

In this context, evolution and support at the regulatory and normative level are necessary to facilitate the transition.

The current scenario shows that the energy transition must make and maintain the energy system flexible and resilient, as well as decarbonise it. To this end, the transition needs to be inclusive and cost-efficient.

On this basis, Snam has outlined the 2025-2029 Strategic Plan, which provides for the creation of an integrated multi-molecule pan-European infrastructure.

With 80 years of technical and engineering experience, Snam is one of the most suitable companies to contribute to the energy transition and the security of the country system, also thanks to its innovative role in the diffusion of hydrogen. In Italy, in fact, in recent years, the foundations have been laid to promote the spread of green and decarbonised molecules, thanks to:

- a significant growth in the number of biomethane plants and their operational connections;
- a legislative framework for Carbon Capture & Storage (CCS) under development;
- the new National Strategy for Hydrogen, which sees a key role for infrastructure and a scenario of growing primary demand for hydrogen.

With the 2023-2027 Strategic Plan, Snam introduced its integrated strategic framework, where the gas infrastructure and the energy transition platform coexist enabled by the strategic levers of sustainability and innovation. With the new 2025-2029 Strategic Plan, Snam's integrated vision is realized and takes shape thanks to investments of 12.4 billion euros[6] within the Plan time horizon (+8% compared to the 2023-2027 Plan), destined both for the gas infrastructure businesses - transportation, storage and regasification - and for the energy transition platform - biomethane, CCS, hydrogen and energy efficiency. Of these investments, 41% are EU Taxonomy-aligned and 58% are SDG-aligned.
400 million euros are instead allocated to the two strategic levers, aimed at achieving the business and other objectives set out in the Plan.

Of the 13.4 billion euros foreseen for the 2025-2029 Plan, which also includes public funding of 1 billion euros, 70% will be dedicated to investments in energy efficiency or green and decarbonised molecules, in particular:

- **25% will be dedicated to reducing emissions, through the installation of electric compression stations and leak detection and repair (LDAR) systems, and decarbonised molecules, through the direct construction of biomethane plants, the connection of biomethane plants to the grid, the development and diffusion of hydrogen, CCS and the continuous development of energy efficiency;**
- **45% of the investments will be in infrastructure that meets H_2-ready technical standards.**

The remaining part of the investments will be allocated to energy security, through investments in LNG and maintenance activities (21%) and support activities (9%).

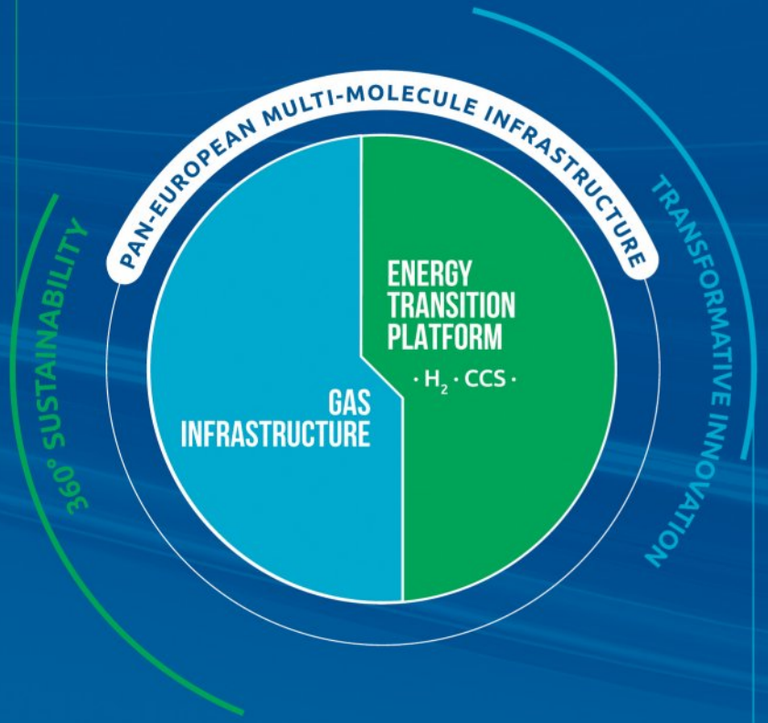
[6] Net of public funding of approximately 1 billion euros.

Snam's strategy includes a sustainability program that confirms the commitments defined in 2023, including the reduction of emissions, the protection of biodiversity and territorial regeneration.

Part of how Snam will achieve the goals established in the Strategic Plan is through collaboration with its subsidiaries – grouped into clusters to reflect their role with respect to short- and medium- to-long-term strategic objectives – as well as ongoing commitment across the various sustainability aspects monitored in the Sustainability Scorecard and to Snam Foundation activities.

Sustainability at 360°

- Developing an even more integrated sustainability strategy
- Updating the Sustainability Scorecard to measure progress on the 7 pillars of sustainability by 2029



GAS INFRASTRUCTURE TO ENSURE ENERGY SECURITY

- Completion of the Adriatic Line;
- Replacement of approximately 850 kilometres of pipeline with hydrogen-ready standards;
- Installation of three dual-fuel compression stations;
- Biomethane plant connection projects;
- Expansion and upgrading of storage sites;
- Investments related to Edison Stoccaggio's assets;
- Commissioning of the Ravenna FSRU;
- Construction of small-scale infrastructure in Panigaglia and Pignattaro.

ENERGY TRANSITION PLATFORM TO ACCELERATE DECARBONISATION

- Development of CO_2 transport at national and the infrastructure of storage at Ravenna;
- Launch of the SoutH2 Corridor project, the 2,300-kilometres long Italian hydrogen backbone;
- Promotion and optimisation of the Biomethane network integration;
- Reconversion of plants and capacity expansion to 78 MW by 2027;
- Movement of Snam's asset portfolio in the energy efficiency business to industrial customers and Public Administration.

Transformative innovation

- Digitisation and optimisation of asset management systems and industrial processes
- Development of Artificial Intelligence
- Use of innovative technologies for the development of decarbonised molecules
- Development of proven innovation and open innovation projects

4.2 BUSINESS FOCUS

Gas infrastructure

10.9 billion euros (+6% compared to the previous Plan) are allocated to the sustainable development of gas infrastructures, divided between transportation, storage and regasification.

Snam will invest 8.0 billion euros in transport-related projects, mainly H_2-ready, including the completion of the Adriatic Line[7] 1, which will allow to increase the transportable gas capacity along the South-North axis by adding 10 bcm per year, the start of the connection works with the biomethane plants, and the initiatives for the reduction of emissions, including the construction of three dual fuel compression stations.

Furthermore, part of the investments related to the transport of natural gas (approximately 2.2 billion euros) 2 will be allocated to the replacement of approximately 850 km of network, following the prioritisation defined on the basis of the asset health methodology and agreed with the Regulator.

The Asset Health Methodology (AHM) developed by Snam's main objective is to define a structured and effective method by which transportation operators can assess the 'health' of their infrastructure and which can also be used as an additional tool to support investment decisions to replace obsolete or fully depreciated assets.
For more information, please visit https://www.snam.it/it/i-nostri-business/trasporto/metodologia-asset-health.html.

As for storage, 2 billion euros are expected over the Plan time horizon, destined to the replacement of obsolete wells to optimize their performance, to the expansion and enhancement of storage sites, to the installation of three dual-fuel compression stations and to investments related to the assets of Edison Stoccaggio, whose acquisition was finalized in March 2025. The aim of these investments is to make the storage system more flexible, as well as optimised and improved.

Lastly, investments of 0.9 billion euros are planned for the natural gas regasification business, primarily allocated to the commissioning of the Ravenna FSRU (BW Singapore) 3, which will help increase the volume of LNG that can be imported into the country and, as a result, enhance energy security.

In line with the 2025-2029 Strategic Plan, Snam plans to invest in the infrastructure needed to connect the FSRUs to the national grid, in the works for the relocation of the Golar Tundra and in the commissioning of the BW Singapore, thus consolidating the Company's commitment to the diversification of energy sources and the creation of innovative and sustainable infrastructure to guarantee the country's energy security.

Through its subsidiary Greenture, Snam will invest in the construction of small-scale infrastructures that will affect both Northern and Southern Italy. 4 - in particular in the Panigaglia and Pignataro sites.

Snam, in continuity with previous years, within the scope of the 2025-2029 Strategic Plan, intends to focus on the development of Small-scale LNG infrastructure in Panigaglia (readaptation of the regasification terminal for loading tanker trucks), on the expansion of the networks of Bio UFG, LNG and H_2 stations, on the adaptation of regasification terminals, on the construction of micro-liquefaction plants in Pignataro and on the construction of coastal depots.

[7] The Adriatic Backbone project will also leverage REPowerEU funding of 0.4 billion euros.

Energy Transition Platform

The second guideline on which the 2025-2029 Strategic Plan is developed is that of the energy transition platform as a contribution to decarbonisation. To this end, Snam has dedicated 1.5 billion euros (+25% compared to the previous Plan) divided between projects aimed at the deployment of biomethane, CCS, hydrogen and energy efficiency.

Biomethane

The energy transition towards biomethane is reaching an important level of maturity thanks to the developments promoted by Snam. The company has created a unique platform for the production of biomethane[8], which focuses on the development of agricultural raw materials and the optimization of waste raw materials, with a leading presence in Northern Italy and selected plants in other regions.

In this context of strong development of the biomethane market, Snam, through its subsidiary Bioenerys, intends to dedicate approximately 350 million euros, gross of public funding of 80 million euros, to the reconversion of the plants and the expansion of the capacity to 78 MW by 2027, taking advantage of the existing incentive framework, to the strengthening of its platform through the conversion and upgrade of 25 plants, with the aim of improving their efficiency and performance. This plan also includes the monetization of the biomethane production platform, as required by the regulator, and the optimization of the processes for connecting the plants to the grid.

With this in mind, Snam plays a dual role in the biomethane business to maximise its potential: on the one hand, by facilitating the interconnection of plants to the network, and on the other, by developing and building plants with a focus ranging from the organic fraction of municipal solid waste (so-called FORSU) to the increasingly strategic agricultural raw materials.

At the end of 2024, Bioenerys has 35 plants in operation with approximately 40 MW of biomethane and biogas capacity - 9 in the waste sector with 14 MW of capacity and 26 in the agricultural sector with 26 MW of capacity. In order to strengthen its role as a major player on an industrial scale, Bionerys has submitted 14 new projects in January 2025, with an additional capacity of 31 MW.

Decarbonisation Projects

Analyses carried out at the international level by the IPCC, IEA and the European Commission show that, among the technologies that can be effective in the short to medium term in achieving decarbonisation targets, those related to carbon capture and storage (CCS) are a valid tool in which to invest.

Snam intends to be at the forefront of the development of infrastructure for the transportation and storage of CO_2, with around 900 million euros of investments planned over the period of the Plan (500 million euros net of public funding). The net investment will be split into approximately 200 million euros for CO_2 injection and storage and 300 million euros for the dedicated national network. The final investment decision will be made by the end of 2026, provided that returns are adequate and that the regulatory and legislative frameworks are favourable. The project to develop the national CO_2 transportation and storage infrastructure in Ravenna is fundamental for the decarbonization of Italy's hard-to-abate industries.

With the start of the industrial phase, which will be operational from 2026 and open to industrial emitters, the Ravenna CCS project aims to become the most important in the Mediterranean area, with depleted deposits and a total capacity of over 500 million tonnes of CO_2. In the coming years, Phase 2 will expand capacity to industrial scale to reach up to 4 million tonnes of CO_2 per year by 2028-2032, which may increase to 16 million tonnes of CO_2 per year after 2030, depending on demand and the regulatory environment.
The project envisages a progressive and modular development model, with a focus on the use of existing transportation infrastructure (15 km) and the construction of a new 176 km network to connect the main industrial clusters.

A solid market and regulatory framework that will ensure a return on investment will be essential for the development of the project. In this context, the Ravenna CCS project has already made significant progress, such as the inclusion in the list of Projects of Common Interest (PCI) of the European Commission and the support obtained through the national decree on energy[9] which laid the foundations for the development of the Italian CCS market.

Phase 1 injection activities began in August 2024 with the aim of capturing, transporting and storing CO_2 emitted by Eni's Casalborsetti natural gas treatment plant in the Municipality of Ravenna, estimated at around 25 thousand tonnes per year. The project is ensuring a CO_2 reduction level of over 90%, with peaks of up to 96%. These performances place Ravenna CCS as the first industrial-scale project in the world with such capture efficiency.

Further confirmation of the strategic role of this technology comes from the results of the market survey on CCS, conducted in February 2024 together with Eni, with the participation of 61 companies, for a total of 172 emission sites in Italy interested in the delivery of CO_2 volumes to Ravenna CCS, equal to 27 Mton/year in 2030 and 34 Mton/year in 2040. The analysis of the distribution of$_{CO2}$ volumes that can be delivered with respect to the number of plants in 2030 indicates that 80% of the deliverable volumes (corresponding to ~ 22 Mtpa) comes from 25% of the sites (equal to 40). The remaining 20% of the conferable volumes (~ 5 Mtpa) comes from 75% of the sites (equal to 118).

Together with CCS, hydrogen represents a valid option for achieving decarbonisation targets and realising the energy transition.

As part of the activities to replace and modernize the Group's transportation and storage assets, Snam confirms the H_2-proof approach, which involves verifying the compatibility of the Group's infrastructure for the transportation and storage of hydrogen, but also the definition of specific technical standards for gas transportation, the execution of physical tests, as well as the promotion of the development of the sector, also thanks to investments in integrated projects related to hydrogen.

By 2024, 99% of pipelines are H_2-ready, of which more than 2,000 km of network are certified H_2-ready by

[8] The plan provides for the deconsolidation of biomethane-related activities by the end of 2027, in accordance with ARERA provisions.
[9] Decree-Law 181/2023, amended by Law 11/2024, dedicates the entire article 7 to the geological storage of CO_2.

RINA[10], Snam plans to certify another 1,000, for a total of 3,200 km, by 2029.

Furthermore, looking to the future prospects, characterised by an increase in hydrogen demand volumes, Snam has continued to invest in its long-term strategy for the development of the infrastructure, with a particular focus on the SouthH_2 Corridor, an ambitious project that envisages the creation of a hydrogen transportation backbone that will cross the entire country, largely using repurposed existing infrastructure, and will connect the renewable hydrogen production areas of North Africa with the main consumption centres in Europe. The SouthH_2 Corridor represents a key solution for decarbonisation and energy security, allowing the import of significant volumes of hydrogen, essential for achieving the European climate objectives set by the REPowerEU plan.

In this regard, 380 million euros will be allocated to the Italian segment of the SouthH_2 Corridor, which is also included in the PCI list by the European Commission, as well as being one of the key projects under REPowerEU. In this project, Snam will play the role of enabler for the development of the hydrogen market on a continental level, working closely with other European TSOs, including TAG, GCA and the German Bayernets.

SouthH2Corridor

At a national level, the stretch of the South$_2$ Corridor (2,300 km) will be built using the existing infrastructure (between 60%-70%) and converting it to multi-purpose use, i.e. capable of transporting and storing not only natural gas, but also hydrogen, which can be exported thanks to the construction of compression stations up to 500 MW.

The SouthH_2 Corridor is the project to build a 3,300 km long hydrogen backbone linking North Africa, Italy, Austria and Germany, with the possibility of extending it to Greece and Switzerland as well, in order to meet national and European hydrogen demand at a competitive price.

Even in the case of hydrogen, the results of the market survey, carried out in February 2024, highlight the significant development potential of this sector, for which in the period 2031-2040, it is expected:

- an annual consumption of 19.8 TWh and a production of 10.8 TWh, in Italy;
- an estimated volume of 52.5 TWh/year of potential green gas export to Austria and Germany;
- a volume equal to 29.5 TWh/year of potential import from North Africa.

These data confirm the strategic role of hydrogen in the energy transition and decarbonisation process.

Energy efficiency

Snam will dedicate approximately 250 million euros of investment to energy efficiency through B Corp Renovit, aimed at further developing the portfolio towards customers in the public and industrial sectors, leveraging the distinctive technical expertise acquired over the years and Snam's widespread presence throughout Italy.

renovit

In fact, Renovit has built a leading role in the energy efficiency services sector, generating approximately 2 billion euros in deep redevelopment projects by leveraging incentives
tax, developing a solid base of energy performance contracts and energy requalification projects for companies, residential condominiums and Public Administration.

With the investments in Piano, Snam intends to increase its total portfolio of contracts to 2024 from around 1.4 billion euros to around 2.7 billion euros by 2029, of which more than 60% in the public sector, with long-term orders with an average duration of 11 years.

Thanks to Renovit and its work, around 72 thousand tonnes of CO_2 emissions will be avoided in 2024. By increasing energy efficiency and business opportunities, Snam has set itself the goal of exceeding 150 thousand tonnes of avoided emissions in 2029.

Strategic and enabling levers

The two strategic and enabling levers of the gas infrastructure and the energy transition platform are also confirmed in the 2025-2029 Strategic Plan: sustainability and innovation.

Lever: All-round sustainability (ALL-ROUND SUSTAINABILITY)

Snam's sustainability strategy adopts a 360-degree approach, fully integrated into the Group's operations and corporate strategy, with a commitment focused on seven drivers, each with specific ambitions to 2029.

❶ Green transition and ❷ Infrastructure multi-molecule
The first two pillars have as their main objective the development of the energy transition platform to enable the decarbonisation of the system and sustainable growth through an inclusive pathway, with a 'just transition' perspective.
In this context, Snam intends to focus on avoiding third-party emissions, up to 875 thousand tonnes in 2029.

❸Carbon neutrality
Snam's commitment to reducing emissions and decarbonising its activities has never stopped, however, the challenging global context has led the company to revise its interim targets.

The targets for reducing Scope 1 and Scope 2 greenhouse gas emissions by 2027, 2030 and 2032, equal to -25%, -40% and -50% respectively, the achievement of carbon neutrality by 2040 and the achievement of net zero emissions across all emission categories (i.e. Scope 1, Scope 2 and also Scope 3) by 2050, have been confirmed. All objectives are aligned with SBTi's general methodology.

[10] According to the ASME B3.12 methodology.

With reference to methane emissions, in light of the satisfactory performance of the last few years, which saw a 62% reduction in such emissions compared to 2015 and which granted Snam the Gold Standard from the United Nations Environment Programme (UNEP), the Company has set a new, even more challenging target of -68.5% by 2029.

In March 2025, a new intermediate target was added to the objectives of the 2050 decarbonisation strategy: achieve a 65% reduction in Scope 1 and Scope 2 emissions by 2035.

4 Biodiversity and regeneration

With reference to the objective of Zero Net Conversion by 2024, Snam has already reached the goal, demonstrating its concrete commitment to environmental protection. Furthermore, the company confirms its determination to generate a positive impact on nature by 2027, in line with the guidelines of the Science Based Targets for Nature (SBTN) framework. This result is part of a broader sustainability path, aimed at integrating innovative strategies for the conservation of ecosystems and the reduction of the environmental footprint.

Snam is the first global infrastructure operator to join the SBTN Corporate Engagement Programme and has completed an initial quantitative analysis of its operations, which showed that the preservation and regeneration approach currently adopted for construction and maintenance activities is already aligned with the principles of respect for nature. The preparatory activities for reaching the Net Positive target by 2027, such as the definition of specific areas and projects, are proceeding with the involvement of the entities in the territories identified in the impact analysis process.

5 People

Snam believes that people are one of the main enabling factors for the energy transition. Therefore, the company invests in their training and motivation, encouraging their professional growth and offering an inclusive working environment that takes care of its employees, including in terms of health and safety.

6 Local Communities

The Company believes that generating value for local communities is a priority, acting as a 'system operator', investing in engagement initiatives in the territories in which it operates in order to listen to local needs. This commitment is realised with the objective of distributing more than 1 billion euros per year locally.

7 Transformative innovation

Snam recognises that the culture of innovation must be maximised in order to achieve technological efficiency, therefore, it is necessary to improve the safety, reliability and sustainability of assets and, at the same time, improve the technological capabilities of the value chain.
With this in mind, Snam plans to dedicate at least 3% of annual revenues to applied industrial innovation and research and development projects.

Lever: Transformative innovation (TRANSFORMATIVE INNOVATION)

The technological development of infrastructures, through the digitalization and optimization of asset management systems and industrial processes, represents the other strategic and enabling lever for the achievement of the objectives of the Strategic Plan 2025-2029. Snam's dual-track strategic approach to innovation focuses on both proven innovation, on which investments of 338 million euros are planned, and exploratory innovation, on which investments of 62 million euros are planned, to improve operational excellence and promote decarbonized energy solutions.
Snam continues to lead digital transformation and technological innovation through scalable solutions developed with consolidated partners. The new Asset Control Room (ACR), released in Q1 2024, with over 2,000 users involved, represents a strategic pillar for the digitalization of operations by providing a complete view of processes across all assets.

+30 initiatives active in R&D and TLab

4000 startups examined

The adoption of new digital technologies and artificial intelligence is already producing concrete results: 8,000 km of network have been modelled and optimised, while over 10,000 key asset points are monitored through advanced sensors to collect data for PIMOS. Every day, around 1.5 billion pieces of data are acquired and analysed with AI tools to support remote diagnostics and predictive maintenance. In addition, 2,000 km of the network are constantly monitored with AI-enhanced satellites to prevent damage caused by landslides and other environmental hazards.

50 start-ups in the experimental phase or launch

This digital evolution has already led to a twenty-fold increase in the accuracy of leak detection, while the portion of the network monitored has grown by 18% since the beginning of the SnamTEC programme with the same number of technical staff in the field. Fuel consumption per unit of gas transported has been reduced by 15% on an annual basis and the accuracy of daily demand forecasting has improved by 25%, thus allowing for an increase in performance-based incentive systems.

In parallel, during 2024 Snam strengthened its exploratory innovation ecosystem through new governance structures and processes dedicated to the research of emerging technologies. Current projects include the hydrogen production test platform (H_2 Shift), the Mem Lab laboratory for hydrogen separation via membranes funded by ARERA, and CO_2 Vault, an internal start-up focused on generating credits for CO_2 removal. To date, one patent has already been granted, while two more are in the approval phase.

Snam's commitment in this sector is also demonstrated by the screening of approximately 4,000 start-ups, which led to approximately 5 proof of concept or scale-ups with selected start-ups. Currently, the exploratory part includes about 30 active initiatives, mainly in the R&D and TLab fields, four of which have received co-financing from ARERA or the European Union.

In the first half of 2025, Snam will present its first Innovation Plan, which will detail its innovation strategy, ecosystem, key projects, collaborations and a ten-year technological roadmap for innovation.

Associates

Snam is leading the evolution towards a multi-molecule energy system, also leveraging its associates present along the main European energy corridors. The South-North corridor that runs from North Africa through Italy and Austria to southern Germany. The East-West corridor that starts from Azerbaijan and reaches Italy passing through Greece and the Corridor that goes from Spain to France.

In line with the Strategic Plan, Snam consolidates its value creation by planning to finalize national and international strategic partnerships, thus increasing the value of its portfolio of subsidiaries.
Snam divides its associates into 3 strategic clusters: Value enhancers include industrial assets located along key energy corridors, business enablers include associates without direct physical connections to Snam assets, and opportunistic assets include investments with the potential to generate significant value.

1. In terms of contribution to the net result in the 2025-2029 Plan period

Recognized as Italy's most important import route, SeaCorridor plays a crucial role in Europe's energy security thanks to Snam's infrastructure and export capacity to the North. It is the starting point of the next SouthH_2 Corridor, which will connect North Africa to Southern Germany through the networks operated by TAG, GCA, associates of Snam, and Bayernets.

Along the Eastern route, TAP and DESFA supply gas to Italy, the Balkans and Central and Eastern Europe, strengthening their energy security after the reduction of Russian gas imports.

Launched in early 2024, with the support of several operators including DESFA, the South-East European Hydrogen Corridor aims to establish a hydrogen supply route from South-East Europe to Germany. This route could be further connected to the SouthH_2 Corridor, through the Adriatic Sea.
Teréga plays a key role in the H2med project, which will connect the hydrogen networks of the Iberian Peninsula to north-western Europe.

Snam also holds a leadership position in multi-molecule storage, thanks also to the skills of its associates: Teréga and DESFA currently engaged in CCS projects; dCarbonX is developing a portfolio of offshore subsurface storage assets (natural gas and hydrogen) in Ireland and the UK; Storegga is focusing primarily on CCS in the UK (Scotland) and the US.
Leadership in these projects and corridors allows to strengthen visibility and capitalize on technical, financial and institutional expertise, supporting the growth of associates, while offering a broader perspective on a dynamic and interconnected pan-European energy market.

Snam will also benefit from greater visibility and the contribution of its associates, which is expected to grow by approximately 40% over the Plan time horizon, from the 300 million euros expected in 2024 to approximately 420 million in 2029. Key drivers will be TAG's return to profitability following the introduction of the new regulation that excludes volume-related risks, TAP's expansion to 1.2 billion cubic metres per year by 2026 and the growth of Italian associates.

Financial Structure and Investments

In the period 2025-2029, Snam expects a solid performance, while preserving financial strength and flexibility[11].

Over the Plan time horizon, the following indicators are expected to grow at an average annual growth rate (CAGR):

- RAB of 6.4%, compared to the forecast of the previous plan (2023-2027) which envisaged a growth of 6%, thanks to new investments, the effect of inflation and the integration of assets such as Edison Stoccaggio, the FSRU of Ravenna and the CCS assets;
- Adjusted EBITDA of 5%, mainly driven by RAB growth, improved cost efficiency and early contributions from the CCS network despite the reduction in WACC and the deconsolidation of the biomethane business. These factors will contribute to the expected growth of the Group's EBITDA to approximately 3.51 billion euros by 2029, with 80 million euros coming from energy transition activities;
- Adjusted net profit up 4.5%, driven by higher EBITDA and contributions from associates, partially offset by higher depreciation and amortization and financial expenses.

Snam confirms annual dividend growth of 4% until 2029, compared to the previous 3%. For the 2024 financial year, the company plans to distribute a total dividend of 0.2905 euros per share in 2025, with an advance payment of 40% already paid on 24 January 2025. The balance of 60%, subject to approval by the Shareholders' Meeting of the 2024 financial statements, will be paid on June 26, 2025.

Over the Plan period, Snam intends to maintain a solid financial structure, capable of maximising the natural hedging implicit in the tariff system.

In a global context that continues to be volatile, characterised by high interest rates, the main optimisation levers concern an increasing diversification of financing sources and instruments and the continuous dynamic management of working capital and treasury flows. In the Plan time horizon, the average cost of debt is expected to be 2.8%, 30 basis points higher than in the previous plan, reflecting current financing conditions.
Despite the expected increase in debt to approximately 21.2 billion euros in 2029, due to increased investments, Snam will maintain ample financial flexibility within the credit thresholds set by rating agencies Moody's, Standard and Poor's and Fitch, ensuring its current credit rating.

With regard to sustainable finance, Snam continues to support its growth, also through future bond issues linked to ESG objectives, including Sustainability-Linked-Bond or Use of Proceeds.

The percentage of sustainable finance in total finance is expected to grow significantly, reaching 90% by 2029, up from the previous target of 85% by 2027, positioning Snam among the leading companies in sustainable finance.

[11] 2025-2029 average RAB inflation of 1.8% for transportation for the period 2025-2029. WACC for the period 2025-2027 equal to 5.5% for transportation, 6.1% for storage and 6.2% for LNG. For 2028 and 2029, a WACC of 5.7% for transportation, 6.3% for storage and 6.3% for LNG has been assumed.

SNAM VISION FOR THE MEDIUM TO LONG TERM

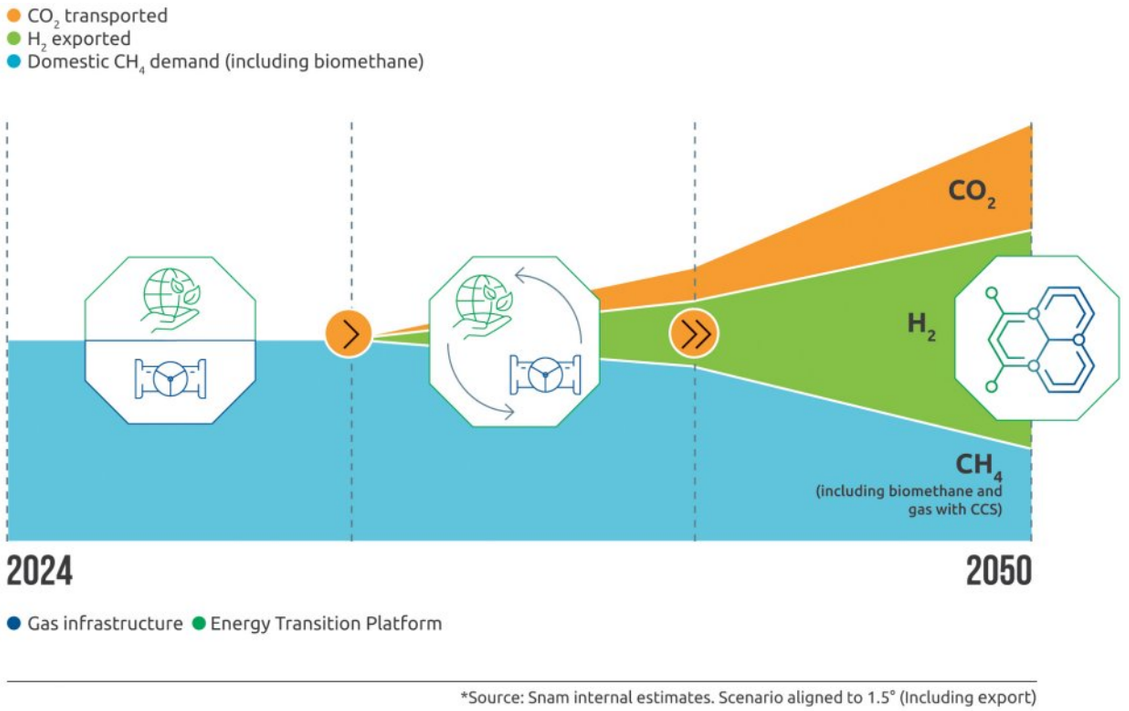
Snam envisions a future in which its assets and investments anticipate and adapt to the evolution of the energy mix, moving from natural gas to alternative molecules such as hydrogen and$_{CO2}$. This will increase the overall volumes transported through the Snam network, strengthening the Company's role in the energy transition.
Snam's resilient assets, supported by investments and a climate-adaptive model, provide flexibility and energy security at affordable prices, as well as being a cost-effective option for the transportation of decarbonized molecules.
The clear and defined ambition is to be the pan-European energy operator in the construction and management of multi-molecule infrastructures for a sustainable, secure, digital, connected and inclusive future.

Between 2030 and 2034, Snam foresees investment opportunities of up to 14.7 billion euros, in addition to the 12.4 billion foreseen over the Plan period. This brings the total investments expected in the 2025-2034 period to around 27 billion euros. These investments will be concentrated on:

1. **Completion of projects to improve the security and flexibility of the energy system**
2. **maintaining the reliability and resilience of assets while reducing their carbon footprint**
3. **expansion of the CCS project and construction of the hydrogen backbone, provided that there are adequate returns and favourable regulatory frameworks**

Thanks to the visibility of its regulated activities, a solid and flexible financial structure and innovation and sustainability as key drivers of the Strategic Plan, Snam is ideally positioned in the transition path towards a multi-molecule energy mix, creating long-term value for all its stakeholders.

LONG-TERM EVOLUTION OF THE DECARBONISED GAS MIX



*Source: Snam internal estimates. Scenario aligned to 1.5° (Including export)

5 PERFORMANCE 2024

5.1 RESULTS

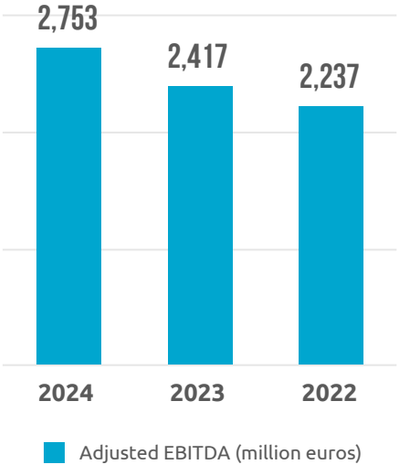
Adjusted results[12,13]

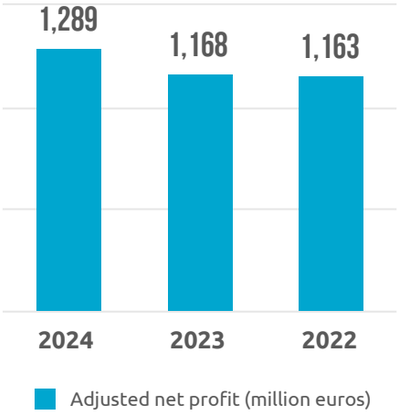
The results 2024 confirm the solidity of the path taken by the Group, even in a scenario of uncertainty and volatility for the global energy system.

The adjusted EBITDA for the year 2024 amounts to 2,753 million euros, an increase of 336 million euros, or 13.9%, compared to the corresponding figure for 2023. The increase was due to the growth recorded by the gas infrastructure business (+ 395 million euros; +16.8%), thanks to the higher related revenues mainly to the increase in WACC and the implementation of the investment plan in all business segments, to the effects of the application of ROSS (Regulation by Expenditure and Service Objectives) to the natural gas transportation service, and to the greater contribution of the regasification segment. Significantly reduced, the contribution of energy transition businesses (-59 million euros) and, in particular, energy efficiency, mainly due to legislative interventions that have introduced significant changes to the Superbonus regime with the aim of containing the financial impact on the State budget.

Adjusted EBIT for the year 2024 amounts to 1,734 million euros, increasing by 257 million euros (+17.4%) compared to the corresponding value of the financial year 2023, following the change in the EBITDA, partly absorbed by the higher Amortization, depreciation and impairment of assets (-79 million euros, equal to8.4%), mainly due to the entry into service of new assets and the write-downs of assets in the transportation sector.

Group adjusted net profit for the year 2024 amounts to 1,289 million euros[14], an increase of 121 million euros, or 10.4%, compared to the adjusted net profit for 2023. The positive





[12] For the definition of these indicators and the reconciliation with the related reported results, please refer to chapter 6 'Comments on the economic-financial results of the Snam Group - Non-GAAP measures'.
[13] An analysis of EBITDA and EBIT by business segment is provided in the chapter 7 'Operating Performance by Business Segment'.
[14] Excluding non-controlling interests.

results of the operating management were partly offset by the higher net financial expenses, connected, in particular, to the increase in the average cost of net debt and average financial exposure, partly mitigated by the positive impact of the proceeds related to the active management of liquidity, as well as by the optimization of the sources of financing. The change in net profit was also affected by higher taxes, mainly due to a higher pre-tax result.

Net financial debt at December 31, 2024 amounts to 16,238 million euros (15,270 million euros per December 31, 2023). Cash flow from operations activities (1,814 million euros) has allowed to finance part of the significant net investments (2,681 million euros, including the change in investment debt), generating a negative cash flow of 867 million euros. Net financial debt, including the payment to shareholders of the 2023 dividend (-946 million euros), non-monetary variations (-129 million euros) and the net cash flow generated by the first issue of perpetual subordinated bonds (+976 million euros), recorded an increase of 968 million euros compared to December 31, 2023.

Dividends

2024 dividend

0.2905

€ per share
(+3% compared to 2023)

The results achieved and the company's solid fundamentals allow us to propose to the Shareholders' Meeting the distribution of a final dividend of 0.1743 euros per share, to be paid from 25 June 2025 (record date 24 June 2025), with an ex-dividend date of 23 June 2025. The dividend for the year 2024 is therefore set at €0.2905 per share, of which €0.1162 per share was already distributed in January 2025 as an interim payment (390 million euros). The proposed dividends, in line with the dividend policy announced to the market, growing by 3% compared to 2023 (up from 2.5% growth in the previous dividend policy), confirms Snam's commitment to ensuring shareholders sustainable remuneration over time.

KEY ECONOMIC DATA

(million euros)	2022	2023	2024	Abs. change	Change %
Total Revenues (a)	3,388	3,941	3,568	(373)	(9.5)
Gas Infrastructure Business Revenues (a)	2,693	2,836	3,258	422	14.9
- of which regulated revenues (a)	2,592	2,757	3,201	444	16.1
Energy Transition Business Revenues	695	1,105	310	(795)	(71.9)
Adjusted EBITDA (*)	2,237	2,417	2,753	336	13.9
Adjusted EBIT (*)	1,364	1,477	1,734	257	17.4
Adjusted net profit (*) (b)	1,163	1,168	1,289	121	10.4
Special items (*)	(492)	(33)	(30)	3	(9.1)
Reported net profit (b)	671	1,135	1,259	124	10.9

(*) Snam presents, in the Directors' Report, in addition to the financial measures provided for by IFRS, some measures derived from the latter, even if not provided for by IFRS or other industry standards (Non-GAAP measures) in order to facilitate the analysis of the Group's performance and of the business segments, ensuring better comparability of results over time. Non-GAAP financial information should be viewed as supplementary and does not supersede the information prepared in line with IFRS. For the definition of these indicators and the reconciliation with the related reported results, please refer to chapter 6 'Comments on the Snam Group's economic and financial results - Non-GAAP measures' of this Report.

(a) To provide a consistent representation of revenues and costs between the two periods under comparison, the revenues covering the costs of gas procurement necessary for the operation of the transportation network (self-consumption, network losses and Unaccounted For Gas - UFG) (347 million euros in 2023 and 127 million euros in 2022) have been reclassified as a reduction of the related costs.

(b) Profit attributable to owners of Snam.

KEY SHARE AND INCOME FIGURES

		2022	2023	2024	Abs. change	Change %
Earnings per share (a)	(€)	0.201	0.338	0.373	0.035	10.4
Diluted earnings per share (a)	(€)	0.201	0.338	0.373	0.035	10.4
Group equity per share (b)	(€)	2.240	2.276	2.662	0.386	16.9
Pay-out (Relevant dividend/Group net profit) (c)	%	137.410	83.348	77.858	(5.490)	(6.6)
Adjusted pay-out (Relevant dividend/Group Adjusted net profit) (c)	%	79.278	80.993	75.680	(5.313)	(6.6)
Dividend yield (Relevant dividend/Year-end official share price) (c)	%	6.10	6.06	6.59	0.53	8.7
Price/Book value (Official average price per share/ Group equity per share)	(€)	2.19	2.04	1.66	(0.38)	(18.6)
Number of shares in the share capital	(millions)	3,361	3,361	3,361		
Number of shares outstanding as at 31 December	(millions)	3,353	3,354	3,354		
Average number of shares outstanding in the year	(millions)	3,337	3,353	3,354	1	
Official price per share at year-end	(€)	4.527	4.655	4.277	(0.378)	(8.1)
Official average price per share in the year	(€)	4.907	4.731	4.410	(0.321)	(6.8)
Market capitalisation	(million euros)	15,178	15,611	14,792	(819)	(5.2)
Dividend per share	(€ per share)	0.2751	0.2820	0.2905	0.0085	3.0
Dividends for the year in question (b)	(million euros)	922	946	974	28	3.0
Dividends paid during the year	(million euros)	866	933	946	13	1.4

(a) The 2024 value includes financial expenses from perpetual subordinated bonds.

(b) Calculated considering the average number of shares outstanding during the year.

(c) The 2024 amount (in respect of the accrued dividend) is estimated, based on the number of shares outstanding as at 12 March 2025.

KEY BALANCE SHEET AND FINANCIAL DATA

(million euros)	2022	2023	2024	Abs. change	Change %
Technical investments	1,351	1,774	2,912	1,138	64.1
Net invested capital at December 31	19,447	22,950	25,211	2,261	9.9
Snam Shareholders' equity at December 31	7,468	7,635	8,929	1,294	16.9
Net financial debt at December 31	11,923	15,270	16,238	968	6.3
Free Cash Flow	2,741	(2,366)	(867)	1,499	(63.4)

5.2 SNAM AND THE FINANCIAL MARKETS

5.2.1 Snam share price performance

Snam stock closed on 2024 with a price of 4.277 euro, down 8.1% compared to the price recorded at the end of 2023, equal to 4.655 euro. The average share price during the year was 4.410 euro, with a maximum of 4.893 euros reached in mid-January and a minimum of 4.121 euros recorded at the beginning of July.

2024 was marked by a positive performance of European stock markets, in continuity with the performance recorded in 2023. The FTSE MIB was among the best European indices, driven by the banking sector which recorded record profits, also benefiting from a bond market whose yields were substantially stable, but remained relatively high. On the other hand, sectors most exposed to interest rates were penalised. The European utilities sector was in fact among the worst performers of the year, also reflecting a scenario of political uncertainty in several European countries and an emerging negative sentiment on the renewables sector, especially after the US elections. The STOXX 600 Utilities EU index thus recorded a decline of 2.6%.

The performance of Snam shares, also considering the dividends distributed to shareholders, was slightly negative in 2024, equal to -2%. During the year, Snam recorded a solid economic-financial performance, confirming its commitment to guaranteeing the country's energy security, ensuring reliable and sustainable infrastructure and supporting the transition path, including through projects considered strategic at a European level. Investment activities in the regulated infrastructure, on the one hand, and in the energy transition business, on the other, will continue to provide shareholders with sustainable and profitable growth.

SNAM - Snam, FTSE MIB and STOXX Europe 600 Utilities price comparison (1 January 2024 – 31 December 2024)

Snam shareholders as at 31 December 2024

CONSOLIDATING COMPANY	SHAREHOLDERS	% OF OWNERSHIP
Snam S.p.A.	CDP Reti S.p.A. (a)	31.35
	Romano Minozzi	7.45
	Snam S.p.A.	0.19
	Other shareholders	61.01
		100.00

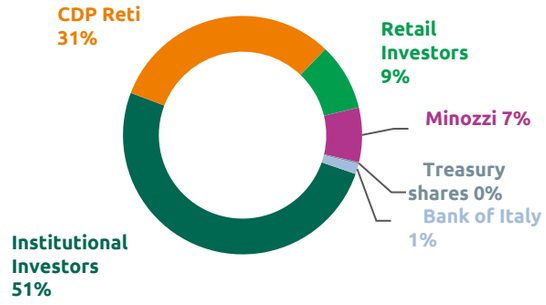
(a) CDP S.p.A. holds 59.10% of CDP Reti S.p.A.

Cassa Depositi E Prestiti (CDP), the financial institution controlled by the Ministry Of Economy And Finance (MEF), whose mission is to promote the development of the Italian economic and industrial system, is the reference shareholder of Snam Spa at the end of the 2024, based on the results of the shareholders' register and other information collected, Cdp Reti Spa holds 31.35% of the share capital, Snam Spa, through its treasury shares in its portfolio, holds 0.19%, while the remaining 68.46% is held by other shareholders.
The share capital at December 31, 2024 consisted of 3,360,857,809 shares, with no nominal value (unchanged from December 31, 2023), for a total equivalent value of 2,735,670,475.56 euros (likewise at December 31, 2023).

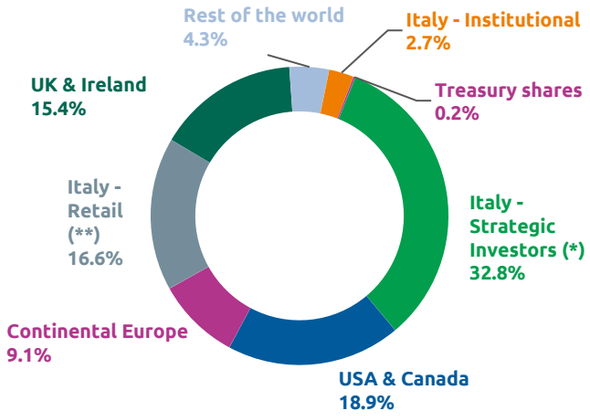
At December 31, 2024, Snam held 6,461,439 treasury shares, equal to 0.19% of the share capital (7,244,579 treasury shares, equal to 0.22% of the share capital, at December 31, 2023), with a book value of 27 million euros (30 million euros at December 31, 2023).
The market value of the treasury shares December 31, 2024 amounts to approximately 28 million euros.

More information on changes in treasury shares in portfolio during 2024 is provided in Note 23 'Equity' of the Notes to the Consolidated Financial Statements.

COMPOSITION OF THE SNAM SHAREHOLDING STRUCTURE



SHAREHOLDERS BY GEOGRAPHICAL AREA



(*) Italy's strategic investors include the Bank of Italy and CDP Reti.

(**) Italy's retail investors include the shares held by Romano Minozzi (7.4%).

5.2.2 Relations with the Financial Community and Investor Relations Policy

With a view to providing comprehensive and timely information, Snam is committed to providing disclosure capable of representing both business strategy and corporate performance in order to enhance the dynamics that ensure the creation of value over time. It is in this direction that the Board of Directors, in July 2021, approved the Policy for the Management of Dialogue with Shareholders and Other Stakeholders[15], which aims to regulate the traditional means of conducting engagement, as well as the dialogue between the Board of Directors and Stakeholders on issues within the Board's remit.

In 2024, a number of important investors or investor associations requested a dialogue with the Board by means of engagement letters, following which Snam promptly responded in writing or in dedicated meetings.

Engagement Activities 2024

In addition to the normal activities of presenting the Strategic Plan and conference calls on the occasion of the publication of company results (annual results, half-yearly and quarterly results), Snam also participated during 2024 in numerous roadshows and industry conferences.

30
Industry conferences and roadshows in the major ones European and North American financial centres, which allow investors specialising in the utilities and infrastructure sector to meet top management

402 **investors met,** of which

310 **SRI investors**

Furthermore, on the occasion of the presentation of the Transition Plan, in October 2024, specific meetings were organized with investors and stakeholders to receive comments and ideas during the drafting phase of the document.

5.2.3 Inclusion of Snam stock in sustainability indices and ESG recognition

In line with previous years, in 2024 Snam consolidates its commitment to ESG issues by reconfirming its position among the main sustainability indices (Sustainable and Responsible Investment - SRI) and ESG ratings, through which the
Group ensures greater comparability with peers in the sector, as well as strengthens the Company's visibility towards investors and the financial market as a whole.
In December 2024, SRI investors represented 45.3% of all institutional investors and 20.3% of all shareholders.

[15] The Policy for Managing Dialogue with Shareholders and Other Stakeholders can be found at https://www.snam.it/it/investor-relations/politica-di-engagement.html

SNAM SHARE PERFORMANCE IN SUSTAINABILITY INDICES AND ESG RATING

Sustainability Index / ESG Rating	Rating scale	2023 Results	2024 Results	
CDP Climate Change	From D- to A	**A**	**B**	↓
CDP Supplier Engagement Rating	From D- to A	**A**	**-**[1]	=
ISS ESG	From D- to A+	**B**	**B**	=
Sustainalytics	From 40 to 0	**12.9**	**12.6**	↑
DJSI	From 0 to 100	**82**	**86**	↑
FTSE4GOOD	From 2.9 to 5	**3.7**	**3.5**	↓
MSCI	From CCC to AAA	**AA**	**AA**	=
Moody's Vigeo Eiris	From 0 to 100	**68**	**70**	↑
GLIO/GRESB ESG	From A to E	**A**	**A**	=

[1] The score for 2024 is not yet available.

ESG RATING

Snam has fallen in the assessment of CDP (formerly Carbon Disclosure Project), a non-profit organization among the most important at an international level in the field of climate change. The Company obtained a B in the climate change assessment, and a B- in the one on water (not completed in 2023).

Snam has joined the CDP Supplier Engagement Rating (SER) for the sixth consecutive year, the CDP program aimed at involving its supply chain in the climate change questionnaire. Snam obtained a score of A, demonstrating its commitment to its suppliers' engagement activities on issues related to the reduction of emissions and the development of sustainable strategies.

Snam was confirmed in 2024 at the 'PRIME' level by ISS ESG, with a score of B.

Snam was confirmed in the Sustainalytics ratings in January 2025, further improving its score and ranking first in the sector: the risk rating dropped from 12.9 to 12.6.

SUSTAINABILITY INDICES

In November 2024, Snam's share was reconfirmed in the Dow Jones Sustainability World Index, by S&P Global, the world's most important stock market index assessing corporate social responsibility. The result, up 4 points (86 vs 82 in 2023), places the Company in third place within the Gas Industry sector.

In 2024 Snam was confirmed in the FTSE4good, with a slightly declining performance (3.5 vs. 3.7 in 2023).

In December 2024, Snam was confirmed among the leading companies by MSCI, once again obtaining an AA.

Snam was also confirmed in 2024 in the Vigeo indices, a company part of Moody's ESG group, increasing its score to 70/100 points (up from 68 in 2023).

Snam is present for the seventh year running, in the United Nations Global Compact 100 index, which includes the 100 companies that have distinguished themselves at global level both for attention to sustainability issues and to financial performance, and that adhere to the ten fundamental principles of the United Nations on human rights, labour, environment and anti-corruption issues.

SNAM'S POSITIONING IN CLIMATE POLICY THROUGH STAKEHOLDER ASSOCIATIONS AND COALITIONS

In addition to the initiatives organised by the Group and participation in the main ESG indices and ratings, Snam, with a view to strengthening the relationship of trust on the basis of transparent disclosure with financial stakeholders, has adopted a policy on the public management system relating to lobbying and association activities in order to disclose, among other things, the criteria used to define its lobbying activities on climate change.

For more information on the Climate Lobby Policy, please refer to the chapter 'Business Conduct'.

5.2.4 Sustainable finance and SDG investments

OBJECTIVES

KPI		Baseline and base year	Performance 2022	Performance 2023	Performance 2024	Target	Performance 2024 vs. target
Percentage of ESG finance on total available funding (%) (1)	SCORECARD	60% nel 2021	70	80	84	90 until 2029	⚙

Notes: the data refer to the entire Snam Group, unless otherwise indicated. For more information on the scope, see the chapter 'Introduction and guide to reading the document, General basis for the preparation of the Consolidated Sustainability Statement'.
1. Calculated as the ratio of total ESG funding (drawn and undrawn) to total available funding. Total financing available includes bonds, bank loans, institutional financing and commercial paper, if outstanding.

Consistent with the growing importance that sustainable finance and related instruments are assuming within the financial landscape, starting in 2018, Snam has progressively aligned its financial strategy with the Group's sustainability objectives, in order to strengthen its role in the energy transition, as well as diversify its investor base and make them aware of its ESG initiatives and investments. This commitment was also reflected in the setting of a target to increase the weight of sustainable finance in total funding to 80% by 2026, achieved in 2023 three years early. With the presentation of the 2023-2027 Strategic Plan, the target was raised to 85% of total funding, to be reached by 2027.

The target was further raised to 90% to be achieved by 2029, in conjunction with the presentation of the Strategic Plan 2025-2029.

Through the action of the **Policy for the management of dialogue with shareholders and other interested parties** and the **Sustainable Finance Framework**, Snam guarantees adequate monitoring of activities related to economic performance, value creation and sustainable finance, fundamental prerequisites for good business conduct.

The Policy for the management of dialogue with shareholders and other interested parties regulates the management of the Dialogue, as well as the communication between the Board of Directors and the Interested Parties on issues within the Board's competence, observing the following general principles:

- the principle of transparency of information provided within the framework of the Dialogue, according to which the information provided shall be clear, complete, correct, truthful and not misleading;
- the principle of equal treatment of the holders of financial instruments issued by Snam;
- compliance with the legal and regulatory provisions in force from time to time, as well as with internal governance rules, ensuring in any case the application of the principles of collaboration and transparency with the supervisory authorities and the competent administrations.

The Policy for Managing Dialogue with Shareholders and Other Stakeholders was adopted in line with the recommendations of the Corporate Governance Code, to which the Company adheres, as well as with the engagement policies adopted by institutional investors, proxy advisors and active managers, and with international best practices.
The Snam Board of Directors approved this policy, also taking into account the engagement policies adopted by institutional investors and active managers, on 29 July 2021.

For the management of issues relating to sustainable finance, Snam has had a **Sustainable Finance Framework**since 2021, based on the previous Climate Action Bond Framework and Transition Bond Framework and developed with a view to defining and clarifying the link between financing choices and the Group's initiatives and investments. Issued in November 2021, through this instrument Snam issued **EU Taxonomy-aligned Transition Bonds** and Sustainability-Linked Bonds, as well as bank loans. At the same time, the Sustainable Finance Framework aims to integrate the financial strategy with the objectives and activities defined within the Group's Strategic Plan.

Sustainable Finance Framework

Recent years have seen significant developments in sustainable finance markets and equally important changes at the macroeconomic and geopolitical level. To reflect the changed environment, in February 2024, Snam published a new Sustainable Finance Framework, which will guide the Group's financial strategy in the coming years.

The framework will enable the issuance of green (use of proceeds) and sustainability-linked financial instruments (sustainability-linked format) in order to reinforce the company's continued commitment to the energy transition.

As with the previous one, the Framework received a Second Party Opinion (SPO) from ISS.

Use of proceeds
The green financial instruments mark an evolution in Snam's Use of Proceeds instruments, moving beyond the previous Transition format aligned with the EU Taxonomy, increasing the focus on low-carbon infrastructure and including additional project categories (such as Carbon Capture and Storage, among others) that are all selected in accordance with the criteria of the EU Taxonomy, as verified by the SPO issued under this Framework.

In fact, the Use of Proceeds section of the Framework is aligned with the EU Taxonomy Regulation and the Delegated Act on Climate Change Mitigation.
When issuing Use of Proceeds instruments under this Framework, Snam undertakes to follow best market practice, as set out by:

- Green Bond Principles 2021, prepared by the International Capital Market Association (ICMA) ('ICMA GBP');
- Green Loan Principles 2023, prepared by the Loan Market Association (LMA) ('ICMA GLP');
- Climate Transition Finance Handbook 2023.

These proceeds will be used to finance existing and future 'Eligible Green Projects' located in Italy.
In this context, an extension of the categories of green projects was envisaged in order to incorporate every aspect of the updated CapEx Plan, based on the following macro-categories:

Green project categories	Main new projects	SDGs
Green Infrastructure • Network for Renewables and Low Carbon Gases • Carbon Capture and Storage (CCS) • Digital Transformation & Technology (DT&T)	• Construction and activation of new pipelines dedicated to the transportation of renewable and low-carbon gases (e.g. biomethane, hydrogen) • Investments in CCS infrastructure (e.g. pilot project to capture and store CO_2 emitted by Eni's compressor plant near Ravenna) • Development and use of new information and communication technologies (ICT) to proactively reduce greenhouse gas emissions	
Green Gases • Biomethane • Hydrogen		
Green Buildings	Construction of the new Milan headquarters	
Energy Efficiency	Energy efficiency investments for the installation, maintenance and repair of renewable energy technologies (e.g. solar photovoltaic systems and heat pumps) and for the modernisation of buildings	

Eligible Green Projects will be selected in line with a set of environmental criteria, monitored by Snam's Sustainable Finance Committee and verified by a Second Party Opinion against market guidelines and principles and/or regulation, where applicable. These selection criteria include contribution to the United Nations Sustainable Development Goals (SDGs) and alignment with the Technical Screening Criteria (TSC) for substantial contribution to mitigation of change, as set out in the Taxonomy of the EU Delegated Acts on Climate, as well as the relevant Do No Significant Harm (DNSH) and Minimum Safeguards criteria.

Sustainability-linked Format
Sustainability-linked instruments (Sustainability-Linked Bond 'SLB' and Sustainability-Linked Loan 'SLL') represent any type of instrument for which the economic performance changes depending on whether or not the issuer achieves pre-defined sustainability performance targets by a certain future date (the Reference Date).

The Sustainability-Linked format section is aligned with the Sustainability-Linked Bond Principles 2023 and the Sustainability-Linked Loan Principles 2023.

In line with its Sustainability Strategy, Snam has selected 4 KPIs:

REDUCTION IN NATURAL GAS EMISSIONS	REDUCTION IN GREENHOUSE GAS SCOPE 1 AND 2 EMISSIONS	REDUCTION IN SCOPE 3 EMISSIONS	WOMEN IN EXECUTIVE AND MANAGEMENT POSITIONS

For more information on emission reduction targets, see the chapter 'Strategy and Business Model, Sustainability Strategy, Carbon Neutrality Strategy and Net Zero'.

For more information on the target related to the presence of women in executive and management positions, please refer to the chapter 'Own Workforce, Targets'.

Among the other KPIs monitored, Snam annually calculates the share of CapEx aligned with the SDGs, equal to 65% in 2024 demonstrating the Group's commitment to achieving the Sustainable Development Goals of the 2030 Agenda of the UN.

For more information on the targets of the Sustainability Scorecard, please refer to the chapters 'Strategy and business model, The Sustainability Scorecard' in the General information section and 'European Taxonomy for Environmentally Sustainable Activities'.

Considering the capital market, between 2019 and 2024, Snam issued bonds in the **Use of proceeds** format for a total of 4.8 billion euros. The last issue of this format dates back to February 2024, with the first **Green bond** for a nominal value of 500 million euros.

Among other sustainable finance instruments used by Snam, a Sustainability-linked bond (SLB) was issued for the first time in January 2022, the issuance of which was associated with a Liability Management exercise, which accelerated the transition from plain vanilla bonds to sustainable finance instruments. In 2024, the SLB instrument was used even more, with a full 2.5 billion euros issued through this type of bond instrument.

2019	2020-2021	2022	2023	2024
Climate Action Bond 500 million euros, the proceeds of which were used to finance, and in part refinance, the Eligible Projects of Snam's Climate Action Bond Framework.	Four Transition Bonds for 2,350 million euros, the proceeds of which were used to finance the Eligible Projects of Snam's Transition Bond Framework.	Inaugural Sustainability linked bond (SLB) for 1.5 billion euros, whose economic performance is linked to the achievement of certain sustainability targets. EU Taxonomy-Aligned Transition Bond for 300 million euros, the proceeds of which are earmarked for green projects.	EU taxonomy-aligned transition bond convertible into Italgas shares for 500 million euros. EU Taxonomy-Aligned Transition Bond for 650 million euros to finance projects supporting the energy transition.	Dual-tranche for a total of 1.5 billion euros: Green bond of 500 million euros and SLB of 1 billion euros. Dual-tranche SLB: 750 million euros + 600 million euros (equivalent value in approx. 720 million euros).

The inaugural Sustainable-Linked Bond (General corporate purpose format) and the EU Taxonomy-Aligned Transition Bonds (Use of proceeds format) were issued under the Sustainable Finance Framework.

For these first Bonds, the economic performance (coupon step-up) is linked to the achievement of targets linked to specific KPIs. The short tranche has been associated with a natural gas emissions reduction target of -55% by 2025 compared to 2015 values and a GHG Scope 1 and 2 emissions reduction target of -40% by 2027, while the long tranche has been associated with a Scope 1 and 2 emissions reduction target of -50% by 2030 compared to 2018.

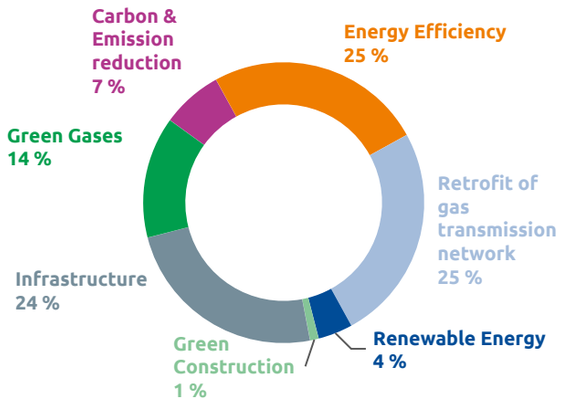
The SLB bonds issued in 2024, in conjunction with the new Framework, are linked to revised KPIs: reduction of Scope 1&2 emissions by 25% by 2027 and by 40% by 2030 and of Scope 3 emissions by 30% by 2030 and by 35% by 2032 (vs. 2022).

Through sustainable finance initiatives, as of December 2024, Snam has financed eligible projects for approximately 4.6 billion euros (vs. 3.8 billion euros in 2023), bringing the debt instruments issued from 2019 to full allocation until the end of 2023. During 2024, Snam issued a further sustainable finance instrument in the format of a *green bond* for an amount of 500 million euros, which at the end of 2024 is allocated for approximately 260 million euros.

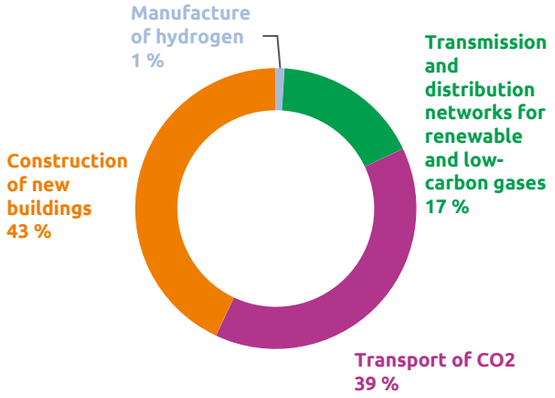
Starting in 2018, Snam has a Euro Commercial Papers programme, which, since 2020, has been linked to environmental and social sustainability goals in line with the sustainable loan. The instrument has been assigned an ESG rating of EE+, assigned by the ESG rating company Standard Ethics, which will increase in the course of 2022. The evaluation was confirmed in 2023, at the same time as the programme size was increased to 3.5 billion euros.
In addition, Snam, between 2021 and 2024, finalised further bank lines in Green loan and KPI-linked format for a total amount of 5.5 billion euros at the end of 2024.

Confirming Snam's commitment to sustainable finance, in 2021 the Group joined the Nasdaq Sustainable Bond Network, a sustainable finance platform managed by the Nasdaq, which brings together investors, issuers, investment banks and specialist organisations. In this regard, in order to be able to access this type of instrument, Snam significantly increases its relations with the financial community and socially responsible investors, developing dynamic synergies that guarantee the creation of value over time through constant and transparent reporting on business strategy and performance.

ALLOCATION OF USE OF PROCEEDS BONDS, 2018-2023, %



ALLOCATION OF GREEN BOND 2024, %



The CFO Coalition for the SDGs

Snam has long been a member of the **United Nations Global Compact (UNGC)**, the largest voluntary initiative worldwide on sustainability issues aimed at supporting the 17 SDGs (Sustainable Development Goals) and the 10 universal principles relating to human rights, work, the environment and the fight against corruption, promoting a **more inclusive and sustainable global economy**.

In 2020 Snam was one of the founders of the **UNGC CFO Taskforce** (from 2022 evolved into the CFO Coalition for the SDGs), an initiative launched by the UN with the aim of making the sustainable finance market broader, more efficient and liquid and promoting the flow of capital towards investments that contribute significantly to the achievement of the SDGs, thus facilitating the creation of long-term sustainable value.

Snam actively participates in the CFO Coalition for the SDGs by sharing strategies and *case studies* in the field of sustainable finance and SDG investments and by monitoring and communicating annually its SDG performance and targets with respect to the KPIs introduced by the initiative.

In 2024, the sharing of insights and experiences by companies active in the CFO *Coalition for the SDGs* made it possible to publish the report ***Accelerating Innovation in Sustainable Finance: Removing Roadblocks and Unlocking Value***, which highlights actionable strategies to integrate sustainability into finance, through innovative solutions for achieving SDGs such as sustainable bonds and blended finance.

UN leadership at the global level is crucial to promote the adoption of sustainable standards and practices, which can help align sustainability commitments with credible financial strategies, unlocking capital to support the SDGs.

In this regard, with regard to the 2024 final balance, the analysis of alignment between the SDGs and investments showed that, thanks to maintenance, modernisation and replacement activities and those related to energy transition businesses, 65% of CapEx is aligned and contributes in particular to the achievement of SDGs 7, 9, 13 and, in a more marginal form, to SDGs 3, 6, 8, 11, 12 and 14. As for the 2025-2029 Strategic Plan, the aligned percentage is 58%.

SNAM ACTIONS FOR SDGs	SDGs
To foster greater security and diversification of energy supplies and greater competitiveness in energy prices, in 2024 Snam continued to invest in floating regasification units or FSRUs (Floating Storage and Regasification Units) and its connections. Snam is also planning a substantial digitisation of the business, which will enable the company to guarantee increasing security and sustainability of its operations.	
Building a more resilient and sustainable infrastructure. In the new Strategic Plan, Snam has maintained its focus on the objectives relating to achieving carbon neutrality by 2040 and zero net emissions by 2050, accelerating the replacement plan with a view to becoming$_{H2}$-ready.	
Playing a crucial role in the energy transition and with a long-term vision aligned with the 'Energy to Inspire the World' purpose and European objectives, achieving, among the first in the energy sector, carbon neutrality of its operations by 2040 and net zero emissions on both GHG Scope 1 and Scope 2 emissions, as well as Scope 3 emissions by making a concrete contribution to the decarbonisation of the system through the development of green gases and, in particular, hydrogen and biomethane as well as through the plan to replace and modernise the network with a view to H_2-ready.	

Public Funding

Since the last few years, the Snam Group has looked with particular interest at the opportunities arising from public finance, crucial to economically support key projects to promote the energy transition. The following table shows the main projects in which the Snam Group is involved individually or with other partners, which are beneficiaries of funding under the measures of the National Recovery and Resilience Plan (NRRP) and the National Complementary Plan (NCP).

GIGAFACTORY	Implemented through a JV (90% De Nora and 10% Snam), it envisages the construction of a 4.0 factory in Cernusco sul Naviglio (MI) for the production of electrolysers and components for electrolysers, for the generation of green hydrogen by electrolysis of water, and components for fuel cells. The project has received IPCEI aid authorization from the European Commission for an amount of approximately 63 million euros, of which 32.25 million euros already granted under the PNRR in 2023 and approximately 31 million euros granted in 2024 under the special account no. 1726.
HYDROGEMO (H_2 VALLEY EMILIA-ROMAGNA)	In partnership with Hera and Herambiente, it envisages the construction of a green hydrogen production plant powered by a dedicated photovoltaic system for use in the local public transportation and industrial sectors in the Modena area. The project was awarded a grant of 19.5 million euros by the Emilia-Romagna Region, allocated under the NRRP. Subsequently, the project was awarded a further 0.5 million euros by the Region under the same PNRR measure, for a total contribution of 20 million euros [1].
HYDROGEN REFUELLING STATIONS	It envisages the realisation of 8 HRS located in Italy and the contribution granted is approximately 15 million euros.
PIGNATARO MAGGIORE PLANT	It envisages the construction of a micro-liquefaction plant in Pignataro Maggiore (CE) for the supply, storage and utilisation of Bio-GNL and LNG, suitable to foster the decarbonisation of transportation (with particular focus on the maritime sector) in Central and Southern Italy. The investment is awarded a grant of around 17 million euros.
PANIGAGLIA LNG TERMINAL	It envisages the upgrading of the LNG terminal in Panigaglia (SP) to an LNG and Bio-GNL refuelling point for road tankers for the supply, storage and use of Bio-GNL and LNG, suitable to foster the decarbonisation of transportation (with particular focus on the maritime sector) in Central and Northern Italy. The initiative was awarded a grant of approximately 5.5 million euros.
BIOMETHANE DEVELOPMENT	Snam, through its subsidiaries of the Bioenerys group, was awarded nine projects in the first four auction sessions announced by GSE between 2023 and 2024.

[1] Granting of the additional contribution formalized between the end of 2024 and the beginning of 2025.

During 2024, Snam also obtained the granting of financing amounting to 420 million euros for interventions in the gas transmission networks in order to strengthen the energy security and resilience of the national energy system and increase the degree of diversification of supply sources, in light of the revision of the PNRR and the consequent introduction of the REPowerEU chapter. Below are the details of the initiatives:

ADRIATICA LINE PHASE 1	Inserted in the additional chapter to the NRRP (REPowerEU), the project includes the construction of a compression plant in Sulmona and a gas pipeline that will connect the nodes of Sestino and Minerbio along the Adriatic Line. The new infrastructure is expected to increase gas transportation capacity by 14 MSm^3/day (million standard cubic metres per day). The contribution granted amounts to a total of 375 million euros.
CROSS-BORDER GAS EXPORT INFRASTRUCTURE	Inserted in the additional chapter to the NRRP (REPowerEU), the project includes the modernization of the existing gas infrastructure to allow the export of natural gas to Tarvisio, or the construction of a new electric compression unit in the Poggio Renatico compression station. The new infrastructure is expected to increase gas export capacity through the Tarvisio exit point by 22 MSm^3/day. The contribution granted amounts to a total of 45 million euros.

Furthermore, the European Commission, with decision SA.102815 of 15 February 2024, has authorised Italy to allocate approximately 46.3 million euros to the Snam Group's H_2 Valley Puglia project among the Important Projects of Common European Interest (IPCEI), within the Hy2Infra wave. The initiative involves the construction and management of an infrastructure system of approximately 110 km, of which approximately 80% from the reconversion of existing gas pipelines, to enable the transportation of H_2 in Puglia from the H_2 production sites planned in the Region to industrial offtakers. The Ministerial Decree of 11 October 2024 opened the deadline for submitting funding requests for activities eligible for the IPCEI Fund for the implementation of the IPCEI Hy2Infra.

Another important milestone is the inclusion of the CCS Ravenna and Italian H_2 Backbone initiatives in the VI list of Projects of Common Interest (PCI) and Projects of Mutual Interest (PMI) adopted by the European Commission on 28 November 2023 with Delegated Regulation (EU) 2024/1041, published in the Official Journal of the European Union on 8 April 2024. These are key cross-border infrastructure projects that will help the EU achieve its ambitious energy and climate goals. Having been included in the list, they benefit from simplified permitting and regulatory procedures and are eligible for EU financial support under the public financing instrument CEF-energy.

In particular, the CCS Ravenna project concerns the development of a$_{CO2}$ transportation and storage infrastructure in Ravenna, in collaboration with Eni, and offers an effective solution for the decarbonization of hard-to-abate industrial sectors, contributing to the reduction of greenhouse gas emissions. With an estimated total capacity of up to 500 Mt of$_{CO2}$, the project aims to develop the largest multimodal offshore$_{CO2}$ hub in the Mediterranean, with dedicated transportation infrastructure and a receiving unit for liquid $_{CO2}$. The Italian H_2 Backbone, on the other hand, refers to the Italian section of the SouthH_2 Corridor, a 3,300 km hydrogen pipeline that will connect North Africa, Italy, Austria and Germany, with the expectation of entering into operation in 2030. The initiative involves three other European Transmission System Operators (TSOs): TAG, GCA and Bayernets, as well as Seacorridor for the interconnection with North Africa. Furthermore, it represents one of the main hydrogen corridors towards Germany, currently the most advanced and efficient European country in the development of the hydrogen market, thanks to the extensive reuse of existing infrastructure. The*Italian H_2 Backbone* has recently been selected for funding under the CEF-energy, obtaining a maximum grant of 24 million euros for the development of the first engineering and study activities.

Finally, Snam is active in numerous projects aimed at developing R&D projects to support the energy transition, in collaboration with various public and private partners at national and European level. In addition to the initiatives financed by European funds, especially Horizon Europe and Clean Hydrogen JU, the NEST projects are noteworthy, with an overall contribution granted at consortium level of approximately 114 million euros, and MOST, with an overall contribution granted at consortium level of approximately 319 million euros, through which Snam intends to develop new technologies for the production of clean energy, enabling the green and digital transition of the sustainable mobility sector.

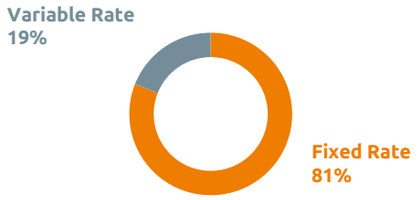
5.2.5 Debt Management and Credit Rating

Snam aims to have a debt structure consistent with business needs in terms of financing duration and interest rate exposure.

The Group's net financial position as of December 31, 2024 it is equal to 16,238 million euros, resulting from a gross financial debt equal to 18,394 million euros, net of cash and cash equivalents for 1,806 million euros and other financial assets for 350 million euros.

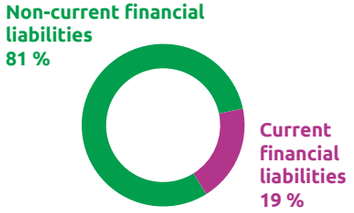
With reference to the bond market, in Snam 2024 concluded: (i) in February, a dual tranche bond loan, under the Sustainable Finance Framework, of 1.5 billion euros, with the first Snam Green Bond of 500 million euros and a Sustainability-Linked Bond (SLB) of 1 billion euros; (ii) in April, a 750 million euros variable-rate bond; (iii) in September, the first subordinated perpetual bond issue, for a nominal value of 1 billion euros and finally (iv) in November, a Sustainability-Linked dual tranche bond issue of 600 million pounds and 750 million euros.

During the year, Snam also finalised the following with its main banks: (i) revolving credit facilities (RCF) for €5 billion in KPI-linked format and (ii) bank credit facilities (Term Loan) for 850 million euros, of which 750 million euros in KPI-linked format and 100 million euros signed with the European Investment Bank (EIB).



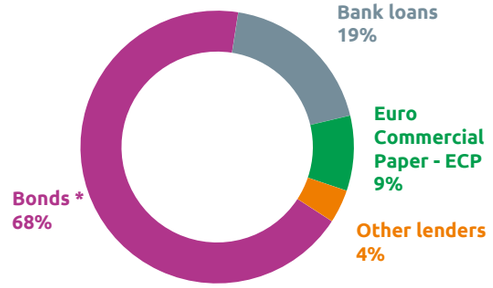
As of 31 December 2024, undrawn committed long-term credit lines amount to approximately €5.6 billion, of which: (i) revolving credit lines (RCF) for a total of 5.5 billion euros, of which 5 billion euros in pools and (ii) EIB financing for approximately 100 million euros.

On the same date, Snam had a Euro Medium Term Notes (EMTN) programme in place, for a maximum total nominal value of 15 billion euros, of which approximately 11.9 billion euros had been used, and a Euro Commercial Paper Programme (ECP) for a maximum total nominal value of 3.5 billion euros, of which approximately 1.6 billion euros had been used.



To the December 31, 2024, sustainable funding sources account for approximately 84% of total committed funding. On the occasion of the presentation of the 2025-2029 Strategic Plan, the target was raised to 90% of total funding, to be achieved by 2029, compared to the previous target of 85% to be achieved by 2027.

At the same time, the communication activity continued with the rating agencies Moody's, Fitch and Standard & Poor's, with the maintenance of the creditworthiness rating at the solid investment grade level by Moody's (Baa2 with a negative outlook), Fitch (BBB+ with stable outlook), and Standard & Poor's (BBB+ with a stable outlook). Snam's long-term rating by Moody's, Fitch and Standard & Poor's is a notch higher than that of Italian sovereign debt.



(*) Bonds do not include the perpetual hybrid instrument.

	Moody's	Standard & Poor's	Fitch Ratings
LAST UPDATE	16 December 2024	28 January 2025	10 March 2025
RATING ON LONG-TERM DEBT	Baa2	BBB+	BBB+
RATING ON SHORT-TERM DEBT	P-2	A-2	F 2
OUTLOOK	Stable	Stable	Stable

5.3 OPERATING PERFORMANCE

The key operating figures are reported below by business segment. At December 31, 2024 Snam has identified the following business segments for disclosure: (i) the natural gas transportation segment; (ii) the natural gas storage segment; (iii) the LNG regasification segment; (iv) the Energy Transition segment [16]which includes energy efficiency and biogas/biomethane businesses, as well as decarbonisation projects.

5.3.1 Total Investments

Total investments by the 2024 amounted to 2,875 million euros[17], up 31.0% on 2023 (2,194 million euros). Growth was driven by investments in the gas infrastructure business, mainly attributable to the construction of the Ravenna regasification terminal and its connection to the gas transportation network, as well as the start of work on the Adriatic Line. Total investments are 65% and 31%[18] aligned with the Sustainable Development Goals (SDGs) and the European Taxonomy respectively.
Technical investments equal to 2,912 million euros, growing by 64.1% compared to 2023 (+1,138 million euros; + 64.1%), are mainly attributable to the transportation sectors (1,924 million euros; 1,139 in 2023), storage (269 million euros; 225 million euros in 2023) and regasification sectors (488 million euros; 256 million euros in 2023). Investments by energy transition businesses amount to 167 million euros (127 million euros in 2023; +31.5%) and mainly concern the conversion of agricultural plants to biomethane and the Ravenna CCS project for the capture and storage of CO_2.

Interconnected transportation-storage capacity and network utilisation

The transportation capacity of the network has made it possible, again in 2024, to fully satisfy the demand for capacity on the part of users. In addition to the transportation capacity offered at the Entry Points interconnected with foreign gas pipelines and at LNG regasification plants, equal to 377.5 million cubic metres/day in the year, Snam has made available additional transportation capacity at the entry points interconnected with national production, for a total of 17.9 million cubic metres/day, and with biomethane production, for a total of 1.9 million cubic metres/day.

The number of active transportation users in 2024 it was equal to 450 subjects (between shippers and traders), compared to 347 active customers (shippers). In connection agreements 2024were stipulated 254 for the construction of new delivery/redelivery points or for the upgrading of existing points, including 215 agreements relating to biomethane injection and six to the service of UFG Service Areas.

The total storage capacity at the end of 2024, at equal strategic storage, stands at 16.9billion cubic metres, the highest in Europe. There were 67 active storage customers 75 (67 users in 2023).

5.3.2 Business Volumes

Gas Infrastructure Business

The volumes of gas injected into the network in 2024, equal to 61.82 billion cubic metres, record a reduction of 2.25 billion cubic metres (-3.5% compared to 2023) in the face of a significant drop in exports and increased withdrawals from storage. Gas demand in Italy in 2024 it was equal to 62.04 billion cubic metres, increasing by 0.31 billion cubic metres, equal to 0.5% compared to 2023 mainly due to higher consumption in the residential and tertiary sectors which more than absorbed the reduction recorded by the thermoelectric sector. In particular, the increase in demand for gas from the residential and tertiary sectors (+0.68 billion cubic metres; +3.0%), is due to a harsher climate compared to 2023, as well as the overcoming of voluntary actions and administrative measures to reduce consumption that had impacted the first months of 2023 and a more favourable consumer price dynamic. This effect was partly absorbed by the contraction in consumption in the thermoelectric sector (-0.37 billion cubic metres; -1.4 %) following the increased hydroelectric production, in the face of heavy rainfall that characterized 2024, and the increased use of renewable sources, supported by photovoltaics in the civil sector. Consumption in the industrial sector is substantially in line with the corresponding period of the previous year (+0.10 billion cubic metres; +0.9%), despite the decline in the industrial production index, particularly in the 'energy intensive' sectors.

The gas demand in temperature-normalized terms, estimated at 63.23 billion cubic metres, is in line with the corresponding value of the 2023 (63.22 billion cubic metres).

Gas injected into the network

61.82 BILLIONS OF M^3

(-3.5% compared to 2023)

Gas demand

62.04 BILLIONS OF M^3

(+0.5% compared to 2023)

[16]For more information, please refer to Note 35 'Information by business segment' of the Notes to the Consolidated Financial Statements.
[17] Net of contributions from third parties for connection works to the transportation network.
[18]An analysis of the technical investments made by each business segment is provided in the chapter 7 'Operating performance by business segment' of this Report.

Gas moved in the storage system

14.58 BILLIONS OF M³

The total storage capacity managed by the Snam group as at December 31, 2024, including strategic storage, is 16.9 billion cubic metres, the highest in Europe. The overall capacity includes 4.5 billion cubic metres for strategic storage, a measure established by the Ministry for the Environment and Energy Security (MASE) (unchanged from the 2023-2024 thermal year), and 12.4 billion cubic metres of available capacity. As a result of the allocation processes for the storage services offered for the thermal year 2024-2025, all available capacity was fully allocated (100% conferred also in the thermal year 2023-2024).
The volumes of gas moved in Snam's storage system in the financial year 2024 amounted to14.58 billion cubic metres, an increase compared to the 2023 financial year (+ 0.86 billion cubic metres; +6.3%). The increase is due to higher disbursements (+0.67 billion cubic metres, equal to 10.0%, compared to the exercise 2023) in the face ofcolder temperatures compared to 2023 and greater injections into storage (+0.19 billion cubic metres, equal to 2.8%, compared to the exercise 2023).

62
landfills LNG carriers
(74 in 2023)

The volumes of regasified LNG during the 2024 amounted to 4.54 billion cubic metres (+0.83 billion cubic metres compared to 2023; +22.4%). In addition 62 tanker loads were discharged, compared to 74 discharges carried out in 2023.
The increase in regasified LNG volumes is mainly due to the commissioning of the Piombino FSRU terminal, which became operational in July 2023. In 2024, it regasified a total of 3.59 billion cubic metres of LNG, with 39 tanker loads discharged (1.12 billion m³ and 12 discharges in 2023). This effect was partly offset by the reduction in regasified LNG volumes at the Panigaglia LNG terminal (La Spezia), amounting to -1.62 billion cubic metres compared to the same period in 2023, with 2024 volumes in line with pre–Russia–Ukraine conflict levels. This reduction is mainly attributable to the dynamics of LNG prices which favoured the Asian market over the European one.

35 plants in the financial year
(36 in 2023)

Energy transition businesses

At the end of 2024, there were 35 biomethane/biogas plants in operation, down by 1 compared to 2023, with an installed capacity of 40 MW, versus 41 MW at the end of 2023. The reduction is related to the stand-by of a waste treatment plant (FORSU).

1,430 MILLION EUROS of backlog
(1,208 in 2023)

With regard to the energy efficiency business, the backlog at 31 December 2024 stands at 1.4 billion euros, up by 222 million euros compared to December 31, 2023, mainly driven by the industrial and Public Administration segments.
The change is mainly attributable to increases for new contracts acquired (+404 million euros) and decreases for contracts that contributed to revenue generation (-200 million euros).

KEY OPERATING FIGURES

	2022	2023	2024	Abs. change	Change %
Natural gas transportation (a)					
Natural gas injected into the National Gas Transportation Network (billion cubic metres) (b)	75.42	64.07	61.82	(2.25)	(3.5)
Gas demand (b)	68.71	61.73	62.04	0.31	0.5
Gas transportation network (kilometres in use)	32,862	32,895	32,925	30	0.1
Regasification of Liquefied Natural Gas (LNG) (a)					
LNG regasification (billion cubic metres)	2.24	3.71	4.54	0.83	22.4
Natural gas storage (a)					
Total storage capacity (billion cubic metres) (c)	16.5	16.7	16.9	0.2	1.2
Natural gas moved through the storage system (billion cubic metres)	18.47	13.72	14.58	0.86	6.3
Energy Transition					
Number of operating biomethane/biogas plants	32	36	35	(1)	(2.8)
Backlog (d)	1,860	1,208	1,430	222	18.4
Employees in service at year-end (number) (e)	3,610	3,798	3,901	103	2.7
of which business segments:					
- Transportation Segment	1,903	1,963	2,035	72	3.7
- Regasification Segment	66	81	86	5	6.2
- Storage Segment	70	71	73	2	2.8
- Energy Transition segment	562	654	647	(7)	(1.1)
- Corporate and other activities	1,009	1,029	1,060	31	3.0

(a) With regards to 2024, gas volumes are expressed in standard cubic metres (scm) with an average higher heating value (HHV) of 38.1 MJ/scm (10.573 kWh/scm) for transportation and regasification activities and 39.3 MJ/scm (10.919 kWh/scm) natural gas storage for the thermal year 2024-2025.

(b) The data for 2024 was last updated on 27 January 2025. The corresponding value for 2023 has been definitively updated.

(c) Of which 4.5 billion cubic metres related to strategic gas and 12.4 billion cubic metres related to capacity available for modulation, mining and balancing services (so-called working gas). The available capacity at 31 December 2024 is that declared to the Electricity, Gas and Water Authority at the start of the 2024-2025 thermal year. As a result of the allocation processes for the storage services offered for the thermal year 2024-2025, all available capacity was fully allocated.

(d) Indicates the value of revenues accruing after 2024, associated with contracts awarded and entered into as at 31 December 2024.

(e) Fully consolidated companies.

6 FINANCIAL REVIEW AND OTHER INFORMATION

6.1 FINANCIAL REVIEW

Introductory note: with resolution 139/2023/R/gas 'Tariff regulation criteria for the natural gas transportation and measurement service for the sixth regulatory period (2024-2027)', the Authority has ordered that the variable tariff fee applied to users to cover the costs of supplying the gas necessary for the operation of the transportation network be paid in full to CSEA. The gas supply costs actually incurred are recognised in full, on a monthly basis, by CSEA itself.
Therefore, with reference to the financial years 2022 and 2023, the period under comparison, the revenues covering the gas supply costs necessary for the operation of the transportation network (respectively equal to 127 and 347 million euros), have been reclassified as a reduction of the related costs.

PROFIT AND LOSS ACCOUNT

2022		2023		2024		2024 adjusted vs 2023 adjusted	
Adjusted (a)	**(million euros)**	**Reported**	**Adjusted (a)**	**Reported**	**Adjusted (a)**	**Abs. change**	**Change %**
2,592	Regulated revenues (b)	2,757	2,757	3,201	3,201	444	16.1
101	Non-regulated revenues	79	79	57	57	(22)	(27.8)
2,693	**Gas infrastructure business revenues (b)**	**2,836**	**2,836**	**3,258**	**3,258**	**422**	**14.9**
695	**Energy Transition Business Revenues**	**1,105**	**1,105**	**310**	**310**	**(795)**	**(71.9)**
3,388	**TOTAL REVENUES (a)**	**3,941**	**3,941**	**3,568**	**3,568**	**(373)**	**(9.5)**
(480)	Gas infrastructure business operating costs (b)	(487)	(479)	(523)	(506)	(27)	5.6
(671)	Energy Transition Business Operating Costs	(1,057)	(1,045)	(340)	(309)	736	(70.4)
(1,151)	**TOTAL OPERATING COSTS (b)**	**(1,544)**	**(1,524)**	**(863)**	**(815)**	**709**	**(46.5)**
2,237	**EBITDA**	**2,397**	**2,417**	**2,705**	**2,753**	**336**	**13.9**
(873)	Amortization, depreciation and impairment of assets	(1,126)	(940)	(1,029)	(1,019)	(79)	8.4
1,364	**EBIT**	**1,271**	**1,477**	**1,676**	**1,734**	**257**	**17.4**
(123)	Net financial expenses	(221)	(221)	(331)	(331)	(110)	49.8
308	Net income (expenses) from equity investments	484	315	334	326	11	3.5
1,549	**Profit before taxes**	**1,534**	**1,571**	**1,679**	**1,729**	**158**	**10.1**
(385)	Income taxes	(389)	(393)	(422)	(442)	(49)	12.5
1,164	**Net profit**	**1,145**	**1,178**	**1,257**	**1,287**	**109**	**9.3**

PROFIT AND LOSS ACCOUNT

2022		2023		2024		2024 adjusted vs 2023 adjusted	
Adjusted (a)	(million euros)	Reported	Adjusted (a)	Reported	Adjusted (a)	Abs. change	Change %
1,164	**Net profit**	**1,145**	**1,178**	**1,257**	**1,287**	**109**	**9.3**
1,163	- Profit attributable to owners of the parent company	1,135	1,168	1,259	1,289	121	10.4
1	- Non-controlling interests	10	10	(2)	(2)	(12)	

(a) Values exclude special items.

(b) Data for 2022 and 2023 restated.

SUMMARY RECONCILIATION OF ADJUSTED RESULTS (a)

2022	(million euros)	2023	2024	Abs. change	Change %
2,218	**EBITDA**	**2,397**	**2,705**	**308**	**12.8**
19	Exclusion of special items	20	48	28	
2,237	**Adjusted EBITDA**	**2,417**	**2,753**	**336**	**13.9**
1,328	**EBIT**	**1,271**	**1,676**	**405**	**31.9**
36	Exclusion of special items	206	58	(148)	(71.8)
1,364	**Adjusted EBIT**	**1,477**	**1,734**	**257**	**17.4**
672	**Net profit**	**1,145**	**1,257**	**112**	**9.8**
671	- Profit attributable to owners of the parent company	1,135	1,259	124	10.9
1	- Non-controlling interests	10	(2)	(12)	
492	Exclusion of special items	33	30	(3)	(9.1)
1,164	**Adjusted net profit**	**1,178**	**1,287**	**109**	**9.3**
1,163	- Profit attributable to owners of the parent company	1,168	1,289	121	10.4
1	- Non-controlling interests	10	(2)	(12)	

(a) For the nature and detailed reporting of the individual adjustments, see the following paragraph "Non-GAAP measures" of this Report.

6.1.1 Non-GAAP measures

In addition to the financial figures required by IFRS, Snam presents in its Directors' Report some figures derived from the latter, even though they are not required by IFRS or other standard setters (Non-GAAP measures).
Snam's management believes that these measures facilitate the analysis of the Group's performance and of the business segments,
ensuring better comparability of results over time.
Non-GAAP financial information should be viewed as supplementary and does not supersede the information prepared in line with IFRS.
In accordance with the recommendations of Consob and ESMA regarding alternative performance indicators, the following paragraphs provide information on the composition of such indicators used
in this document, not directly deducible from reclassifications or algebraic sums of indicators conventional[19] compliant with international accounting principles.

Adjusted EBITDA, operating profit and adjusted net profit

Adjusted EBITDA, operating profit and adjusted net profit are obtained by excluding special items from the reported operating profit and net profit (from the statutory income statement), gross and net of related taxes, respectively. The Income components classified as special items for the financial year 2024 mainly refer to:

- to the net charges relating to the Biomethane - Waste business (45 million euros[20]) mainly resulting from the signing of settlement agreements, amending previous framework agreements for new investments and acquisition of equity investments;
- the costs arising from the application of the pension advance instrument, regulated by art.4 paragraphs 1-7 of Law 92/2012, the so-called 'Fornero Law' (17 million euros, including the costs of incentives for leaving);
- to the write-down of non-current assets (10 million euros), mainly due to the conversion of biogas production plants into biomethane production plants;
- to proceeds from insurance compensation (17 million euros), in exchange for extraordinary maintenance work on the plant of the subsidiary OLT Offshore LNG Toscana (OLT).

The charges of the Austrian subsidiaries TAG and GCA, connected to the return of the higher revenues obtained in exchange for the risk premium for the period 2013-2024 (35 million euros), following the issue, by the Austrian regulator on 29 May 2024, of the Final Cost Decree and Tariff Ordinance (the 'Decree'),[21] were offset by the positive effects deriving from adjustments to previous financial years and one-off items on TAG (totalling 27 million euros) and by the normalisation of the interest rates used to discount the contractual tariffs of the subsidiary ADNOC (8 million euros).

[19] Conventional indicators are all data included in the certified financial statements drafted in compliance with IFRS or within the Balance Sheet, Income Statement, Statement of changes in equity, Cash Flows Statement and commentary notes.
[20] Of which 12 million euros attributable to charges on equity investments.
[21] The Decree defines the reference framework applicable to the new regulatory period 2025-2027.

Special items

Income components are classified as special items, if significant, when: (i) they result from non-recurring events or transactions or from transactions or events which do not occur frequently in the ordinary course of business; or (ii) they result from events or transactions which are not representative of normal business operations. The tax effect linked to the items excluded from the adjusted net profit calculation are determined based on the nature of each revenue item that is subject to exclusion. In order to facilitate the analysis and understanding of business trends and the comparison of data for the periods being compared, all write-downs and write-backs resulting from the impairment test, in application of International Accounting Standard IAS 36, are always considered within the special items and therefore excluded from the adjusted group results.

Income components arising from non-recurring transactions pursuant to CONSOB Resolution 15519 of 27 July 2006 are also shown separately, when significant, in the IFRS financial reporting. During the 2024 financial year and the previous year under comparison, there were no significant events and transactions of a non-recurring nature within the meaning of the aforementioned resolution.

Free cash flow

Free cash flow is the measure that allows the connection between the statutory cash flow statement, which expresses the change in liquidity between the beginning and end of the period, and the change in net financial debt between the beginning and end of the reclassified cash flow statement. The free cash flow represents the cash surplus or deficit left over after financing the investments and closes either: on the cash change for the period, after the cash flows related to the financial payables/assets (credit/debit repayments/financial payables) have been added/subtracted, to self-owned capital (payment of dividends/net purchase of treasury shares/capital injections), as well as the effects on cash and cash equivalents of changes in the scope of consolidation and exchange differences arising from conversion; or (ii) on the change in net financial debt for the period, after the flows relating to self-owned capital have been added/subtracted, as well as the effects on net financial debt of changes in the scope of consolidation and exchange differences arising on conversion.

Net financial debt

Snam calculates net financial debt as the sum of current and non-current financial liabilities, including financial debt for lease agreements pursuant to IFRS 16, net of cash and cash equivalents and current financial assets, such as securities held for trading, which are not cash and cash equivalents or derivative instruments used for hedging purposes.

The tables below show the reconciliation between the reported Income Statement and the adjusted Income Statement, as well as a table summarising the special items:

	2023			2024			2024 adjusted vs 2023 adjusted	
(million euros)	**Reported**	**Special Items**	**Adjusted (a)**	**Reported**	**Special Items**	**Adjusted (a)**	**Abs. change**	**Change %**
Regulated revenues (b)	2,757		2,757	3,201		3,201	444	16.1
Non-regulated revenues	79		79	57		57	(22)	(27.8)
Gas infrastructure business revenues (b)	**2,836**		**2,836**	**3,258**		**3,258**	**422**	**14.9**
Energy Transition Business Revenues	**1,105**		**1,105**	**310**		**310**	**(795)**	**(71.9)**
TOTAL REVENUES (a)	**3,941**		**3,941**	**3,568**		**3,568**	**(373)**	**(9.5)**
Gas infrastructure business operating costs (b)	**(487)**	**8**	**(479)**	**(523)**	**17**	**(506)**	**(27)**	**5.6**
Energy Transition Business Operating Costs	**(1,057)**	**12**	**(1,045)**	**(340)**	**31**	**(309)**	**736**	**(70.4)**
TOTAL OPERATING COSTS (b)	**(1,544)**	**20**	**(1,524)**	**(863)**	**48**	**(815)**	**709**	**(46.5)**
EBITDA	**2,397**	**20**	**2,417**	**2,705**	**48**	**2,753**	**336**	**13.9**
Amortization, depreciation and impairment of assets	(1,126)	186	(940)	(1,029)	10	(1,019)	(79)	8.4
EBIT	**1,271**	**206**	**1,477**	**1,676**	**58**	**1,734**	**257**	**17.4**
Net financial expenses	(221)		(221)	(331)		(331)	(110)	49.8
Net income (expenses) from equity investments	484	(169)	315	334	(8)	326	11	3.5
Profit before taxes	**1,534**	**37**	**1,571**	**1,679**	**50**	**1,729**	**158**	**10.1**
Income taxes	(389)	(4)	(393)	(422)	(20)	(442)	(49)	12.5
Net profit	**1,145**	**33**	**1,178**	**1,257**	**30**	**1,287**	**109**	**9.3**
- Profit attributable to owners of the parent company	1,135	33	1,168	1,259	30	1,289	121	10.4
- Non-controlling interests	10		10	(2)		(2)	(12)	

(a) Values exclude special items.

(b) 2023 data restated. For more information, see the introductory note to this section.

DETAIL OF SPECIAL ITEMS

(million euros)	2023	2024	Abs. change	Change %
EBITDA	**2,397**	**2,705**	**308**	**12.8**
Exclusion of special items:				
- Costs for signing settlement agreements		33	33	
- Early retirement fund		17	17	
-Provisions (uses) of funds for risks and charges	12	(2)	(14)	
- Capital loss from the disposal of assets	8		(8)	(100.0)
Adjusted EBITDA	**2,417**	**2,753**	**336**	**13.9**
EBIT	1,271	1,676	405	31.9
Exclusion of special items:				
- Special EBITDA item	20	48	28	
-Write-down of non-current assets	186	10	(176)	(94.6)
Adjusted EBIT	**1,477**	**1,734**	**257**	**17.4**
Net profit	**1,145**	**1,257**	**112**	**9.8**
Exclusion of special items:				
-Special item of EBIT	206	58	(148)	(71.8)
Expenses (Income) from investments accounted for using the equity method	(93)	(17)	76	(81.7)
- Capital gain on sale of Industrie De Nora shares	(76)		76	
Other expenses (income) from investments		9	9	
- Taxation associated with special items	(4)	(20)	(16)	
Adjusted net profit	**1,178**	**1,287**	**109**	**9.3**
Non-controlling interests	10	(2)	(12)	
Group adjusted net profit	**1,168**	**1,289**	**121**	**10.4**

Analysis of adjusted income statement items

In accordance with IFRS 8 'Operating Segments', the Snam Group has identified the following operating segments: Transportation, Storage, Regasification and Energy Transition, which includes the biogas/biomethane business, energy efficiency and start-up activities in hydrogen and Carbon Capture and Storage (CCS).
The 'Other sectors' not subject to separate disclosure, mainly include the sustainable mobility business, classified among the Gas Infrastructure businesses as it focuses on the construction of midstream infrastructures dedicated to heavy transportation, the naval and railway sectors.

REVENUES BY BUSINESS SEGMENT

2022	(million euros)	2023	2024	Abs. change	Change %
	Business segments				
2,143	Transport Segment (*)	2,385	2,869	484	20.3
523	Storage Segment	561	594	33	5.9
46	Regasification Segment	78	156	78	100.0
695	Energy Transition Segment	1,105	310	(795)	(71.9)
27	Other segments	42	39	(3)	(7.1)
17	Amounts not allocated to segments	8	5	(3)	(37.5)
(63)	Consolidation eliminations	(238)	(405)	(167)	70.2
3,388	**TOTAL REVENUES (a)**	**3,941**	**3,568**	**(373)**	**(9.5)**

(a) Data for 2022 and 2023 restated. For more information, see the introductory note to this section.

REGULATED AND NON-REGULATED REVENUES

2022	(million euros)	2023	2024	Abs. change	Change %
2,693	**Gas Infrastructure Business Revenues (a)**	**2,836**	**3,258**	**422**	**14.9**
2,592	**Regulated revenues (a)**	**2,757**	**3,201**	**444**	**16.1**
2,035	- Transportation Segment (a)	2,127	2,459	332	15.6
515	- Storage Segment	553	586	33	6.0
42	- Regasification Segment	77	156	79	
101	**Non-regulated revenues**	**79**	**57**	**(22)**	**(27.8)**
695	**Energy Transition Business Revenues**	**1,105**	**310**	**(795)**	**(71.9)**
695	- Energy Transition segment	1,105	310	(795)	(71.9)
3,388	**TOTAL REVENUES (a)**	**3,941**	**3,568**	**(373)**	**(9.5)**

(a) Data for 2022 and 2023 restated. For more information, see the introductory note to this section.

Total revenues for the financial year 2024 amount to 3,568 million euros, a reduction of 373 million euros, equal to 9.5%, compared to the previous year 2023, mainly due to the significant reduction in revenues from the energy transition business (-795 million euros, equal to 71.9%), essentially attributable to energy efficiency, partly absorbed by the increase in revenues from the gas infrastructure business (+422 million euros, equal to 14.9%) due to higher regulated revenues.

Revenues from the gas infrastructure business (3,258 million euros; 2,836 million euros in 2023) refer to regulated revenues (3,201 million euros; 2,757 million euros in 2023) and non-regulated revenues (57 million euros; 79 million euros in 2023).
Regulated revenues recorded an increase of 444 million euros, equal to 16.1% compared to the 2023 financial year, mainly due to: (i) the increase in WACC in all business segments (+177 million euros); (ii) higher revenues connected

to the growth of the RAB of the transportation and storage segments (+147 million euros, including lower 'input-based' incentives) thanks to the implementation of the investment plan; (iii) the effects of the application of the ROSS (Regulation for Spending and Service Objectives) to the natural gas transportation service (+67 million euros); (iv) revenues related to the start of operations of the Piombino regasification plant (+61 million euros); (v) the recognition of revenues in light of the higher regasified LNG volumes in 2023 (+29 million euros compared to the higher revenues relating to 2022 recognised in 2023). These effects were partly absorbed by lower output-based incentives (-41 million euros), mainly due to the positive one-off effects that the 2023 financial year had benefited from with reference to storage (-31 million euros), together with lower incentives in the transportation sector (-10 million euros) connected to the default service.
Non-regulated revenues show a reduction of 22 million euros, equal to 27.8%, mainly due to the acquisition of one-off components in 2023.

The significant reduction in revenues from the energy transition business, which stood at 310 million euros compared to the 1,105 million euros of the 2023 financial year, is due to the lower contribution of energy efficiency, in the face of legislative interventions that have introduced significant changes to the Superbonus regime with the aim of containing the financial impact on the State budget, and of biomethane (50 million euros), also following the change in the corporate perimeter.

OPERATING COSTS (a)

2022	(million euros)	2023	2024	Abs. change	Change %
480	**Gas Infrastructure Business Costs**	**479**	**506**	**27**	**5.6**
305	Fixed costs	324	362	38	11.7
89	Variable costs (b)	78	54	(24)	(30.8)
86	Other costs (b)	77	90	13	16.9
671	**Energy Transition Business Costs**	**1,045**	**309**	**(736)**	**(70.4)**
1,151	**TOTAL OPERATING COSTS**	**1,524**	**815**	**(709)**	**(46.5)**

(a) Excluding special items.
(b) Given 2022 and 2023 restated. For more information, see the introductory note to this section.

The operating costs of the exercise 2024 amount to 815 million euros, a significant reduction of 709 million euros, equal to 46.5%, compared to the exercise 2023. The decline is mainly attributable to the reduction in orders in the energy efficiency sector.
The operating costs of the gas infrastructure business amount to 506 million euros, increasing by 27 million euros, equal to 5.6%, compared to the exercise 2023. This increase was mainly due: (ii) to greater costs related to the start-up of operations of the FSRU plant in Piombino relating, in particular, to O&M maintenance services and maritime services; (ii) the increase in labour costs, and as a result of inflationary effects, and the entry of new resources; (iii)) to the dynamics of the provisions for risks and charges. These effects were offset by higher capitalized costs.

Operating costs of energy transition businesses (309 million euros) are reduced by 736 million euros, equal to 70.4%, compared to the exercise 2023 mainly due to the drop in business volumes in the energy efficiency business and lower costs in the biogas/biomethane business, following the change in the company perimeter.

As at December 31, 2024, the workforce (totalling 3,901 employees) is broken down below by professional category.

2022	(number)	2023	2024	Abs. change	Change %
	Professional qualification				
132	Executives	130	130		
653	Middle Managers	682	703	21	3.1
1,957	Office workers	2,104	2,132	28	1.3
868	Manual Workers	882	936	54	6.1
3,610	**TOTAL EMPLOYEES IN SERVICE**	**3,798**	**3,901**	**103**	**2.7**

The increase of n. 103 unit with respect to the exercise 2023 It is mainly due to the inclusion of new resources in the gas infrastructure business, also following the obligations introduced by the LDAR (Leak Detection and Repair) directive for the monitoring and detection of gas emissions.

AMORTIZATION, DEPRECIATION AND IMPAIRMENT OF ASSETS

2022	(million euros)	2023	2024	Abs. change	Change %
867	**Depreciation**	**925**	**988**	**63**	**6.8**
697	Transportation Segment	722	756	34	4.7
11	Regasification Segment	28	43	15	53.6
120	Storage Segment	121	129	8	6.6
28	Energy Transition Segment	44	48	4	9.1
2	Other segments	1	1		
9	Amounts not allocated to segments	9	11	2	22.2
6	**Impairment losses (Recovery of value) (a)**	**15**	**41**	**26**	
873	**TOTAL AMORTISATION, DEPRECIATION AND IMPAIRMENT OF ASSETS**	**940**	**1,029**	**89**	**9.5**

(a) Excluding special items.

Amortization, depreciation and impairment of assets (1,029 million euro) increased by 89 million euro, or 9.5%, compared to the 2023 financial year. The increase is mainly due to higher depreciation charges (+63 million euros); equal to 6.8%) mainly due to the entry into operation of new infrastructures, the higher incidence of depreciation of the Piombino FSRU plant, which operated for the entire year in 2024, and the higher write-downs (+26 million euros) relating to assets pertaining to the natural gas transportation sector.

Below is a breakdown of EBIT by business segment:

EBIT (a)

2022	(million euros)	2023	2024	Abs. change	Change %
	Business segments				
1,092	Transportation Segment	1,147	1,379	232	20.2
18	Regasification Segment	7	57	50	
305	Storage Segment	352	369	17	4.8
(4)	Energy Transition Segment	9	(44)	(53)	
(21)	Other segments	(5)	(1)	4	(80.0)
(26)	Amounts not allocated to segments	(33)	(26)	7	(21.2)
1,364	**TOTAL EBIT**	**1,477**	**1,734**	**257**	**17.4**

(a) Excluding special items.

With reference to the business segments subject to separate reporting pursuant to IFRS 8, an analysis of EBIT is provided in the 'Business segment operating performance' section 7 of this Report.

NET FINANCIAL EXPENSES(a)

2022	(million euros)	2023	2024	Abs. change	Change %
155	**Financial expense related to net financial debt**	**265**	**415**	**150**	**56.6**
158	Interest and other current and non-current financial liabilities	295	489	194	65.8
(3)	- Interest income and other income	(30)	(74)	(44)	
(7)	**Other net financial expense (income)**	**(23)**	**(38)**	**(15)**	**65.2**
12	- financial expenses related to the passage of time (accretion discount)	19	19		
(19)	- Other net financial expense (income)	(42)	(57)	(15)	35.7
(25)	**Financial expenses charged to assets**	**(21)**	**(46)**	**(25)**	
123	**TOTAL NET FINANCIAL EXPENSES**	**221**	**331**	**110**	**49.8**

(a) Net of special items, with reference to the values of the 2022 financial year.

Net financial expenses for the financial year 2024 amount to 331 million euros, increasing by 110 million euros, equal to 49.8%, compared to the exercise 2023, due to the growth in net financial debt and the higher average cost of net debt, which stood at around 2.5% compared to 2% in 2023. The increase was partly mitigated by the positive impact of income from active liquidity management, as well as by the optimisation of funding sources, by higher capitalised financial expenses (46 million euros; 21 million euros in 2023) and the effect of the interest income deriving from the valuation at amortised cost of trade and tax credits relating to the Superbonus interventions and other minor bonuses.

NET INCOME FROM EQUITY INVESTMENTS (a)

2022	(million euros)	2023	2024	Abs. change	Change %
323	Share of profit or loss of investments accounted for using the equity method	317	326	9	2.8
(15)	Other (expenses) and income from equity investments	2		(2)	
308	**TOTAL NET INCOME FROM EQUITY INVESTMENTS**	**315**	**326**	**11**	**3.5**

(a) Excluding special items.

Net income from equity investments (326 million euros; +11(million euros); equal to 3.5%) concern the relevant shares of the net results for the period of companies valued using the equity method.
With reference to international participations, a significant reduction in losses by Austrian companies is reported, pending the start, starting from 2025, of the new regulatory system that removes the volume risk and the greater contribution of EMG, due to the significant increase in gas volumes transported and the completion of the process of optimising tax management in the countries in which the company operates.
These effects were partly absorbed by the normalisation of the contribution of the Greek DESFA, which in the previous financial year had benefited from the changed procurement context.
Italian participations recorded an increase of 9 million euros compared to 2023, mainly attributable to Italgas and De Nora.

INCOME TAXES(a)

2022	(million euros)	2023	2024	Abs. change	Change %
421	Current taxes	441	497	56	12.7
(36)	Deferred taxes	(48)	(9)	39	(81.3)
385	**TOTAL INCOME TAXES**	**393**	**442**	**49**	**12.5**

(a) Excluding special items.

Income taxes amounted to 442 million euros, an increase of 49 million euros, equal to 12.5%, compared to the financial year 2023, mainly due to the higher profit before tax.
The analysis of the reconciliation between the theoretical tax charge – determined by applying the applicable IRES and IRAP tax rates in Italy – and the actual tax charge for the year is provided in Note no. 33 to the Consolidated Financial Statements.

6.1.2 Reclassified statement of financial position

The reclassified Statement of Financial Position combines the assets and liabilities of the mandatory schedule published in the Annual Financial Report according to the criterion of functionality for the management of the enterprise, conventionally divided into the three basic functions: investment, operations and financing.

Management believes that this format presents useful information for investors as it allows identification of the sources of financing (equity and third-party funds) and the investment of financial resources in fixed and working capital.

RECLASSIFIED STATEMENT OF FINANCIAL POSITION (a)

(million euros)	31.12.2023	31.12.2024	Abs. change
Fixed capital	**23,002**	**24,884**	**1,882**
Property, plant and equipment	18,941	20,746	1,805
- of which right-of-use leased assets	44	61	17
Non-current inventories - Compulsory inventories	363	363	
Intangible assets and goodwill	1,449	1,560	111
Investments accounted for using the equity method	3,019	3,259	240
Other financial assets	163	150	(13)
Net payables for investments	(933)	(1,194)	(261)
Net working capital	**(24)**	**371**	**395**
Employee benefits	**(28)**	**(44)**	**(16)**
NET INVESTED CAPITAL	**22,950**	**25,211**	**2,261**
Equity	**7,680**	**8,973**	**1,293**
- Equity attributable to owners of the parent company	7,635	8,929	1,294
- Non-controlling interests	45	44	(1)
Net financial debt	**15,270**	**16,238**	**968**
- of which financial liabilities for leased assets (b)	43	59	16
COVERAGE	**22,950**	**25,211**	**2,261**

(a) For the reconciliation of the Reclassified statement of financial position to the statutory financial statements, see 'Reconciliation of the reclassified financial statements to the statutory financial statements' below.
(b) Of which 46 million euros non-current and 13 million euros current portions of non-current financial payables.

Fixed capital assets (24,884 million euro) increased by 1,882 million euro compared with 31 December 2023, mainly due to: (i) the increase in PPE and intangible assets (+1,655 million euros[22]), in light of the significant investments made during the year; (ii) the increase in the book value of investments valued using the equity method (+240 million euros), also thanks to the acquisition, through the exercise of its pre-emptive right, of an incremental share of the capital of Terminale GNL Adriatico Srl (from 7.3% to 30%).

The change in property, plant and equipment and in intangible fixed assets can be broken down as follows:

(million euros)	Property, plant and equipment	Intangible Assets	Total
BALANCE AS AT DECEMBER 31, 2023	**18,941**	**1,449**	**20,390**
Technical investments	2,635	277	2,912
Amortization, depreciation and impairment of assets	(867)	(162)	(1,029)
Transfers, write-offs and derecognition	(14)	(1)	(15)
Other changes	51	(3)	48
BALANCE AS AT DECEMBER 31, 2024	**20,746**	**1,560**	**22,306**

Technical investments in 2024 amounted to 2,912 million euros[23], up on 2023 (+1,138 million euros; + 64.1%), among which we can highlight the works for the construction of the Ravenna regasification terminal and its connection to the gas transportation network, as well as the start of work on the Adriatic Line. Technical investments mainly refer to the transportation sectors (1,924 million euros; 1,139 in 2023), storage (269 million euros; 225 million euros in 2023) and regasification sectors (488 million euros; 256 million euros in 2023). Investments by energy transition businesses amount to 167 million euros (127 million euros in 2023; +31.5%) and include the Ravenna CCS project for the capture and storage of CO_2.

Other changes (-48 million euros) mainly refer to: (i) the effects deriving from the adjustment of the current value of the disbursements for the costs of dismantling and restoring the sites (+116 million euros), due to the higher estimated costs of carrying out the related work, partly offset by the higher expected discount rates; (ii) the change in inventories of piping and related ancillary materials used in plant construction activities, referring to the natural gas transportation segment (- €45 million); (iii) contributions on works for interference with third parties (so-called recharges; -52 million euros).

[22] Including the dynamics of debt for investment activity.
[23] An analysis of the technical investments made by each business segment is provided in chapter 7 'Operating performance by business segment' of this Report.

Non-current inventories - Compulsory inventories

Non-current inventories - Compulsory inventories, of 363 million euros (the same as at December 31, 2023) include minimum quantities of natural gas that the storage companies are obliged to hold pursuant to Presidential Decree no. 22 of 31 January 2001. The quantities of gas in storage, corresponding to approximately 4.5 billion standard cubic metres of natural gas, are determined annually by the Ministry of the Environment and Energy Security (MASE)[24].

Investments accounted for using the equity method

Equity-accounted investments (3,259 million euros) mainly relate to jointly controlled entities (1,634 million euros) and associates (1,624 million euros). Detailed changes are provided in Note 10 'Equity investments accounted for using the equity method' in the Notes to the Consolidated Financial Statements.

Other financial assets

Other financial assets (150 million euros) mainly relate to: (i) the residual portion of the shareholder financing in favour of the jointly controlled company OLT Offshore LNG Toscana (OLT) (87 million euros)[25]; (ii) the minority equity investments measured at Fair Value Through OCI (FVTOCI) in the companies Storegga Limited (14 million euros) and ITM Power PLC (6 million euros).

Following the acquisition of an incremental share of the capital of Terminale GNL Adriatico Srl (from 7.3% to 30%), Snam's stake in the company was reclassified from a stake valued at FVTOCI to a jointly controlled interest valued using the equity method.

For more details, see Note no. 11 'Other current and non-current financial assets' in the Notes to the Consolidated Financial Statements.

NET WORKING CAPITAL

(million euros)	31.12.2023	31.12.2024	Abs. change
Trade receivables	4,359	3,065	(1,294)
Inventories	2,810	2,190	(620)
-of which: Gas inventories pursuant to Resolution 274/2022/R/Gas for last resort filling	2,010	1,445	(565)
Tax assets	421	1,348	927
Deferred tax assets (liabilities)	316	383	67
Other assets	216	476	260
Derivative liabilities/(assets)	(10)	(48)	(38)
Tax liabilities	(125)	(84)	41
Accruals and deferrals from regulated activities	(131)	(54)	77
Provisions for risks and charges	(663)	(873)	(210)
-of which: Provision for decommissioning and site restoration	(565)	(697)	(132)
Trade payables	(987)	(987)	
Other liabilities	(6,230)	(5,045)	1,185
- of which: Payables to the Cassa per i Servizi Energetici e Ambientali (CSEA)	(4,037)	(3,269)	768
- of which: Payable for interim dividend	(378)	(390)	(12)
- of which: Security deposits	(1,040)	(707)	333
TOTAL NET WORKING CAPITAL	**(24)**	**371**	**395**

Net working capital increases by 395 million euros compared to December 31, 2023. This increase was mainly due: (i) the reduction in net liabilities for the gas transportation system balancing and settlement service (+516 million euros), primarily as a result of net purchases made as Balancing Manager (RdB) in the final quarter of 2024 compared with net sales in 2023 (+230 million euros), as well as the reduction in security deposits received for balancing services (+225 million euros), effects mainly linked to the fall in gas purchase and sale prices on the market; (iii) lower liabilities for tariff departures (+44 million euros), mainly relating to the refund to the system of penalties invoiced to users in previous financial years. These effects were partly absorbed by the increase in provisions for risks and charges (-210 million euros) mainly due to the higher estimated costs for the execution of the dismantling and restoration works of the sites as well as the reduction in the expected discounting rates.
The reduction in trade receivables and the increase in tax receivables is mainly attributable to the crediting of credits for Superbonus and minor bonuses related to the energy efficiency business.

[24] With a press release dated 31 January 2024, published on 2 February 2024, MASE confirmed the strategic storage volume for the contractual year 2024-2025 (1 April 2024-31 March 2025) at 4.62 billion standard cubic metres, or approximately 48,846 GWh), of which 4.5 billion are Stogit's responsibility.
[25] As part of the refinancing of OLT, some limitations typical for operations of this type are foreseen for the shareholders, including: the pledge of the shares held by Snam in OLT in favour of the lenders for the entire duration of the loan; the assignment of the remaining shareholders' credit as collateral.

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

(million euros)	2023	2024
PROFIT FOR THE YEAR	**1,145**	**1,257**
OTHER COMPONENTS OF COMPREHENSIVE INCOME STATEMENT		
Cash flow hedge - effective portion of fair value change	10	(20)
Investments accounted for using the equity method - portion of other components in the comprehensive income statement (a)	(49)	(7)
Tax effect	(3)	5
Total components which be reclassified subsequently to profit for the year, net of tax effect	**(42)**	**(22)**
Actuarial gains (losses) from remeasurement of defined benefit plans for employees	(2)	
Share of other comprehensive income of associates/joint ventures or investments accounted for using the equity method	(1)	(1)
Fair value gain/(loss) on investments in equity instruments designated at FVTOCI	(3)	31
Total components which will not be reclassified in profit for the year, net of tax effect	**(6)**	**30**
TOTAL OTHER COMPONENTS IN THE COMPREHENSIVE INCOME STATEMENT, NET OF TAX EFFECT	**(48)**	**8**
TOTAL COMPREHENSIVE INCOME STATEMENT	**1,097**	**1,265**
- Profit attributable to owners of the parent company	1,087	1,267
- non-controlling interests	10	(2)

(a) The value refers to the change in the fair value of derivative financial instruments used for hedging and to exchange rate differences in equity investments in affiliated companies.

EQUITY

(million euros)		
Shareholders' equity at 31.12.2023		**7,680**
Increases owing to:		
- Comprehensive income	1,265	
- Hybrid perpetual bond issue	979	
- Other changes	21	
		2,265
Decreases owing to:		
- Final 2023 dividend	(567)	
- 2024 Interim Dividend (a)	(390)	
- Share buybacks	(2)	
- Other changes	(13)	
		(972)
Shareholders' equity at 31.12.2024		**8,973**
- Equity attributable to owners of the parent company		8,929
- Non-controlling interests		44

(a) Amount paid on 22 January 2025.

Information about the individual equity items and changes therein compared with December 31, 2023 is given in Note 23 to the Consolidated Financial Statements, 'Equity'.

RECONCILIATION BETWEEN SNAM S.P.A.'S NET PROFIT AND THE SHAREHOLDERS' EQUITY AND THOSE OF THE CONSOLIDATED FIGURES

	Operating profit		Equity	
(million euros)	**2023**	**2024**	**31.12.2023**	**31.12.2024**
Statutory financial statements of Snam S.p.A.	**1,204**	**1,233**	**5,111**	**6,387**
Net profit of the Companies included in the scope of consolidation	548	1,124		
Difference between the carrying value of the equity investments in consolidated companies and the equity in the annual financial statements, inclusive of the profit for the period			2,177	2,163
Adjustments made upon consolidation for:				
- Dividends	(1,359)	(1,119)		
- Reversal of write-downs of consolidated companies	607	1		
Difference between purchase price and corresponding net equity	(58)	(18)		
- Adjustments for uniformity of accounting principles	3			
Income from valuation of equity investments accounted for using the equity method and other Income from equity investments	200	36	392	423
	1,145	**1,257**	**7,680**	**8,973**
Non-controlling interests	(10)	2	(45)	(44)
CONSOLIDATED FINANCIAL STATEMENTS (a)	**1,135**	**1,259**	**7,635**	**8,929**

(a) Equity attributable to Parent company shareholders.

NET FINANCIAL DEBT

(million euros)	31.12.2023	31.12.2024	Abs. change
Financial debt and bond	**16,652**	**18,394**	**1,742**
Current financial liabilities (a)	4,904	3,541	(1,363)
Non-current financial payables	11,705	14,761	3,056
Financial payables for leased assets (b)	43	59	16
Trade and other payables (c)		33	33
Financial receivables and cash and cash equivalents	**(1,382)**	**(2,156)**	**(774)**
Cash and cash equivalents	(1,382)	(1,806)	(424)
Short-term financial receivables		(350)	(350)
NET FINANCIAL DEBT	**15,270**	**16,238**	**968**

(a) Includes the current portion of non-current financial debt.
(b) Of which 46 million euros non-current and 13 million euros current portion of non-current financial payables.
(c) They refer to debts for investment activities, with a significant implicit financial component.

Net financial debt at December 31, 2024 amounts to 16,238 million euros (15,270 million euros per December 31, 2023).

Cash flow from operations activities (1,814 million euros) has allowed to finance part of the significant net investments of the financial year (-2,681 million euros, including the change in investment debt), generating a negative cash flow of 867 million euros. Net financial debt, including the payment of the 2023 dividend to shareholders (-946 million euros), non-monetary variations (-129 million euros) and the net cash flow generated by the first issue of perpetual subordinated bonds (+976 million euros), recorded an increase of 968 million euros compared to December 31, 2023.

Financial and bond debts at December 31, 2024 equal to 18,394 million euros (16,652 million euros as of 31 December 2023) are analysed as follows:

(million euros)	31.12.2023	31.12.2024	Abs. change
Bond loans	9,876	12,461	2,585
- of which short-term (a)	1,217	1,361	144
Bank loans	3,549	3,567	18
- of which short-term (a)	1,003	605	(398)
Euro Commercial Paper - ECP (b)	2,679	1,570	(1,109)
Trade payables and other payables		33	33
Financial payables for leased assets	43	59	16
Other lenders	505	704	199
TOTAL FINANCIAL DEBTS AND BONDS	**16,652**	**18,394**	**1,742**

(a) Includes the current portion of non-current financial debt.
(b) Entirely short-term.

Bond loans (12,461 million euros) increased by 2,585 million euros compared to December 31, 2023, mainly as a result of the issue: (i) in February 2024, a dual tranche bond loan, under the Sustainable Finance Framework, of 1,500 million euros, with the first Snam Green Bond, maturing in 2028, of 500 million euros, and a Sustainability-Linked Bond (SLB) of 1,000 million euros, maturing in 2034; (ii) in April 2024, a floating rate bond, maturing in 2026, for an amount equal to 750 million euros; (iii) in November 2024, of a Sustainability-Linked dual tranche for a total amount of approximately 1,500 million euros. These changes were partly offset by the repayment of three bond loans that reached their natural maturity, for a total nominal value of 1,171 million euros.

Bank loans (3,567 million euros) increased by 18million euros, mainly as a result of: (i) higher net uses of uncommitted credit lines, equal to 200 million euros; (ii) repayments of loans with the European Investment Bank (EIB), for a total amount of 128 million euros; (iii) net repayments of Term Loan financing, for a total amount of 50 million euros.

Euro Commercial Paper of 1,570 million euros relates to short-term unsecured securities issued on the money market and placed with institutional investors.

Amounts due to other lenders amounting to 704 million euros (505 million euros as at December 31, 2023) essentially refer to a Term Loan with a nominal value of 700 million euros to the parent company Cassa Depositi e Prestiti.

Cash and cash equivalents totalling 1,806 million euros (1,382 million euros as at December 31, 2023) refer to current accounts and bank deposits of the Parent Company readily available within 90 days (1,628 million euros), as well as cash held by subsidiaries (a total of 178 million euros).

Short-term financial receivables, equal to 350 million euros, refer to short-term bank deposits of the Parent Company.

At December 31, 2024, Snam had unused committed long-term credit lines worth 5.6 billion euros.

Information on financial covenants is provided in Note 17.2 'Long-term financial liabilities and current portion of non-current financial liabilities' in the Notes to the Consolidated Financial Statements.

6.1.3 Reclassified cash flow statement

The reclassified cash flow statement below summarises the legally required cash flow statement format. The reclassified cash flow statement shows the connection between opening and closing cash and cash equivalents and the change in net financial debt during the period. The measure that allows the reconciliation of the two statements is the 'free cash flow', i.e. the cash surplus or deficit remaining after the financing of investments. Free cash flow closes alternately: (i) with the change in cash for the period, after adding/deducting all cash flows related to financial liabilities/assets (taking out/ repaying financial receivables/payables) and self-owned capital (payment of dividends/capital injections); or (ii) with the change in net financial debt for the period, after adding/deducting the debt flows related to self-owned capital (payment of dividends/capital injections).

RECLASSIFIED CASH FLOW STATEMENT

(million euros)	2023	2024
Net profit	**1,145**	**1,257**
Adjusted for:		
Amortization, depreciation and other non-monetary components (a)	689	830
- (Gains)/Losses arising from the disposal of fixed assets	10	13
- Dividends, interest and income taxes	552	655
Change in net working capital	(2,282)	(764)
Dividends, interest and income taxes cashed in (paid)	(249)	(177)
Cash flows from operating activities	**(135)**	**1,814**
Technical investments	(1,796)	(2,815)
Technical disinvestments	1	5
Subsidiaries and business units, net of liquidity	(402)	3
Equity investments	(181)	(168)
Change in long- and short-term financial receivables	27	4
Other changes relating to investment activities	120	290
Free cash flow	**(2,366)**	**(867)**
Repayment of financial liabilities for leased assets	(13)	(15)
Change in current and non-current financial liabilities	2,939	1,627
Change in short-term financial receivables		(350)
Equity cash flow (b)	(936)	(948)
Change in cash and cash equivalents relating to assets held for sale and directly associated liabilities	1	
Net cash flow from perpetual hybrid bonds		976
Capital increase subsidiaries - non-controlling interests		1
Net cash flow for the period	**(375)**	**424**

(a) With reference to the 2023 financial year, the non-monetary changes relating to provisions, net of excess uses, to provisions for risks and charges and to costs for employee benefits, have been reclassified from the respective items of 'Changes in net working capital' to the item 'Adjustments to reconcile the profit for the year with the cash flow from operating activities - Provisions for risks and charges' (144 million euros).

(b) Includes cash flows from the payment of dividends to shareholders.

CHANGE IN NET FINANCIAL DEBT

(million euros)	2023	2024
Free cash flow	**(2,366)**	**(867)**
Equity cash flow	(936)	(948)
Trade and other non-current payables		(33)
Change in financial liabilities for leased assets	(19)	(31)
Financial payables and receivables from companies entering/leaving the scope of consolidation	7	
Change in cash and cash equivalents relating to assets held for sale and directly associated liabilities	1	
Net cash flow from perpetual hybrid bonds		976
Other changes	(34)	(65)
Change in net financial debt	**(3,347)**	**(968)**

6.1.4 Reconciliation of the reclassified financial statements to the mandatory financial statements

RECLASSIFIED STATEMENT OF FINANCIAL POSITION

(million euros)		31.12.2023		31.12.2024	
Reclassified statement of financial position items (where not explicitly stated, the component is obtained directly from the mandatory prospectus)	**Reference to the Notes to the Consolidated financial Statements**	**Partial values from legally required statement**	**Values from reclassified scheme**	**Partial values from legally required statement**	**Values from reclassified scheme**
Fixed capital					
Property, plant and equipment			18,941		20,746
inventories			363		363
Intangible assets and goodwill			1,449		1,560
Investments accounted for using the equity method			3,019		3,259
Other financial assets, consisting of:	(11)		163		150
- Other non-current financial assets		161		147	
- Other current financial assets		2		3	
Net payables for investments, consisting of:			(933)		(1,194)
- Payables for investment activities	(22)	(938)		(1,238)	
- Payables for investment activities reclassified in financial debt	(22)			33	
private individuals and other receivables for disinvestment activities	(15)	5		11	
Total fixed capital			**23,002**		**24,884**
Net working capital					
Trade receivables			4,359		3,065
Current inventories			2,810		2,190
Tax receivables, consisting of:			421		1,348
- Current income tax assets	(16)	15		37	
- VAT credits	(13)	31		137	
- Other tax credits	(13)	372		1,171	
Consolidation from former parent company Eni	(15)	3		3	
Trade payables			(987)		(987)
Tax payables, consisting of:			(125)		(84)
- Current liabilities for income taxes	(16)	(53)		(68)	
- IRPEF withholdings for employees	(21)	(7)		(11)	
- Other taxes	(21)	(65)		(5)	

(million euros)		31.12.2023		31.12.2024	
Reclassified statement of financial position items (where not explicitly stated, the component is obtained directly from the mandatory prospectus)	**Reference to the Notes to the Consolidated financial Statements**	**Partial values from legally required statement**	**Values from reclassified scheme**	**Partial values from legally required statement**	**Values from reclassified scheme**
Net deferred tax assets, consisting of:	(21)		316		**383**
- Deferred tax assets		375		451	
- Deferred tax liabilities		(59)		(68)	
Provisions for risks and charges			(663)		(873)
Fair value of derivative financial instruments	(13, 21)		(11)		(48)
Other assets, consisting of:			216		476
- Other receivables from the Energy and Environmental Services Fund (CSEA)	(15)	78		322	
- Advances to suppliers	(15)	39		33	
- Other receivables	(15)	21		48	
- Other assets	(13)	79		73	
Assets and liabilities from regulated activities, consisting of:			(131)		(54)
- Regulatory assets	(13)	18		13	
- Regulatory liabilities	(21)	(149)		(67)	
Other liabilities, consisting of:			(6,230)		(5,045)
- Other payables	(22)	(1,009)		(1,205)	
- Other payables from the Energy and Environmental Services Fund (CSEA)	(22)	(4,037)		(3,269)	
- Other liabilities	(22)	(1,184)		(571)	
total net working capital			**(24)**		**371**
Employee benefits			(28)		(44)
NET INVESTED CAPITAL			**22,950**		**25,211**

RECLASSIFIED STATEMENT OF FINANCIAL POSITION

(million euros)		31.12.2023		31.12.2024	
Reclassified statement of financial position items (where not explicitly stated, the component is obtained directly from the mandatory prospectus)	**Reference to the Notes to the Consolidated financial Statements**	**Partial values from legally required statement**	**Values from reclassified scheme**	**Partial values from legally required statement**	**Values from reclassified scheme**
NET INVESTED CAPITAL			**22,950**		**25,211**
Equity attributable to owners of the parent company			7,635		8,929
Non-controlling interests			45		44
Total equity	**(23)**		**7,680**		**8,973**
Net financial debt					
Financial liabilities, consisting of:	(18)		16,652		18,394
- Non-current financial liabilities		11,740		14,807	
- Current financial liabilities		4,912		3,554	
- Payables for investment activities reclassified in financial debt (a)				33	
Cash and cash equivalents			(1,382)		(2,156)
- Short-term financial receivables (within 90 days)				(350)	
- Cash and cash equivalents		(1,382)		(1,806)	
Total net financial debt			**15,270**		**16,238**
COVERAGE			**22,950**		**25,211**

(a) Referring to non-current payables with a significant implicit financial component.

RECLASSIFIED CASH FLOW STATEMENT

(million euros)	2023		2024	
Reclassified statement items and reconciliation of statutory statement items	**Partial values from legally required statement**	**Values from reclassified scheme**	**Partial values from legally required statement**	**Values from reclassified scheme**
PERIOD PROFIT		**1,145**		**1,257**
Adjusted for:				
Amortization, depreciation and other non-monetary components:		689		830
- Depreciation, amortization and impairment of assets	1,126		1,029	
- Net impairment of PPE and intangible assets				
- Allocations to provisions for risks and charges	47		144	
- Effect of accounting using the equity method	(410)		(343)	
- Other (income) expenses from equity investments	(76)		(3)	
- Change in liabilities for employee benefits	(3)		(3)	
- Other changes	5		6	
Net losses (gains) on asset sales, write-offs and derecognition		10		13
Dividends, interest, income tax:		552		655
- Dividends	(5)			
- Interest income	(90)		(195)	
- Interest expense	258		428	
- Income taxes	389		422	
Change in net working capital:		(2,282)		(764)
- Inventories	401		621	
- Trade receivables	(413)		128	
- Trade payables	(584)		(6)	
- Change in provisions for risks and charges	(14)		(30)	
- Other assets and liabilities	(1,672)		(1,477)	
Dividends, interest and income tax cashed in (paid):		(249)		(177)
- Dividends cashed in	205		278	
- Interests cashed in	35		81	
- Interest paid	(217)		(359)	
- Income taxes (paid) refunded	(272)		(177)	
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		**(135)**		**1,814**

RECLASSIFIED CASH FLOW STATEMENT

(million euros)	2023		2024	
Reclassified statement items and reconciliation of statutory statement items	**Partial values from legally required statement**	**Values from reclassified scheme**	**Partial values from legally required statement**	**Values from reclassified scheme**
Technical investments:		**(1,796)**		**(2,815)**
- Property, plant and equipment	(1,543)		(2,538)	
- Intangible assets	(253)		(277)	
Technical disinvestments:		**1**		**5**
- Property, plant and equipment	1		4	
- Intangible assets			1	
Subsidiaries and business units, net of liquidity		**(402)**		**3**
- Purchase of subsidiaries, net of acquired liquidity	(402)			
- Sale of subsidiaries, net of cash sold			3	
Equity investments		**(181)**		**(168)**
- Equity investments	(432)		(176)	
- Equity Disinvestments	251		8	
Short-term and non-current financial receivables		**27**		**4**
- Repayments of non-current financial receivables	27		4	
Other changes relating to investment activities:		**120**		**290**
- Change in net payables for investments	120		290	
FREE CASH FLOW		**(2,366)**		**(867)**
Change in financial payables:		2,926		1,262
Increase in non current financial liabilities	2,560		4,439	
- Repayment of non-current financial payables	(1,290)		(1,902)	
- Increase (decrease) short-term financial payables	1,669		(910)	
- Payment of lease liabilities	(13)		(15)	
Increase (decrease) short-term financial receivables			(350)	
Equity cash flow		**(936)**		**(948)**
- Dividends paid	(933)		(946)	
- Share buybacks	(3)		(2)	
- Capital contribution from non-controlling interests				1
Change in cash and cash equivalents relating to assets held for sale and directly associated liabilities		1		
Issuance of perpetual hybrid bonds				987
Coupon payment of perpetual hybrid bonds				(11)
NET CASH FLOW FOR THE PERIOD		**(375)**		**424**

6.1.5 Other information

Treasury shares

in compliance with the provisions of art. 2428 of the civil code, the treasury shares in the portfolio at the date of December 31, 2024 are analysed in note no. 23.2 'treasury shares' of the notes to the consolidated financial statements.

Compensation paid to members of the administrative and control bodies, general managers and managers with strategic responsibilities and equity investments held

Information on the compensation paid to directors and statutory auditors, general managers and Key Managers, and the equity investments held by each of these, can be found in the Remuneration Report, which is prepared in accordance with Article 123- ter of Legislative Decree no. 58/1998 (TUF). The Remuneration Report is available on the Snam website (www.snam.it) in the Governance section, to which reference is made.

Transactions with related parties

Information relating to transactions with related parties is provided in note no. 36 'Relationships with related parties' of the Notes to the Consolidated Financial Statements.

The relationships with managers with strategic responsibility (so-called 'Key Managers') are illustrated in note no. 29.3.3
'Compensation due to managers with strategic responsibilities' in the Notes to the consolidated financial statements.

Management performance of subsidiaries

For information on the performance of operations in the sectors in which the company operates, in whole or in part, through subsidiaries, please refer to chapter 7 'Performance of operations in the business segments' and to this chapter 6 'Comments on the economic and financial results' of the Directors' Report.

Secondary branches

As required by Article 2428, paragraph five of the Italian Civil Code, it is noted that Snam does not have secondary offices.

Research and development activities

The innovation and technological development activities carried out by Snam are described in the chapter 'Innovation, digitalisation and cyber security' of the 2024 Sustainability Report.

6.2 COMMENTS ON SNAM S.P.A.'S ECONOMIC AND FINANCIAL RESULTS

Corporate information

Snam S.p.A. (hereinafter also referred to as 'Snam') is an industrial holding company listed on the Milan stock exchange, which holds equity investments in industrial and service companies in Italy and abroad.

In its capacity as the holding, it is responsible for the strategic direction, planning and control of the financial management, direction and coordination of the group's activities. It provides Group companies with business support services (mainly administrative, tax, legal, personnel management, information technology and HSEQ services) in order to optimise available resources and make efficient use of existing know-how. These services are governed by specific inter-company service contracts.

To the December 31, 2024, the reference shareholder, CDP SpA, holds, through CDP Reti SpA, 31.35% of the share capital of Snam SpA. To this end, it notes that, with effect from 1 August 2019, CDP S.p.A. (the same CDP) reclassified its equity investment in Snam, already classified as de facto control pursuant to international accounting standard IFRS 10 - Consolidated financial statements from 2014, as de facto control pursuant to Article 2359, paragraph 1 of the Italian Civil Code and Article 93 of the TUF.
No management and coordination activity has been formalised or exercised by CDP over Snam.

6.2.1 Reclassified income statement

In order to facilitate the reading of the Income Statement, taking into consideration the nature of Snam S.p.A. as an industrial holding company, the Reclassified Income Statement was prepared by presenting items relating to financial management first, because the latter represent the most important component of an income nature[26].

(million euros)	2023	2024	Abs. change	Change %
Income and financial expenses				
Net income from equity investments	1,266	1,335	69	5.5
Interest income and other financial income	297	463	166	55.9
Interest expense and other financial expenses	(305)	(510)	(205)	67.2
Total financial income and expenses	**1,258**	**1,288**	**30**	**2.4**
Revenues from the provision of services	299	351	52	17.4
Other income	5	2	(3)	(60.0)
Other operating income	**304**	**353**	**49**	**16.1**
For personnel	(102)	(134)	(32)	31.4
For the provision of non-financial services and other costs	(241)	(266)	(25)	10.4
Total other operating costs	**(343)**	**(400)**	**(57)**	**16.6**
Profit before taxes	**1,219**	**1,241**	**22**	**1.8**
Income taxes	(15)	(8)	7	(46.7)
Net profit	**1,204**	**1,233**	**29**	**2.4**

Net profit achieved in 2024 amounted to 1,233 million euros, an increase of 29 million euros (2.4%) compared to the previous year. The increase was mainly due to higher net income from equity investments (+69 million euros); +5.5%), partly absorbed by the increase in interest expense and other net financial expenses (-39 million euros), essentially attributable to the higher average cost of net debt, which goes from 2% in the 2023 financial year to 2.5% in the 2024 financial year.

[26]This statement was prepared on the basis of the suggestions reported in CONSOB Communication 94001437 of 23 February 1994.

Analysis of Profit and Loss Account Items

INCOME AND FINANCIAL EXPENSES

2022	(million euros)	2023	2024	Abs. change	Change %
760	**Net income from equity investments**	**1,266**	**1,335**	**69**	**5.5**
1,045	- Dividends	1,433	1,321	(112)	(7.8)
15	- Other income from investments	15	15		
(300)	- Expenses from equity investments	(182)	(1)	181	(99.5)
183	**Interest income and other financial income**	**297**	**463**	**166**	**55.9**
174	- Interest income	288	455	167	58.0
9	- Other financial income	9	8	(1)	(11.1)
(177)	**Interest expense and other financial expenses**	**(305)**	**(510)**	**(205)**	**67.2**
(165)	- Interest expense	(281)	(474)	(193)	68.7
(12)	- Other financial expenses	(24)	(36)	(12)	50.0
766	**TOTAL FINANCIAL INCOME AND EXPENSES**	**1,258**	**1,288**	**30**	**2.4**

Net income from equity investments, mainly attributable to dividends distributed by the associates, amounted to 1,335 million euros, increasing by 69 million euros, equal to 5.5%, compared to the 2023. The increase is mainly due to the presence, in 2023, of write-downs made on the shareholding in the subsidiary Bionerys Srl (+174 million euros) partly offset by the reduction in dividends (-112 million euros) which had benefited, in the same year, from an extraordinary dividend from the subsidiary Stogit.

Interest income and other financial income (463 million euros), principally relates to interest income from: (i) current and non-current financial receivables from subsidiaries (382 million euros); (ii) from the active management of liquidity (69 million euros); (iii) from the shareholder financing in favour of the jointly controlled company OLT Offshore LNG Toscana (4 million euros).

Interest expenses and other financial expenses (510 million euros) mainly relate to: (i) interest on bond loans totalling 213 million euros[27]; (ii) interest expenses payable to banks and other lenders (261 million euros[28]), mainly related to term loans; (iii) the portion of up-front fees and non-use on revolving credit facilities (25 million euros).

OTHER OPERATING INCOME

2022	(million euros)	2023	2024	Abs. change	Change %
276	**Revenues from the provision of services**	**299**	**351**	**52**	**17.4**
254	Revenues from services rendered to subsidiaries	280	335	55	19.6
7	Revenues from Global Solution services	19	16	(3)	(15.8)
3	**Other operating income**	**5**	**2**	**(3)**	**(60.0)**
279	**TOTAL OTHER OPERATING INCOME**	**304**	**353**	**49**	**16.1**

Other operating income (353 million euros), which increased by 49 million euros, or 16.1%, compared to the 2023 financial year, mainly relates to recharges for services rendered to subsidiaries (335 million euros in total) and refers to the following areas: ICT (136 million euros, personnel and organisation, planning and control, administration, tax, corporate strategy and investor relations, commercial, general services and real estate, security, legal, corporate affairs, compliance and Enterprise Risk Management - ERM, Health, Safety Environment & Quality - HSEQ, regulation and development, institutional relations and communication, internal audit, technical and procurement.

The recharging of costs involves a mark-up ranging from 5% to 9%, applied to internal costs only and differentiated according to the category of services, high or low added value, while costs from external economies are charged without mark-up.

OTHER OPERATING COSTS

2022	(million euros)	2023	2024	Abs. change	Change %
218	**Costs for the provision of non-financial services and other costs**	**241**	**266**	**25**	**10.4**
21	Raw material costs	9	12	3	33.3
159	Non-financial services costs	183	197	14	7.7
11	Amortization, depreciation and impairment of assets	11	12	1	9.1
27	Other operating costs	38	45	7	18.4
115	**Personnel costs**	**102**	**134**	**32**	**31.4**
333	**TOTAL OTHER OPERATING COSTS**	**343**	**400**	**57**	**16.6**

Other operating expenses (400 million euros) increased by 57million euros, or 16.6%, compared to 2023, mainly due to the increase in non-financial service costs (+14 million euros); +7.7%), mainly due to higher services on behalf of third parties.

[27]This amount includes the effects of cash flow hedge derivatives.
[28]This amount includes the effects of cash flow hedge derivatives.

The staff on duty at December 31, 2024 (n. 1,011 people) records an increase of n. 43 people compared to the previous financial year (n. 968 people) in the face of increased market entries, which more than offset the exits. Below is a breakdown of employees by professional qualification.

It should be noted that all activities related to mobility and liquefaction have been merged into the Greenture company. Furthermore, the development and implementation of all projects related to the areas of Carbon Capture and Storage (CCS), Hydrogen and Renewables continue to be guaranteed by Snam's DECARB function, renamed Decarbonization Unit.

EMPLOYEES BY PROFESSIONAL QUALIFICATION

31.12.2022	(number)	31.12.2023	31.12.2024	Abs. change	Change %
	Professional qualification				
73	Executives	73	80	7	9.6
330	Middle Managers	342	350	8	2.3
542	Office workers	551	580	29	5.3
2	Manual Workers	2	1	(1)	(50.0)
947		**968**	**1,011**	**43**	**4.4**

Income taxes

Income taxes amount to 8 million euros, a reduction of 7 million euros, equal to 46.7%, compared to the previous year. 2023). The reduction is mainly connected to the lower incidence of taxes on dividends, which in 2023 had benefited from an extraordinary dividend from the subsidiary Stogit. The tax rate stands at 0.6%, mainly due to the non-taxable portion of dividends collected during the financial year, amounting to 95% of their amount.

6.2.2 Reclassified statement of financial position

The reclassified statement of financial position aggregates the assets and liabilities of the condensed balance sheet according to the criterion of functionality for the management of the business, conventionally divided into the three basic functions: investment, operations and financing.

Management believes that this format presents useful information for investors as it allows identification of the sources of financing (equity and third-party funds) and the investment of financial resources in fixed and working capital.

The reclassified statement of financial position format is used by management to calculate the key leverage and profitability ratios.

RECLASSIFIED STATEMENT OF FINANCIAL POSITION

(million euros)	31.12.2023	31.12.2024	Abs. change
Fixed capital	**12,077**	**12,098**	21
Property, plant and equipment	11	19	8
- of which right-of-use leased assets	4	6	2
Intangible assets	85	129	44
Equity investments	8,860	9,073	213
Other financial assets	3,421	3,144	(277)
Net payables for investments	(300)	(267)	33
Net working capital	**(430)**	**(375)**	**55**
Provisions for employee benefits	**(10)**	**(24)**	**(14)**
NET INVESTED CAPITAL	**11,637**	**11,699**	**62**
Equity	**5,111**	**6,387**	**1,276**
Net financial debt	**6,526**	**5,312**	**(1,214)**
- of which financial liabilities for leased assets (a)	4	7	3
COVERAGE	**11,637**	**11,699**	**62**

(a) Of which 3 million euros non-current and 4 million euros current portion of non-current financial payables.

Fixed assets (12,098 million euros) increased by 21 million euros, compared to December 31, 2023, mainly as a result of the decrease in other financial assets (-277 million euros), partially offset by the increase in equity investments (213 million euros), as discussed in the following paragraphs.

EQUITY INVESTMENTS

(million euros)	Balance at 31.12.2023	Acquisitions and subscriptions	Disposals and redemptions	Value adjustments	Other changes	Balance at 31.12.2024
Investments in subsidiaries	6,962	2				6,964
Investments in jointly controlled companies	1,344	161	(2)		52	1,555
Equity investments in associates	554					554
TOTAL EQUITY INVESTMENTS	**8,860**	**163**	**(2)**		**52**	**9,073**

Acquisitions and subscriptions (163 million euros) mainly concern the purchase, by Snam, through the exercise of its right of pre-emption, of an incremental share of the capital of Terminale GNL Adriatico Srl.
Following this operation, Snam's stake in the company that owns Adriatic LNG, the regasification terminal operating in the Italian waters off Porto Viro (Rovigo), goes from 7.30% to 30.00%. The right of first refusal was exercised following the signing of an agreement by VTTI, a Dutch energy storage and infrastructure company, to acquire a majority stake in the company.
The other changes (52 million euros) are related to the fair value of the share previously held in Terminale GNL Adriatico Srl.

The change in the value of equity investments is provided in note 9 'Equity investments in subsidiaries, associated companies and joint ventures' of the Notes to the separate financial statements.

Other financial assets

Other financial assets stand at 3,144 million euros and mainly relate to: (i) receivables for long-term loans, including the related current portions, mainly disbursed to the subsidiaries Snam Rete Gas S.p.A. (2,016 million euros), Stoccaggi Gas Italia S.p.A. (444 million euros) and Renovit Business Solution Srl (formerly TEP Energy Solutions Srl) (394 million euros); (iii) the measurement at Fair Value Through OCI (FVTOCI) of the minority equity investments, in particular in the companies and ITM Power Plc (6 million euros in total; (9 million euros at December 31, 2023).

NET WORKING CAPITAL

(million euros)	31.12.2023	31.12.2024	Abs. change
Trade receivables	70	152	82
Tax assets	149	190	41
Net prepaid tax assets	15	25	10
Other assets	36	56	20
Tax liabilities	(133)	(191)	(58)
Trade payables	(86)	(106)	(20)
Provisions for risks and charges	(13)	(24)	(11)
Derivatives	(11)	(48)	(37)
Other liabilities	(457)	(429)	28
- of which: Payable for interim dividend	(378)	(390)	(12)
Total net working capital	**(430)**	**(375)**	**55**

Net working capital (-375 million euros) recorded an increase of 55 million euros, compared to December 31, 2023, mainly due to the higher trade receivables (+82 million euros), attributable to the provision of services to subsidiaries, partly offset by higher tax debts (-58 million euros), arising from the debt for current taxes pertaining to the 2024, relating to Snam SpA and its subsidiaries, net of advance payments and higher VAT liabilities.

SHAREHOLDERS' EQUITY

(million euros)		
Shareholders' equity at 31 December 2023		**5,111**
Increases owing to:		
- Comprehensive income 2024	1,249	
- Hybrid perpetual bond issue	979	
- Share-based payments	7	
		2,235
Decreases owing to:		
- Final 2023 dividend	(567)	
- 2024 Interim Dividend	(390)	
- Share buybacks	(2)	
		(959)
Shareholders' equity at 31 December 2024		**6,387**

Net financial debt

(million euros)	31.12.2023	31.12.2024	Abs. change
Financial debts and bonds (a)	**16,974**	**18,582**	**1,608**
Current financial liabilities (b)	5,267	3,819	(1,448)
Non-current financial payables	11,707	14,763	3,056
Liquidity	**(10,448)**	**(11,719)**	**(1,271)**
Cash and cash equivalents	(1,210)	(77)	1,133
Other current financial assets(c)	(9,238)	(11,642)	(2,404)
NET FINANCIAL DEBT	**6,526**	**6,863**	**337**

(a) This includes 7 million euros of financial liabilities for leased assets (4 million euros as at 31 December 2023).
(b) Includes the current portion of non-current financial debt.
(c) With a maturity of less than 90 days

Net financial debt at December 31, 2024 amounts to 6,863 million euros, increasing by 337 million euros compared to December 31, 2023.

Financial payables and bonds (18,582 million euros) and refer mainly to bonds (12,461 million euros, or 67%), bank loans (3,566 million euros, or 19%, of which 1,377 million on European Investment Bank - EIB funding) and Euro Commercial Paper (1,579 million euros, or 8%).

Non-current financial liabilities (14,763 million euros) represented around 79% of gross financial debt (around 69% at December 31, 2023).

Cash and cash equivalents, standing at 77 million euros (1,210 million euros as at December 31, 2023) refer to current accounts and bank deposit accounts.

Other current financial assets (11,642 million euros) relate to receivables mainly arising from current account relationships between Snam S.p.A. and its subsidiaries. The increase of 2,404 million euros compared to December 31, 2023 is mainly attributable to Snam Rete Gas (+977 million euros).

The breakdown of debt by type of interest rate at December 31, 2024 is as follows:

(million euros)	31.12.2023	%	31.12.2024	%	Abs. change
Fixed rate	11,596	68	14,728	79	3,132
Variable rate	5,378	32	3,854	21	(1,524)
FINANCIAL DEBTS AND BONDS	**16,974**	**100**	**18,582**	**100**	**1,608**

At December 31, 2024, Snam had unused committed non-current credit lines worth 5.6 billion euros.

6.2.3 Reclassified cash flow statement and change in net financial debt

The reclassified cash flow statement below summarises the legally required cash flow statement format. The reclassified cash flow statement shows the connection between opening and closing cash and cash equivalents and the change in net financial debt during the period. The measure that allows the reconciliation of the two statements is the 'free cash flow', i.e. the cash surplus or deficit remaining after the financing of investments. Free cash flow closes alternately: (i) with the change in cash for the period, after adding/deducting all cash flows related to financial liabilities/assets (taking out/ repaying financial receivables/payables) and self-owned capital (payment of dividends/capital injections); or (ii) with the change in net financial debt for the period, after adding/deducting the debt flows related to self-owned capital (payment of dividends/capital injections).

RECLASSIFIED CASH FLOW STATEMENT

(million euros)	2023	2024
Net profit	**1,204**	**1,233**
Adjusted for:		
-Amortization, depreciation and other non-monetary components (a)	194	47
- Dividends, interest and income taxes	(1,442)	(1,314)
Change in net working capital	90	(44)
Dividends, interest and income taxes cashed in (paid)	1,524	1,333
Cash flows from operating activities	**1,570**	**1,255**
Technical investments	(54)	(57)
Equity investments (including minorities recognised as non-current financial assets)	(1,388)	(163)
Change in non-current financial receivables	(219)	255
Other changes relating to investment activities	(29)	(33)
Free cash flow	**(120)**	**1,257**
Change in current and non-current financial liabilities	3,058	1,540
Repayment of financial liabilities for leased assets	(3)	(3)
Change in short-term financial receivables	(2,448)	(2,404)
Equity cash flow (b)	(936)	28
Net cash flow for the period	**(449)**	**418**

(a) With reference to the 2023 financial year, the non-monetary changes relating to provisions, net of excess uses, to provisions for risks and charges and to costs for employee benefits, have been reclassified from the respective items of 'Changes in net working capital' to the item 'Adjustments to reconcile the profit for the year with the cash flow from operating activities - Provisions for risks and charges' (3 million euros).

(b) Includes cash flows from the payment of dividends to shareholders.

CHANGE IN NET FINANCIAL DEBT

(million euros)	2023	2024
Free cash flow	**(120)**	**1,257**
Equity cash flow (a)	(936)	(948)
Issuance of perpetual hybrid bonds		987
Coupon payment of perpetual hybrid bonds		(11)
Change in financial liabilities for leased assets	(1)	(5)
Other changes	(33)	(66)
Change in net financial debt	**(1,090)**	**1,214**

(a) Includes cash flows from the payment of dividends to shareholders.

7 OPERATING PERFORMANCE IN BUSINESS SEGMENTS

7.1 REGULATED GAS INFRASTRUCTURE

PRESENCE OF SNAM IN ITALY

NATURAL GAS TRANSPORTATION		REGASIFICATION OF LIQUEFIED NATURAL GAS (LNG)		NATURAL GAS STORAGE	
Entry points	9	Operational regasification plants	2	Operating concessions	9
Compression plants	13				
Gas pipelinesin use	32,925 km				

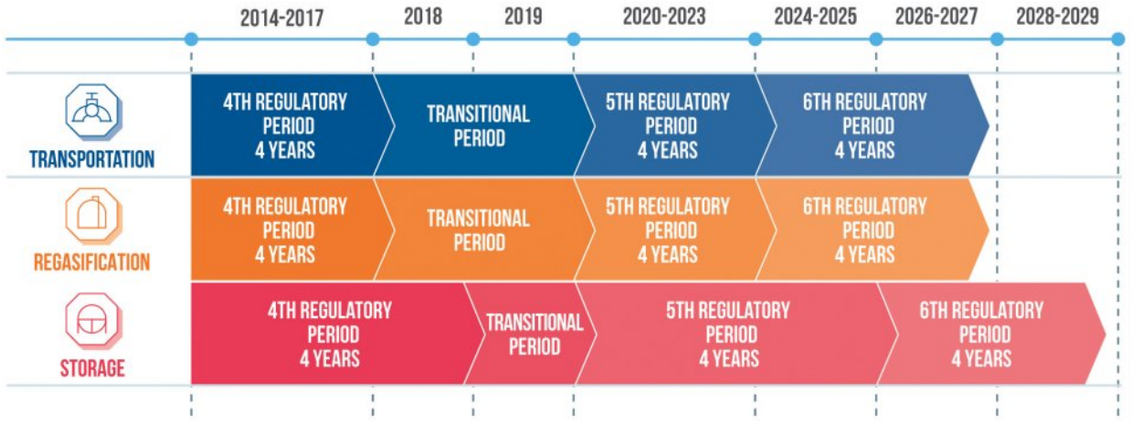
- Gas pipeline network
- Entry/exit points
- Entry points
- Compression plants
- Storage plants
- Regasfication plants
- LNG terminals
- FSRU (Floating Storage Regasification Unit)
- *WORK IN PROGRESS*

7.2 REGULATORY FRAMEWORK FOR REGULATED BUSINESSES AND MAIN DEVELOPMENTS

Tariff regulation in Italy

With resolutions 139/2023/R/gas, 196/2023/R/gas and 419/2019/R/gas, the Authority defined the tariff criteria for the sixth regulatory period, respectively for transportation and regasification activities (period 1 January 2024-31 December 2027) and the fifth regulatory period for storage activities (period 1 January 2020-31 December 2025).

The following is the connecting timeline between the regulatory periods before and after the current regulatory period:



The following table shows, based on the regulatory framework in force for the year 2024 for the transportation, regasification and storage sectors, the main tariff elements for each of the regulated activities carried out by Snam. In addition, a summary of the main innovations is given, relating in particular to the rate of return on capital employed (WACC) and the Regulation by Objectives of Expenditure and Service (ROSS).

More information on the main regulatory measures with an impact on the current tariff system, and the changes in 2024 with reference to each business segment, is provided in the following paragraph 'Main measures of the tariff framework of the business segments and the changes in 2024'.

Table summarising the regulatory framework

	TRANSPORTATION	REGASIFICATION	STORAGE
Term of adjustment period (RATES)	**5th period:** 1 January 2020- 31 December 2023	**5th period:** 1 January 2020- 31 December 2023	**5th period:** 1 January 2020- 31 December 2025
	6th period: 1 January 2024- 31 December 2027	**6th period:** 1 January 2024- 31 December 2027	
Calculation of net invested capital recognized for regulatory purposes	**5th period:** Historical cost revalued Working capital recognised 0.8%	**5th period:** Historical cost revalued Working capital recognised 0.8%	**5th period:** Historical cost revalued Working capital recognised 0.8%
	6th period (ROSS): Historical cost revalued Subdivision between expenditure recognised in the year (fast money) and expenditure recognised over several years (slow money) based on market capitalisation rates fixed ex-ante	**6th period:** unchanged	
Return on net invested capital recognised for regulatory purposes (pre-tax WACC)	**5th period:** 5.7% in years 2020-2021; 5.1% in year 2022-2023 **LIC Remuneration:** 5.3% years = 2020-2021 4.8% in year 2022-2023	**5th period:** 6.8% in years 2020-2021; 6.1% in year 2022-2023 **LIC excluded**	**5th period:** 6.7% in years 2020-2021; 6% in year 2022-2023; 6.6% in year 2024; 6.1% in year 2025 **LIC excluded**
	6th period: 5.9% in year 2024; 5.5% in year 2025 **LICs remunerated for four years:** 4.6% in year 2024 4.1% in year 2025	**6th period:** 6.7% in year 2024 6.2% in year 2025	

	TRANSPORTATION	REGASIFICATION	STORAGE
Incentives on new investments	**5th period:** (investments during financial year by 2022): +1.5% for 10 years (investments in new transportation capacity and with cost-benefit analysis >1.5)	**5th period:** Retention of 40% of revenues from flexibility services (to cover revenues not subject to guarantee factor)	**5th period:** Retention of 50% of revenue from short-term auctions Possible optional increase in the percentage, in exchange for a reduction in the % of the revenue guarantee
	6th period: No input-based incentives on new investments	**6th period:** unchanged	
Efficiency factor (X FACTOR)	**5th period:** 0.7% on operating costs (*)	**5th period:** 3.1% on operating costs	**5th period:** 1% on operating costs
	6th period (ROSS): based on the difference between total reference expenditure and total actual expenditure, with a choice between high potential (SAP) or low potential (SBP) option	**6th period:** 1.3% on operating costs	

(*) Referring to the largest transportation company.

The remuneration rate of net invested capital (WACC)

With Resolution 556/2023/R/com, published on 29 November 2023, the Authority updated the rates of return on capital employed for infrastructure services in the electricity and gas sectors for the year 2024, pursuant to Article 8 of Annex A (TIWACC 2022-2027) of the Authority's Resolution 614/2021/R/com.

The update is due to the verification of the activation of the trigger mechanism provided for in paragraph 8.1 of the TIWACC 2022-2027, thus determining the following remuneration rates for the Snam group's businesses for the year 2024:

- 5.9% for the natural gas transportation service;
- 6.7% for the LNG regasification service;
- 6.6% for the natural gas storage service.

With resolution 513/2024/R/com, published on 29 November 2024, the Authority approved the updates of the parameters of the rate of return on invested capital for the years 2025-2027, in particular the parameter beta asset, relating to the so-called 'systematic risk' of the sector and the *T*parameter, with reference to the definition of the tax rate.

The values of have been confirmed beta assets expected for the transportation (0.384), storage (0.506) and regasification (0.524) activities, while the value of the tax rate *T* has been set at 29.8% (vs the previous 29.5%). These parameters, together with the updates of the other values common to all services for the second three-year period, lead to the following remuneration rates for the year 2025:

- 5.5% for the natural gas transportation service;
- 6.2% for the LNG regasification service;
- 6.1% for the natural gas storage service.

Criteria for the application of regulation by cost and service objectives (ROSS) for natural gas transportation services as from 2024

With Resolution 497/2023/R/gas published on 2 November 2023, the Authority announced the 'Criteria for the application of regulation by cost and service objectives (ROSS) for natural gas transportation services and electricity transportation, distribution and metering. Amendments to TIROSS 2024-2031 and RTTG 6PRT'.

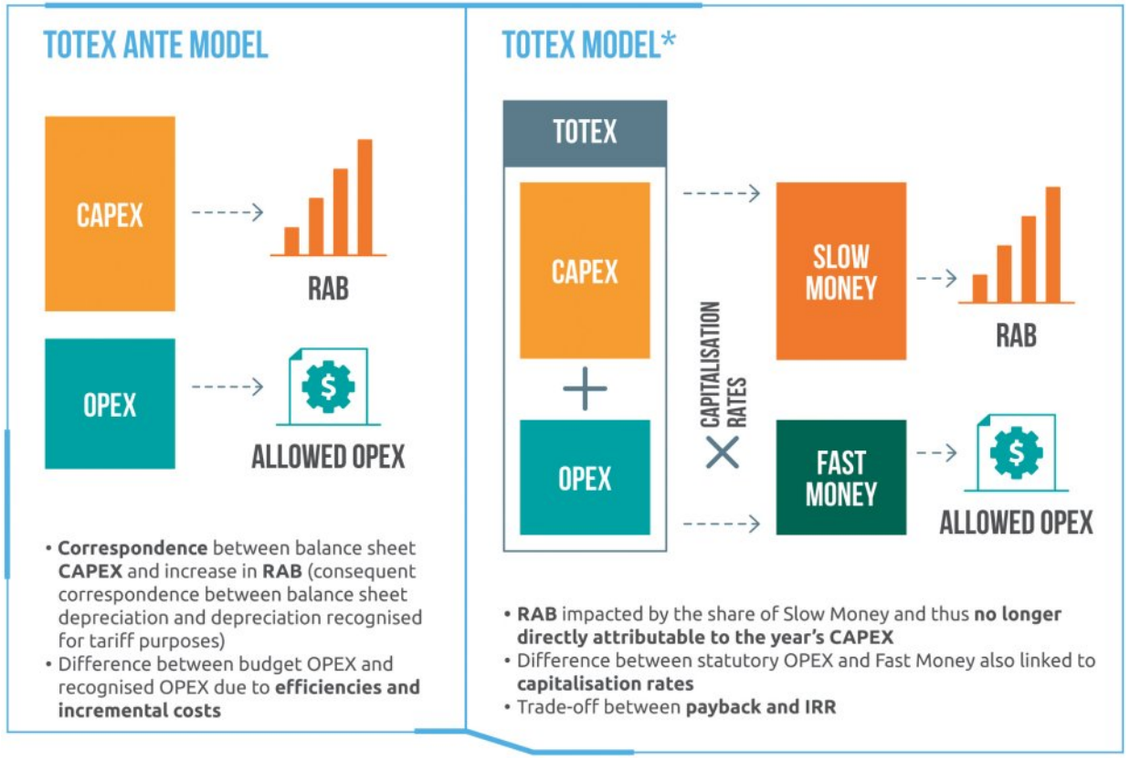
The resolution envisages aligning the regulatory lag of depreciation with that of return on capital (t-1), starting with investments that will come into operation in the year 2024. For the purposes of the revaluation of capital costs, these are to be recognised with an adjustment lag of one year, by means of an update that takes into account a deflator of gross fixed capital formation with base 1 for the year t-1 determined on the basis of the actual values of the deflator for the same year t-1, also by means of an ex post update of the change in the deflator.

Pending the application of ROSS-integral (which requires the formulation of business plans by operators), the application of efficiency measures applied to operating costs only is confirmed, with recognition on the basis of actual investment expenditure. Operators will be able to choose between two alternative schemes of efficiency measures to be applied to operating costs, a low-potential incentive solution (SBP) and a high-potential incentive solution (SAP), with different levels of X-factor and efficiencies retained between the two. Market capitalisation rates, which are used to define the amount of expenditure to be recognised in the same year (fast money) and the amount to be recognised in the RAB (slow money), are differentiated by operator, using the average of market capitalisation rates for the years 2021-2025 (with the last two years estimated) for the purpose of determining the tariffs for the years 2024 and 2025, and providing for a recalculation mechanism in the year 2025 of the market capitalisation rates for the years 2026 and 2027.

Assets under construction (LIC) will be revalued using the deflator, in line with the other capital cost items, and remunerated with a reduced WACC (determined by considering a Debt/Equity ratio of 4) for the entire recognition period (normally 4 years, extendable to 6 under special conditions).

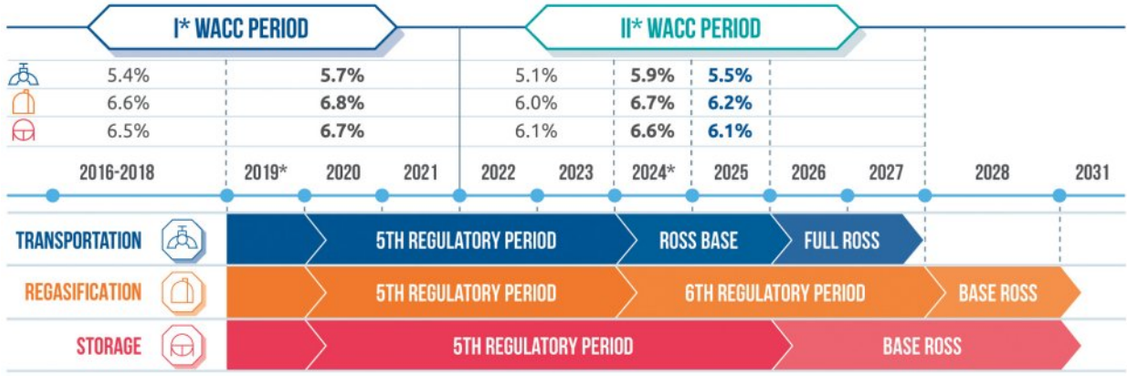
As far as the so-called 'tariff decoupling' is concerned, the resolution stipulates that all available information that will affect the level of *ex post* admissible revenues will be taken into account in the *ex ante* reference revenues (relevant for the determination of tariff levels), thus minimising the need for adjustments. In particular, the possibility of advance payments is introduced, including the possible updating of the WACC if known prior to the determination of ex post allowed revenues.

Graphical summary of ROSS base operation (TOTEX)



(*) Methodology applied to the gas transportation service only

Graphical summary of linkage between regulatory periods, WACC revisions and ROSS adjustment:



(*) Revision of the WACC during the WACC period according to market parameters.

7.2.1 Main provisions of the tariff framework of the regulated sectors and new developments in 2024

NATURAL GAS TRANSPORTATION

Tariff adjustment criteria for the natural gas transportation and metering service for the sixth regulatory period (2024-2027)

With Resolution 139/2023/R/gas, published on 5 April 2023, the Authority defined the tariff regulation criteria for the natural gas transportation service for the sixth regulatory period (6PRT), in force from 1 January 2024 to 31 December 2027. The articulation of the reference revenues of the transportation service according to the same revenue shares envisaged in the fifth regulatory period (5PRT) is confirmed, and the definition of the application modalities of the ROSS criteria (Regulation by Expense and Service Objectives) to the natural gas transportation service is postponed to a subsequent consultation document. It is also confirmed that the capital existing as at 31 December 2023 will be treated in continuity with the criteria in force today, except for the different remuneration of fixed assets in progress, depending on the year in which the expenditure was incurred.
Pursuant to Resolution 723/2022/R/gas, an incentive is recognised for maintaining fully depreciated networks in operation (1% of the revalued historical cost of the asset being incentivised and 0.5% for pipelines in operation that completed their regulatory useful life more than 10 years ago). An incentive is also granted for the efficient operation of dual-fuel compressor stations, equal to 50% of the revenue share from the offer of flexibility services, up to a ceiling of 4 million euros per year, and 50% of the revenue from participation in the white certificate mechanism.

With reference to self-consumption, network losses, Unaccounted for Gas (UFG) and Emission Trading Costs (ETS), the level of the premium/penalty for UFG is revised to 6.86 €/MWh (compared to 3.33 €/MWh in the 5PRT), extending it with the same valuation to grid losses. With particular reference to the recognition of energy costs for dual fuel plants, a specific incentive mechanism is introduced to optimise the consumption profile on an intraday basis, based on market prices for electricity and gas.
It is also provided that the transportation companies may propose changes to the guarantee system to the Authority in order to provide for adequate forms of hedging against the risk of insolvency with regard to the variable charge and additional components.

Integrated text of the criteria and general principles of regulation by expenditure and service targets for the period 2024-2031 (TIROSS 2024- 2031)

With Resolution 163/2023/R/Com, of 20 April 2023, the Authority published the 'Integrated text of the general criteria and principles of regulation for expenditure and service targets for the period 2024-2031 (TIROSS 2024- 2031)'. The resolution outlines the characteristics of the new tariff regulation framework for infrastructure services in the electricity and gas sectors (TIROSS). The document endorses the first part (Part I) of the ROSS approach containing the general provisions of the ROSS approach, as well as the second part (Part II) containing the specific criteria of the ROSS approach in its basic version. On the other hand, no further elements are reported in relation to standard costs and the methodology for performance analysis (RORE), as for these issues the Authority considers it appropriate to set up special working tables with operators and their associations. Whereas for the RORE these activities were completed by the end of 2023, for standard costs a deadline by the end of 2024 is assumed, with 2025 being used as a test year with a view to implementation from 2026.

Transportation revenues for the year 2024 and approval of revenues for the year 2025

With Resolution 216/2024/R/gas, published on 30 May 2024, the Authority approved the recognised revenues and tariff fees for the natural gas transportation and metering service for the year 2025. Revenues recognized for the natural gas transportation and measurement service for the year 2025 are equal to 2,857 million euros (including 50 million euros of incentive to maintain fully depreciated assets in operation). The RAB used to calculate the 2025 revenue for transmission, dispatching and metering activities is 19.6 billion euros and includes the estimated investments for 2024. The resolution also approved some amendments to the RTTG, in particular regarding the implementation of changes necessary to fully integrate the ROSS regulation approved with Resolutions 163/2023/R/com and 497/2023/R/com, the approval of the ROSS parameters (choice of the regulatory menu, market capitalisation rate and activation of the Z-factor) and the correction of some material errors.

The recognised revenues for the natural gas transportation service for the year 2024, approved by the Authority with resolution 234/2023/R/gas, amounted to 2,582 million euros. The RAB used to calculate revenues 2024 for transportation, dispatching and metering activities amounted to 18.5 billion euros, including estimated investments for the year 2023. Starting from the 2022 commodity revenue correction factor, the deductible of +/-4% is not applied with reference to the portion of revenue covering the costs relating to self-consumption gas, network losses and UFG.

OTHER MEASURES

Changes to the regulation on the default gas transportation service

With Resolution 374/2024/R/Gas, published on 26 September 2024, the Authority approved amendments and additions to the regulations on balancing and the default transmission service, with reference to the methods of supplying the quantities of gas functional to the default transmission service and to the mechanism for reinstating unpaid credits. In particular, the resolution provides that starting from 1 October 2024:

- Snam Rete Gas procures on the market the quantities of gas necessary for the default transmission service, as well as those for the operation of the system, or according to other methods proposed by the same and approved by the Authority;
- the supply price of the Service by default transmission takes into account the cost incurred for procurement;
- the costs deriving from procurement and the recognised revenues for the quantities supplied as part of the default transmission service are integrated within the neutrality system of the Balancing Manager as per the TIB;
- Snam Rete Gas may request the reinstatement of unpaid credits for the default transmission service together with those relating to the balancing service (four months after the due date of the unpaid invoice), guaranteeing coordination with the current reinstatement mechanism referred to in resolution 249/2012/R/gas.

REGASIFICATION OF LIQUEFIED NATURAL GAS (LNG)

Criteria for adjusting the tariffs for the liquefied natural gas regasification service for the fifth regulatory period (2024-2027)

With Resolution 196/2023/R/gas, published on 11 May 2023, the Authority defined the tariff regulation criteria for the natural gas regasification service for the sixth regulatory period (6PR LNG), in force from 1 January 2024 to 31 December 2027. The current breakdown of reference revenues is confirmed and the assessment of whether it is appropriate to extend the cost recognition criteria based on total expenditure (ROSS approach) to the regasification service as well, is postponed to the next regulatory period. With regard to base load electricity, companies are given the option at the beginning of the regulatory period and for the entire duration of the regulatory period to choose whether to include it in reference revenues (subject to a 64% guarantee) or in revenues covering regasification chain consumption.

With regard to the determination of depreciation, in analogy to the storage business, the asset additions up to the previous year (t-1) are taken into account, instead of year t-2 (as in the previous regulation).

With reference to the recognition of energy costs, it is stipulated that deviations between the *ex-ante* valuation and the valuation on the basis of the prices actually recorded in year t are settled directly through the CSEA in year t+1, instead of year t+2 by means of fee adjustments.
With reference to the revenue hedging factor, the hedging mechanism is confirmed up to a maximum level of 64% of the reference revenue and for a duration of 20 years. In addition, the scope of application of the revenue coverage factor also includes cases where actual revenue is equal to or

higher than the recognised reference revenue. In particular, in such cases, it is provided that 64% of the excess revenues are returned to the system through a corresponding payment to the CSEA.

Regasification revenues for the year 2024 and approval of revenues for the year 2025

With Resolution 253/2024/R/gas, published on 28 June 2024, the Authority approved the recognised revenues and tariff fees for the regasification service for the year 2025. Furthermore, the resolution provides for amendments to the RTRG 6PR GNL following DCO 56/2024/R/gas in order to allow for complete alignment with the ROSS criteria in relation to inflationary items and *ex post* redeterminations common to all energy infrastructure services subject to these criteria. The resolution also defines, in cases of capacity allocated at a regulated rate, a compensation mechanism for higher or lower tariff levels of one year (including those possibly deriving from the revision of the WACC) in the tariff levels of year t+2 (with a specific additional fee of the Cqs), providing that the related revenue is anticipated by CSEA for the purposes of applying the revenue coverage factor during year t+1 and, once collected by the regasification companies during the following year, paid directly to CSEA.

With regard to the Panigaglia terminal, tariffs for the year 2025 were determined on the basis of reference revenues of 36.6 million euros and energy costs of approximately 7.4 million euros. The RAB for the LNG regasification activity is 190.4 million euros. At the same time, the Authority gave the go-ahead for the disbursement of entitlements relating to the cost balances recognised for electricity consumption for the regasification chain and for ETS titles for the year 2023.

For the Piombino terminal, the tariffs for the year 2025 were determined on the basis of reference revenues of 94 million euros and energy costs of approximately 7.2 million euros. The RAB for the LNG regasification activity is equal to 447.1 million euros.

For the Ravenna terminal, the tariffs for the year 2025 were determined on the basis of reference revenues of 99.2 million euros and energy costs of approximately 7.2 million euros. The RAB for the LNG regasification activity is equal to 412.5 million euros.

With Resolution 279/2023/R/gas, published on 22 June 2023, the Authority approved the recognised revenues and tariff fees for the regasification service for the year 2024, as well as for the Piombino terminal also for the year 2023.

For the Panigaglia terminal, tariffs for the year 2024 were determined on the basis of reference revenues of 34.8 million euros and energy costs of approximately 4.6 million euros. The RAB for the LNG regasification activity is 170.8 million euros. At the same time, the Authority gave the go-ahead for the disbursement of entitlements relating to the cost balances recognised for electricity consumption for the regasification chain and for ETS titles for the year 2022.

OTHER MEASURES

Regasification Decree - Management of resources for the creation of new regasification capacity

As part of the urgent measures aimed at reducing dependence on Russian fossil fuels and strengthening the security of the country's energy supply, Decree Law 50 of 17 May 2022 ' Urgent measures regarding national energy policies, business productivity and attracting investments, as well as social policies and the Ukrainian crisis', introduces provisions aimed at increasing regasification capacity in Italy. In particular, in Article 5, paragraph 8, the Decree establishes a fund for new regasification plants equal to 30 million euros for each of the years from 2024 to 2043. The fund is intended to cover the share of revenues for the regasification service, including the cost of purchasing and/or building new plants, primarily for the share exceeding the application of the revenue coverage factor, provided for by the current tariff regulation for the regasification service of liquefied natural gas defined by the Regulatory Authority for Energy, Networks and the Environment.[29].

The Decree of 9 August 2024 (so-called) was published in the Official Journal no. 234 of 5 October 2024. 'Regasification Decree'), adopted by the Ministry of Economy and Finance in agreement with the Ministry of the Environment and Energy Security, containing the implementing provisions for the disbursement of the resources allocated to the Fund referred to in Article 5, paragraph 8, of Legislative Decree 50 of 17 May 2022. It should be noted that, pursuant to Article 7 of the 'Regasification Decree', the measure is notified pursuant to Article 108, paragraph 3, of the Treaty on the Functioning of the European Union - TFEU (so-called stand still) - and, therefore, its implementation remains suspended until the European Commission has made a positive decision on its compatibility with the internal market.

NATURAL GAS STORAGE

Provisions for the allocation of storage capacity

With Resolution 150/2023/R/Gas, published on 4 April 2023, the Authority supplemented the provisions on the allocation of storage capacities for the thermal year 2023-2024.

In particular, the Authority has:

- integrated fees for the failure of users to meet minimum fill levels;
- provided the possibility for the user to request an implicit allocation of its stock in excess of the maximum allowed at the end of each month of the injection phase;
- provided for storage companies to establish an internal verification procedure to implement the prohibition of making storage capacities available to persons or entities directly or indirectly established in Russia laid down in EU Regulation 2023/427; In the case of capacity allocated in violation of this regulation, this capacity shall revert to the storage company for allocation to third parties;
- provided for the transmission by Stogit of a functional proposal to take into account the implicit allocation mechanism within the short-term storage performance incentive scheme;
- provided for the allocation to the GSE and Snam Rete Gas of the space capacity for TA 23/24 and the corresponding injection and withdrawal capacity, for an amount equal to the respective gas stocks as of 31 March 2023, and that the related costs be covered under the 'Storage Charges Account'.

[29] The guarantee factor provides for a coverage mechanism up to a maximum level of 64% of the reference revenues.

Storage revenues for the year 2024 and determination for the year 2025. Amendments to Annex A of Resolution 419/2019/R/gas (RTSG)

With Resolution 335/2024/R/Gas, published on 31 July 2024, the Authority approved the business revenues for the storage service for 2025 and the authorisation for the disbursement of the 2023 revenue coverage factor entitlements, pursuant to Resolution 419/2019/R/gas and its Annex A (RTSG).

The revenue recognised for the storage service for the year 2025 is 581.4 million euros. The RAB used to calculate the 2024 revenue 2025 for the storage business is 4.4 billion euros and includes the estimated investments for the year 2024.
The resolution also reports the Authority's intention to:

- proceed with further investigations in order to verify the efficiency and cost-effectiveness requirements of the investments and the actual provision of the expected storage performance to the system;
- provide that, following the in-depth analyses referred to in the previous point, the introduction of specific investment cost efficiency mechanisms into the regulation will also be assessed within the procedure for the revision of the tariff regulation criteria for the storage service applicable from 2026.

The revenues recognised for the natural gas storage service for the year 2024, approved by the Authority with Resolution 379/2023/R/gas, amounted to 510.9 million euros. The RAB used to calculate the 2024 revenues came to 4.3 billion euros, including the estimated investments for the year2023.

Tariff regulation criteria for the natural gas storage service for the sixth regulatory period (2026-2029)

With consultation 473/2024/R/gas, published on 13 November 2024, the Authority set out its guidelines on the tariff regulation criteria and the quality of the natural gas storage service for the sixth regulatory period (6PRS). In general, the Authority intends to confirm the regulatory criteria currently in force, without providing for the introduction of ROSS criteria except in relation to some criteria common to all services (e.g. duration of the regulatory period, criteria for revaluation and updating of capital and operating costs, cost items excluded from tariff recognition, etc.) in analogy to what was adopted for the regasification service. Furthermore, an incentive mechanism is proposed to improve the efficiency of actual investment expenditure, compared to that estimated during the cost-benefit analysis, and the introduction, similarly to the transportation service, of a class of assets with a duration of 15 years for maintenance interventions aimed at extending the useful life. In relation to the remuneration rate, the Authority's orientation is to maintain the current differential of the beta parameter with respect to transportation (+0.122).

OTHER MEASURES

Amendments to the Regulation for Access to the Storage Service - RAST and definition of the incentive parameters for the fifth storage incentive period (5PI)

With Resolution 76/2024/R/Gas, published on 12 March 2024, the Authority updated RAST on the basis of the evolution of storage services that occurred in the last two years and defined the incentive criteria for storage companies for the two-year period 2024-2025, in particular by providing:

- the definition of short-term products with associated implicit allocation of further benefits;
- confirmation of the services subject to incentives, with the exception of services already provided to users and not used;
- the introduction of a specific incentive mechanism in the case of provision of services with implicit allocation.

7.2.2 Developments at European level

In the course of 2024, the European Commission concluded the discussion of the Fit for 55 packages, aimed at adapting the entire European regulatory framework to the achievement of a 55% greenhouse gas reduction target by 2030.

In particular, in June 2024, Directive (EU) 2024/1788 and Regulation (EU) 2024/1789 were officially published, constituting the main elements of the so-called. 'Hydrogen and gas markets decarbonisation package', containing regulations aimed at promoting the decarbonisation of the EU gas market - thanks to the progressive diffusion of renewable and low carbon emission gases (including hydrogen) - and guaranteeing energy security for all European citizens.

The measures and acts relevant to the sector that have been introduced or are being developed at European level include:

NEW REGULATIONS AND DIRECTIVES	
EU Methane Emissions Regulation	aimed at addressing the issue of fugitive emissions through the introduction of preventive measures for infrastructure operators and harmonisation provisions for data collection
Regulation of carbon sinks and carbon sequestration in agricultural soils (CRCF)	defines the first voluntary EU-wide framework for the certification of carbon removals, carbon sequestration in agricultural soils and carbon storage in products across Europe. By establishing EU quality criteria and monitoring and reporting processes, the CRCF Regulation will facilitate investments in innovative carbon removal technologies and sustainable carbon sequestration solutions in agricultural soils, while addressing the risk of greenwashing.
REVISIONS	
Review of the EU ETS	the EU ETS scheme is the main instrument for achieving $_{CO2}$reduction targets; The revision includes an increase in $_{CO2}$ reduction targets and has been accompanied by the introduction of a carbon tax at the Union border (so-called CBAM - Carbon border adjustment mechanism), as well as zero-rating for some low-carbon fuels, new rules for biomass and sustainable fuels and improved criteria for $_{CO2}$ management.
Directive on the Promotion of Renewable Energies	The third revision of the Renewable Energy Directive includes a series of innovations regarding the promotion of renewable energy, including the introduction of an overall EU-wide target of 42.5% by 2030
Energy Efficiency Directive and EPBD Directive	aiming to reduce final energy consumption at EU level by 11.7% in 2030 and increase the rate of renovation in the residential sector, the digitalisation of energy systems for buildings and the deployment of sustainable mobility infrastructures
Regulation on the Implementation of an Alternative Fuel Infrastructure (AFIR)	aimed at ensuring that citizens and businesses have access to an infrastructure network for access to alternative fuels, together with specific regulations aimed at reducing emissions in the road, naval and air transportation sectors ($_{CO2}$ Car and Van Regulations and ReFuel EU Regulations)
INITIATIVES AND LEGISLATIVE PROPOSALS	
Net Zero Industry Act (NZIA)	aims to increase the EU's production capacity of technologies that support the transition to clean energy and release extremely low, zero or negative greenhouse gas emissions when used.
Industrial Carbon Management Strategy	adopted in February 2024, identifies a series of actions to be undertaken to create a single $_{CO2}$ market in Europe and promote investments in $_{CO2}$ capture, sequestration and reuse (CCUS) technologies with a view to 2050 and with particular attention also to the creation of $_{CO2}$ transportation and storage infrastructures.

The main expected developments for gas infrastructures will revolve around the possibility of accommodating larger shares of green gas in a context of increasing cross-sector integration, first and foremost with the electricity sector (sector coupling). In this regard, a key role will be assigned to the conversion of gas infrastructures to include hydrogen, which is also an integral objective of the revision of the TEN-E Regulation on trans-European energy infrastructures, through which the first Projects of Common Interest (PCI) for hydrogen networks will be selected in 2023, including the Italian Hydrogen Backbone proposed by Snam.
In this context, the European Commission also continued the activities related to the plan of initiatives adopted in 2022 to reduce dependence on fuels imported from Russia (initiated with the REPowerEU plan), pursued with the dual objective of accelerating decarbonisation and efficiency targets, while ensuring greater diversification and security of
European gas supplies.

Snam's contributions in Europe

Responses to Public Consultations	**21**
Others (Position papers; Statements; Open letters; Recommendations	**5**

Consistent with European objectives aimed at ensuring a safe and efficient energy transition, and with a view to becoming a multi-purpose company capable of ensuring adequate levels of diversification and security of supply, Snam has actively participated in the process of revising the European regulatory and legislative framework, making significant contributions to the various consultations and legislative revision processes of the European Commission and other institutions, both directly, through the development of specific evaluations and corporate positioning, and through the industry associations of which it is a member (e.g. ENTSO-G and Gas Infrastructure Europe) as well as taking part in the establishment of the association of hydrogen transportation companies (ENNOH).

For more information on Snam's contributions in Europe, please refer to the chapter 'Relations with authorities and quality of services' in the General information section of the Consolidated Sustainability Statement.

7.2.3 Balancing the system

Snam Rete Gas is responsible for managing the balancing of the gas system, ensuring both its **physical** and **commercial balancing.**
Physical balancing encompasses the activities by which the Transporter, through its physical dispatching, ensures the safe and efficient movement of gas from the injection points to the withdrawal points at all times.
Commercial balancing, on the other hand, represents the set of operations by means of which each User ensures the equality between its own quantities injected into and withdrawn from the network, as well as including all the activities necessary for the correct accounting and allocation of the gas transported and the system of fees that incentivises Users to maintain the equality between the quantities injected into and withdrawn from the network.

In the event that the Company considers that the actions taken by the Users unbalance the system, and by resorting to non-discriminatory balancing actions, it brings the system back within its operational limits and restores a correct pressure level in the transmission network, in line with the economic and efficient operation of the network itself.

Dispatching, which is responsible for the physical balancing of the system, plays a key role in ensuring and guaranteeing the 24/7 reliability of the infrastructure. The operations room monitors and remotely controls transmission, receiving data from about **6,700 plants located along the network** (about 2,000 of which are remote-controlled), and oversees the movement of gas from the entry points to the withdrawal points, according to the schedule defined by customers and coordinating with the operators of foreign infrastructures connected to the Italian network. In addition, dispatching carries out planning and conducting operations of the surface treatment, well area and compression plants of the **9 storage facilities**, ensuring their safe execution under all operating conditions, whether ordinary, abnormal or emergency.

IMPACTS OF THE RUSSIAN-UKRAINIAN CONFLICT ON DISPATCHING ACTIVITY

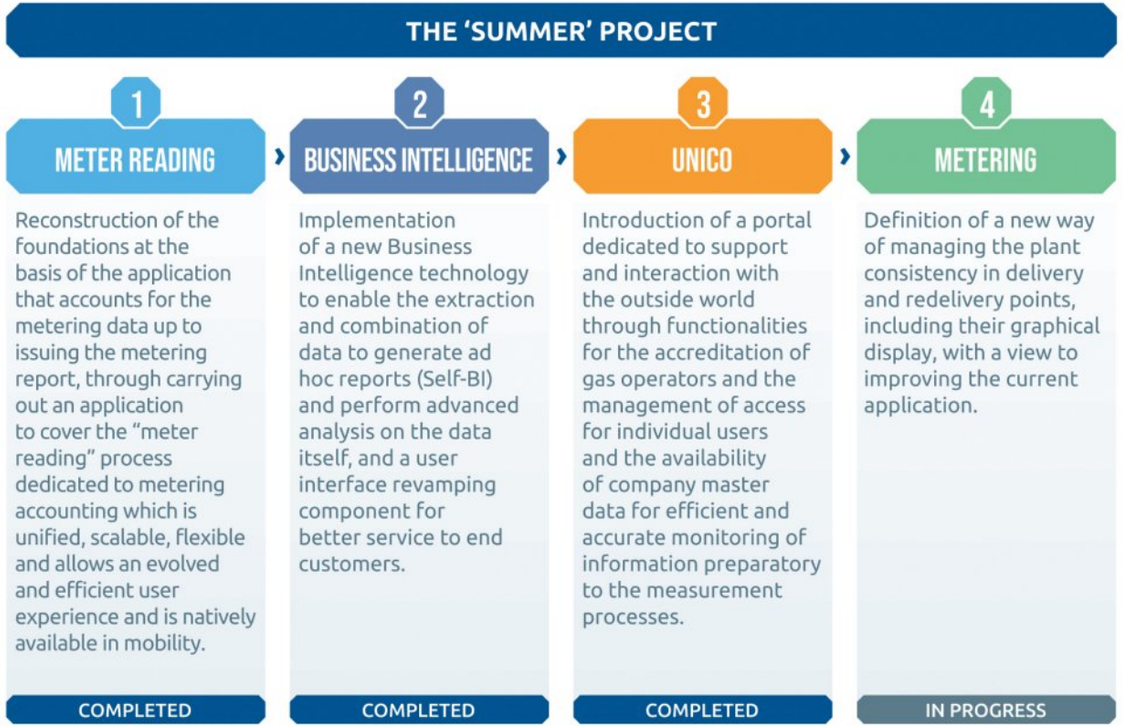
Geopolitical conflicts have continued to cause changes in gas flows compared to the past, with consequences on transportation activities compared to the trend of previous years. In particular, also during 2024, the incoming flows at Tarvisio represented a marginal share, balanced by an almost constant use of both the LNG terminals, of which the first year of full operation of FSRU is recorded in Piombino, and of imports from the South (Melendugno, Gela, Mazara), which consequently led to a continuous use of the booster stations present on the Central-Southern backbone of the Snam Rete Gas network. The 2024 injection campaign ended with a record stock of 98% compared to the entire available capacity, equal to over 16.5 billion cubic metres including the strategic reserve, a result also obtained thanks to the authorizations for the overpressure of the Ripalta and Sergnano concessions.

MAIN ACTIVITIES CARRIED OUT BY SNAM RETE GAS FOR GAS MEASUREMENT

"Metering" activity	"Metering ready" activity	Verification of compliance with technical regulations	Centralized programming and management activities	Management of laboratories for gas analysis and measurement
Maintenance and management of measurement assets performed on more than 300 quantity measurement plants and more than 200 quality measurement plants.	Maintenance and management of measurement assets performed on more than 300 quantity measurement plants and more than 200 quality measurement plants.	Verification of compliance with the current technical regulations of the design of measurement systems owned by third parties physically connected to the gas pipeline network managed by Snam Rete Gas itself.	Execution of centralized activities for the programming and management of odorization systems and control of the related ordinary and extraordinary maintenance.	Management of laboratories that provide analysis and measurement of gas, also taking care of their accreditations.

Through its organisational structure and activities, Snam Rete Gas ensures:
- the adoption and promotion of metering methodologies;
- the improvement of system management standards;
- the continuous monitoring of its processes and full involvement of staff;
- a proactive role at national and international level.

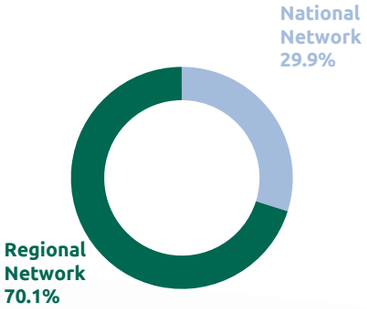
In this context, the project **Rinnovamento Sistemi Misura (SUMMER)** aims to overhaul the current application landscape for gas metering by acting on four key areas.



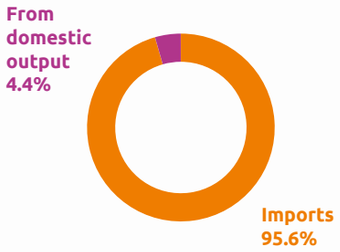
7.3 NATURAL GAS TRANSPORTATION

Snam, through its subsidiary Snam Rete Gas, is leading Italian natural gas transportation and dispatching operator, and owns almost all the transportation infrastructure in Italy, with more than 32,900 km of high- and medium-pressure pipelines in operation (about 93% of the entire transportation system). Snam manages the gas pipeline network via 8 districts, 48 maintenance centres throughout Italy, 13 compression stations, and a new dispatching unit that has recently been renovated in terms of structure and technology. Gas from abroad is fed into the network at the ten entry points, at the six interconnection points with methane pipelines and at the four interconnection points with LNG regasification terminals (including the FSRU terminal in Piombino, which became operational in 2023). Once it has been imported or regasified, the gas is transported to the local distribution networks, the regional network redelivery points or large end users such as thermoelectric power stations or manufacturing plants.

GAS PIPELINES IN USE (KM)



GAS INJECTED INTO THE NATIONAL NETWORK (BILLIONS OF M^3)



Snam awards transportation capacity to shippers who apply for it. In this way, users acquire the right to inject or withdraw a quantity of gas not exceeding the daily rate allocated on any day of the thermal year. The conditions for access to the service are contained in the Network Code. Shippers have the possibility of making gas sales and trades at a Virtual Trading Point (VTP) of the National Network, thanks to the dedicated IT platform.

The transportation capacity of the network has made it possible, again in 2024, to fully satisfy the demand for capacity on the part of users. In addition to the transportation capacity offered at the Entry Points interconnected with foreign gas pipelines and at LNG regasification plants, equal to 377.5 million cubic metres/day, slightly down compared to the capacity offered in 2023, Snam has made additional transportation capacity available at the entry points interconnected with national production, for a total of 17.9 million cubic metres/day, and with biomethane production for a total of 1.9 million cubic metres/day.

Over the last few years, transportation operators have been constantly increasing, going from around 30 operators in 2003 to around 450 operators in 2024 (including shippers and traders).

In 2024, 254 connection agreements were entered into for the creation of new delivery/redelivery points or for upgrading existing ones, 215 contracts for the injection of biomethane and six relating to UFG service areas.

Key performance indicators

The reporting of the natural gas transportation segment includes the values of the companies Snam Rete Gas, Infrastrutture Trasporto Gas and Enura.

(million euros)	2022	2023	2024	Abs. change	Change %
Regulated revenues (a) (b) (c)	2,035	2,127	2,459	332	15.6
Other non-regulated revenues	108	258	410	152	58.9
Total revenues (a) (b) (c)	2,143	2,385	2,869	484	20.3
Adjusted EBITDA (*)	1,795	1,873	2,168	295	15.8
Adjusted EBIT (*)	1,092	1,147	1,379	232	20.2
Technical investments (d)	1,007	1,139	1,924	785	68.9
- of which development	129	271	736	465	
- of which replacement and other	878	868	1,188	320	36.9
Net invested capital at December,31	11,941	14,049	15,029	980	7.0
Natural gas injected into the National Gas Transportation Network (billion cubic metres) (e)	75	64	62	(2)	(3.5)
Gas transportation network (kilometres in use)	32,862	32,895	32,926	31	0.1
- of which National Network (f)	9,755	9,788	9,829	41	0.4
- of which Regional Network	23,107	23,107	23,097	(10)	
Installed power in compression plants (megawatts)	965	961	921	(40)	(4.2)
Employees in service at the end of the period (number)	1,903	1,963	2,035	72	3.7

(*) The values in the adjusted configuration, relating to 2023 only, exclude costs related to the asset write-off (8 million euros).

(a) Before consolidation eliminations.

(b) Net of revenues which, in accordance with tariff regulations, are offset by costs (pass-through item) relating to the modulation service amounting to 98 million euros in 2024 (94 million euros in 2023).

(c) To provide a consistent representation of revenues and costs between the two periods under comparison, the revenues covering the costs of gas procurement necessary for the operation of the transportation network (self-consumption, network losses and Unaccounted For Gas - UFG) (347 million euros in 2023 and 127 million euros in 2022) have been reclassified as a reduction of the related costs.

(d) Investments remunerated at a pre-tax real base WACC of 5.9% for 2024 and 5.1% for 2023.

(e) The data for 2024 is current as at 27 January 2025. The corresponding value for 2023 has been definitively updated. Gas volumes are expressed in standard cubic metres (Scm) with an average higher heating value (HHV) of 38.1 MJ/Scm (10.573 kWh/Scm).

(f) The amount includes 84 km of network relative to the company Infrastrutture Trasporto Gas.

Results

Total revenues amounted to 2,869 million euros, an increase of 484 million euros, or 20.3%, compared to the 2023 financial year (2,385 million euros), mainly due to the increase in regulated revenues.

Regulated revenues amounted to 2,459 million euros, an increase of 332 million euros, or 15.6%, and include variable fees (25 million euros; 39 million euros in 2023) to cover costs associated with energy consumption (purchase of CO_2 emission allowances). Regulated revenues increase mainly due to: (i) the revision of the regulated WACC with an increase from 5.1% in 2023 to 5.9% in 2024 (+147 million euros); (ii) the increase in the RAB (€107 million, including the effect of lower input-based incentives) due to new investments; (iii) the application of ROSS (Regulation for Spending and Service Objectives). These effects were partly offset by lower revenues from flexibility services offered to users (€10 million) attributable to the default service.
Other non-regulated revenues amounted to 410 million euros, an increase of 152 million euros compared to 2023, due to higher recharges for technical services provided to other group companies, in particular Snam FSRU. These correspond to the costs incurred for the provision of the related services, partially offset by lower one-off positive effects compared to 2023.

Adjusted EBITDA amounted to 2,168 million euros, an increase of 295 million euros, or 15.8%, compared to 2023(1,873million euros). The higher revenues were partly absorbed by the increase in costs for services provided by the parent company Snam.

Adjusted EBIT amounted to 1,379 million euros, increasing by 232 million euros, equal to 20.2% compared to 2023. The aforementioned increase in EBITDA was partly absorbed by higher amortization, depreciation and impairment of assets (-63 million euros; equal to 8.7%) mainly due to the entry into service of new assets and higher write-downs.

Operating performance

TECHNICAL INVESTMENTS

(million euros)	2022	2023	2024
Development	129	271	736
Replacement and other	878	868	1,188
TOTAL TECHNICAL INVESTMENTS	**1,007**	**1,139**	**1,924**

Technical investments in 2024 amount to 1,924 million euros, increasing by 785 million euros (+68.9%) compared to the previous financial year (1,139 million euros).

Investments in the development of new transportation capacity (736 million euros, +465 million euros) mainly concern:

- investments for the construction of connections (308 million euros), including: (i) the connection of the FSRU plant in Ravenna to the National Gas Pipeline Network (235 million euros); (ii) biomethane connections (48 million euros) and (iii) UFG service stations (10 million euros);
- investments to enhance the network (48 million euros), including: (i) the design and engineering activities for the hybrid power plants of Poggio Renatico, Terranuova Bracciolini, Gallese and Messina (35 million euros in total); (iv) construction activities related to the upgrading of the Nocera-Cava Dei Tirreni branch (3 million euros);
- investments in the construction of new network sections and plants (376 million euros) mainly attributable to: (i) the design, engineering and permit acquisition activities relating to the Adriatic Line gas pipelines (300 million euros) and (ii) the Sulmona power plant (57 million euros).

Replacement investments and other investments (1,188 million euros; +320 million euros), mainly concern:

- works aimed at maintaining the safety and quality levels of the plants (873 million euros), including initiatives for the replacement of methane pipelines (468 million euros), and in particular the continuation of the activities for the reconstruction of the methane pipelines in the sections Recanati–Chieti (201 million euros), Ravenna–Recanati (65 million euros), Foligno–Gallese (33 million euros), Sansepolcro–Foligno (27 million euros) and Sansepolcro–Terranuova (20 million euros);
- (ii) projects relating to the development of new information systems, as well as the implementation of existing ones (168 million euros);
- the construction and redevelopment activities of the Group's buildings (113 million euros), including: (i) construction of the Group's new headquarters in the 'Symbiosis' district (83 million euros); (ii) the redevelopment activities of the operational headquarters (27 million euros);
- IOT activities and IT infrastructure security (30 million euros).

The net invested capital is equal to 15,029 billions of euros per December 31, 2024 and records an increase of 980 million euros compared to the corresponding period of the previous financial year, mainly due to the investments made in the financial year, together with the dynamics of working capital connected, in particular, to the items relating to the gas balancing and settlement service.

Gas distribution on the national Transportation network

Gas volumes are stated in standard cubic metres (Scm) with a traditional higher heating value (HHV) of 38.1 MJ/Scm (10.573 kWh/Scm). The elementary datum is measured in energy (MJ) and is obtained by multiplying the actual measured physical cubic metres by the corresponding calorific value.

GAS DEMAND IN ITALY

(billions of m³)	2022	2023(a)	2024	Abs. change	Change %
Residential and tertiary	25.16	22.91	23.59	0.68	3.0
Thermoelectric	30.15	26.06	25.69	(0.37)	(1.4)
Industrial (b)	11.63	10.98	11.08	0.10	0.9
Other (c)	1.77	1.78	1.68	(0.10)	(5.6)
	68.71	**61.73**	**62.04**	**0.31**	**0.5**

(a) The data for 2024 is current as at 27 January 2025. The corresponding value for 2023 has been definitively updated.

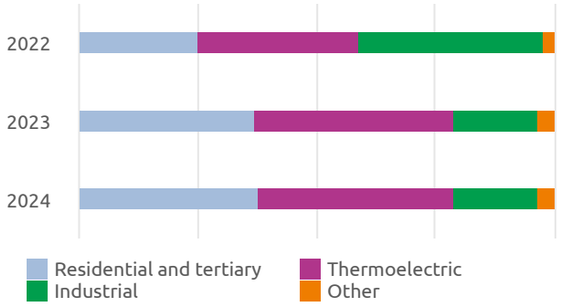
(b) It includes the consumption of the Industry, Agriculture and Fishing, Chemical Synthesis and Automotive sectors.

(c) Consumption and losses mainly related to the natural gas transportation system, the energy system, the upstream sector, storage and LNG facilities.

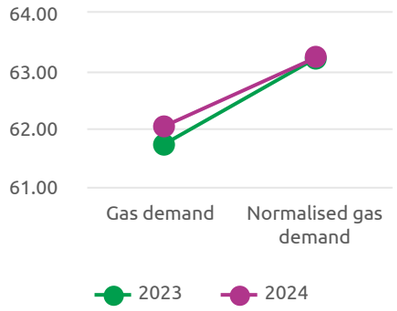
Gas demand in Italy in 2024 it was equal to 62.04 billion cubic metres, slightly increasing (+0.31 billion cubic metres, equal to 0.5% compared to 2023) mainly due to higher consumption in the residential and tertiary sectors which more than absorbed the reduction recorded by the thermoelectric sector. In particular, the increase in demand for gas from the residential and tertiary sectors (+0.68 billion cubic metres; +3.0%), is due to a harsher climate compared to 2023, as well as the overcoming of voluntary actions and administrative measures to reduce consumption that had impacted the first months of 2023 and a more favourable consumer price dynamic. This effect was partly absorbed by the contraction in consumption in the thermoelectric sector (-0.37 billion cubic metres; -1.4 %) following the increased hydroelectric production, in the face of heavy rainfall that characterized 2024, and the increased use of renewable sources, supported by photovoltaics in the civil sector. Consumption in the industrial sector is substantially in line with the corresponding period of the previous year (+0.10 billion cubic metres; +0.9%), despite the decline in the industrial production index, particularly in the 'energy intensive' sectors.

The gas demand in temperature-normalized terms, estimated at 63.23 billion cubic metres, is in line with the corresponding value of the 2023 (63.22 billion cubic metres).

GAS DEMAND BY SEGMENT (%)



GAS DEMAND (BILLION M³)



AVAILABILITY OF NATURAL GAS

(billions of m³)	2022	2023(a)	2024	Abs. change	Change %
From gas injected into the network by entry point	72.31	61.27	59.07	(2.20)	(3.6)
From domestic output	3.11	2.80	2.75	(0.05)	(1.8)
Total gas injected into the network	**75.42**	**64.07**	**61.82**	**(2.25)**	**(3.5)**
Net balance storage withdrawals/injections (b)	(2.81)	(0.32)	0.20	0.52	
Total availability of natural gas	**72.61**	**63.75**	**62.02**	**(1.73)**	**(2.7)**

(a) The data for 2024 is current as at 27 January 2025. The corresponding value for 2023 has been definitively updated.
(b) Understood as the balance between withdrawals from storage (+) and injections into storage (-), expressed after consumption through

The availability of natural gas in Italy (62.02 billion cubic metres), equal to the sum of gas injected into the National Transmission Network and the net balance of withdrawals from/injections into storage, recorded a decrease of 1.73 billion cubic metres (–2.7%) compared to 2023. The reduction was due to lower imports (-2.20 bcm, - 3.6%) and lower domestic production (-0.05 bcm; -1.8%). These effects were partially offset by net disbursements from storage, compared to net injections in 2023, to meet domestic demand.

GAS INJECTED INTO THE NETWORK (A)

(billions of m³)	2022	2023	2024	Abs. change	Change % (b)
Domestic production	**3.11**	**2.80**	**2.75**	**(0.05)**	**(1.8)**
Entry points (c)	**72.31**	**61.27**	**59.07**	**(2.20)**	**(3.6)**
Mazara del Vallo	23.55	23.04	21.07	(1.97)	(8.6)
Melendugno	10.33	9.99	10.31	0.32	3.2
Passo Gries	7.59	6.57	6.00	(0.57)	(8.7)
Tarvisio	13.99	2.84	5.60	2.76	97.2
Gela	2.62	2.52	1.41	(1.11)	(44.0)
Gorizia	0.03	0.04	0.02	(0.02)	(50.0)
Total Interconnections with foreign countries	**58.11**	**45.00**	**44.41**	**(0.59)**	**(1.3)**
Cavarzere (LNG)	8.28	8.78	9.01	0.23	2.6
Piombino (LNG)		1.14	3.59	2.45	
Livorno (LNG)	3.72	3.78	1.11	(2.67)	(70.6)
Panigaglia (LNG)	2.20	2.57	0.95	(1.62)	(63.0)
Total interconnections with LNG terminals	**14.20**	**16.27**	**14.66**	**(1.61)**	**(9.9)**
	75.42	**64.07**	**61.82**	**(2.25)**	**(3.5)**

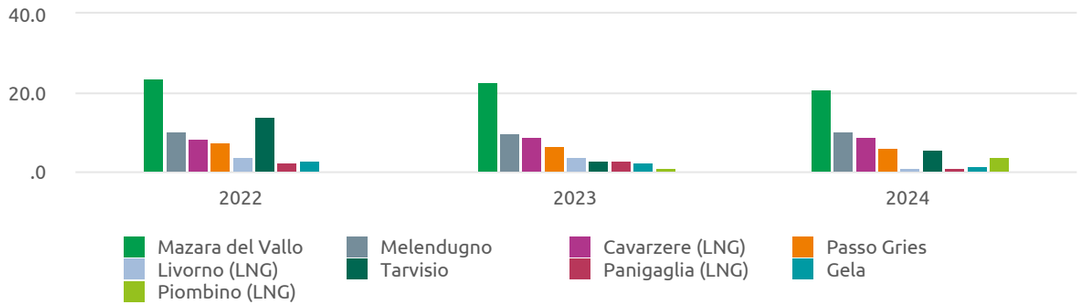
(a) The data for 2024 is current as at 27 January 2025. The corresponding value for 2023 has been definitively updated.
(b) The percentage change is calculated with reference to the figures in cubic metres.
(c) Entry points connected with other countries or with LNG regasification plants.

Gas injections and withdrawals in the transportation network

The gas injected into the network in 2024 is overall equal to 61.82 billion cubic metres, in reduction of 2.25 billion cubic metres (-3.5% compared to 2023) in the face of a significant drop in exports and increased withdrawals from storage.

Injections into the network from domestic production fields or their collection and treatment centres amounted to 2.75 billion cubic metres, a decrease compared to 2023 (-1.8%).

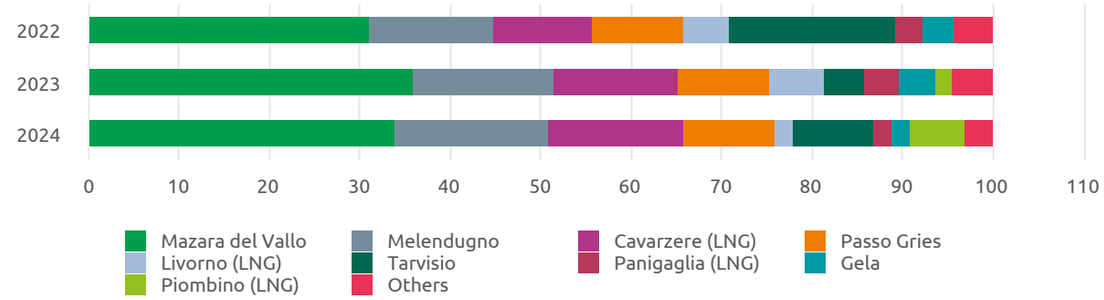
VOLUME INJECTED PER INLET POINT (BILLIONS OF SM³)



The volumes entered for entry points interconnected with foreign countries, equal to 44.41 billion cubic metres, record a reduction of 0.59 billion cubic metres (-1.3% compared to 2023), mainly due to the drop in imports from the entry points of Mazara del Vallo, Gela and Passo Gries, partly absorbed by the higher volumes transited through the entry point of Tarvisio.

The injections into the network from the entry points interconnected with the LNG regasification terminals, equal to 14.66 billion cubic metres, record a reduction of 9.9% compared to 2023, due to the temporary shutdown of the Livorno regasification plant for extraordinary maintenance work, partly absorbed by the operation, for the entire year, of the Piombino regasification plant, which entered into service in July 2023. The reduction in volumes released by regasification terminals was also affected by the dynamics of LNG prices, which favoured the Asian market over the European one.

NATURAL GAS INJECTED INTO THE NETWORK FOR IMPORT POINTS (% OF TOTAL GAS PUMPED INTO THE NETWORK)



NATURAL GAS WITHDRAWALS

(billions of m³)	2022	2023(a)	2024	Abs. change	Change %
Redelivery to the domestic market	67.30	60.47	60.92	0.45	0.7
Exports and transit (b)	4.64	2.64	0.65	(1.99)	(75.4)
Consumption and emissions, Snam Rete Gas	0.35	0.36	0.26	(0.10)	(27.8)
Unaccounted for gas and other changes (c)	0.32	0.28	0.19	(0.09)	(32.1)
Total natural gas withdrawals	**72.61**	**63.75**	**62.02**	**(1.73)**	**(2.7)**

(a) The 2023 values have been definitively updated.

(b) Includes exports to the Republic of San Marino.

(c) It includes the variation of the network reservoir. In the energy balance drawn up by Snam Rete Gas, Unaccounted For Gas (NG) is conventionally defined as the physiological difference between the quantity of gas measured at the network inlet and the quantity of gas measured at the outlet, resulting from the technical tolerance of the measuring instruments.

The natural gas withdrawn from the national transportation network in 2024 (62.02 billion cubic metres) was mainly used: (i) redelivery to users at network exit points (60.92 bcm) and (ii) exports and transits (0.65 bcm).

RECONCILIATION BETWEEN GAS VOLUMES INJECTED INTO THE GRID AND GAS DEMAND IN ITALY

(billions of m³)	2022	2023(a)	2024	Abs. change	Change % (b)
Total gas injected into the network	**75.42**	**64.07**	**61.82**	**(2.25)**	**(3.5)**
Net balance storage withdrawals/injections (c)	(2.81)	(0.32)	0.20	0.52	
Total natural gas withdrawals	**72.61**	**63.75**	**62.02**	**(1.73)**	**(2.7)**
Exports (-) (d)	(4.64)	(2.66)	(0.65)	2.01	(75.6)
Other consumption (e)	0.74	0.64	0.67	0.03	4.7
Total demand Italy	**68.71**	**61.73**	**62.04**	**0.31**	**0.5**

(a) The data for 2024 is current as at 27 January 2025. The corresponding value for 2023 has been definitively updated.
(b) The percentage change is calculated with reference to the figures in cubic metres.
(c) Understood as the balance between withdrawals from storage (+) and injections into storage (-), expressed after consumption through
(d) Includes transits and exports to the Republic of San Marino.
(e) Includes consumption from LNG regasification terminals, consumption from storage compression stations and from power stations for production treatment.

The allocated transportation capacity shown in the table below represents the average daily value resulting from the booking processes taking effect in the calendar year:

TRANSPORTATION CAPACITY

(million m³/day)	Calendar year 2022			Calendar year 2023			Calendar year 2024		
Entry points	**Transportation capacity**	**Allocated capacity**	**Saturation (%)**	**Transportation capacity**	**Allocated capacity**	**Saturation (%)**	**Transportation capacity**	**Allocated capacity**	**Saturation (%)**
Tarvisio (a)	112.4	54.2	48.2	112.4	9.0	8.0	112.4	15.6	13.9
Mazara del Vallo (a) (b)	73.2	64.3	87.8	73.3	65.0	88.7	71.3	58.7	82.3
Passo Gries	64.4	20.9	32.5	64.4	18.1	28.1	64.4	16.5	25.6
Melendugno (b)	29.9	27.5	92.0	29.3	26.8	91.5	29.5	27.6	93.6
Cavarzere (LNG)	26.4	23.7	89.8	26.4	25.9	98.1	26.4	26.0	98.5
Gela (b)	15.7	13.2	84.1	15.9	13.4	84.3	14.5	12.7	87.6
Livorno (LNG) (c)	15.0	12.4	82.7	15.0	14.1	94.0	15.0	10.5	70.0
Panigaglia (LNG) (c)	13.0	6.8	52.3	13.0	8.9	68.5	13.0	4.5	34.6
Piombino (LNG)				14.0	12.9	92.1	14.0	12.9	92.1
Gorizia	4.6	0.6	13.0	4.7	0.2	4.3	4.7	0.2	4.3
Competitor Capacity (b)	16.2			15.2			12.3		
	370.8	**223.6**	**60.3**	**383.6**	**194.3**	**50.7**	**377.5**	**185.2**	**49.1**

(a) The capacity values are to be understood as the sum of the continuous and interruptible capacity.
(b) Capacity values at the Mazara del Vallo, Gela and Melendugno Entry Points do not include Competitor Capacity. This capacity, according to EU Regulation 984/2013 in force since 1 November 2015, is the transportation capacity available at a Point whose booking reduces all or part of the capacity available for booking at another Point of the Transport System.
(c) In calculating the averages of the conferred capacities, the months with zero capacity were not considered.

The transportation capacity of the network has made it possible, again in 2024, to fully satisfy the demand for capacity on the part of users. Average transportation capacity provided in 2024 at the entry points connected with foreign pipes and at regasification facilities was 377.5 million cubic metres on average per day, 12.3 of which were offered as competing capacities between the Mazara del Vallo, Gela and Melendugno entry points. In addition to the aforementioned capacities which concern the entry points interconnected with foreign countries and the LNG terminals, a transportation capacity is available at the domestic production entry points:

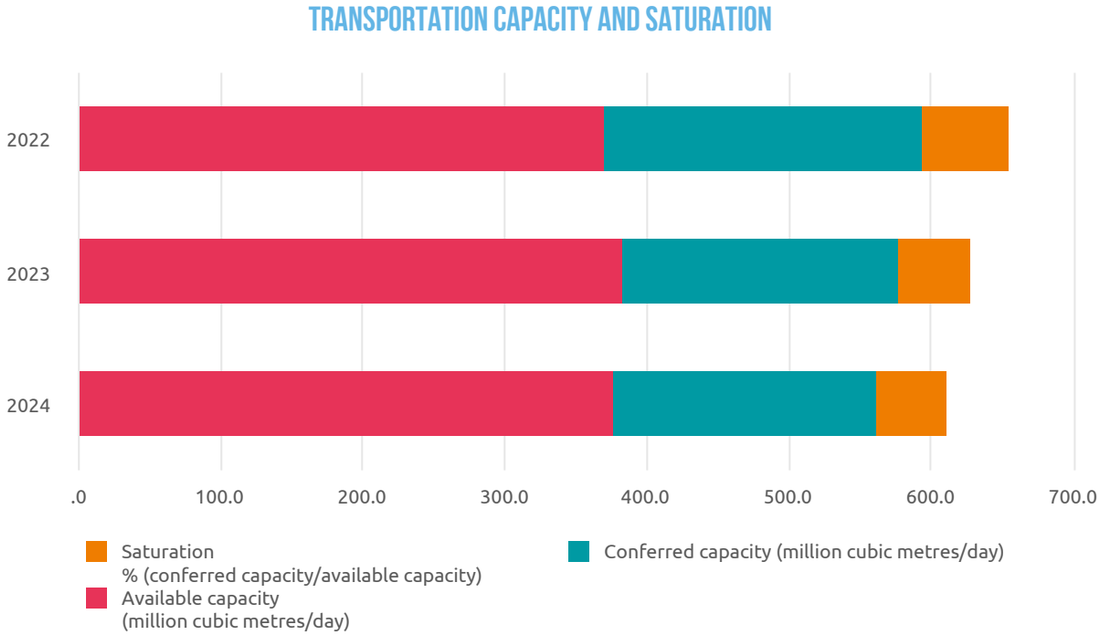
- national production at a total of about 17.9 million cubic metres/day;
- the production of biomethane at a total of about 1.9 million cubic metres/day;
- production from virtual entry points (VEPs) connected to distribution networks/other transportation networks for a total of about 0.46 million cubic metres/day.

Snam Rete Gas has prepared the long-term plan for the availability of transportation capacity, which was communicated to the Ministry of Enterprise and Industry and to the Authority on 28 June 2024 and published on Snam's website at http://www.snam.it/it/trasporto in the 'online services/capacity' section.
The document shows data about capacity at all entry points interconnected with foreign countries and with LNG terminals for the thermal year 2024-2025 and subsequent years up to 30 September 2039.

During the year, there was an important increase in gas exports to foreign countries compared to previous years. This was made possible by the increased transportation capacity allocated at the Tarvisio and Passo Gries exit points.

For the thermal year 2023-2024, the transportation capacities of the interconnected foreign exit points Tarvisio, Passo Gries, Gorizia, Melendugno, Bizzarone and San Marino are also offered for a total of 46 million cubic metres/day. As a result of all the infrastructure of the 'Supporting the north-west market and two-way cross-border flows' project coming into service, a total capacity of 40 million cubic metres/day became available simultaneously at the Passo Gries and Tarvisio exit points. The maximum capacity of the Passo Gries exit point is 40 million cubic metres/day, while the maximum capacity of the Tarvisio exit point is 24 million cubic metres/day; Therefore, on the two points a Competing Capability according to Chapter 5, paragraph 3 of the Network Code is available.

In 2024, 254 connection agreements were entered into for the creation of new delivery/redelivery points or for upgrading existing ones, 215 contracts for the injection of biomethane and 6 relating to UFG service areas.



Organisational changes

During 2024, the staff in service recorded an overall increase of 72 resources, passing from 1,963 resources to the December 31, 2023 to 2,035 resources to the December 31, 2024.

The organizational changes implemented in 2024 concerned the evolution of the organizational model for:

- engineering and construction activities, in line with the growth of the investment plan, both for the regulated business and for the Energy Transition activities. In particular, we highlight the creation of a new unit dedicated to the Sulmona plant project, also in relation to the development activities of the new Adriatic line, and the new project dedicated to the Pignataro plant, aimed at the construction of a liquefaction plant for the recharging of tankers and the transportation of LNG;
- the reorganisation of the unit dedicated to projects in the LNG, International & Energy Transition sector, with the introduction of specific project organisational structures, also in order to ensure the best coordination with the various internal clients, and the establishment of a new headquarters unit dedicated to carrying out the expropriation procedures delegated to the Company by the Ministry of the Environment and Energy Security and other Public Administration Bodies;
- the establishment of a dedicated reference within the Gas Control unit within the Dispatching and Measurement function, for the simulation and optimisation of fuel consumption, the reduction of $_{CO2}$ emissions and the application of sector coupling logics.

For more information regarding energy consumption and emissions related to the transportation of natural gas, please reger to Annex 2 - Data and performance indicators of the Consolidated Sustainability Statement.

7.4 LIQUEFIED NATURAL GAS (LNG) REGASIFICATION

LNG plays a key role in providing adequate diversification and supply flexibility to the gas system

Snam is active in the LNG regasification sector through its subsidiaries GNL Italia, owner of the Panigaglia plant, and Snam FSRU Italia, owner of the Italis LNG Floating, Storage and Regasification Unit (FSRU) moored in the port of Piombino, which will become operational in July 2023 and the FSRU BW Singapore. Through Snam FSRU Italia, Snam also owns the PIR maritime terminal necessary for the commissioning of the FSRU BW Singapore.
The Panigaglia plant, built in 1971, is capable of regasifying 17,500 m^3 of LNG per day; when operating at maximum efficiency, it can output more than 3.5 billion cubic metres of natural gas into the transportation network every year.

Annual maximum regasification capacity of LNG from the Panigaglia plant

3.5 BILLION M^3

The regasification service can either be continuous for the entire thermal year or spot-related, with regasification capacity awarded through dedicated auctions. Moreover, the regasification service includes the ancillary service of correcting the heating power of the natural gas to comply with quality requirements for its transfer to the transportation network (correction of the Wobbe index).

Maximum annual LNG regasification capacity at the FSRU Italis GNL

5 MLD OF M^3

The total amount of gas regasified at the Panigaglia plant in 2024 was 0.95 billion cubic metres (2.57 billion cubic metres in 2023). In 2024, 23 unloadings from LNG carriers were carried out (62 unloadings in 2023), compared with 29 scheduled unloadings.

To support greater security and diversification of Italy's energy supply, Snam, through its subsidiary Snam FSRU Italia, acquired the floating storage and regasification unit (FSRU) Golar Tundra, renamed Italis LNG in 2024. The unit has a storage capacity of 170,000 cubic metres and an annual regasification capacity of 5 billion cubic metres of gas. In July 2023, the FSRU, located in the port of Piombino, officially entered into commercial operation.
During 2024, the Italis LNG FSRU regasified 3.59 billion cubic metres (1.14 billion cubic metres in 2023) and have been carried out 39 landfills from methane tankers (12 landfills in 2023), compared to 44 landfills delivered.

Maximum annual LNG regasification capacity at the FSRU BW Singapore

5 MLD OF M^3

In December 2023, with the aim of ensuring greater security and diversification of Italy's energy supplies, in a challenging and evolving global context, Snam completed the acquisition of FSRU BW Singapore. Built in 2015, the FSRU has a maximum storage capacity of about 170 thousand cubic metres of liquefied natural gas and a nominal continuous regasification capacity of about 5 billion cubic metres per year. It is envisaged that the FSRU, located near the port of Ravenna, and will begin operations in the first half of 2025, following the conclusion of the authorisation and regulatory process and the completion of the works necessary for mooring and connection to the transportation network.

The disclosure of the Liquefied Natural Gas - LNG regasification segment includes the values of the companies GNL Italia, Snam FSRU Italia.[30]

KEY PERFORMANCE INDICATORS

(million euros)	2022	2023	2024	Abs. change	Change %
Regulated revenues (a) (b)	42	77	156	79	
Other non-regulated revenues	4	1		(1)	
Total revenues (a) (b)	46	78	156	78	100.0
EBITDA	29	35	100	65	
EBIT	18	7	57	50	
Technical investments (c)	55	256	488	232	90.6
Net invested capital at 31 December	490	941	1,490	549	58.3
Regasified LNG volumes (billion cubic metres) (d)	2.24	3.71	4.54	0.83	22.4
Tanker loads (number)	59	74	62	(12)	(16.2)
Employees in service at 31 December (number)	66	81	86	5	6.2

(a) Before consolidation eliminations.

(b) Net of revenues which, in applying tariff regulations, are offset by costs (pass-through items) relating to the recharging of charges for the natural gas transportation service provided by Snam Rete Gas S.p.A. (20million euros; 16 million euros in 2023) and gas sales for system balancing (15 million euros; 10 million euros in 2023).

(c) Investments remunerated at the real pre-tax WACC of 6.7% for 2024 (6.1% in 2023). 2023 data restated.

(d) The regasified LNG volumes for 2024 are shown gross of the share of self-consumption and losses (Qcp component), equal to 1.66% for the Panigaglia terminal and 1.10% for the Piombino terminal. Gas volumes are expressed in standard cubic metres (Scm) with an average higher heating value (HHV) of 38.1 MJ/Scm (10.573 kWh/Scm). The corresponding value for 2023 has been definitively updated.

Results

Total revenues amounted to 156 million euros, an increase of 79 million euros compared to the 2023 financial year, due to higher regulated revenues.

Regulated revenues amount to 156 million euros (+79 million euros compared to 2023) and include the variable counterparts (7 million euros; 12likewise in 2023) charged to users to cover costs related to energy consumption (electricity and CO_2). The increase in regulated revenues is essentially attributable to: (i) the recognition of revenues related to the higher volumes regasified in 2023, compared to the revenues defined by the Regulatory Authority for the same year (€29 million compared to the higher revenues relating to 2022 recognized in 2023); and (ii) revenues related to the start of operations of the Piombino regasification plant (€61 million), which operated for the entire financial year in 2024. These effects were partially offset by the lower operating activity of the Panigaglia terminal, compared to the year 2023, which had recorded above-average volumes due to the impacts of the Russia-Ukraine conflict.

EBITDA amounted to 100 million euros, an increase of 65 million euros compared to the financial year 2023, due to higher regulated revenues, partially absorbed by costs related to operations and maintenance and maritime services related to the FSRU plant in Piombino (which has been operational since July 2023, and therefore operated for the full year 2024).

EBIT amounts to 57 million euros, in reduction of 50 million euros. The aforementioned increase in gross operating margin was partly absorbed by higher depreciation (-15 million euros), partly connected to the FSRU plant in Piombino which operated for the entire year in 2024.

Technical investments

TECHNICAL INVESTMENTS

(million euros)	2022	2023(a)	2024
Development	35	234	440
Maintenance and other	20	22	48
TOTAL TECHNICAL INVESTMENTS	**55**	**256**	**488**

(a) Reclassification of technical investments, amounting to €6 million, from 'Development' to 'Maintenance and other'.

Technical investments for the financial year 2024 for regasification activities amount to 488 million euros, a significant increase compared to the 2023 (+232 million euros; +90.6%) mainly due to investments in the FSRU in Piombino and the Ravenna terminal.

[30] The company FSRU I Limited, owner of the FRSU BW Singapore', and the company Ravenna LNG Terminal S.r.l., owner of the PIR marine terminal, were merged by incorporation into Snam FSRU Italia S.r.l during 2024.

Investments in development and capacity building (440 millions; +206 million euros), mainly concern:

- the activities related to the FSRU of Ravenna for: (i) the adaptation of the PIR marine terminal (319 million euros); (ii) the retrofitting works carried out on the regasification vessel BW Singapore (60 million euros); (iii) the dredging activities of the seabed near the platform's parking area (33 million euros) and (iv) the technical-engineering studies and surveys preparatory to the construction of a breakwater adjacent to the plant (15 million euros);
- engineering activities for the installation of the FSRU at Vado Ligure (5 million euros);
- the modernization and enhancement works of the Panigaglia plant (5 million euros), to increase the plant's regasification capacity by approximately 30% by 2028.

Maintenance and other investments amounted to 48 million euros[31], mainly relating to investments to ensure the safety and modernisation of the Panigaglia plant (38 million euros) and IT-related investments (5 million euros).

The net invested capital is equal to 1,490 million euros per December 31, 2024 and records a significant increase compared to the corresponding period of the previous financial year (+549 million euros), mainly due to the investments made during the financial year.

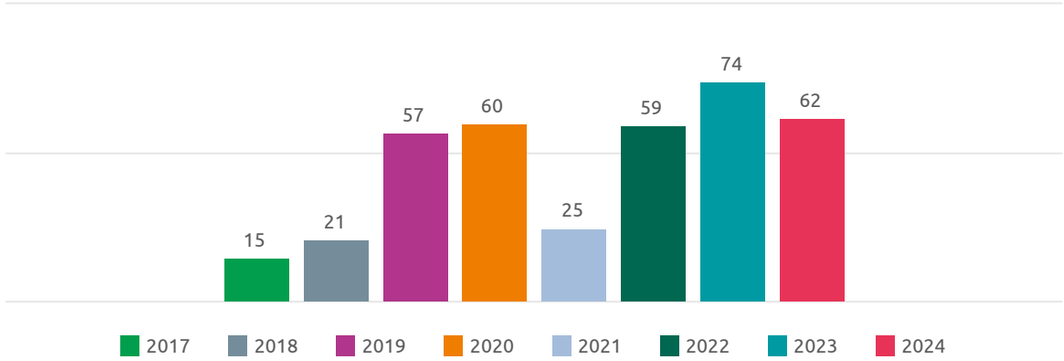
Operating performance

The volumes of regasified LNG during the 2024 amounted to 4.54 billion cubic metres (+0.83 billion cubic metres compared to 2023; +22.4%). In addition 62 tanker loads were discharged, compared to 74 discharges carried out in 2023. The increase in regasified LNG volumes is mainly due to the commissioning of the Piombino FSRU terminal, which became operational in July 2023. In 2024, it regasified a total of 3.59 billion cubic metres of LNG, with 39 tanker loads discharged (1.12 billion m³ and 12 discharges in 2023). This effect was partly offset by the reduction in regasified LNG volumes at the Panigaglia LNG terminal (La Spezia), amounting to 1.62 billion cubic metres compared to the same period in 2023, with 2024 volumes in line with pre–Russia–Ukraine conflict levels. This reduction is mainly attributable to the dynamics of LNG prices which favoured the Asian market over the European one.

Since the start of operations, the FSRU terminal in Piombino has regasified a total of 4.6 billion cubic metres of LNG, with 51 unloading sites from methane tankers.

On 30 December 2024, the BW Singapore vessel also landed in Italy, the FSRU acquired by Snam at the end of 2023, starting the last phase for the entry into service of the plant scheduled for the first half of 2025. With the entry into service of BW Singapore, the country's total regasification capacity will increase to 28 billion cubic metres per year, a volume corresponding to approximately 45% of Italy's gas demand in 2023, contributing substantially to the diversification of supplies and the security of the national energy system.

LNG CARRIER TRENDS (NO.)



Organisational changes

With reference to the size of the staff, the staff at service stands at 86 resources, with an increase of 5 resources compared to the previous financial year (81 resources in 2023), functional to the operational management of the Piombino terminal and to the progress of the construction activities of the new Ravenna terminal.

For more information regarding energy consumption and emissions related to LNG regasification, please reger to Annex 2 - Data and performance indicators of the Consolidated Sustainability Statement.

[31] The investments made by GNL Italia for the construction of the ferry ship to be used in the Truck Loading service (22 million euros; 4 million euros in 2023) are attributed to the 'Mobility and liquefaction' sector of the Gas Infrastructure business.

Main events after the end of the financial year

New authorization for 2037 for the Panigaglia regasification plant

The Panigaglia regasification plant, in the Gulf of La Spezia, operated by GNL Italia, has obtained the renewal of the Integrated Environmental Authorization (AIA) from the Province of La Spezia until 2037, on condition of implementing significant reductions in nitrogen oxide emissions, equal to 40% by 2030. In particular, the system will have to go from the current 250 milligrams per normocubic metre (mg/Nmc) to 200 mg/Nmc for the three-year period 2025-2027, and then further down to 150 mg/Nmc in the following period up to 2037.

7.5 NATURAL GAS STORAGE

Total storage capacity
in 2024 it will be equal to
16.9
BN M^3
the highest in Europe

Operating concessions
9

Gas moved in the storage system
14.58
BILLION M^3

The storage system makes it possible to balance the different needs between gas supply and consumption: While supply has a largely constant flow throughout the year, gas demand is mainly concentrated in the winter period. Storage also ensures that quantities of strategic gas are available to compensate for any lack of or reduction in non-EU supply or crises in the gas system.

The storage business makes use of an integrated group of infrastructure comprising deposits, wells, gas treatment plants, compression plants and the operational dispatching system. Snam operates through nine storage concessions located in Lombardy (five), Emilia-Romagna (three) and Abruzzo (one).

Stogit provides its storage services (peak modulation, uniform modulation, strategic, transporter balancing, mining, short-term allocation services and Fast Cycle service[32], to 75 operators based on the Storage Code approved by the Regulatory Authority ARERA.

Moreover, in view of the continuing tension in the energy markets, the uncertainties linked to climate variability and the potential risks of gas supply interruptions, Snam has introduced, as of the end of 2022, the intraday auction service, expanding the flexibility tools available to users.

In continuity with previous years, a counterflow storage service was also offered in the period November-December with delivery of the stored quantities to be carried out in the next quarter January-March 2025. The service was awarded for approximately 90 million cubic metres.

In 2024 Snam took action to promote the replenishment of national storage facilities for the purpose of being able to manage seasonal peaks in demand. The fill level at the end of 2024 amounted to 79% (75% at the end of 2023) and was in line with the European average.

The market oriented approach adopted allowed the Company to maintain the mix of customers owing a Storage contract (not only shippers serving end users but also traders who maximise revenues from buying and selling gas to the VTP - Virtual Trading Point) and major European players.

The total storage capacity at the end of 2024, at equal strategic storage, stands at 16.9 billion cubic metres, the highest in Europe.

A result that attests to Stogit's ability to respond to both the needs of the national market as well as the contingent dynamics linked to international markets and policies, which can significantly modify demand by increasing the value of business with policies to support the security of supplies.

STORAGE CAPACITY (BILLION M^3)

[32] The storage service involves constant injection services and provision.

KEY PERFORMANCE INDICATORS

(million euros)	2022	2023	2024	Abs. change	Change %
Regulated revenues (a) (b)	515	553	586	33	6.0
Other non-regulated revenues	8	8	8		
Total revenues (a) (b)	523	561	594	33	5.9
EBITDA	425	477	499	22	4.6
EBIT	305	352	369	17	4.8
Technical investments (c)	172	225	269	44	19.6
Net invested capital at 31 December	3,533	3,608	3,872	264	7.3
Concessions (number)	10	10	10		
- of which operational (d)	9	9	9		
Natural gas moved in storage (billion cubic metres) (e)	18.47	13.72	14.58	0.86	6.3
- of which injection	10.46	6.95	7.14	0.19	2.8
- of which withdrawn	8.01	6.77	7.44	0.67	10.0
Total storage capacity (billion cubic metres)	16.5	16.7	16.9	0.2	1.3
- of which available (f)	12.0	12.2	12.4	0.2	1.8
- of which strategic	4.5	4.5	4.5		
Employees in service at December, 31 (number)	70	71	73	2	2.8

(a) Before consolidation eliminations.

(b) Net of revenues which, in application of tariff regulations, are offset by costs (pass-through item) relating to the recharging of charges for the natural gas transportation service provided by Snam Rete Gas S.p.A. equal to €164 million in 2024 (187 million euros in 2023).

(c) Investments remunerated at the pre-tax real base WACC of 6.6% for 2024 (6.0% in 2023).

(d) With working gas capacity for modulation services.

(e) Gas volumes are expressed in standard cubic metres (Scm) with an average higher heating value (HHV) of approx. 39.6 MJ/m3 (10.919 Kwh/Smc) for the natural gas storage activity for the thermal year 2024-2025. The corresponding value for 2023 is has been permanently updated.

(f) Working gas capacity for modulation, mining and balancing services. The value indicated represents the maximum available capacity. The available capacity for the 2024-2025 thermal year is fully allocated as of 31 December 2024.

Results

Total revenues amounted to 594 million euros, an increase of 33 million euros, or 5.9%, compared to 2023, mainly due to higher regulated revenues.

Regulated revenues amounted to 586 million euros, an increase of 33 million euros, or 6.0%, compared to 2023, and include variable fees (11 million euros; 14 million euros in 2023) to cover costs associated with energy consumption (purchase of CO_2 emission allowances). The higher revenues are mainly attributable to: (i) the growth of the regulated WACC from 6.0% in 2023 to 6.6% in 2024 (€26 million); (ii) the increase in RAB (€40 million). These effects were partly offset by lower revenues from output-based services (-31 million euros) mainly due to the positive one-off effects that the 2023 financial year had benefited from.

Other non-regulated revenues, amounting to 8 million euros, were in line with 2023.

EBITDA amounted to 499 million euros, up 22 million euros, or 4.6% from 2023, essentially as a result of higher regulated revenues, partly offset by higher costs for services provided by the parent company Snam and Snam Rete Gas.
EBIT amounted to 369 million euros, an increase of 17 million euros, or 4.8%, compared to 2023, reflecting the aforementioned increase in EBITDA and with depreciation in line with the previous year.

Technical investments

	2022	2023(a)	2024
Development of new fields and upgrading of capacity	46	31	46
Maintenance and other	126	194	223
TOTAL TECHNICAL INVESTMENTS	**172**	**225**	**269**

(a) Reclassification of technical investments, worth €3 million, from 'Maintenance and other' to 'Development of new fields and capacity building'.

The technical investments made by the Company in the 2024 financial year amount to 269 million euros (225 million euros in 2023), increasing by 44 million euros (+19.6 approximately %) compared to the previous financial year.

The main investments in the development of new fields and capacity upgrades, amounting to 46 million euros (28 million euros in 2023), concerned:

- continuation of detailed engineering for the installation of an electric compressor (ELCO) at the Minerbio, Fiume Treste and Settala stations (21.4 million euros);
- well drilling activities at Minerbio 87-88 Dir and Cortemaggiore 158-159 and the connection of the Sabbioncello 54 well to increase peak performance (13.2 million euros);
- engineering activities aimed at the renovation of the Ripalta treatment plant (1.9 million euros).

Maintenance and other investments amounted to 223 million euros (197 million euros in 2023) and are mainly related to:

- to the supply of materials and construction site start-up activities for the renovation of the Minerbio treatment plant and related clusters (73.6 million euros);
- workover activities on the Ripalta 27, Minerbio 57 and San Salvo 30 and 36 wells (17.1 million euros);
- activities on new information systems, application development and licence purchases (14 million euros);
- (iii) real estate projects for the redevelopment of the operational headquarters (12.3 million euros);
- engineering activities related to the well replacement plan (8.9 million euros);
- to IOT activities and IT infrastructure security (6.4 million euros).

The total storage capacity managed by the Snam group as at December 31, 2024, including strategic storage, is 16.9 billion cubic metres, the highest in Europe. The overall capacity includes 4.5 billion cubic metres for strategic storage, a measure established by the Ministry for the Environment and Energy Security (MASE) (unchanged from

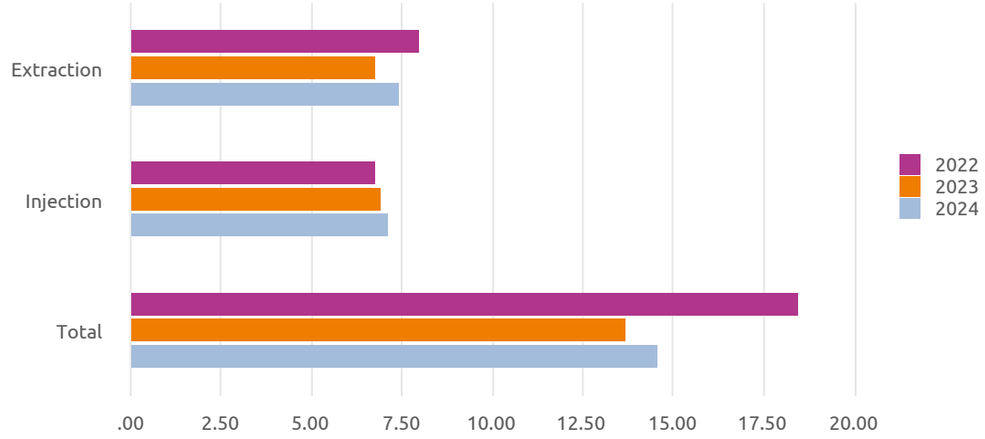
the 2023-2024 thermal year), and 12.4 billion cubic metres of available capacity. As a result of the allocation processes for the storage services offered for the thermal year 2024-2025, all available capacity was fully allocated (100% conferred also in the thermal year 2023-2024).

Operating performance

Gas moved in the Snam storage system

The volumes of gas moved in Snam's storage system in the financial year 2024 amounted to14.58 billion cubic metres, an increase compared to the 2023 financial year (+ 0.86 billion cubic metres; +6.3%). The increase is due to higher disbursements (+0.67 billion cubic metres, equal to 10.0%, compared to the exercise 2023) in the face of colder temperatures compared to 2023 and greater injections into storage (+0.19 billion cubic metres, equal to 2.8%, compared to the exercise 2023).

NATURAL GAS MOVED THROUGH THE STORAGE SYSTEM (BILLION CUBIC METRES)



As at December 31, 2024, natural gas stocks in the storage facilities of its subsidiary Stogit amounted to 8.83 billion cubic metres, plus 4.5 billion cubic metres of strategic stocks. In percentage terms, the fill rate is about 79%, compared to 75% at the end of 2023.

At the end 2024, the staff in service consists of 73 resources, increasing by 2 resources compared to December 31, 2023 (n. 71 resources).

For more information on accidents, energy consumption and emissions related to natural gas storage, please refer to Annex 2 - Data and performance indicators of the Consolidated Sustainability Statement.

7.6 ENERGY TRANSITION BUSINESSES

Snam promotes energy transition through the development of integrated projects in green gas - biomethane and hydrogen - and energy efficiency.

Snam, through its 100% owned subsidiary Bioenerys, is developing a diversified portfolio of assets, both by investing in and acquiring existing biogas and biomethane plants and through new greenfield projects. The aim is to produce biogas and biomethane, making the most of the potential of organic waste and agricultural and agri-food biomass, the latter through collaborations with large Italian agro-industrial groups.

In fact, biomethane, a programmable energy source, totally renewable and chemically indistinguishable from natural gas, can be injected into existing infrastructure bringing significant economic and environmental benefits through an innovative sustainable and circular economic model.

By the end of 2024, the Bioenerys portfolio counts 9 plants in operation and 1 under construction in the Waste area and 28 plants operating in the agricultural sector that will be built or converted from biogas to biomethane production, benefiting from the incentive scheme provided by the recent Ministerial Decree (i.e. Biomethane Decree 2022).

Renovit is the Italian platform for energy efficiency for companies, condominiums, the tertiary sector and the public administration established via the initiative by Snam and CDP Equity to enable the growth of the sector and contribute to the sustainable development and energy transition of the country.

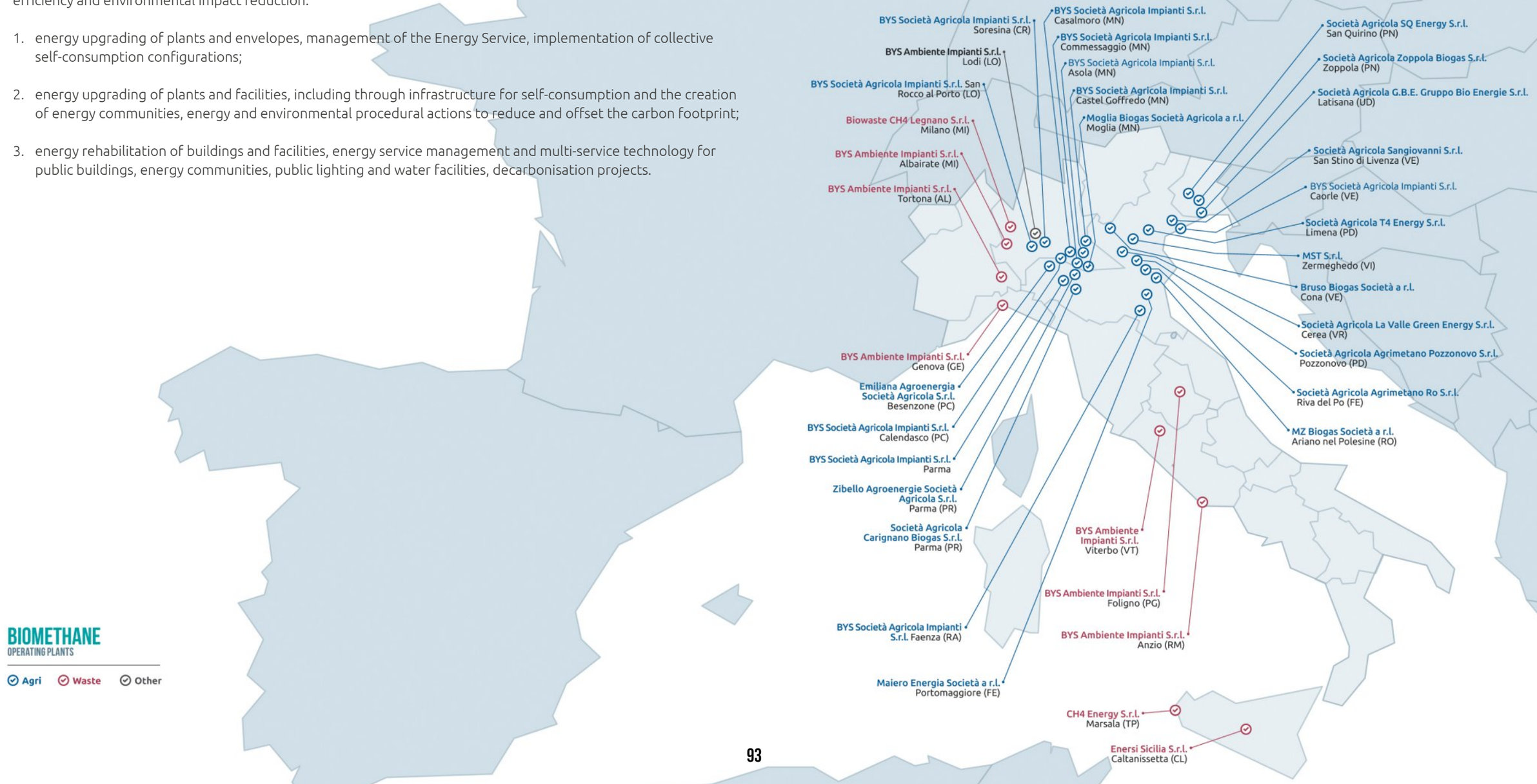
Renovit presents integrated solutions for every area of intervention, taking a comprehensive approach to energy efficiency and environmental impact reduction:

1. energy upgrading of plants and envelopes, management of the Energy Service, implementation of collective self-consumption configurations;

2. energy upgrading of plants and facilities, including through infrastructure for self-consumption and the creation of energy communities, energy and environmental procedural actions to reduce and offset the carbon footprint;

3. energy rehabilitation of buildings and facilities, energy service management and multi-service technology for public buildings, energy communities, public lighting and water facilities, decarbonisation projects.

Map of operating biomethane plants



The Energy Transition segment, consistent with the reporting reviewed by the Executive Board, aggregates the energy efficiency business attributable to the legal entities of the Renovit group, and the biomethane/biogas business attributable to the legal entities of the Bioenerys group, as well as the start-up activities in the hydrogen area and Carbon Capture and Storage (CCS) projects.

KEY PERFORMANCE INDICATORS

(million euros)	2022	2023	2024	Abs. change	Change %
Total Revenues (a)	695	1,105	310	(795)	(71.9)
Adjusted Ebitda (*)	24	60	1	(59)	(98.3)
Adjusted EBIT (*)	(4)	9	(44)	(53)	
Technical investments	98	131	167	36	27.5
Net invested capital at 31 December	1,290	1,845	1,999	154	8.3
Biomethane/Biogas operational data					
Installed and operating megawatts (MW) (b)	40	41	40	(1)	(2.4)
N. Operating plants	32	36	35	(1)	(2.8)
Operational data Energy Efficiency					
Installed Megawatts (MW) (c)	46	70	93	23	32.5
Backlog (d)	1,860	1,208	1,430	222	18.4
Employees in service as at 31 December (number) (e)	562	654	647	(7)	(1.1)

(*) The values relating to 2024 are shown in the adjusted configuration, net of the special items represented: (i) the costs arising from the signing of settlement agreements, amending previous framework agreements for new investments and the acquisition of equity investments relating to the Biomethane - Waste business (31 million euros); (ii) from the write-down of non-current assets (10 million euros), mainly due to the conversion of biogas production plants into biomethane production plants. The special items for 2023 are represented by provisions for risks and charges (12 million euros) and write-downs of non-current assets (160 million euros) relating to the biomethane business from FORSU.

(a) Before adjustments with other business segments.

(b) Theoretical power of the plant in operation.

(c) Installed power in co-trigeneration plants, photovoltaics for customer energy efficiency.

(d) Indicates the value of revenues accruing after 2024, associated with contracts awarded and entered into as at 31 December 2024. 2023 data restated.

(e) The Energy Transition segment includes resources dedicated to decarbonisation projects.

Results

Total revenues amount to 310 million euros, in reduction of 795 million euros compared to the financial year 2023. The decrease is mainly attributable to the contraction in energy efficiency projects (-745 million euros), in particular due to the conclusion of activities related to the deep redevelopment of private and public buildings (ex-IACP) subject to the Superbonus building incentive mechanism and other minor bonuses. The decrease in revenues is also attributable to the biomethane business in light of the change in perimeter of the biogas and biomethane business.

Adjusted EBITDA amounts to 1 million euros, in reduction of 59 million euros compared to the financial year 2023, mainly attributable to the contraction of revenues in energy efficiency.

Adjusted EBIT decreased by 53 million euros compared to the financial year 2023, in light of the aforementioned effects.

Technical investments

Technical investments for the financial year 2024 amount to 167 million euros, up compared to 2023 (+36 million euros;+ 27.5% compared to 2023) and mainly refer to:

- energy efficiency investments amounting to 29 million euros, mainly attributable to: (i) engineering activities, support for the authorisation process and construction of plants for industrial and tertiary segment customers (18 million euros); (ii) investments for the development of new IT infrastructure and the purchase of new applications (3 million euros); (iii) works for engineering activities and upgrading of public administration facilities and buildings (8 million euros);
- investments in biomethane and biogas amounting to 87 million euros mainly related to the conversion of biogas plants to biomethane;
- investments in decarbonisation projects €52 million, mainly related to construction activities connected to the Ravenna Project involving CO_2 Capture and Storage (CCS).

The net invested capital is equal to 1,999 million euros per December 31, 2024 and records an increase of 154 million euros compared to the corresponding period of the previous financial year, mainly due to investments in biomethane and working capital, connected to the progress of energy efficiency activities.

Operating performance

At the end of 2024, there were 35 biomethane/biogas plants in operation, down by 1 compared to 2023, with an installed capacity of 40 MW, versus 41 MW at the end of 2023. The reduction is related to the stand-by of a waste treatment plant (FORSU).
The total installed megawatts (MW) for energy efficiency projects are equal to 93, mainly linked to co-trigeneration and photovoltaic plants for industrial customers.

With regard to the energy efficiency business, the backlog at 31 December 2024 stands at 1.4 billion euros, up by 222 million euros compared to 31 December 2023, mainly driven by the industrial and Public Administration segments.
The change is mainly attributable to increases for new contracts acquired (+404 million euros) and decreases for contracts that contributed to revenue generation (-200 million euros).

Organisational changes

At the end of 2024, the staff in service consisted of 647 resources, a decrease of 7 resources compared to the previous financial year.

Furthermore, the Simplify New Business project (energy efficiency and biomethane sector) was concluded during 2024 and as of 31 December 2024, a total of 71 rules have been issued during the entire duration of the project, with the aim of rationalising the regulatory system of the companies in the scope.

For more information regarding energy consumption and emissions of the energy transition businesses, please reger to Annex 2 - Data and performance indicators of the Consolidated Sustainability Statement.

Reference regulatory framework

Biomethane

With reference to plants for the production of biomethane from OFMSW, at the end of 2024, 7 plants in operation fall under the incentive scheme of the 2018 Ministerial Decree (the Decree), valid for newly built or converted plants that entered into operation by 31 December 2023, which recognises an incentive lasting 10 years.
With Ministerial Decree of 5 August 2022, the MiTE granted an extension for access to the incentives provided for by the same Decree to biomethane production plants that have obtained, by 31 December 2022, the project qualification from the GSE for recognition of the right to the incentive and that are in possession of an authorization for the construction and operation of biomethane production plants, issued by 19 September 2022.

With reference to plants for the production of biomethane from agricultural sources, the Ministerial Decree of 15 September 2022 recognises an incentive for the duration of 15 years, for new or reconverted plants that enter into operation by 30 June 2026. A non-repayable grant of up to 40% of the investment is also granted (under mission 2 component 2 of the PNRR). At the end of 2024 an agricultural plant follows the Ministerial Decree 2022.

On 4 April 2023, ARERA published Resolution 140/2023/R/GAS which, confirming the measures already set forth in Resolution 501/2022/R/gas, requires Snam to: (i) communicate to the Authority by 30 June 2023 the plan for implementation, pending the adoption of the structural solutions referred to in the following point, of the solution of using the biomethane produced and fed into the network primarily for self-consumption by Snam Rete Gas and Infrastrutture Trasporto Gas, without sale to third parties, in order to verify its compatibility with the regulations in force; (ii) implement by 30 June 2027 at the latest, at least one of two structural solutions such as the passive financial investment and/or the model of regulated access to waste disposal and biomethane production facilities in order to definitively comply with the requirements of Article 9 of Directive 2009/73/EC; (iii) notify the Authority, as soon as they become known and in any event no later than 1 January 2027, of the choice and the relevant implementation plan, among the measures referred to in (ii) above.

Energy efficiency

Renovit operates in compliance with European and Italian legislation aimed at accelerating energy efficiency and the ecological transition process. Among the various measures issued by the Italian Government, the main regulations under which interventions are planned and implemented are listed below.

The contractual model that characterises Renovit activities is the Energy Performance Contract (EPC), which is defined in our legal system by Legislative Decree 115/2008, implementing EU Directive EC/32/06. This is accompanied by the Energy Service contract, established by Presidential Decree 412 of 26 August 1993.

In interactions with public bodies, particular mention should be made of adherence to the requirements of Legislative Decree 36/2023, Public Contracts Code. This includes compliance with the regulations prescribed therein, especially in relation to the necessary requirements and modalities for participation in public tenders, the discipline of the Public Private Partnership and the requirements dictated by the Minimum Environmental Criteria in the implementation of interventions.
Finally, the self-consumption initiatives spread throughout the territory will be planned and implemented in accordance with ARERA's Resolution 727/2022/R/eel of 27 December 2022, and according to the Decree of the Minister of the Environment and Energy Security no. 414, of 7 December 2023.
Renovit also operates in full compliance with the technical standards (UNI/EN standards) laid down in relation to the requirements for materials, products, equipment, works and services offered.

National energy efficiency incentive policies

Renovit supports its customers in obtaining the energy efficiency incentives offered by the national framework, following an orientation path between the different opportunities.

On the residential building efficiency front, Renovit operates within the framework of tax deductions for the redevelopment and renovation of the building heritage, such as the Superbonus, introduced by Article 119 of Decree-Law 34/2022 (the so-called 'Decreto Rilancio') as amended, Ecobonus, Sismabonus and Bonus Facciate.

Interventions in the civil/tertiary, industrial and public sectors, on the other hand, mainly benefit from the incentives provided by the Conto Termico, to support the increase of energy efficiency and the production of thermal energy from renewable sources according to the provisions of Ministerial Decree of 16 February 2016, and by the White Certificates mechanism, or Energy Efficiency Certificates, in force since 2005 and most recently amended by Ministerial Decree of 21 May 2021.

Renovit is also alongside public administration bodies in accessing funds under the Central Public Administration Energy Requalification Programme (PREPAC), extended to 2030 by Legislative Decree 73/2020, from the National Recovery and Resilience Plan (PNRR) approved by the Ecofin Council's implementation decision of 13 July 2021 and its Supplementary Fund, and in obtaining European Regional Development Funds from the European Cohesion Policy.

8 RISK AND UNCERTAINTY FACTORS

The main uncertainty factors that characterise the day-to-day management of the Snam Group as well as emerging risks.
The risks identified and managed within the Group's Enterprise Risk Management (ERM) model are classified into the following categories:

- Strategic
- Legal and Compliance
- Operational
- Financial
- Emerging

Financial risks are described in Note 26 'Financial Risk Management' of the Notes to the Consolidated Financial Statements
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More information on the methodology for applying the ERM model adopted by Snam for monitoring and assessing risk events and opportunities that may influence the business in which Snam operates is provided in the chapter 'Managing impacts, risks and opportunities' of the Consolidated Sustainability Report.

8.1 RISKS AND UNCERTAINTIES ARISING FROM SNAM'S ORDINARY OPERATIONS

STRATEGIC RISKS

Regulatory and legislative risk

Regulatory and legislative risk for Snam is associated with the regulation of activities within the gas segment. The decisions made by the Italian Regulatory Authority for Energy, Networks and the Environment (ARERA), as well as the National Regulatory Authorities of the countries where its foreign subsidiaries are based, could significantly influence the company's operations, results, and financial stability. This is also true for changes in European and national regulations, and more broadly, alterations to the regulatory reference framework.

With reference to energy transition businesses, starting from 31 December 2023, the maximum tax benefit rate of 110% for the Superbonus has ceased to apply. The tax benefits for 2024 and 2025 are those provided for by Law 77/2020 and subsequent amendments, respectively equal to 70% and 65%. It is believed that incentives in this area can be maintained for future financial years, albeit in a context of progressive reduction. Future regulatory revisions could have impacts on the Group's economic and financial performance.

The potential impact of future changes in legislative and tax policies on Snam's business and the industry in which it operates cannot be predicted. Given the specific nature of its business and the environment in which Snam operates, alterations to the regulatory framework concerning the determination of benchmark tariffs hold particular significance.

Macroeconomic and geopolitical risk

Due to the specific nature of the business in which Snam operates, the risks connected to political, social and economic instability in the countries where natural gas is sourced, mainly related to the gas transportation sector, continue to be of primary importance. Most of the natural gas transported in the Italian national network is historically imported or transits through countries in the MENA area (Middle East and North Africa, in particular Algeria, Tunisia, Libya and, in the TANAP-TAP perspective, Turkey together with the states bordering the Eastern Mediterranean) and in the former Soviet bloc (Russia, Ukraine, Azerbaijan and Georgia), national realities subject to political, social and economic instability.
The Russian-Ukrainian conflict, now in its third year, continues to destabilise global and regional energy dynamics, increasing uncertainty surrounding gas flows from these areas. Furthermore, in 2024, the worsening of tensions in the Middle East, with intensified clashes between armed groups in Libya and internal conflicts in Algeria and Tunisia, has further complicated the geopolitical situation, increasing the risks of interruptions in natural gas supplies. These turbulences could not only negatively affect the European economy, but could also lead to further complexities in managing energy supply sources. Snam will continue to monitor the geopolitical context, including the possible consequences and effects on the Group.

Snam, in response to these developments, has prioritised security of supply, ensuring greater flexibility and adequate sizing of gas infrastructure. The measures adopted include the purchase of new floating regasification units (FSRU) and the upgrading of existing infrastructure. In particular, the 'Italis LNG' regasification terminal, acquired in June 2022 and located in Piombino, started operating in July 2023, providing a storage capacity of 170.000 cubic metres of LNG and an annual regasification capacity of 5 billion cubic metres of gas. The second FSRU, called 'BW Singapore' was built in 2015 and also has a maximum storage capacity of approximately 170 thousand cubic metres of liquefied natural gas and a nominal regasification capacity of approximately 5 billion cubic metres per year and it is moored about 8 km off the coast of Ravenna. Furthermore, work has started on the Adriatic Line, Snam's new gas pipeline on the North-South Italy route.

If shippers using the transportation service via Snam networks are hindered from supplying or transporting natural gas from or through the aforementioned countries due to adverse conditions, or are otherwise impacted to a degree that results in or promotes a subsequent failure to meet their contractual obligations to Snam, this could negatively affect the business, as well as the assets, liabilities, income, and cash flows of the Snam Group.

Furthermore, Snam is susceptible to macroeconomic risks stemming from dislocations or volatility in financial markets, or circumstances arising from external events, which could potentially affect liquidity and access to financial markets. Persistent geopolitical tensions and extreme volatility in energy markets make it essential to maintain a diversified and resilient supply strategy.

Market risk

In relation to the risk associated with gas demand, it should be noted that based on the tariff system currently applied by the Regulatory Authority for Energy, Networks and Environment (hereinafter also ARERA or the Authority) to natural gas transportation activities, the revenues of Snam, through its directly controlled transportation companies, are partially related to the volumes redelivered. ARERA, however, confirmed for the sixth regulatory period (2024-2027), with Resolution 139/2023/R/gas, the guarantee mechanism with respect to the portion of revenue correlated to redelivered volumes already introduced in the fourth regulatory period on transported volumes. This mechanism allows for the adjustment of significant revenue discrepancies, whether higher or lower, exceeding ±4% of the benchmark revenues associated with the volumes of electricity withdrawn. Under this scheme, approximately 99.5% of total income from transportation operations is assured.

Based on the tariff system currently used by ARERA for natural gas storage activities, Snam revenues generated through Stogit are associated with the use of infrastructure. In any case, ARERA has implemented a mechanism to guarantee reference revenues, enabling companies to cover the majority of the revenues recognised. With the fifth regulatory period (2020-2025), resolution 419/2019/R/gas extended the guarantee level to all recognized revenues (100%). The same resolution also introduced an enhanced incentive mechanism (defined by subsequent Resolution No. 232/2020/R/gas) through voluntary participation that provides for an increase in profit-sharing of revenues from short-term services from 50% against a reduction in the portion of recognised revenue subject to a hedging factor.

Lastly, regarding the tariff regulation criteria for the LNG regasification service for the fifth regulatory period (2020-2023), Resolution 474/2019/R/gas has affirmed the mechanism to ensure reference revenues at a guaranteed minimum level of 64%. With Resolution No. 196/2023/R/gas on the tariff regulation criteria for the sixth regulatory period (2024-2027), this mechanism was confirmed and for new regasification terminals pursuant to Decree-Law No. 50/2022 (Article 5) a fund was established, to cover the share of revenues for the regasification service, including the cost of purchasing and/or building new plants, with priority for the share exceeding the application of the revenue coverage factor. Generally, alterations to the prevailing regulatory framework could potentially have adverse impacts on the operations, assets, liabilities, income, and cash flows of the Snam Group.

Abroad, market risk protections are offered by French, Greek and Austrian regulation. Another type of protection comes from TAP's long-term contracts (expiring in 2045), GCA (with gradual expiry dates up to 2031), Teréga (with gradual expiry of the long term contracts at the point of interconnection with Spain starting in 2023) and ADNOC Gas Pipeline (20 years tariff-based with minimum ship or pay).

UK regulations do not guarantee coverage against volume risk, but the current capacity reservations of the subsidiary Interconnector already exceed the regulatory cap for the period 2023-2026.

With reference to the investee company SeaCorridor, a joint venture that manages the international pipelines connecting Algeria to Italy, although operating in an unregulated context and exposed to volume risk, the company can benefit from medium-long term contracts already in place and a prospect of utilisation close to maximum capacity given that it represents one of the main sources of imports to replace Russian gas. In addition, the contractual agreements of the sale and purchase with Eni provide protection for Snam against fluctuations in volumes with respect to pre-set estimates.

With reference to the macroeconomic framework of the market and consumption, in terms of pricing, 2024 opened with a downward trend that characterized much of the first quarter, mainly due to the high level of filling of national stocks, stable supply and rather limited demand due to temperatures higher than seasonal averages during the winter. This trend then reversed starting from March 2024 with a progressively increasing price for the rest of the calendar year and increasing volatility. Bullish factors include growing international tensions, scheduled maintenance during the summer and uncertainty surrounding gas transit agreements between Russia and Ukraine. The upward trend has accentuated during the last quarter, with prices exceeding €50/MWh, supported by the persistence of geopolitical tensions and by a sustained demand due to colder temperatures compared to previous winters.
With regard to gas, Snam has continued to mitigate this risk thanks to the measures adopted in recent years, including:

- Investments in new import capacity and supply routes, such as the EastMed pipeline and increased LNG imports from the United States, have improved supply diversification and reduced dependence on Russian supplies.
- wide availability of gas storage capacity, covering more than 25% of current gas demand, improving the system's resilience to supply disruptions;
- efficient management of the network through coordination with other infrastructure operators and the possible adoption of innovative tools to deal with extraordinary emergencies, such as peak shaving through regasification terminals and the interruptibility service of withdrawals from the transportation network. These tools, provided for by the national emergency plan (MASE management), have demonstrated their effectiveness, ensuring continuity of supplies even in situations of peak demand.

In certain segments, particularly among private consumers, there may be a belief that high prices are inherent, posing a risk of decreased or disrupted gas supplies as they may opt for alternative energy sources like electricity.

Climate change risk

The achievement of global climate goals will result in significant investments in the decarbonisation of the energy segment over the next 30 years.

In recent years, Snam has repositioned itself to benefit from new opportunities of the energy transition, thanks to infrastructures that will be crucial for achieving decarbonisation objectives, presence in energy transition businesses, international growth and a disciplined approach to investments.

Snam has therefore committed to achieving carbon neutrality by 2040 and net zero by 2050, with an intermediate target of a 50% reduction in direct (Scope 1) and indirect (Scope 2) emissions by 2032 compared to 2022 values for the regulated business, in line with the target of limiting global warming to 1.5°C as set out in the Paris Agreement adopted at the Climate Conference (COP 21). This objective is also consistent with the UNEP (UN Environment Programme) objectives for the reduction of $_{CO2}$emissions, set out in the OGMP 2.0 (The Oil & Gas Methane Partnership) protocol for the reduction of methane emissions, with which the framework was signed.

With regard to the risks associated with the emissions market, in field of the application of the European Union directives concerning the sale of permits relating to carbon dioxide emissions and the rules on controlling emissions of certain atmospheric pollutants, with the start of the fourth regulatory period (2021-2030) of the European Emissions Trading System (EU-ETS), the updating of the sector regulations, also through the introduction of a new carbon border adjustment mechanism (CBAM), has confirmed a constant reduction in the emission allowances issued free of charge. The allowances will be assigned to each plant on a gradually decreasing basis, so they will no longer be constant, and will also depend on the actual functionality of the plants. The allowances assigned free of charge to Group plants are no longer sufficient to comply with the regulatory conformity obligations relative to ETS mechanisms, which is why Snam Group companies procure the additional allowances required on the market.

With Resolution 139/2023/R/gas of 5 April 2023, ARERA defined the regulatory criteria for the sixth regulatory period (2024-2027) of the natural gas transportation and metering service, also providing for the recognition of costs related to the Emission Trading System (ETS). Resolutions 419/2019/R/gas and 196/2023/R/gas also introduced the recognition of ETS-related costs for the storage service (regulatory period 2020-2025) and the regasification service (2024-2027).

Climate change scenarios could also lead to a change in the choice of energy mixes in different European countries and in the behaviour of the population, and could have an impact on the demand for natural gas (and the volumes transported).

On the one hand, in the short and medium-term, gas could benefit from its greater sustainability compared to other fossil fuels and represent a bridge solution towards the complete decarbonisation of some segments.

On the other hand, the individual policies and choices could lead to a progressive decrease in consumption of natural gas with a consequent impact on the current use of infrastructure. The increase in decarbonisation targets at a Community and international level, including support for the energy transition that should allow the elimination of fossil fuels by 2050, expressed in the COP 29 and G7 press releases and the possible new legislative proposals on an intermediate target of 90% emission reduction by 2040, in addition to the policies already adopted on the energy transition (such as the Fit for 55 package and the EU Taxonomy) and the publication of studies of primary importance in the international energy panorama (such as the roadmap for Net Zero by the International Energy Agency - IEA), could in fact accelerate the progressive reduction in demand and supply of fossil natural gas. On the other hand, this could encourage a greater and earlier penetration of renewable and low-carbon gases (green hydrogen, blue hydrogen, biomethane, synthetic methane) into the energy mix, thereby promoting Snam's new businesses.

Climate change could also increase the severity of extreme weather events (e.g.: floods, droughts, extreme temperature fluctuations), causing the worsening of the natural and hydrogeological conditions of the territory with a possible impact both on the quality and continuity of the service provided by Snam, and on the Italian and European gas demand.
The Company could also face pressure from stakeholders both regarding its ability to meet their expectations in the area of climate change and regarding Snam's role as a gas system operator.
The Transition Plan, presented in October 2024, outlines the roadmap with the objectives, actions and resources that Snam will employ to support a credible transition towards Net Zero by 2050.
With reference to the effects of changes in gas demand on the Snam Group's equity, economic and financial situation, see the paragraphs 'Market risk' in this chapter and 'Malfunction and unplanned service interruption' in the chapter on operational risks.

Lastly, Snam has signed the Methane Guiding Principles, which commit the company to further reducing methane emissions deriving from its activities in natural gas infrastructure. In adhering to these principles, Snam is also committed to encouraging other players in the entire gas supply chain - from producer to end consumer - to pursue the same objective.

Snam joined the Oil & Gas Methane Partnership OGMP 2.0, a voluntary initiative launched by the UNEP to support Oil & Gas companies in reducing methane emissions. The company has participated, and is still actively involved, in the various UN forums that have enabled the development of the framework to provide governments and public with the assurance that methane emissions are treated and managed responsibly, with progress against stated targets and offering transparency and collaboration, including the implementation of best practices. The protocol suggests indications as to the objectives to be achieved: -45% by 2025 compared to 2015.

As of 2021, Snam has raised its target to reduce methane emissions from -45% to -55% by 2025 compared to 2015 for operating assets, a more ambitious target than the OGMP 2.0. protocol, which has already been achieved and has become a key part of the Decarbonisation Strategy.

In 2023, Snam raised its new methane emissions reduction target to 2030 compared to 2015 from -65% to -70% (and to -72% to 2032) for its operating business, a target aligned with the recommendations of OGMP 2.0.

UNEP confirmed the Gold Standard for Snam again for 2024. The top award, already obtained by Snam in 2021, 2022 and 2023, under the OGMP 2.0 protocol, rewards the company's commitment to reporting and reducing methane emissions.

Energy transition and development of the market and technologies related to decarbonisation and digitalisation

While the climate change demonstrates the real effects of rising temperatures, the energy segment is facing a momentous transformation. Snam's commitment to the core business of regulated natural gas transportation, storage and regasification activities remains central, investing in particular in new regasification and transportation capacity to strengthen the safety and sustainability of the national energy system. At the same time, Snam is creating a broad and diversified platform of activities related to the energy transition with the aim of developing a multi-molecule infrastructure at European level (in particular, transportation and storage of renewable energy, such as biomethane and hydrogen, energy efficiency and carbon capture and storage projects).
The consolidated ability to create and manage projects in the transportation and storage of natural gas, the new skills acquired in green and decarbonised gases as well as in the new trends of the energy transition, the presence along the main supply corridors of natural gas and hydrogen in the future, the investment in fundamental technologies to reduce CO_2 emissions, combined in a strategy that focuses on sustainability factors, will be essential to help develop the energy system of the future, making it competitive, safe and with zero net emissions. Business diversification can strengthen Snam's position as an enabler of the energy transition towards forms of using resources and energy sources compatible with environmental protection and progressive decarbonisation, with a long-term vision consistent with the Group's purpose and European objectives.

It is precisely with this long-term perspective that the Transition Plan, the new Strategic Plan 2025-2029 and the ten-year vision presented in January 2025 should be read. The investments envisaged in the 2025-2029 Plan, amounting to 12.4 billion euros, are the largest in Snam's history and continue in the wake of the initiatives adopted in response to the 2022 energy crisis with 10.9 billion euros allocated to infrastructure and 1.5 to energy transition businesses. In recent years, the Company has tripled its regasification capacity and increased the flexibility of its storage system. The acquisition of Edison Stoccaggio's assets, finalized in March 2025, and the completion of the Adriatic Line by 2027 will contribute to building a resilient, flexible and sustainable energy system in Italy and Europe, consolidating Snam's leadership along the entire midstream value chain. Over the next decade, Snam will be able to seize new and important development opportunities by contributing to the long-term creation of an interconnected pan-European multi-molecular energy system, in particular through investments in$_{H2}$-ready energy transportation and storage infrastructure, which will enable the long-term development of the hydrogen backbone, as well as in innovative green gas development projects (hydrogen and biomethane). Snam is also contributing to the decarbonisation of consumption through energy efficiency measures and is enabling the adoption of CCS (Carbon Capture and Storage) technology with the development of a$_{CO2}$ transportation and storage infrastructure for the decarbonisation of primary industrial hubs.
In addition to sustainability, innovation represents the other strategic lever for achieving the objectives defined by Snam in the 2025-2029 Strategic Plan. The rapid evolution of technologies and digitalization requires a concrete long-term vision. For this reason, Snam is promoting the integration of new technologies into traditional business and the adoption of innovative practices to address the challenges of the energy

transition. Specifically, Snam on the one hand leverages the use of new technologies and innovative tools to improve the performance and resilience of regulated assets, increasing their efficiency and improving the monitoring and safety of operational activities; on the other hand it promotes investments in existing and emerging technologies with the aim of integrating different types of molecules into the energy system and related infrastructures.

In this context, and with particular reference to the Group's strategy, the main risk factors include the risks posed by technological innovation in favour of switching to the use of electrical technologies, and/or the delay in the development of new technologies for the production, transportation and storage of green/decarbonised gases functional to the development of a market at competitive costs (in particular with reference to hydrogen). In addition to these we could add the delay or failure to make investments (infrastructure, projects, new acquisitions) as a result of uncertainties related to operational, economic, regulatory, authorisation, competitive and social factors, as well as the failure to develop the hydrogen market with regard to the value chain that should fuel its infrastructure.

In particular, with reference to the energy efficiency business, given the current regulatory framework in force, there is a risk connected to the failure to meet the deadlines for the completion of all the documentary fulfilments required for the recognition of the tax credit related to the superbonus; this risk, although significantly limited, could prevent the use of tax credits generated for work performed.
Finally, it must be considered that the uncertainty of the still evolving regulatory plan slows down the realisation of projects and the implementation of financing for hydrogen production and the development of other decarbonisation projects of interest to the group (i.e. CCS).

These factors, in other words, may penalise the achievement of the development objectives of the aforementioned activities and, more generally, the opportunity for Snam to benefit from the new mega-trends of the energy transition. In this regard, there is an additional risk factor concerning the failure to fully achieve the targets set out in the National Recovery and Resilience Plan (NRRP) by 2026, with potential repercussions on the development of hydrogen and its value chain, as well as on the development of biomethane and LNG (especially in the heavy transportation segment).

LEGAL AND COMPLIANCE RISK

The legal and compliance risk concerns the failure to comply, in full or in part, with the European, national, regional and local laws and regulations with which Snam must comply in relation to the activities it carries out. Violation of laws and regulations may result in criminal, civil, tax and/or administrative penalties as well as financial and non-financial, economic and/or reputational damage.

Moreover, the violation of specific regulations (by way of example but not limited to: the violation of regulations aimed at protecting the health and safety of workers and the environment, the violation of regulations to combat corruption) may entail administrative liability for the company pursuant to Legislative Decree No. 231 of 8 June 2001, with consequent interdictory and/or pecuniary sanctions, including significant ones. Snam, which has always inspired the exercise of its business activities with ethical principles and principles of fairness and transparency, has therefore adopted an adequate internal control and risk management system aimed at enabling the identification, measurement, management, prevention and monitoring of the main risks relating to the activities carried out.

Snam has always paid particular attention to the fight against corruption, adopting a 'zero tolerance' approach towards any form of corruption, and requiring the collaboration not only of its People but also of all Business Associates, so that lawful, correct and transparent behaviour is always adopted in the conduct of its activities. In 2022, Snam launched a project to implement its 'Anti-Corruption Compliance Program' pursuant to the ISO 37001:2016 'Corruption Prevention Management System' standard, also in order to confirm and certify its commitment to the fight against corruption.
Consequently, in May 2023, Snam obtained the ISO 37001:2016 'Corruption Prevention Management System' certification from a third-party Certification Body (DNV Business Assurance Italia Srl), issued without deficiencies. This certification was confirmed following the annual control audit carried out by DNV in April 2024.
The main reference documents of the 'Anti-Corruption Compliance Program' are the (i) Code of Ethics; (ii) the Anti-Corruption Policy - drawn up in accordance with the UNI ISO 37001:2016 standard and approved by the Snam Board of Directors on 18 January 2023 - as an expression of the commitment of the 'Top Management' to the prevention of corruption risk and incorporating the essential elements referred to in the ISO 37001 standard and (iii) the Anti-Corruption Guideline which contains the systematic reference framework of the anti-corruption regulatory tools adopted by Snam.
Firmly convinced that reputation is one of the fundamental elements for sustainable growth and for the ethical management of business activities, with a view to continuous improvement, Snam has updated the Anti-Corruption Guideline and its annexes both during 2023 (on 18 January and 10 May) and, lastly, on 27 November 2024. If the update carried out in 2023 was mainly aimed at reflecting all the new elements introduced within the Anti-Corruption Compliance Programme as part of the project aimed at obtaining the Certification, thus ensuring systematic coherence, the 2024 update focused on the revision of the third-party due diligence system. Snam is also a member of the UN Global Compact and, in 2023, strengthened its collaborations and partnerships with institutions and bodies active in the fight against corruption (i.e. Transparency International, the OECD and BIAC).

Also in 2024, Snam proactively collaborated with Transparency International Italy, in particular by hosting the BIF National Event entitled 'Business Ethics & Sustainability' at its headquarters.
The event, which saw Snam take an active part in, offered experiences and testimonials on the new challenges of corporate compliance in terms of sustainability, starting from the CSRD, to reach the issues of human and environmental rights.
During the day, there were speeches by representatives of Transparency International Italia, an organization with which Snam has been proactively collaborating since 2017 and of which it is a promoting and supporting member, of the GNCI Global Compact Network Italia of the United Nations, of the DG FISMA of the European Union and of various industrial groups.
In January 2025, finally, the Compliance & Business Integrity function participated in the presentation of the 2024 edition of Transparency International's Corruption Perception Index, a measurement of the perception of corruption in the public sector and politics.
Since 2017, Snam has been working with the Organisation for Economic Cooperation and Development (OECD), joining the Business at OECD Committee (BIAC), and in October 2019, as the first

Italian company, it joined the Leadership as Vice-Chair of the Anticorruption Committee. As part of this collaboration, during 2024 Snam contributed through its active participation in numerous national and international events. Among these, we recall the contribution provided during the participation in the Bureau meeting of the BIAC Anti-Corruption Committee, in which strategic issues for the committee were illustrated, with a focus on the ethical implications related to the development of AI technologies. In addition, Snam contributed to the project 'AI-driven Anti-corruption Efforts, Use-cases from the Private Sector' by sharing the methods of implementing AI in the context of reputational due diligence, as a use case for the development of anti-corruption strategies at a global level.

Within the framework of multilateral collaborations, in addition to the above, Snam also participated in the work of the BIAC Committees: Corporate Governance Committee, within which it followed the work of the OECD Working Party on State Ownership and Privatisation Practices; Responsible Business Conduct Committee, within which it followed the updating of the AI Principles document; Governance and Regulatory Policy Committee, in which context he participated in the preparation of the document Recommendation on Principles for Transparency and Integrity in Lobbying and Influence; Anti-Corruption Committee in which Snam, also in consideration of the role it covers, has been the protagonist of a series of initiatives attributable to the more general project conducted at the BIAC relating to the role of education and AI systems in the fight against corruption.

OPERATIONAL RISKS

Ownership of storage concessions

For Snam, the risk associated with retaining ownership of the storage concessions is attributable to the business in which the subsidiary Stogit operates, based on concessions granted by the Ministry of Business and Industry. The ten-year extensions for the concessions of Brugherio, Ripalta, Sergnano, Settala and Sabbioncello were issued at the end of 2020, with a new expiry date of 31 December 2026, while those for the concessions of Cortemaggiore and Minerbio were issued in January 2022, also expiring on 31 December 2026. For the Alfonsine concession, the relative procedure for the first extension is still pending at the aforementioned Ministry: The Company's activities, as provided for by the reference regulations, will continue until the completion of the authorisation procedures that are in progress, as envisaged by the original authorisation, which will be extended automatically on expiry until said completion. For nine concessions, in 2020 for Fiume Treste and in 2024 for Alfonsine, Brugherio, Cortemaggiore, Minerbio, Ripalta, Sabbioncello, Sergnano and Settala, Stogit submitted, within the legal deadline, an application for a second ten-year extension to the Ministry of Business and Made in Italy. As regards the Fiume Treste concession, already subject to a first ten-year extension in 2011, the second ten-year extension of the concession was issued on 18 June 2024, with a new expiry date of 20 June 2032. Finally, the Bordeaux concession will expire in November 2031 and may be extended for another ten years. If Stogit is unable to retain ownership of one or more of its concessions or, at the time of renewal, the conditions of the concessions are less favourable than they currently are, this could have an adverse effect on its business and its economic, asset and financial situation.

Malfunction and unplanned service interruption

The risk of malfunction and unplanned service interruption is determined by accidental events including accidents or malfunctions of equipment or control systems, reduced output of plants, and extraordinary events such as explosions, fires, landslides or other similar events, third-party interference and corrosion, outside of Snam's control. Such events could result in a reduction in revenue and could also cause significant damage to people and property, with potential compensation obligations. Although Snam has taken out specific insurance policies to cover some of these risks according to industry best practices, the related insurance coverage could be insufficient to meet all the losses incurred, compensation obligations or cost increases.

Delays in the progress of infrastructure implementation programmes

In addition, there is the possibility that Snam may encounter delays in the progress of infrastructure construction programmes as a result of the numerous uncertainties linked to operational, economic, regulatory, authorisation, competitive and social factors, or to health emergencies beyond its control. Snam is therefore unable to guarantee in absolute terms that the projects for upgrading, maintaining and extending its network will be started, be completed or lead to the expected benefits in terms of tariffs. In addition, development projects may require higher investments or a longer timeframe than initially estimated, affecting Snam's financial equilibrium and economic results.

Investment projects may be halted or delayed due to difficulties in obtaining environmental and/or administrative permits, opposition from political forces or other organisations, or may be affected by changes in the price of equipment, materials and labour, and changes in the political or regulatory framework during construction, or the inability to obtain financing at an acceptable interest rate. Such delays could have negative effects on the Snam Group's operations, results, balance sheet and cash flow. In addition, changes in the prices of goods, equipment, materials and workforce could have an impact on Snam's financial results.

Environmental risks

Snam sites are compliant with laws and regulations on pollution, prevention and control, environmental protection, use of hazardous substances and waste management. The application of these rules exposes Snam to potential costs and liabilities associated with the operation of its assets. Indeed, Snam cannot predict how environmental legislation will evolve over time, nor whether and in what way it may eventually become more binding. Nor can there be any guarantee that the future costs necessary to ensure compliance with environmental regulations will not increase or that these costs can be recovered within the applicable tariff mechanisms or regulation. Also subject to particular uncertainty are the costs arising from possible environmental clean-up obligations on Snam sites, costs that are particularly difficult to estimate both in terms of the extent of the contamination and the appropriate remedial actions to be put in place, and finally the possible sharing of responsibility with other parties.

Although Snam has stipulated specific insurance contracts to cover some of the environmental risks, according to industry best practices, substantial increases in costs related to environmental compliance and other related aspects cannot be ruled out, as well as the costs of paying possible penalties that could negatively impact business, operating results and financial and reputational aspects.

Cybersecurity

Snam carries out its activities through a complex technological architecture relying on an integrated model of processes and solutions capable of fostering the efficient management of the gas system for the entire country. The development of the business and recourse to innovative solutions capable of continuous improvement, however, require a focus and an ability to continuously adapt to the changing needs to protect cybersecurity. For several years, Snam has been carrying out important investments in digitalisation - from the remote control of activities to the implementation of articulated infrastructure enabling the Internet of Things - via which Snam aims to become the most technologically-advanced gas transportation operator in the world, as well as to guarantee increasingly greater security and sustainability in its business processes.

Snam's conviction, supported by public data and evidence, is that cybersecurity threats must be assessed and managed with great sensitivity and attention, also because they are destined to evolve further, both in terms of numbers and complexity. The digital channel is increasingly used illicitly by different types of players with different purposes and modes of action: cyber criminals, cyber hacktivists, state-sponsored action groups.

The radical changes in working methods and processes that have occurred as a result of the pandemic (including the widespread use of smartworking) have exacerbated some specific types of threat and have made it necessary to increase the level of attention to criminal phenomena that are destined to persist over time. Similarly, technological evolution makes increasingly sophisticated tools available to these wrongdoers, through which consolidated attack techniques can be made more effective and new ones can be developed. In addition to this, the increasing digitalisation of the network with the use of new technologies (e.g. Internet of Things, Artificial Intelligence) poses significant challenges for the Group, expanding the potential attack surface exposed by both internal and external threats.

Lastly, the geopolitical tensions should not be underestimated, since the cyber terrain has become, to all effects, an area of economic and political confrontation and conflict. In this scenario, cybersecurity plays an extremely important role as it deals with preventing or tackling very diverse events that can range from the compromise of individual workstations to the degradation of entire business processes in the field of transportation, storage and regasification, with potential effects on the normal capacity to provide the service.

A correct approach to cybersecurity management also makes it necessary to ensure full compliance with the increasingly stringent sector regulations issued at both European and national level, in order to improve the management and control oversight of companies that provide essential services to the country.

Employees and staff in key roles

Snam's ability to operate its business effectively depends on the skills and performance of its personnel. The loss of key personnel or the inability to attract, train or retain qualified personnel (particularly for technical positions in which the availability of appropriately qualified personnel may be limited) or situations in which the capacity to implement the long-term business strategy is influenced negatively due to significant disputes with employees could trigger an adverse effect on business, financial conditions and operating results. The events related to this risk category may also refer to the topic of Diversity and Inclusion.

Risk associated with foreign shareholdings

Risk associated with Snam's associate companies abroad may be subject to regulatory/legislative risk, conditions of political, social and economic instability, market risks, climate change and the cybersecurity, credit and financial and other risks typical of the natural gas transportation and storage segments identified for Snam such to negatively influence their operations, economic results, balance sheet and cash flows. This may have a negative impact on Snam's contribution to profit generated by these investments.

Risks related to future acquisitions/equity investments

Every investment made under the scope of joint venture agreements and any future investment in Italian or foreign companies could involve an increase in the complexity of the Snam Group's operations and it may not be possible to ensure that these investments generate the anticipated income under the scope of the acquisition or investment decision, and are correctly integrated in terms of quality standards, policies and procedures consistent with the rest of Snam's operations. The integration process could require additional costs and investments. Inadequate management or supervision of the investment made may adversely affect business, operating results and financial aspects.

8.2 EMERGING RISKS

Within the Group's Enterprise Risk Management model, particular attention is paid to identifying changes in the reference context in order to capture events or macro-trends coming from outside the organisation that may have a significant medium- to long-term impact (3-5 years and more) on Snam's business or the sector. These changes may, on the one hand, cause new risks to emerge in the long term, but also immediately have consequences for the company, changing nature and extent of potential impacts and the probability of occurring of already identified risks. The purpose of the process of identifying emerging risks is to succeed in assessing their impact in good time, to thus be able to put in place the necessary strategies and related mitigation measures, both in terms of prevention and control. In this area, some of the emerging risks identified by Snam are exposure to global LNG market dynamics and technological innovation and Artificial Intelligence (AI).

Exposure to global LNG market dynamics

Description

With the release of gas from Russia, to compensate for what had previously been imported, a series of measures were introduced to ensure greater diversification of import sources, in particular by integrating increasing shares of LNG into the gas system through increased regasification capacity (new FSRUs). This new configuration of the gas system calls for further reflection on security of supply. Previously, most of the gas imported came from countries bordering Europe (Russia, Azerbaijan, North Africa) interconnected with the Continent thanks to the presence of a pipeline network capable of ensuring the stability of contractual relations with interlocutors over time and consequently favouring continuity of supply from importing countries. In contrast, LNG is a more flexible source whose routes are more sensitive to global market dynamics (increased gas demand in Asia, changes in shale gas extraction policies in the US, competition between countries for resources, etc.).

Impact

We have therefore moved from a regional gas market, with limited competition, to a global one, extremely competitive with the risk that, both in the short and long term, exogenous factors of various nature, such as prolonged adverse weather conditions (e.g. the prolonged lack of electricity from renewable sources caused by reduced solar input or insufficient wind), and/or geopolitical factors, may generate direct repercussions both on the sustainability of supplies and on gas storage reserves, with impacts on the country's energy security, on the stability of the energy system also at European level and on energy prices.
Not only that, this eventuality could also favour fuel switching measures, as has already happened in part with the increase in the use of coal in Europe in 2022, with direct consequences on Snam's business (i.e. reduction in gas demand, with limited impact at present given the current regulatory framework, management of network operations in more critical conditions) and potential reprioritisation of investment strategies.

Main mitigation measures

To this end, Snam is already taking a number of mitigation measures that result in supporting the development of green and decarbonised gas. In particular, the growth of biomethane volumes (through new production plants and the construction of the connection of these plants to the Snam network) can contribute to the sustainability of the gas system as a renewable, programmable and locally produced source. Similarly, the development of a network for the transportation of hydrogen provides the possibility of creating a multi-molecule energy system by extending the available resources, as it is less conditioned by global market dynamics thanks to the possibility of enabling the import of quotas of this gas in the future (e.g. from North Africa via pipeline).

Technological Innovation and Artificial Intelligence (AI)

Description

The changing geopolitical context and the awareness of increasingly complex scenarios make it necessary to identify more effective solutions to consciously invest in innovation and the valorisation of technological assets, with the aim of ensuring the development of new solutions as a support and opportunity for the evolution of corporate businesses in the near future also in the light of a multi-molecule energy system. Technological innovation and, in parallel, the development of artificial intelligence, has a direct impact on Snam's business, and if not managed and exploited in the right way in the long term, it could lead to negative repercussions in relation to both the regulated business and the business associated with the energy transition.

Impact

A development not focused on technology neutrality (but aimed more at finding innovative solutions without molecular valorisation) could lead to a faster reduction in demand for natural gas than envisaged in the reference scenarios (Snam-Terna Scenarios) and also have an impact on green gas development and emerging carbon capture, transportation and storage technologies. This would be a risk with impacts potentially leading to a revision of the company's growth strategy and business model. Furthermore, ineffective development and/or failure to adopt innovative and technological solutions can impact the quality of the service offered with repercussions on the effectiveness of asset and infrastructure management.

Main mitigation measures

To mitigate this risk, Snam adopts a series of proactive and continuous monitoring actions aimed at intercepting in good time the evolution of the energy market and the main technological trends along the entire supply chain. Specifically, an organic process of development and management of transparent innovation has been launched, integrated between the various stakeholders and aligned with Snam's strategic and industrial objectives, through the permanent establishment of a dedicated committee (Innovation and Technology Committee). The aim is to identify early technological trajectories useful to the company to support the gas system in the energy transition. The activities and results identified by the Committee have the purpose of analysing and assessing technologies that may impact Snam's business and reduce the risk that the gas system may be exposed to innovation by the development of non-gas oriented technologies. Furthermore, Snam has activated the Snam Tomorrow Energy Company (SnamTEC) programme, coordinated by the Operating Committee of the same name, the main instrument for the adoption of proven innovative technologies and for experimenting with the most promising industrial technologies (T-Lab). In addition to these, there are also the Snaminnova and HyAccelerator programs, coordinated by the Open Innovation Scientific Committee, made up of industry experts, the main tools for scouting and evaluating emerging technologies and innovative ideas.
In the face of the aforementioned mitigation measures, however, there remains a residual risk due to exogenous factors mainly associated with the external expertise that Snam makes use of (research bodies, universities, start-ups) which, if inadequate, may render risk mitigation ineffective.

9 GLOSSARY

Below is a glossary of the most frequently used terms related to operational activities.

Thermal year
The reference time period into which the regulatory period is divided is from 1 October to 30 September of the following year for natural gas transportation and regasification activities and from 1 April to 31 March of the following year for natural gas storage activities.

Bio C-LNG
Molecules of a biogenic nature, in particular biomethane. It is a type of natural gas that results from the biological transformation of organic matter and is produced through the process of anaerobic digestion of organic materials, such as agricultural residues, food waste, industrial waste and other biodegradable waste.

Transportation capacity
The transportation capacity is the maximum quantity of gas that can be injected into (or withdrawn from) the system, during the gas-day, at a specific point, subject to the technical and operational constraints established in each section of the pipeline and the maximum performance of the plants located along it. The assessment of these capacities is carried out by means of hydraulic simulations of the network, performed under appropriate transportation scenarios and according to recognised technical standards.

UFG
It stands for Compressed Natural Gas and is an alternative fuel for motor vehicles. It consists mainly of methane, which is compressed at high pressure and stored in cylinders. UFG can be transported by truck or by pipeline, depending on distance and availability of infrastructure.

Network Code
Document establishing the rules governing the rights and obligations of the parties involved in the transportation service provision process.

Regasification Code
Document regulating access to the service and the regasification capacity allocation process.

Storage Code
Document establishing the rules governing the rights and obligations of the parties involved in the transportation service provision process.

Downstream
This is the final stage of the gas chain, which includes the processing, purification, marketing and distribution of natural gas and its by-products.

EPC (Energy Performance Contract)
The EPC contract is defined in Directive 2012/27/EC as the contractual agreement between the beneficiary and the provider of an energy efficiency improvement measure, which is verified and monitored during the entire duration of the contract, where investments (works, supplies or services) are provided under the measure according to the contractually agreed level of energy efficiency improvement or other agreed energy performance criteria, such as financial savings.

Provision phase
Period generally between 1 November of each year and 31 March of the following year.

Injection phase
Period generally between 1 April and 31 October of the same year.

FSRU (Floating Storage and Regasification Units)
Floating regasification units are terminals capable of storing and regasifying natural gas. These are ships located in the vicinity of a port area, on the quayside or offshore, which receive liquefied natural gas (LNG) from other LNG carriers and regasify it in order to feed it into the national gas transmission network.

Natural gas
A mixture of hydrocarbons, consisting mainly of methane and to a lesser extent ethane, propane and higher hydrocarbons. The natural gas injected into the pipeline network must meet a unique quality specification to ensure the interchangeability of the gas in transit.

Liquefied Natural Gas (LNG)
Natural gas, consisting mainly of methane liquefied by cooling to around -160°C, at atmospheric pressure, in order to make it suitable for transportation by special tankers (LNG carriers) or storage in tanks. In order to be fed into the transportation network, the liquid product must be reconverted to the gaseous state in regasification plants and brought up to pipeline operating pressure.

Micro-liquefaction
A micro-liquefaction plant is a facility that enables natural gas or biomethane to be transformed from a gas to a liquid, reducing its volume and facilitating its transportation and storage. The micro-liquefaction process consists of the compression, cooling and expansion of the gas, which occurs through several stages. This type of plant can be used to produce liquefied natural gas (LNG) or liquid biomethane (bio LNG), alternative fuels for heavy road and sea transport. A micro-liquefaction plant is smaller than a conventional liquefaction plant and is installed close to the transportation/distribution network at the point of use.

Midstream
It is the intermediate stage of the gas supply chain, comprising the transportation, storage and processing of natural gas and its by-products.

Off-grid
Refers to utilities not connected to the transportation or distribution network.

Regulation period
This is the time period for which the criteria for determining tariffs for the natural gas transportation and dispatching service, liquefied natural gas regasification service and natural gas storage service are defined.

RN Entry point
Each of the points or local aggregate of physical points on the National Gas Pipeline Network at which gas is delivered to the Transporter.

Redelivery point
This is the physical point in the network or local aggregate of physical points at which the Transporter delivers the transported gas back to the User and at which its measurement takes place.

Virtual Trading Point (VTP)
Virtual point located between the Entry and Exit Points of the National Gas Pipeline Network (RN), at which users and other authorised parties can trade and sell gas injected into the National Network on a daily basis.

Regulatory Asset Based (RAB)
It identifies the value of net invested capital for regulatory purposes, calculated on the basis of the rules defined by the Regulatory Authority for Energy Networks and the Environment (ARERA) in order to determine the reference revenues for regulated businesses.

Natural gas transportation network
The set of pipelines, line installations, compressor stations and infrastructure, which, at national and regional level, ensure the transportation of gas, through interconnection with international transportation networks, production and storage points, to the redelivery points for distribution and utilisation.

National Gas Pipeline Network (RN)
Consisting of gas pipelines, this is the set of methane pipelines and plants sized and verified taking into account the constraints given by imports and exports, major national production and storage, with the function of transferring significant quantities of gas from these points of entry into the network to the macro areas of consumption. For the same purpose, a number of interregional methane pipelines are included, as well as smaller pipelines whose function is to close network links formed by the above-mentioned pipelines. The National Gas Pipeline Network also includes the compressor stations and facilities connected to the pipelines described above.

Regional Gas Pipeline Network (RR)
Consisting of pipelines whose main function is to move and distribute gas in delimited territorial areas, typically on a regional scale.

LNG regasification
Industrial process by which natural gas is returned from a liquid to a gaseous state.

Storage system
An integrated set of infrastructures consisting of the fields/wells, gas processing plants, compression plants and the operational dispatching system.

Small Scale LNG
This refers to the market for the production, distribution and utilisation of relatively small quantities of liquefied natural gas, typically from a few thousand to several hundred thousand tonnes per year, with the aim of utilising the natural gas in liquid form, without going through the regasification and injection into the transportation network typical of traditional Liquefied Natural Gas logistics. Small-Scale LNG logistics has two main applications: mobility, as fuel for heavy vehicles and ships, and industry, as fuel for the production of energy, steam or heat in remote areas.

Modulation storage
Modulation storage is intended to meet the modulation of hourly, daily and seasonal demand trends.

Mineral storage
Mineral storage is necessary for technical and economic reasons in order to enable the optimal cultivation of natural gas deposits on Italian territory.

Strategic storage
The purpose of strategic storage is to make up for the lack or reduction of supplies from imports or crises in the gas system.

Regasification tariffs
Unit prices applied to the regasification service. They include committed capacity tariffs ('Capacity') related to the regasification capacity requested by users for unloads from LNG carriers. Contributions are made through competitive procedures.

Storage tariffs
Unit prices applied to the storage service. They include unit fees for the space, capacity for the injection and provision of gas volumes. Allocations are made through competitive procedures.

Transportation rates
Unit prices applied to the natural gas transportation and dispatching service. They include tariffs for committed capacity ('Capacity'), tariffs per unit of transported energy ('Commodity') linked, respectively, to the transportation capacity requested by users and the volume of gas injected into the network.

Energy Efficiency Certificates (EEC)
Also called white certificates, were established by the Decrees of the Minister of Productive Activities, in agreement with the Minister of the Environment and Territory Protection of 20 July 2004 (Ministerial Decree 20/7/04 electricity, Ministerial Decree 20/7/04 gas) as subsequently amended and supplemented.
TEEs are issued by the Gestore dei Mercati Energetici (GME) in favour of the entities referred to in Article 5 of Ministerial Decree of 11 January 2017, on the basis of the savings achieved and communicated to the GME by the Gestore dei Servizi Energetici - GSE S.p.A. (GSE), in accordance with the applicable provisions.

Onshore regasification terminal
Integrated set of infrastructure consisting of the following sections: reception, storage, regasification, Boil Off Gas recovery, final gas correction, auxiliary systems and the control and safety system.

Time - regulatory lag
It is the delay with which the tariff remunerates investments made and put into operation.

User ('Shipper')
It is the user of the gas system who, by confirming the booked capacity, acquires capacity for his own use or for transfer to others.

10 CONSOLIDATED SUSTAINABILITY STATEMENT

10 CONSOLIDATED SUSTAINABILITY STATEMENT 2024

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(Legislative Decree no. 125 of 6 September 2024)

10.1 GENERAL DISCLOSURES

Introduction and guide to reading the document

GENERAL BASIS FOR PREPARATION OF THE CONSOLIDATED SUSTAINABILITY STATEMENT

The Consolidated Sustainability Statement (hereinafter also 'Sustainability Statement', 'Statement') relating to the 2024 financial year (from 1 January 2024 to 31 December 2024) of the Snam Group, drawn up on a consolidated basis constitutes a specific section of the Directors' Report - Integrated Report (hereinafter also the 'Integrated Directors' Report') and is drawn up in accordance with the provisions of Legislative Decree no. 125 of 6 September 2024 (hereinafter also the 'Decree').

The Sustainability Statement contains the data and information necessary to understand the group's impact on sustainability matters, as well as the information necessary to understand how these matters affect the group's performance, its results and its situation[33], which emerged following the double materiality assessment (please refer to the chapter '**Impact, risk and opportunity management', 'Material topics for Snam'**).

The reference perimeter of the information contained in the consolidated sustainability statement coincides with the scope of consolidation of the Consolidated Financial Statements and includes, in addition to the parent company Snam S.p.A., the fully consolidated companies[34] reported in section 3.5 'Group structure at 31 December 2024' of the Directors' Report.

The following Companies are not fully consolidated, but Snam has operational control over them:
- Albanian Gas Service Company SH.A. (AGSco)[35]
- Terminale LNG Adriatico S.r.l.[36]
- Zena Project S.p.A.[37]

In this reporting, Snam did not opt for the exemption from the disclosure of impending developments or matters in the course of negotiation.

[33] See Article 4, paragraph 1 of the Italian Legislative Decree no. 125 of 6 September 2024.
[34] Since 2025, GNL Italia S.p.A. has been merged into Snam FSRU Italia S.r.l.. The subsidiaries Snam Gas & Energy Services (Beijing) Co. Ltd, Snam Energy Services Private Limited, given the type of activities carried out and the limited number of employees providing services, did not present any material impacts, risks or opportunities, and therefore their performance is not included in this document. With reference to reported environmental aspects, the companies Snam International BV and Gasrule Insurance DAC are excluded from the consolidation, as they have no material environmental impacts.
[35] Although Snam appears to have operational control of this company, the data relating to Scope 1 and 2 GHG emissions and to the air emissions of pollutants foreseen by the ESRS were not found to be material, given the type of activities carried out (offices and maintenance) and are therefore not included in this document.
[36] Snam appears to have operational control of this company following the finalization of the increase in Snam's shareholding (from 7.3% to 30%) recorded in December 2024. Given the proximity of the operation to the end of the financial year, the reporting of the data of this company will take place starting from FY2025
[37] The execution of modernization works at the IRCCS Gaslini hospital facility are scheduled for the start of the facility operation phase to be in February 2027. There are no significant impacts in 2024, to be reassessed in 2025.

As part of the double materiality assessment, Snam considered the entire upstream value chain (including the biomethane supply chain, the gas supply chain and other suppliers of products and services) and downstream value chain (including distribution and customers of the energy transition business related to energy efficiency).

For more information on value chain mapping for double materiality assessment purposes, please refer to the chapter 'Impact, risk and opportunity management, Material topics for Snam').

Among the disclosures provided, Snam has opted not to include, for this financial year, data collected directly from the value chain, as these data are not available, and to omit information on significant CapEx and OpEx relating to the topic of cyber security (entity-specific material topic), as this is sensitive information.

The Consolidated Sustainability Statement is drawn up in accordance with the **European Sustainability Reporting Standards (ESRS)**. The ESRS disclosure obligations covered by Snam's Consolidated Sustainability Statement are described in the section 'General disclosures'. In the tables with the figures for the year ending 31 December 2024, the results of the two previous years are shown for comparison.

In order to standardize the reporting of data and information, the Consolidated Sustainability Statement has 4 sections: 'General disclosures', 'Environmental information', 'Social information' and 'Governance information'. Each section is divided into chapters, based on the topics found to be material by the double materiality assessment. In turn, each chapter is structured as follows:

- links between material sustainability topics and their **impacts, risks and opportunities**;
- **the Company's policies and commitments** and how they are reflected in the Company's activities, in order to manage material topics, mitigate the risks and lever the opportunities;
- **main results achieved** in relation to the targets set by the decarbonisation strategy and the Sustainability Scorecard;
- **actions, initiatives and projects** related to sustainability topics taking place during the year, including, if applicable, supporting quantitative information;
- **performance indicators** relevant to understanding the results achieved.

Under Regulation 2020/852 (the so-called EU Taxonomy), Snam is subject to the obligation to report how and to what extent the company's activities are associated with economic activities considered eco-sustainable pursuant to Articles 3 and 9 of this Regulation. The required disclosure can be found in the chapter 'European taxonomy for Environmentally Sustainable Activities' of the section 'Environmental information', while the models for the key performance indicators of non-financial companies required by Regulation 2021/2178/EU are reported in Annex 4 of the 2024 Consolidated Sustainability Statement.
With reference to the recommendations of **ESMA (the European Securities and Markets Authority)** in relation to the priorities for which appropriate disclosures should be made in 2024 sustainability reporting, the references to the Consolidated Sustainability Statement sections where the relevant content can be found are listed below:

- **Priority 1** – Materiality considerations in ESRS reporting: chapter 'Management of impacts, risks and opportunities, the Material topics for Snam';
- **Priority 2** – Scope and structure of Consolidated Sustainability Statement: chapter 'Introduction and guide to reading the document'
- **Priority 3** - Reporting on Article 8 of the Taxonomy Regulation: chapter 'European Taxonomy for Environmentally Sustainable Activities'.

In relation to material impacts, risks and opportunities, where the ESRS standards do not refer to specific qualitative/quantitative metrics, use was made of indicators from other generally accepted reference frameworks, specifically:

- **'GRI Sustainability Reporting Standards'** of the Global Reporting Initiative (GRI Standards 2021), including GRI Sector Standard 11 - Oil and Gas Sector 2021;
- Sustainability Accounting Standards Board (SASB) for the **Oil & Gas Midstream** sector.

Additional information was also reported in addition to the disclosure requirements of the topical standards (environmental, social and governance), with reference to material impacts, risks and opportunities, in order to provide further details useful for understanding the effects of such impacts, risks and opportunities on the Group's business and its context.

Finally, the recommendations of the **Task Force on Climate-Related Financial Disclosures (TCFD)** were considered. The SASB Correspondence Table and the TCFD Correspondence Table are provided in the appendix to the Consolidated Sustainability Statement.

This additional information is clearly identified within the individual chapters/paragraphs and fulfils the requirements regarding the qualitative characteristics of the disclosure, required by the ESRS standards.

References to the **Principal Adverse Impact Indicators (PAI indicators)**, required by the EU Sustainable Finance Disclosure Regulation (SFDR), are reported in the chapter 'Introduction and guide to reading the document - Disclosure obligations of the ESRS subject to the company's Consolidated Sustainability Statement', in relation to the requirements of the IRO-2 standard.

The disclosure prepared pursuant to Italian Legislative Decree 125/2024 is included in this Consolidated Sustainability Statement. No references to other documents that constitute Snam's corporate reporting have been provided, except where required by the **European Sustainability Reporting Standards (ESRS)**, in particular in relation to some items presented in the consolidated financial statements. In this case, the reference is appropriately indicated in the chapters.

This Consolidated Sustainability Statement was approved by the Board of Directors of Snam S.p.A. on March, 19th 2025.

The Consolidated Sustainability Statement was subject to a limited assurance review by the appointed independent auditors Deloitte & Touche S.p.A..
This review is carried out according to the procedures set out in the 'Independent Auditors' Report'.

The table below shows the connection between the contents required by the Decree and the location of the relevant information provided by Snam within the document.

SCOPE OF ITALIAN LEGISLATIVE DECREE 125/2024	ARTICLE OF ITALIAN LEGISLATIVE DECREE 125/2024	PARAGRAPHS CONTAINED IN THE SUSTAINABILITY STATEMENT
Strategy and business model	Article 4, paragraphs 2, a, 3) 4) 5)	General disclosures, Strategy and business model
Sustainability targets and progress	Article 4, paragraph 2, b	General disclosures, Strategy and business model, The Sustainability Scorecard, All paragraphs on 'Targets' relating to each material sustainability topic
Role of administrative, management and control bodies	Article 4, paragraph 2, c	General disclosures, Governance
Policies	Article 4, paragraph 2, d	General disclosures, Internal regulatory system, All paragraphs on 'Policies' relating to each material sustainability topic
Sustainability matters in incentive schemes	Article 4, paragraph 2, e	General disclosures, Governance, Snam's remuneration and incentive system
Due diligence procedures	Article 4, paragraph 2, f, 1)	General disclosures, Governance, Statement on due diligence
Impacts	Article 4, paragraph 2, f, 2)	General disclosures, Impact, risk and opportunity management, Material topics for Snam
Actions	Article 4, paragraph 2, f, 3)	All paragraphs on 'Actions and metrics' relating to each material sustainability topic
Risks and opportunities	Article 4, paragraph 2, a, 1) 2) Article 4, paragraph 2, g	General disclosures, Impact, risk and opportunity management, Material topics for Snam
Indicators and metrics	Article 4, paragraph 2, h	All paragraphs on 'Actions and metrics' relating to each material sustainability topic

Perimeter and data quality

In recent years, Snam has progressively strengthened its non-financial reporting system, computerising the data and information collection process and introducing specific procedures defining roles, responsibilities, activities and information flows.

During 2024, Snam adapted its reporting process to meet the requirements introduced by the Corporate Sustainability Reporting Directive (CSRD), involving the functions responsible for the various sustainability aspects and aligning the processes for generating and consolidating the disclosures required by the ESRS. Furthermore, the process of collecting qualitative and quantitative information has been almost entirely migrated to the Workiva ESG platform, a system for collecting, managing and consolidating sustainability data. The migration for residual entity-specific disclosures is also expected to be completed during 2025.

For each data collection form, the persons responsible for compiling and approving them have been identified, with the aim of ensuring a clear and effective data collection and verification process that guarantees the reliability of the data provided, and their validation and certification by the function manager.

Furthermore, in order to monitor the accuracy of sustainability reporting and the reliability of corporate processes in producing correct data and information and in compliance with the ESRS reporting principles, Snam has defined a control system for non-financial reporting (SCINF), in line with international best practices and in synergy with its control system for financial reporting. The new model has been developed in its various components, through the definition of controls at entity level, process level and on IT application management activities. In particular, in accordance with the risk-based approach that provides for a different pervasiveness of controls depending on the materiality of the information produced, specific controls have been implemented for the processing and reporting of the most significant indicators represented in the Consolidated Sustainability Statement. As foreseen by the model, all identified controls are monitored for the purposes of an overall assessment of the design and operation of the SCINF, with reference to the 2024 financial year.

Integration of TCFD recommendations

Snam's commitment to act as a major player in the energy transition is made concrete realised through more transparent reporting focussing on the topic of fighting climate change. In this regard, since 2018, the Group has published a stand-alone document in accordance with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), which has been included within this document since 2023. The recommendations indicated by the Task Force are structured around four thematic areas, representing the elements underlying the operations of organisations:

GOVERNANCE	Describe the organization's governance model in relation to risks and opportunities related to climate change
STRATEGY	Describe the actual or potential impacts of the risks and opportunities related to climate change on the business, strategy and financial planning of the organisation
RISK MANAGEMENT	Describe how the organisation identifies, assesses and manages risks related to climate change
METRICS AND TARGETS	Describe the metrics and targets used by the organisation to assess and manage material risks and opportunities related to climate change

The reference context and Snam's role as Italy's leading operator in the natural gas transportation, storage and regasification sectors, active also in the biomethane, hydrogen and energy efficiency businesses, are significant and closely related elements to be taken into account in the Group's strategic and financial planning.

The chapters of the Consolidated Sustainability Statement that contain the disclosures drafted in line with the TCFD recommendations are reported in a specific correspondence table at the end of the document.

DISCLOSURES IN RELATION TO SPECIFIC CIRCUMSTANCES

Time horizons

The medium- and long-term time horizons defined by Snam, considered in the assessment of the material impacts, risks and opportunities, do not differ from those indicated by the ESRS and coincide with those defined by the ERM function in the context of the analysis of risks and opportunities:

- Short-term (0-1 year): referring mainly to the annual budget;
- Medium-term (> 1-5 years): referring mainly to the Strategic Plan;
- Long-term (> 5-10 years): referring mainly to the Ten-Year Transport Network Development Plan presented by the Authority (ARERA).

Value chain estimation

In the quantitative reporting of Scope 3 greenhouse gas emissions, Snam mainly uses data from reliable sources and methodologies compliant with the GHG Protocol to ensure an adequate level of accuracy of the information disclosed. These figures, however, are subject to estimates, based on the best available information. Snam is committed to improving the accuracy of the reporting of its Scope 3 GHG emissions through supplier engagement and awareness-raising as well as by improving monitoring and data collection systems. For more information, please refer to the chapter "Climate Change, Actions and metrics, GHG Emissions, Scope 3 GHG Emissions".

Changes in preparation or presentation of sustainability information

In 2024, the following indicators were subject to changes in reporting, compared to previous years:

- **Sustainability Scorecard** - the following targets were renamed:
  - the target for avoided emissions was changed from 'Avoided CO_2 emissions ($ktCO_2e$)' to 'Avoided and captured CO_2 emissions ($ktCO_2e$)' in order to also consider carbon capture and storage (CCS) activities in the 2029 target. This change did not lead to any revisions of previous years' data;
  - the biodiversity target was changed from 'Percentage of vegetation recovery in areas impacted by the construction of a pipeline' to 'Percentage of vegetation recovery in areas impacted by the construction of a pipeline and new forestation' in order to also consider the forestation projects financed by Snam Rete Gas S.p.A.. The comparative values of 98.5% - 2022 and 99.9% - 2023 were recalculated as a result of the change in the name of the target and the related calculation methodology, resulting in 99.9% - 2022 and 116% - 2023;
  - the innovation target was changed from 'Start-ups accelerated after PoC (#)' to 'PoC & Scale of technologies and/or solutions (#)' in order to ensure a greater coherence with the evolution of activities by improving the quality of details provided and the clarity of communication. The comparative values of 6 accelerated start-ups and 12 PoCs - 2022 and 11 accelerated start-ups and 22 PoCs - 2023 were recalculated as a result of the change in the name of the target and the related calculation methodology, resulting in 15 PoCs and 3 technology and/or service scales - 2022 and 28 PoCs and 5 technology and/or service scales - 2023;
  - the innovation target was changed from 'Digitalized processes and AI-enabled processes (% of total)' to 'AI-enabled IT applications' in order to ensure greater consistency with the evolution of activities by improving the quality of details provided and clarity of communication. The comparative value of 100% of digitised processes and 10% of AI-enabled processes out of the total number of IT applications - 2023 was updated as a result of the target name change to 10% of AI-enabled IT applications - 2023;
  - the target relating to energy from renewable sources was changed from 'RES on total energy consumed (%)' to 'RES on total electricity purchased (%)' in order to also include FSRU Italia S.r.l. in the scope. The comparative values of 59% - 2022 and 65% - 2023 were recalculated as a result of the change in the name of the target and its calculation methodology, resulting in 59% - 2022 and 63% - 2023.
- **Consumption of electricity, heat, steam and cooling from renewable sources, purchased or acquired** - in 2024 the calculation of the data was modified following the integration of the share of electricity produced through the consumption of biogas and consumed by Bioenerys' cogenerators. This share of electricity is considered 'green' on the basis of Legislative Decree 387/2003 (Article 2 paragraph 1 letter a) - Definitions of renewable source, Article 12 - Authorisation procedures) to which all authorisation titles for Bioenerys Agri plants involved in the production of electricity and biogas combustion are linked. Recalculated data from previous years are not available;
- **Energy production from renewable sources of which cogenerator plants powered by renewable sources** - in 2024 the calculation of the data was modified following the integration of the thermal energy produced, estimated starting from the electrical energy generated by the cogenerators themselves. Recalculated data from previous years are not available;
- **Scope 1 and Scope 2 GHG emission reduction targets** - at the end of 2024, the baseline value of the Scope 1 and 2 emission targets was updated, in line with the provisions of the Recalculation Policy. In fact, in 2023, with a view to diversifying its supply sources to guarantee energy security, the Company acquired a regasification vessel (FSRU) located at the Port of Piombino. Following this, emissions from the FSRU's operations in 2024 were added to the 2022 baseline value, as 2024 was the first full year of operation of the vessel and its share of emissions was 5% of the baseline value. The Recalculation Policy therefore allows the previously defined reduction targets to be kept unchanged, while taking into account the changes in the scope. The base year target value was therefore changed from 1,451 $ktonCO_2e$ to 1,530 $ktonCO_2e$;
- **Scope 3 GHG emissions:**
  - **2023** - Scope 3 GHG emissions data - Category 15. Investments and Category 3. Fuel & Energy for 2023 were modified. Category 15 was changed as a result of the integration of the GHG emissions data of the associates that were updated during the year for an additional 2,334 $ktonCO_2e$, The new figure is 641,660 tCO_2e. The figure for Category 3 was changed in light of a change in the emission factor database, the new figure is 352,109 tCO_2e. The 2023 total Scope 3 GHG emission figure is 1,776,751 tCO_2e while the new 2023 figure for the

perimeter[38] of the Scope 3 GHG emission reduction targets is 1,549,136 tCO_2e. In addition, compared to 2023, following a materiality analysis of the Scope 3 downstream emission categories for energy transition businesses, in 2024 the categories 11. Use of products sold and 13 Downstream leased assets were included in the calculation;

- **2022** - the figures for Scope 3 GHG emissions - Category 3. Fuel & Energy for 2022 were revised in light of a change in the emission factors database. The new figure for Category 3 is 388,073 tCO_2e, while the new 2022 figure for total Scope 3 GHG emissions is 1,558,472 tCO_2e. The new base year figure (2022) for the Scope 3 GHG emission reduction target boundary is 1,631,427 tCO_2e.

- **Pollutant emissions** - NO_x and CO emission data for 2022 and 2023 have been restated following the updating of emission factors. Total NO_x and CO emissions in 2022 were changed from 602t to 553t and from 301t to 291t, respectively. Total NO_x and CO emissions in 2023 were changed from 617t to 577t and from 298t to 390t, respectively.
- **Employees** - from 2024, the figure for the number of permanent workers also includes workers hired under apprenticeship contracts. Recalculated data from previous years are not available.
- **Non-employees** - the methodology for calculating non-employees has been changed. In 2023, the number of non-employee workers was calculated as an average of the entire reporting period. In 2024, the number of non-employed workers is calculated at the end of the reporting. Recalculated data from previous years are not available;
- **Percentage of employees with disabilities** - the methodology for calculating employees with disabilities has been changed to include employees belonging to protected categories, as defined by Art. 1 and Art. 18 of Law 68/1999. The new figures for the percentage of employees with disabilities in 2022 and 2023 are 5% (of which 6% women and 5% men) for the two-year period;
- **Gender pay gap** - the methodology for calculating the gender pay gap was modified to align with the requirements of the CSRD. Recalculated data from previous years are not available.

The reasons for the changes and the restatements of previously published comparative data, where available, are clearly indicated as such, also in correspondence with the actual data.

Sources of estimation and outcome uncertainty

In order to ensure the reliability of the information reported, the use of estimates was limited as much as possible. Any estimates are based on the best information available or on sample surveys. In reporting forward-looking information - including future targets and objectives - uncertainties are inherent and, therefore, such information may be subject to change.

The quantitative metrics that are subject to measurement uncertainty are indicated below. For each metric, information is provided regarding the causes of uncertainty, the assumptions and the approximations formulated.

[38] The Scope 3 GHG emission reduction targets at 2030 and 2032 relate to the regulated business only, while the 2050 target relates to the Snam Group as a whole.

DESCRIPTION OF THE METRIC	ESRS REFERENCE	CAUSES OF UNCERTAINTY	ASSUMPTIONS AND APPROXIMATIONS	PARAGRAPHS OF THE CONSOLIDATED SUSTAINABILITY STATEMENT
Electricity consumed from nuclear sources	E1-5, paragraph 37, b	The share of electricity consumed from nuclear sources is not provided directly by Snam's electricity provider, therefore this value is estimated.	Electricity consumed from nuclear sources is calculated on the basis of the composition of the energy mix used to produce electricity sold by Snam's main electricity provider, multiplied by the overall consumption of purchased electricity.	Climate Change, Actions and metrics
Biogenic emissions from biomass combustion or biodegradation to be reported separately from Scope 1 GHG emissions	E1-6, paragraph AR 43, c	The different biogenic emission sources to be reported separately from Scope 1 GHG emissions are not directly measured, therefore this value is estimated.	Biogenic emissions are estimated as a function of the process phase in which the emission source is located. For biogas burned in cogeneration plants, the related biogenic emissions are estimated from the amount of biogas burned, calculated from the amount of energy produced and the flare activation time. For waste resulting from biogas production, subjected to composting, the following two methodologies are applied depending on the characteristics of the plant: • starting from the basic flow rate of the biofilter and the CO_2 detected by the single measurement of a portable meter, the flow rate of biogenic CO_2 for the year is estimated and converted into mass; • starting from the mixture sent to the biocells and the related waste obtained in the maturation phase, the quantity (in mass) of biogenic CO_2 is estimated.	Climate Change, Actions and metrics
Biogenic emissions from biomass combustion or biodegradation to be reported separately from Scope 2 GHG emissions	E1-6, paragraph AR 45, e	The share of purchased electricity produced from biofuels is not directly supplied by Snam's main electricity provider, and therefore this value is estimated.	Biogenic emissions are estimated on the basis of the percentage of biomass and biofuels present in the share of renewable sources in the national energy mix, re-proportioned to the share of renewable sources in the energy mix of the electricity provider. The estimated share of MWh produced from biomass and biofuels is multiplied by the appropriate emission factor to quantify biogenic CO_2 emissions. The biogenic CO_2 emission factor calculation methodology used in 2024 excludes biomethane, since the gross electricity produced from biomethane is negligible.	Climate Change, Actions and metrics
Gross Scope 3 GHG emissions from each significant Scope 3 category	E1-6, paragraph 51, paragraph AR 46, g	Scope 3 GHG emissions are calculated with primary data; where primary data are not available, are estimated because the relevant emission sources are located in Snam's value chain and are not under the direct control of the Group.	See the table on the estimation methodologies applied to significant Scope 3* categories.	Climate Change, Actions and metrics
Biogenic emissions from biomass combustion or biodegradation to be reported separately from Scope 3 GHG emissions	E1-6, paragraph AR 46, j	Biogenic emissions from biomass combustion or biodegradation reported separately from Scope 3 GHG emissions are estimated, because the related emission sources are located in Snam's value chain and are not under the direct control of the Group.	Biogenic emissions from the combustion of biomethane sold to third parties, outside the perimeter of the Snam Group, are estimated by multiplying the quantities of biomethane sold by the emission factor for biogenic CO_2 of biomethane (DEFRA).	Climate Change, Actions and metrics

DESCRIPTION OF THE METRIC	ESRS REFERENCE	CAUSES OF UNCERTAINTY	ASSUMPTIONS AND APPROXIMATIONS	PARAGRAPHS OF THE CONSOLIDATED SUSTAINABILITY STATEMENT
Avoided and captured CO_2 emissions	Entity-specific	The methodology for estimating avoided emissions is not currently standardised by the GHG Protocol or other recognised sources. The data is estimated on the basis of the best available estimation methodology.	The methodology for estimating avoided emissions considers: • the use of biomethane produced and fed into the grid by Bioenerys to replace methane gas of fossil origin; • energy produced from renewable sources and energy savings achieved through Renovit's energy-saving measures on residential, industrial, tertiary and public administration building.	Strategy and business model, Carbon Neutrality and Net Zero Strategy Climate Change, Targets
Breakdown of the carrying value of the undertaking's real estate assets, including rights-of-use assets, by energy efficiency classes.	E1-9, paragraph AR 73, b	Not all properties have Energy Performance Certificates (EPC).	For properties with an EPC being finalised, the energy class will be inferred considering the works in progress for energy efficiency improvement (expected class). For properties with an EPC for which an update plan will be provided, the energy class will be inferred from the expired document. For properties still without an EPC, the lowest energy class (G) is assigned.	Climate Change, Actions and metrics
Amount of NO_X and CO emitted into the air by Renovit's and Bioenerys' activities	E2-4, paragraph 28, a	The companies Bioenerys and Renovit estimate their own air polluting emissions, as they do not carry out direct measurements for these emissions.	For Renovit, the estimated values of NO_X and CO are calculated as the product of the sum of NO_X and CO emissions, respectively, measured from sampling the individual emission sources, and the average number of operating hours of the cogeneration plants, corresponding to 7,500 hours. For Bioenerys, NO_X and CO values are obtained by multiplying fuel consumption with conversion factors (ISPRA, the Italian Institute for Environmental Protection and Research).	Pollution, Actions and metrics

DESCRIPTION OF THE METRIC	ESRS REFERENCE	CAUSES OF UNCERTAINTY	ASSUMPTIONS AND APPROXIMATIONS	PARAGRAPHS OF THE CONSOLIDATED SUSTAINABILITY STATEMENT
Area of owned, leased or managed sites within or near protected areas or key biodiversity areas	E4-5, paragraph 35	The pipeline area within protected areas or key biodiversity areas is estimated since the direct measurement is not available.	The area of the pipeline within protected areas or key biodiversity areas is calculated as the product of the cumulative kilometres of pipeline built within protected areas in the last 15 years (the period of time at the end of which it is reasonable to consider the site as renaturalised, following restoration, management and monitoring activities after excavation) and the average width of the excavation, corresponding to 20 metres. The result obtained is then converted into hectares.	Biodiversity and Ecosystems, Actions and metrics
Recordable work-related injury rate for employed and non-employed workers	S1-14, paragraph 88, c	The metric calculation takes into account the number of hours worked. If this value is not available, it is estimated.	Hours worked for Group employees when unavailable are based on the number of employees multiplied by an estimated monthly working hours of 140. For managers, the estimate is the same, multiplying the average number of managers by a total number of hours equal to 150 hours/month. The hours worked for non-employee workers (temporaries and interns) of the Group if unavailable are based on the number of non-employee workers multiplied by an estimated monthly number of hours of 140. For managers, the estimate is the same, multiplying the average number of managers by a total number of hours equal to 150 hours/month. The hours worked by non-employee workers do not include those of freelancers on ongoing contracts because, based on the nature of this type of contract, there are no defined contractual hours, as the contracts refer to an obligation that requires a specific result. The duration of the relationship is therefore functional to the result to be achieved and cannot be defined ex ante. Furthermore, this type of contract, within the limits of the law, can be freely regulated by the parties. For these reasons it is not possible to estimate a standard time in the case in question.	Own Workforce, Health & Safety, Actions & metrics

***Calculation and estimation methodology of significant Scope 3 categories**

SCOPE 3 GHG EMISSION CATEGORY	CALCULATION METHODOLOGY	SCOPE OF APPLICATION	EMISSION FACTOR	CALCULATION TOOLS USED	ESTIMATION METHODOLOGY
01. Purchased goods and services	• Supplier-specific method • Spend-based method	100% spent by companies included in the reporting perimeter	Trucost dataset (S&P)	Excel file	Emissions per supplier extracted from the Open-es and CDP Supply Chain questionnaires parameterized based on how much was spent in relation to the contracts awarded. For each category of purchases: 1. identification of GHG emission sources and application of Trucost emission coefficients to calculate the emissions associated with the unit of product or service purchased 2. multiplication of the amount spent on each category of purchases by the related emission coefficient.
02. Capital goods	• Supplier-specific method • Spend-based method	100% spent by companies included in the reporting perimeter	Trucost dataset (S&P)	Excel file	Emissions per supplier extracted from the Open-es and CDP Supply Chain questionnaires parameterized based on how much was spent in relation to the contracts awarded. For each category of purchases: 1. identification of GHG emission sources and application of Trucost emission coefficients to calculate the emissions associated with the unit of product or service purchased 2. multiplication of the amount spent on each category of purchases by the related emission coefficient.
03. Fuel- and energy-related activities (not included in Scope 1 and 2)	• Average data method	100% energy and fossil fuel consumption of companies included in the reporting perimeter	DEFRA (WTT - fuels + WTT heat & steam) Ecoinvent 3.11	Excel file	Multiplication of energy and fossil fuel consumption reported by companies included in the reporting perimeter by the emission factors relating to: 1. upstream activities for Italian electricity production (i.e. extraction and transportation of fuels) and losses along the network 2. upstream activities for all fuels consumed by the Company, including those related to gas (extraction and transportation).
04. Upstream transportation and distribution	• Spend-based method	100% spent by companies included in the reporting perimeter	Trucost dataset (S&P)	Excel file	For each category of purchases: 1. identification of GHG emission sources and application of Trucost emission coefficients to calculate the emissions associated with the unit of product or service purchased 2. multiplication of the amount spent on each category of purchases by the related emission coefficient.
05. Waste generated in operations	• Supplier-specific method • Average data method	100% spent by companies included in the reporting perimeter	Trucost dataset (S&P)	Excel file	Emissions per supplier extracted from the Open-es and CDP Supply Chain questionnaires parameterized based on how much was spent in relation to the contracts awarded. For each category of purchases: 1. identification of GHG emission sources and application of Trucost emission coefficients to calculate the emissions associated with the unit of product or service purchased 2. multiplication of the amount spent on each category of purchases by the related emission coefficient.
06. Business travel	• Distance-based method	100% of km travelled by employees of companies included in the reporting perimeter	Data provided by the travel agency		The travel agency provides Snam with emissions data based on specific information about the trips made by Snam staff.
07. Employee commuting	• Distance-based method	100% of employees of the companies included in the reporting period	DEFRA (Business travel-land)	Excel file	1. multiplication of the data collected via the questionnaire on distances travelled and means of transportation by the emission factors. 2. application of the resulting metric of average annual carbon intensity per employee to the number of employees excluded from the survey.
08. Upstream leased assets	• Average data method • Lessors-specific method	100% spent by companies included in the reporting perimeter	Trucost dataset (S&P)	Excel file	Emissions per supplier extracted from the Open-es and CDP Supply Chain questionnaires parameterized based on how much was spent in relation to the contracts awarded. For each category of purchases: 1. identification of GHG emission sources and application of Trucost emission coefficients to calculate the emissions associated with the unit of product or service purchased 2. multiplication of the amount spent on each category of purchases by the related emission coefficient.

SCOPE 3 GHG EMISSION CATEGORY	CALCULATION METHODOLOGY	SCOPE OF APPLICATION	EMISSION FACTOR	CALCULATION TOOLS USED	ESTIMATION METHODOLOGY
11 Use of sold products	• Direct use phase emissions - indirect use phase emissions	100% of the consumption of products sold or 100% of the emissions generated by products sold.	ISPRA 2024, Ecoinvent 3.11 GHG released during use of compounds/digestate (applicable to Bioenerys - N_2O): GWP of N_2O: 273 $kgCO_2e$/ kg N_2O (IPCC 6th Assessment Report) BEIS DEFRA 2024 - Bioenergy - Biomethane (compressed)	Excel file	Products sold to third-party companies outside the Snam Group perimeter that directly consume energy during use: - Quantity of products sold (and, possibly, the geographical distribution of sales); - Total expected lifespan of the products; - Expected usage profile for each product during its lifetime (hours of operation for each use and number of uses per year); - Fuel and electricity consumption per product use. Greenhouse gases (GHG) and products containing or forming GHG released during use (applicable to Bioenerys - N2O). For products sold to third-party companies outside the Snam Group perimeter: - Total quantity of products sold (for example: tons of compost and digestate); - Nitrogen content (e.g.: data provided by Snam = 30% nitrogen for a quantity in tons of digestate); - Quantity of greenhouse gases contained per product (for example: amount of N_2O emitted by nitrogen transformation = 0.0220 kgN_2O / kgN (information extracted from the Technical Report 'Suggestions for updating the Product Environmental Footprint (PEF) method' of the Joint Research Center (JRC) of the European Union).
13. Downstream leased assets	• Lessors-specific method	100% of consumption of leased assets	ISPRA 2024	Excel file	Lessor asset data method - Use of fuels and electricity, steam, heating and cooling specific to the plant - Asset data relating to non-combustion emissions (e.g. fugitive gas emissions from industrial processes).
15. Investments	• Investment-specific method	100% of subsidiaries excluded from the reporting perimeter	The data are transmitted directly by the companies involved, normalized if necessary to the GWP of the latest IPCC report	Excel file	Scope 3 GHG emissions not estimated. Scope 3 emissions are determined on the basis of Scope 1 and Scope 2 emissions reported by Snam Group subsidiaries excluded from the reporting perimeter.

Governance

Snam, with the purpose 'Energy to inspire the world', leverages its industrial experience to guide the Group's path towards achieving the energy transition of the country system, with a view to sustainable success, pursuing a strategy based on three fundamental principles:

A governance capable of supporting and promoting the conditions for a fair and adequate interaction between the Company and the context in which it operates has always been one of the main factors for Snam, aware of the role of the Group for the Country System. Snam has declared its commitment to a system of '**energy infrastructures for a sustainable future**' to address the challenge of the energy trilemma: reliable, competitive and environmentally friendly supplies, promoting the resilience and the transition of territories served. In this perspective, the Group's corporate governance is functional to creating long-term value for the benefit of shareholders, taking into account the interests of other stakeholders relevant to the Company.

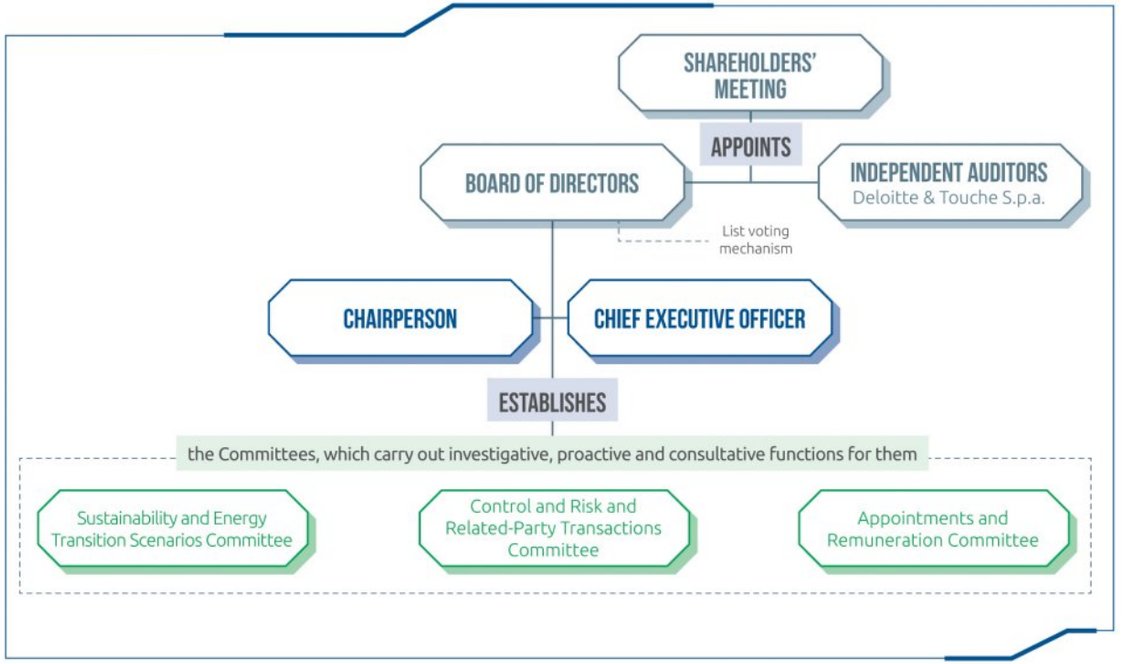
Snam's governance system reflects the so-called traditional model and is developed in compliance with current regulations applicable to the sector (regulations for listed companies and Unbundling regulations), also in consideration of national and international best practices, and in line with the principles contained in the Group's Code of Ethics[39], which is also an integral part of the Organisational Model pursuant to Legislative Decree no. 231/2001. Furthermore, in line with the corporate governance system and characteristics of its organisational structure, the management and coordination activities consider the legal autonomy and principles of correct corporate and business management of the subsidiaries.

Snam adheres to:

- the UN Global Compact, the major international initiative in the field of sustainable development that aims to promote and disseminate the ten global ethical principles on human rights, environmental protection, labour rights and anti-corruption;
- the Corporate Governance Code, to whose principles its own corporate governance system is aligned.

The Group also acts within the framework of the OECD Guidelines for Multinational Enterprises, the United Nations Universal Declaration of Human Rights and the ILO Fundamental Conventions.

SNAM'S GOVERNANCE SYSTEM



In 2024, Snam once again confirmed its commitment to managing corporate governance, ranking as one of the best Italian companies for corporate governance and the integration of ESG (environmental, social and governance) factors into corporate strategies according to the annual Integrated Governance Index (IGI) survey conducted by ETicaNews.

[39] The Code of Ethics is available on the Company's website: https://www.snam.it/content/dam/snam/pages-attachments/it/governance/documents/2024/Codice_Etico_24.pdf

With reference to the governance structure above:

- the Chairperson has a non-executive role, acting as a liaison between the Chief Executive Officer and the non-executive Directors and ensures the effective functioning of the board's work;
- the Chief Executive Officer has all the responsibilities and powers that are not held by the Board of Directors or the Chairperson and is responsible for the Internal Control and Risk Management System (ICRMS), with the task of planning, implementing and managing this system, supported by an organizational structure that integrates the issues and risks related to climate change into all phases of the business cycle;
- the Independent Directors, 6 out of a total of 9 Directors, ensure adequate protection of the interests of all components of the shareholding structure;
- the board committees, specifically the Control and Risk and Related-Party Transactions Committee, the Appointments and Remuneration Committee and the Sustainability and Energy Transition Scenarios Committee, have fact-finding, proposal-making and advisory functions supporting the Board of Directors in respective areas of responsibility;
- The Board of Statutory Auditors is the main body with control functions of the Company.

In the context of the aforementioned corporate governance structure, each of the various bodies, committees and positions, within the limits of the powers granted to them by law, the Articles of Association and/or other sources of internal regulations of the Company, is involved in **monitoring the impacts, risks and opportunities related to environmental, social and governance sustainability issues**.

Administrative, management and supervisory bodies

Board of Directors

Note: the year indicated for each Director refers to the year in which they joined the Snam Board of Directors.
* Monica de Virgiliis was a Director from 2016 to 2019. She was subsequently appointed again as a Director in 2022, assuming the role of Chairwoman of the Board of Directors.

The Shareholders' Meeting of 27 April 2022 established 9 Directors for a term of 3 years in office, ending on the date of the Shareholders' Meeting convened in 2025 for the approval of the financial statements for the year ending 31 December 2024.

Appointment and selection of the Board of Directors in brief

Article 13 of the Articles of Association provides for the appointment of the Board of Directors based on list voting, configured in such a way as to allow for directors designated by minority shareholders to be appointed to the Board of Directors, and for a distribution of the directors to be elected based on a criterion that ensures a gender balance; in particular, under Article 13 of the Articles of Association - as amended on 2 February 2021 - at least two-fifths of the members of the Board of Directors, or a different quota - if higher - provided for pro tempore provisions in force on the matter, must be of the less represented gender. In addition, in view of each renewal, the Board of Directors provides guidance to shareholders on its qualitative and quantitative composition deemed optimal. This guidance identifies the managerial and professional profiles and the skills deemed necessary, also in light of the Company's sector characteristics.

Furthermore, the Articles of Association require at least one director, if the Board of Directors is composed of a number of members not exceeding seven, or at least three directors, if the Board of Directors is composed of a number of members exceeding seven, to meet the independence requirements established by the TUF.
The lists expressly identify candidates who meet the independence requirements. All candidates must also meet the requirements of good standing, as required by current legislation.
Shareholders who, alone or jointly with others, represent the minimum percentage calculated in accordance with current legislation may present lists.
The following must also be filed together with the lists: the professional curricula of each candidate and the statements with which they accept their nomination, and declare, under their own responsibility, that there are no reasons for their ineligibility and incompatibility, and that they meet the aforementioned requirements of good standing and, if applicable, independence.

Snam, as expressly provided for by Article 123-bis, paragraph 2, letter d-bis) of the TUF, has adopted a **policy 'on diversity applied in relation to the composition of the administrative and control bodies with regard to aspects such as age, gender composition and educational and professional background'**.

Snam believes that diversity is a value which contributes positively to the effectiveness of the actions of its corporate bodies. In the composition of the administrative and control bodies, Snam pursues an objective of integrating different profiles, recognizing, therefore, the importance of complementary experiences and skills, to be combined with gender diversity and different age groups. Among the values upheld, Snam positively considers the diversity of nationality and ethnic origin.

The next table shows the regulatory and/or self-governance requirements and/or the objectives pursued by Snam in terms of diversity, as well as the related implementing methodologies - with reference to both corporate bodies and company personnel, as provided for by the aforementioned diversity policies - in the main areas in which *diversity* issues arise.

For more information on diversity and inclusion in the workforce, please refer to the chapter 'Own Workforce, Equal treatment and opportunities for all and skills development'.

SCOPE	CORPORATE BODIES	PERSONNEL
Gender diversity	The quota reserved for the less represented gender on the management and control bodies must be equal to at least two fifths, rounded up to the next whole number. **Implementing methodologies** • Guidance to shareholders on the size and composition of the Board of Directors • Selection criteria	Snam also intends achieving a greater balance between males and females at corporate level, in implementation of Recommendation 8 of the Corporate Governance Code. **Implementing methodologies** • A more inclusive hiring policy for executives and managers • Pay monitoring to reduce the gender pay gap and enhance women's contribution • ESG Target in the 2024-2026 Incentive Plan to Increase Women in Management Roles • Joining 'Valore D' to promote female leadership and mentoring • Endorsing the 'Manifesto for Female Employment' to empower female talents
Training path	In addition to the requirements laid down by law and by the Articles of Association for members of corporate bodies, Snam considers it essential that members of the Board of Directors and the Board of Statutory Auditors have different backgrounds, acquired through the completion of different training courses and previous professional experience, in order to ensure the efficient functioning of corporate bodies and enable them to adapt immediately to any changes. **Implementing methodologies** • Shareholder guidelines, which define the skills required from candidates based on the complexity and objectives of the company • Board induction, with intensive training programmes to strengthen members' skills • Periodic checks, to ensure compliance with the requirements of professionalism, integrity and independence	Snam is committed to (i) ensuring that company personnel, based on their level, have an adequate educational and professional background, as well as (ii) supporting the professional development and growth of its resources. **Implementing methodologies** • Human resources policies and metrics to ensure fairness in all phases of the employment relationship, from the process of selecting people, to the assignment of roles, performance appraisals, personal development, salary packages and termination of the employment relationship.
Age	The Articles of Association do not define specific limits on the age of members of corporate bodies, as their composition is considered to reflect an appropriate diversity in terms of age.	The company's diversity and inclusion policy does not provide specific age limits for company personnel, as adequate age diversity is ensured in practice.

Processes to prevent and mitigate conflicts of interest

Putting in place adequate safeguards aimed at the correct management of potential conflict-of-interest situations is important and instrumental to guaranteeing compliance with the law and that the company's activity is effectively carried out for the benefit of the shareholders, taking into account the interests of other stakeholders relevant to the Company, as provided for in the Articles of Association.

Some of the safeguards adopted by Snam include the following:

CODE OF ETHICS	GUIDELINE ON DIRECTORS' AND STATUTORY AUDITORS' INTERESTS AND RELATED-PARTY TRANSACTIONS
• Obligation for management and employees to avoid and report conflicts of interest • Obligation to refrain from intervening in the operational/ decision-making process involved	• The Code establishes the principles and rules in order to ensure transparency and the substantial and procedural fairness of transactions with related parties and transactions involving the interests of Snam directors and statutory auditors.

The Board of Directors pays particular attention to conflict-of-interest situations, taking into account the information received from delegated bodies. In particular, the Chief Executive Officer informs the Board of Directors and the Board of Statutory Auditors about the execution of all transactions with related parties and all transactions involving the interests of directors and auditors, with the exception of those that come under the cases of exclusion pursuant to the Guidelines on transactions involving the interests of directors and auditors and transactions with related parties. Furthermore, transactions with related parties carried out by Snam and its subsidiaries are disclosed to the public in the manner and within the terms set out in Articles 5 and 6 of the Consob Regulation and in Article 17 of Regulation (EU) 596/2014, where applicable.

The role and functions of the Board of Directors in brief

The Board of Directors plays a central role in the Company's corporate governance structure, defining the strategic, organisational and control policies of the Company and its Subsidiaries and monitoring their implementation, in a manner consistent with the Company's statutory corporate purpose 'Energy to Inspire the World', with a view to (i) fostering the energy transition towards forms of use of resources and energy sources compatible with the protection of the environment and progressive decarbonisation and (ii) pursuing sustainable success through the creation of long-term value for the benefit of shareholders, taking into account the interests of other stakeholders relevant to the Company. The Board of Directors is vested with the broadest powers for the ordinary and extraordinary administration of the Company. In fact, it may carry out all acts deemed appropriate for the implementation and pursuit of the corporate object, except those acts that, by law or the Articles of Association, are the responsibility of the Shareholders' Meeting.

The Board of Directors, taking into account the impacts, risks and opportunities in controlling business strategy, in decisions regarding material transactions, as well as in the risk management process:

- periodically reviews and approves with reference to ESG issues:
  - climate change and energy transition targets and the more detailed indicators created for timely monitoring of the progress of sustainability and decarbonisation actions (e.g. Scope 1 and 2 and Scope 3 emissions, progress against announced targets, avoided emissions, alignment of investments with EU taxonomy[40] and SDGs[41]);
- the Company's Business Plan prepared also on the basis of an analysis of topics that are material for long-term value generation and long-term energy transition scenarios with the support of the Sustainability and Energy Transition Scenarios Committee (CSSTE) and including in its assessments all risks that may be material from the standpoint of the medium- to long-term sustainability of Snam's business;
- the Group's impacts, risks and opportunities that emerged as material from the double materiality assessment and the effectiveness of the safeguards designed to enable the identification, measurement, management and monitoring of the main business impacts, risks and opportunities (including Sustainability-relevant risks and opportunities), with the support of the Control and Risk and Related-Party Transactions Committee (CCROPC) in coordination with the Sustainability and Energy Transition Scenarios Committee;
- the Long-term Incentive Plan, which also includes ESG targets including a KPI related to the reduction of natural gas emissions consistent with the Strategic Plan guidelines;

For details on the ESG objectives included in the CEO's short- and long-term variable incentives, see the paragraph 'Snam's remuneration and incentive system' in this chapter;

- the Annual Financial Reporting, including the Consolidated Sustainability Statement);
- defines the strategic lines and objectives of the Company and the group, including sustainability policies;
- assesses, at least annually, after consulting the Control and Risk and Related-Party Transactions Committee, the adequacy of the ICRMS - i.e. the set of rules, procedures and organizational structures aimed at an effective and efficient identification, measurement and monitoring of the main risks - with respect to the characteristics of the Company and the group and the risk profile undertaken as well as its effectiveness, also determining the degree of compatibility of such risks with a management of the Company and the group consistent with the strategic objectives identified, also including in its assessments all the elements that may be relevant with a view to the sustainable success of the Company;
- defines the corporate governance rules system of the Company and the group;
- assesses the adequacy of the organizational, administrative and accounting structure and the definition of its fundamental lines;
- assesses the general progress of management, on the basis of information flows from the delegated bodies, and the management of relationships with the latter, with reference to granting, revoking or re-defining powers and authority granted;
- approves material transactions for the Company and its Subsidiaries;
- receives from the Environmental and Energy Transition Scenarios Committee timely information flows on energy transition issues concerning, specifically, the use of resources and energy sources compatible with environmental protection and progressive decarbonisation, examining in particular the initiatives undertaken by the Company to address the issues posed by climate change and the monitoring of the roadmap to achieve the goal of carbon neutrality (Scope 1 and 2) for the entire Snam group by 2040 and Net Zero for all emissions categories by 2050;
- acknowledges the information provided by the Committees, in particular the Environmental, and Energy Transition Scenarios Committee, pursuant to the Regulation as part of disclosure to the Board required following every committee meeting;
- resolves, as proposed by the Chief Executive Officer, on the Company' and Subsidiaries' transactions, within the scope of management and coordination activities, which have a significant strategic, economic and financial importance for the Company and the group;
- approves, at least annually, the Audit Plan - prepared by the Head of the Internal Audit Function also based on the mapping of risks communicated by the ERM Function - after consulting the Control and Risk and Related-Party Transactions Committee and the Chairperson of the Board of Directors, the CEO and the Board of Statutory Auditors.

[40] Regulation 2020/852 (the so-called EU Taxonomy) guides companies that have a reporting obligation on how and to what extent their activities are associated with the economic activities considered eco-sustainable pursuant to Articles 3 and 9 of the Regulation. For more information, please refer to the chapter 'European taxonomy forEnvironmentally Sustainable Activities'.

[41] The Sustainable Development Goals (SDGs) were set out by the United Nations in 2015 as part of the 2030 Agenda.

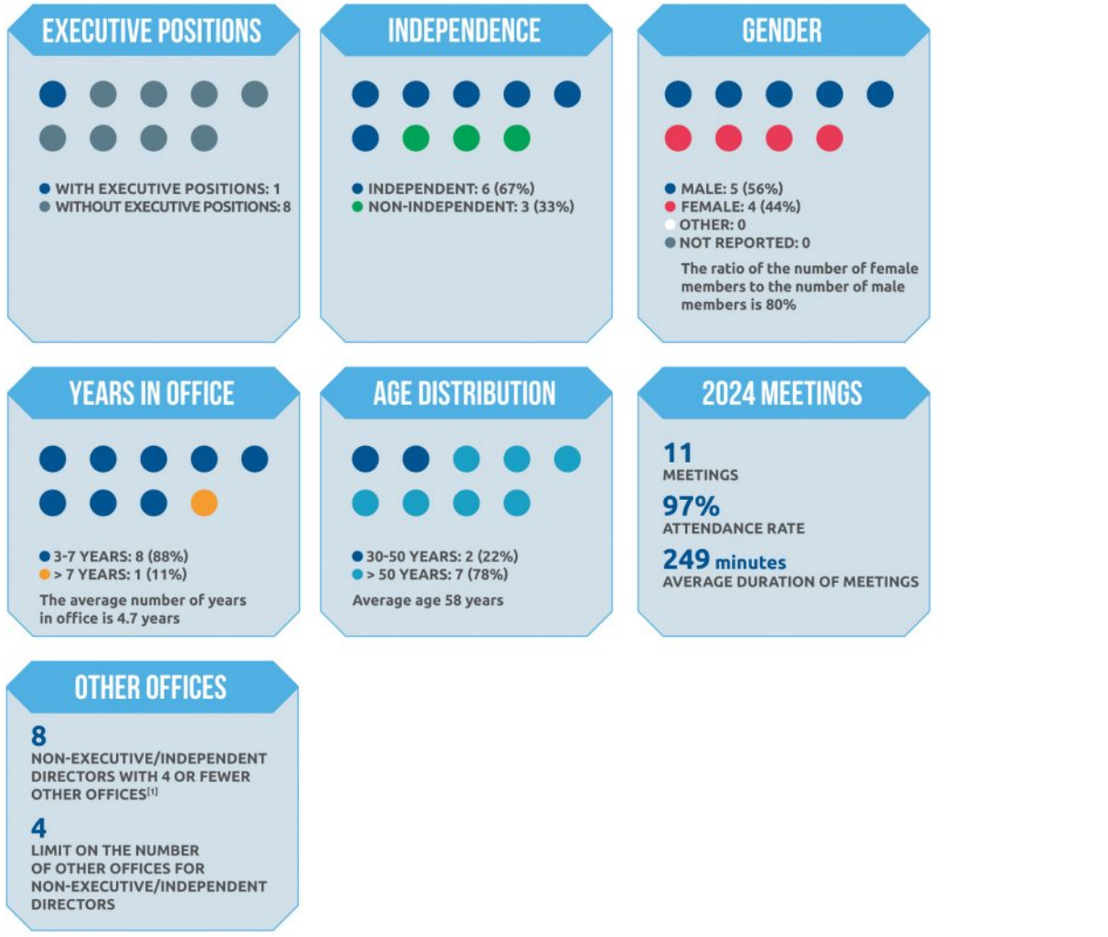
The Chairperson plays a fundamental role in coordinating and ensuring the seamless functioning of the Board of Directors, which is indispensable so that the Bod, including its internal committees, can operate effectively and thus also pursue its company's mission 'Energy to Inspire the World'. By way of example, the Chairperson of the Board of Directors, in line with the Corporate Governance Code, ensures that (i) all members of the management and control bodies can participate in initiatives aimed at providing them with adequate knowledge of the business sectors in which the company operates, of the company dynamics and their evolution also with a view to the sustainable success of the company itself, of the principles of correct risk management and the applicable regulatory and self-governance framework, (ii) the information prior to board meetings and the complementary information provided during the meetings are appropriate for putting Directors in position to act in an informed manner and that the activity of the Board Committees is coordinated with the activity of the Board of Directors.

The Chief Executive Officer, as the person in charge, establishes and coordinates the Internal Control and Risk Management System (ICRMS), with the task of planning, implementing and managing this system, supported by an organisational structure that integrates climate change issues and risks into all phases of the business cycle. In this regard, the CEO is responsible for the impacts, risks and opportunities of Snam considering that, among the activities foreseen in his mandate, he is required to:

- supervise the identification of the main corporate risks, taking into account the characteristics of the activities carried out by Snam and its Subsidiaries;
- supervise the design, implementation and management of the ICRMS, constantly verifying its adequacy and effectiveness;
- deal with the adaptation of the ICRMS to the dynamics of the operating conditions and the legal and regulatory framework;
- provide timely information, including through his structures, to the CCROPC in relation to problems and critical issues that have emerged in the performance of his activities or of which he has become aware.

Furthermore, the Chief Executive Officer has the power to request the Executive Director of Internal Audit to carry out checks on specific operational areas and on compliance with internal rules in the execution of company operations, notifying at the same time the Chairperson of the Board of Directors, the Chairperson of the CCROPC and the Chairperson of the Board of Statutory Auditors.

For more information, please refer to the section 'Snam's organisational model' in this chapter.



Representation of other employees on the Board of Directors is not envisaged.
[1] De Virgiliis Monica, Bergami Massimo, Cavatorta Laura, Iannini Augusta, Manzoni Piero, Rolli Rita, Shen Qinjing, Tonetti Alessandro.

EVOLUTION SINCE THE PREVIOUS MANDATE

	Previous mandate (2019-2022)	Current mandate (2022-2025)	Average FTSE MIB[1]
Number of directors	9	9	12.4
Directors elected by the minority	3 (33.3%)	3 (33.3%)	18.7%
Less-represented gender on the BoD	33.3 %	44.4 %	43.8%
Independent directors	66.6 %	66.6 %	65%
Average age of directors	53	58	58.7
Chair-CEO or Chair-controlling shareholder	no	no	14.7% [2]
Lead Independent Director	no	no	50%

[1] Assonime – Report on Corporate Governance in Italy: the implementation of the Italian Corporate Governance Code, 2024
[2] The data represents the percentage of companies belonging to the FTSE MIB index whose Chair is also the CEO or controlling shareholder.

Considering the composition of the Board of Directors of Snam and its subsidiaries, the total number of members is 99, of whom 69 men (70%) and 30 women (30%), with an average ratio between female and male members of 43%. In addition, there are 8 independent members, equal to 8%.
With reference to the distribution by age group, there are 59 (60%) members of the Board of Directors of Snam and its subsidiaries between the ages of 30 and 50; the remaining 40 (40%) are older than 50.

Sustainability governance

Snam's Board of Directors works to ensure the complete dissemination and integration of a corporate culture aimed at combating climate change.

With this in mind, the Group's Board of Directors sets itself the goal of overseeing the risks and opportunities related to climate change and supervising activities to ensure the proper management of these aspects. In this regard, the CEO is responsible for the internal control and risk management system, including those related to climate change and, with a view to integrating climate change issues into the company's activities, management plans periodic meetings and maintains information flows with the Board of Directors, useful both for identifying new initiatives related to climate change and for implementing and monitoring the strategies identified.

In this respect, the main meetings concern:

01	**MANAGEMENT MEETING**	Monthly update meetings between the CEO and the heads of all front lines and main functions on the latest business news.
02	**BUSINESS REVIEW**	Monthly, quarterly or half-yearly meetings between the CEO and senior executives to monitor the progress with targets and strategic lines.
03	**BUSINESS REVIEW - SUSTAINABILITY PLAN**	Quarterly meeting between the CEO and senior executives for monitoring the progress of the sustainability strategy.
04	**HSE REVIEW**	Half-yearly meetings to inform the CEO of the results achieved for the environment, health and safety.
05	**RISK REVIEW**	Half-yearly meetings on the process of identifying and assessing risks and opportunities, including those deriving from climate change.

Pursuant to the ERM Guideline, in order to ensure and enhance the integration and coherence between the Enterprise Risk Management framework and Sustainability issues, periodic information flows are envisaged between the ERM and Sustainability functions (relating, for example, to the mapping of material topics and the Sustainability Scorecard), with the aim, among other things, (i) of preparing institutional reporting, and the reporting of Sustainability Risks carried out, on at least an annual basis, for the CSSTE; (ii) of ensuring the periodic updating of the list of stakeholders and the expectation factors considered by the 'reputational' impact metric. The ERM function also presents sustainability risk reporting to the SSTE Committee at least on an annual basis.
Among other activities, the CSSTE reports to the Board of Directors on activities carried out, at least every six months and in any case no later than the deadline for the approval of the annual and half-yearly financial report and, through the Chairperson of the Committee, informs, at the first possible meeting, the Board of Directors on the activities carried out and the observations, recommendations and opinions expressed by the Committee in each of its meetings. The information that the CSSTE gives to the Board of Directors also includes data on the use of environmentally friendly energy sources and decarbonisation, with particular attention to monitoring the roadmap to achieve the goal of carbon neutrality by 2040.

Annually, the CSSTE supports the Board of Directors and the Board of Auditors in carrying out the analysis of impacts, risks and opportunities, in order to identify those that are material within the scope of the double materiality assessment. In this regard, in 2024, in a joint meeting with the Control and Risk and Related-Party Transactions Committee and the Board of Statutory Auditors, it examined the list of material IROs, which was subsequently approved by the Board of Directors at the meeting of 18 December 2024.

For more information on the material impacts, risks and opportunities approved by the Board of Directors, plrease refer to the chapter 'Impact, risk and opportunity management, Material topics for Snam'.

Board induction

In the light of company dynamics and the evolution of the corporate structure, directors are periodically involved in specific board induction sessions on specific topics. In accordance with the recommendations of the Corporate Governance Code, these sessions are presented by the management of the relevant structures in order to strengthen knowledge on topics of interest to the business sector in which Snam operates.

Snam's Directors have significant experience and knowledge in the field of sustainability.
However, the dynamic nature and materiality of ESG topics, and in particular those related to climate change, make it essential to keep Directors updated.

Snam adopts a proactive attitude aimed at achieving increasingly efficient operation of the Company through the involvement of Directors and Statutory Auditors in board induction and training sessions, off-sites and board retreats.

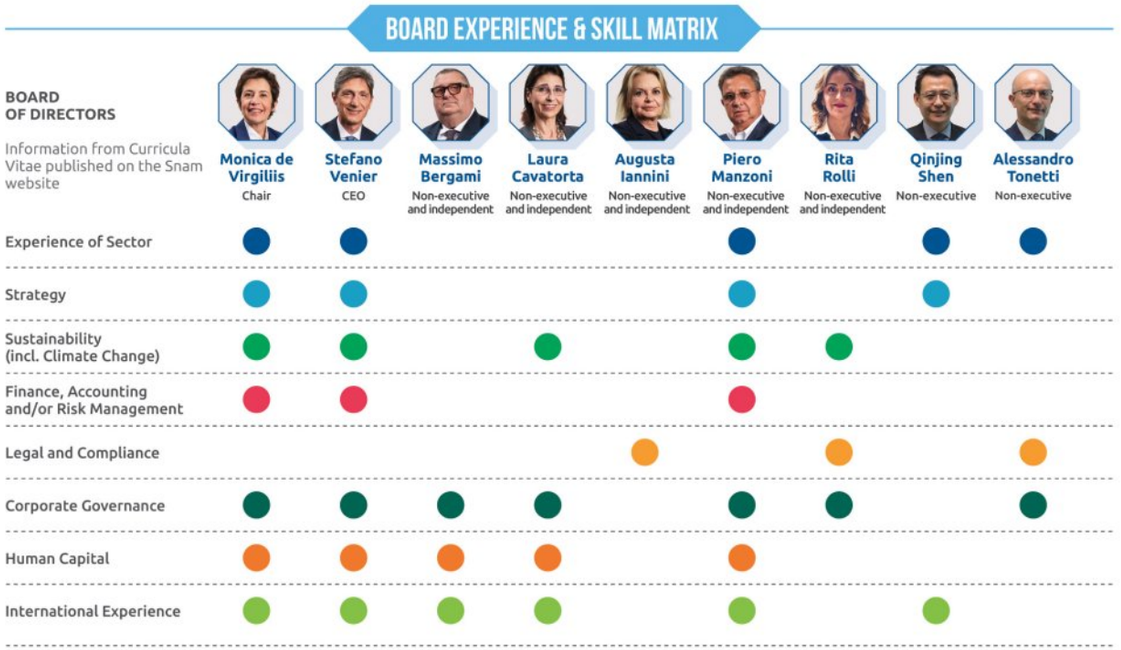
These activities, in accordance with the provisions of the Corporate Governance Code, were aimed at providing directors and auditors with timely updates on the business sector in which the Company operates, also in the light of corporate dynamics and the evolution of the corporate structure, as well as in-depth analyses on issues related to the energy transition process and related strategic objectives. The sessions were organised and led by the management of the relevant structures and experts in the field.

In 2024, the Board of Directors participated in training sessions on sustainability issues relevant to the Company, linked to material impacts, risks and opportunities, in order to acquire and strengthen sustainability skills.
Specifically, the following training sessions took place, among others, and were also attended by the auditors:

DATE	SUBJECT	DETAIL	TOPIC AND ASSOCIATED MATERIAL IROS
26 March	Gas Package Directive & CCS Strategic Guidelines	In-depth analysis of the so-called Gas Package Directive (Directive (EU) 2024/1788), which establishes common rules for the internal market for renewable gas, natural gas and hydrogen, in order to contribute to the energy transition and pursue the decarbonisation of the European Union, as per the second pillar of sustainability. During the session, the so-called CCS Strategic Guidelines were analysed.	**Climate change** I+: Support for the energy transition of the country system by promoting the use and development of hydrogen transport and storage infrastructures I+: Enabling the transport and storage of climate-changing emissions that cannot be avoided through carbon capture and storage (CCS) technologies that contribute to the reduction of emissions release into the atmosphere R: Reduction in gas demand due to changes in the regulatory/legislative context on emissions, rising temperatures, increased demand for alternative low-carbon technologies O: Development of carbon capture and storage (CCS) projects thanks to a favourable legislative, political and regulatory environment O: Market expansion for long-range hydrogen business development following a favourable regulatory, policy and regulatory environment, as well as available partnerships and financing
10 April	Corporate Sustainability Reporting Directive	Amplifying and consolidating the knowledge of Board Directors and Statutory Auditors regarding the regulatory and para-regulatory innovations of the new rules and principles of corporate governance	**Business conduct** O: Improved external perception thanks to ESG performance in line with Snam's objectives and effective communication to key stakeholders
19 June	Overview of the Corporate Due Diligence		
	Insights into corporate governance and the new G20/OECD Principles		
15 May	Future of Energy Shipping	In-depth analysis of medium and long-term scenarios regarding energy carrier flows (hydrogen, ammonia, methanol and liquid organic hydrogen carriers) and synthetic methane, with a focus on logistics aspects and opportunities and impacts on imports/exports	**Climate change** I+: Support for the energy transition of the country system by promoting the use and development of hydrogen transport and storage infrastructures Energy security and accessibility O: Greater penetration of technologies enabling a multi-molecule infrastructure to support a sustainable energy system, including storage
18 June	Cyber resilience crisis simulation	Simulation of a crisis scenario caused by a cyber attack in order to increase the awareness of subjects involved and analyse the potential remedial actions to be implemented	**Cyber security** R: Cyber attack with possible damage to assets and/or interruption of operations and/or other indirect costs O: Improved external perception thanks to adequate cyber security supervision and awareness-raising activities on the topic
9 October	Development of the hydrogen carrier in Italy	Further exploration of the objective of enhancing the diffusion of hydrogen, as a material opportunity to pursue the goal of carbon neutrality by 2050	**Climate change** I+: Support for the energy transition of the country system by promoting the use and development of hydrogen transport and storage infrastructures
6 November	Small Scale LNG Market Development	Focus on investments in infrastructure along the value chain, with the objective for Snam to ensure security, sustainability and competitiveness in energy supplies	**Energy security and accessibility** I+: Availability of infrastructures that guarantee the security of supply and the diversification of sources, satisfying the needs of the country system and the requests of the authority O: Greater penetration of technologies enabling a multi-molecule infrastructure to support a sustainable energy system, including storage
	Update innovation		

During the board induction sessions, topics related to some of the 7 sustainability pillars envisaged in the previous Strategic Plan and some of the main actions to mitigate the market risks identified were also discussed.

With reference to the professionalism and skills of the Directors, the substantial experience relating to the sectors in which Snam operates, as well as the sustainability of the members of the Board of Directors, a Board Experience & Skill Matrix is adopted (represented below), through which the existing skills of the Board of Directors and any areas for possible improvement are evaluated according to objective criteria, also through board induction initiatives and training sessions for the development and acquisition of sector skills. In fact, 56% of board members have expertise in the area of sustainability and energy transition, which continue to occupy a considerable percentage of the topics addressed in board meetings and board induction sessions, with a result of more than 41% in 2024.



With specific reference to expertise on sustainability:

- the Chairperson Monica de Virgiliis has gained the following experience in the energy innovation sector, being Chief Strategy Officer of the Commissariat à l'Energie Atomique et aux Energies Alternatives in Paris (CEA) and member of the Board of Directors of Prysmian, Saras and Air Liquide SA;
- the CEO Stefano Venier, similarly, has thirty years of experience in the energy and utility sector at a national and international level, including roles in companies such as Hera and Eni;
- the Chairperson of the Sustainability and Energy Transition Scenarios Committee, Laura Cavatorta, has developed expertise in the ESG field also following experience in non-profit associations aimed at promoting research on sustainability and the dissemination of ESG best practices. She also holds the role of Chairperson and member of the sustainability committees of other companies;
- the Chairperson of the Control and Risk and Related-Party Transactions Committee, Piero Manzoni, founded a company, Simbiosi Srl, inspired by the principles of the circular economy, with the objectives of optimising the use of natural resources and mitigating the effects of climate change; in addition, he holds positions in other companies operating in the same sector;
- the Chairperson of the Appointments and Remuneration Committee, Rita Rolli, is Full Professor of Private Law at the University of Bologna and is the author of numerous publications whose research scope is focussed on finding answers to climate change issues in the legal field. She is also Chairperson of the Sustainability Committee of Interpump Group SpA, as well as an Independent Director.

Self-evaluation process

Among the powers reserved for the Board of Directors, it is provided that the Board periodically evaluates the effectiveness of its activities and the contribution made by its individual components, including through the adoption of formalized procedures whose implementation it oversees. In particular, the Board of Directors (a) with the support of the Sustainability and Energy Transition Scenarios Committee, provides for the self-assessment of the Board of Directors itself and its internal committees on an annual basis and in a manner that may also be differentiated over the term of office, and (b) with the support of the Appointments and Remuneration Committee, provides for (i) the definition of the optimal composition of the Board of Directors itself and its internal committees, to be expressed to the Shareholders when appointing the Board of Directors.

Taking into account the results of the self-evaluation, the Board of Directors, in view of each renewal, gives shareholders guidance on its qualitative and quantitative composition deemed optimal. This guidance identifies the managerial and professional profiles and skills, including those of sustainability, deemed necessary, also in light of the Company's sector characteristics and taking into account regulatory provisions and provisions of the articles of association in force *pro tempore* on gender balance.

An evaluation of the organisation and functioning of the Board and its Committees is conducted annually, coordinated by the Chairman of the Board and supported by the SSTE Committee.
In 2022, the Board chose to carry out the self-evaluation with the support of an independent external advisor and to organise it according to a three-year roadmap consistent with the Board's term of office.

The work consists of:

- first year (2022): the starting 'snapshot', with a specific focus on issues related to the functioning of the Board and the Committees;
- second year (2023): a targeted evaluation of progress and support for the Board's culture analysis accompanied by an analysis of individual contribution;
- third year (2024): the final evaluation, with the end-of-office review and focus on the elements to support the composition of the Board that will be appointed in the following term.

2024 Self-evaluation

The Board Evaluation involved all Board Members through:

- the administration of a questionnaire covering different analysis areas, firstly the actions undertaken during the year among those suggested at the end of the Self-assessments carried out in 2022 and 2023;
- individual meetings with the Advisors, in order to share comments and ideas on the Board's functioning.

The interviews made it possible to delve deeper into the information given in the questionnaires, broaden the comparison and directly collect comments and suggestions. Starting from the actions taken following the Self-assessment process carried out the previous year, this year's focus was on:

- the end-of-mandate review, highlighting the actions actually implemented and identifying possible areas of improvement for a further optimisation of the Board's dynamics;
- the size and composition of the Board, in order to collect inputs and comments from the Board Members in office, useful for drafting the Guidance on the professional positions whose presence on the Board is deemed appropriate to be presented to the shareholders for the appointment of the new Board.

With regard to the Board's composition, the advisor also prepared a specific analysis document accompanied by benchmarks with reference to a panel of companies belonging to the FTSEMib index, to support the process of defining the Opinion.

The Directors were broadly satisfied with and appreciated the functioning of the Board of Directors and the quality of work carried out. The opinion on the board committees was also extremely positive: the Board Directors appreciated the progress of the work, the structuring of the Agendas and the quality of discussion.

Overall, 2024 marked a year of consolidation compared to activities already begun in the previous two years for the Board of Directors of Snam.
The dynamics of collaboration, the quality of the information, the numerous *induction sessions* and the climate of trust have made it possible to face strategic challenges with a cohesive and targeted approach. The satisfaction expressed by all members for the work carried out in these three years is indicative of the effectiveness of the board's activity, which has been able to respond to the demands of the context.

The main outcomes of the Board Evaluation concluding the term of office are as follows:

- a broad cohesion and attention of the members of the Board to debate, which proved to be constructive and progressively more significant in steering the company's strategies. This attitude has been a constant over the three-year period;

- the high level of attendance at meetings was maintained;
- active participation was also ensured in informal initiatives and inductionsessions, which were highly appreciated by all the Board Directors;
- the quality of the information produced was confirmed by all the Directors, thanks to constant executive summaries, which made the information extremely usable;
- the high quality of support received from the Company Secretarial team, which over the three-year period, assisted the Board and Committees in their activity, with a professional, proactive and helpful approach, ensuring timeliness and a constant, quality flow of information;
- The activities of each Committee were well planned and communicated, and the flow of information between the Committees and the Board was constant and clear. The reports submitted by the Chairpersons of the various Committees helped to ensure that the Board was kept up to date on the issues addressed and the recommendations made. This allowed for in-depth analysis and well-informed decisions. When necessary, joint working sessions between the Committees were scheduled, encouraging dialogue and synergy on cross-cutting issues.
- as regards size and composition, the Directors consider these metrics to be satisfactory overall and functional to the company's objectives. The Board Directors stressed the importance of ensuring a diversified mix of skills and experience, as outlined in the Guidance, also for the next term of office.

At the end of the three-year period, the Directors believe that the Board has demonstrated a notable ability to address emerging challenges, particularly those connected with the rapidly changing global context and with policies to mitigate the effects of climate change.

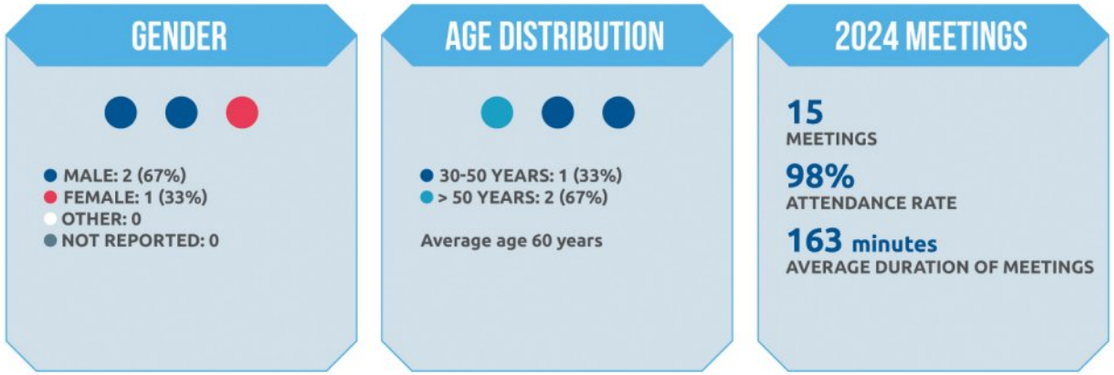
The Board of Statutory Auditors

Appointed by the Shareholders' Meeting of 27 April 2022, the Board of Statutory Auditors is responsible for control of legality, with the aim of ensuring the correct management of Snam, also with reference to the issue of corporate conduct.

The Board of Statutory Auditors is appointed based on list voting, as provided for by Article 20 of the Company's Articles of Association: two statutory auditors and two alternate auditors are drawn from the majority list, while the chair and another alternate auditor are elected in the same manner as the directors. Where necessary, rebalancing procedures are adopted to ensure compliance with gender balance legislation and the correct composition of the Board.

In particular, taking into account the impacts, risks and opportunities in terms of sustainability, the Board monitors:
- compliance with the law and the articles of association;
- compliance with the principles of good administration in the performance of social activities;
- the adequacy of the Company's organisational structure for aspects in its responsibility, the internal control system and the administrative and accounting system, as well as the reliability of the latter in correctly representing operations;
- the effectiveness of systems for internal control internal audits, if applicable, and for risk management;
- the methods for the actual implementation of the corporate governance rules set out in the Corporate Governance Code;
- the adequacy of the instructions given by the Company to the Subsidiaries (pursuant to Article 114, paragraph 2, of the TUF).

Furthermore, the Board of Statutory Auditors carries out supervisory functions as the ‘Committee for internal control and auditing of the accounts’, pursuant to Legislative Decree no. 39 of 27 January 2010. In particular, it monitors:
- the financial reporting process;
- the effectiveness of systems for internal control internal audits, if applicable, and for risk management;
- the statutory auditing of the annual accounts and the consolidated accounts;
- the independence of the independent auditors, in particular with regard to the provision of non-audit services to the entity subject to statutory auditing.



The figures shown refer to Standing auditors only. Including alternate auditors: gender - women (3), men (3), age group - 30-50 (1), >50 (5), average age - 55.
The Board of Statutory Auditors is not made up of executive or non-executive members.
Representation of other workers on the Board of Statutory Auditors is not provided.

Like the Board of Directors, the Board of Statutory Auditors is also subject to a self-assessment process regarding its size, composition and functioning. The outcomes of the self-assessment referring to fiscal year 2024 reveal unanimity of judgments expressed by the auditors regarding full adequacy of the size, composition, and functioning of the Board of Statutory Auditors. The three-year term of office of the Board of Statutory Auditors has been marked by fruitful cooperation and constant efforts in supervising and supporting the administrative body. The solid foundations laid in the first year of the term of office were strengthened, contributing to a cooperative and productive working environment.
The Board has fulfilled its duties by exercising all the powers granted to it by law and being able to count on a constant and analytical flow of information from the Company also with specific reference to the issues of Consolidated Sustainability Statement.

The committees

During 2022, the Board of Directors, in line with the provisions of the Corporate Governance Code, set up the Board Committees and appointed their members. In particular, the Board confirmed the establishment of the Control and Risk and Related-Party Transactions Committee and set up the Sustainability and Energy Transition Scenarios Committee - replacing the former ESG Committee - and the Appointments and Remuneration Committee.

TCFD

Sustainability and Energy Transition Scenarios Committee (CSSTE)

The Sustainability and Energy Transaction Scenarios Committee has fact-finding, proposal-making and advisory functions supporting the Board of Directors, concerning sustainability and long-term energy transition scenarios, meaning the processes, initiatives and activities aimed at overseeing the Company's commitment to sustainable development along the value chain, with particular reference to the following topics: climate transition and technological innovation; energy access and energy sustainability; environment and energy efficiency; health, well-being and safety of people and local communities; respect for and protection of rights, in particular human rights; integrity and transparency; diversity and inclusion and corporate governance.

Among its main tasks, the Committee examines:

- long-term energy transition scenarios for the preparation of the Strategic Plan;
- energy transition issues, in particular those related to the use of resources and energy sources compatible with environmental protection and progressive decarbonisation, specifically assessing the Company's initiatives to address climate change issues and related reporting;
- issues of technological innovation and circular economy;
- sustainable finance initiatives, monitoring the Company's positioning with respect to financial markets on sustainability issues and ethical sustainability indices;
- policies for integrating environmental, social and governance issues into the business model, also through the analysis of the related KPIs;
- the guidelines, objectives and consequent sustainability processes and sustainable reporting submitted to the annual approval of the Board of Directors;
- the correct use of the standards adopted for the purpose of preparing non-financial disclosures and the document to be submitted to the Board of Directors for approval, including and - in coordination with the Control and Risk and Related Party Transactions Committee - the reporting of risks related to ESG factors in the medium to long term;
- proposals and/or opinions relating to the definition and reporting of performance objectives that include indicators linked to material impacts, risks and opportunities, in coordination with the Appointments and Remuneration Committee;
- the profit and non-profit strategy and its implementation, also in relation to individual projects through the non-profit plan submitted annually to the Board.

At the request of the BoD, the Committee expresses an opinion on other sustainability issues and energy transition scenarios, as well as proposing diversity policies pursuant to Article 123-bis, paragraph 2, letter d-bis) of the Consolidated Law on Finance, and examines the Company's policies on human rights, business ethics and integrity, diversity and inclusion. In addition, with a view to strengthening the company's reputation on the global front and international initiatives, the Committee monitors and ensures Snam's participation in international environmental, social and governance initiatives.

Finally, the Committee supports the Board of Directors in analysing material impacts, risks and opportunities aimed at long-term value creation for the purpose of reviewing and approving the business plan and, at the Board's request, expresses an opinion on other ESG issues and energy transition scenarios.

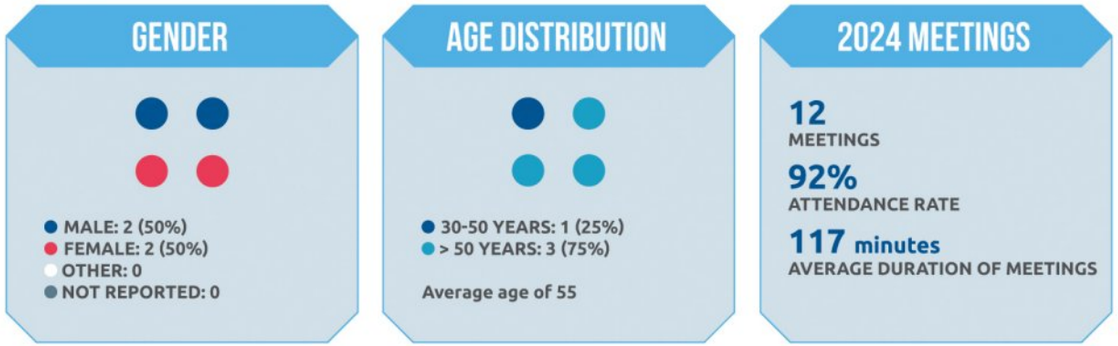
Furthermore, Snam, in compliance with Article 123-bis of the TUF, has adopted a diversity policy for the composition of the management and control boards, considering aspects such as age, gender, education and professional background.[42]. This policy, based on regulatory and self-governance requirements, was confirmed by the Board of Directors on the proposal c the CSSTE.

Snam recognizes diversity as a value that improves the effectiveness of corporate bodies and pursues an integration of different profiles, enhancing complementary experience and gender and age diversity. It also promotes diversity of nationality and ethnic origin.

The company has implemented corporate policies for diversity, equity and inclusion, divided into four areas: gender equality, recruiting, harassment and gender social transition[43]. A table reports the regulatory requirements, objectives and implementation methodologies for corporate bodies and company personnel.

[42] Article 123-bis paragraph 2, letter d-bis) of the TUF.
[43] https://www.snam.it/it/noi-snam/persone/per-le-nostre-persone.htm

The table below shows the regulatory and/or self-governance requirements and/or the objectives pursued by Snam in terms of diversity, as well as the related implementation methodologies:



All members of the CSSTE are non-executive.

TOPICS COVERED BY THE SSTE COMMITTEE DURING THE 2024 FINANCIAL YEAR

In the course of the 2024 financial year, during the Committee meetings, topics related to climate change were discussed, analysing in particular the results and strategies implemented by Snam to combat it. In addition, the following topics were covered:

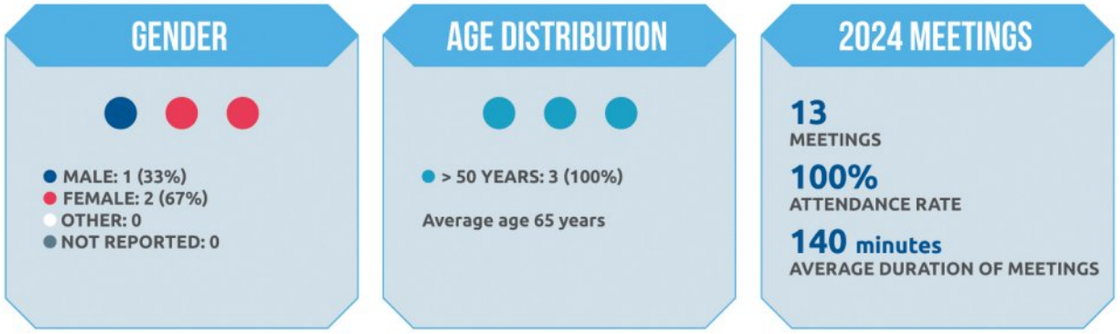
- Review of the results of the project that the Company carried out with reference to the impact on biodiversity and which led to the definition of ambitious targets based on a scientific approach, through the application of the methodology developed by the Science Based Targets Network ('SBTN'). In this process, among other things, the Company, to identify areas at high risk for biodiversity (so-called hotspots), measured the absolute impact generated by construction sites;
- Review of decarbonisation targets, which were updated in the context of activities to define the new sustainable finance framework;
- Review of the new Sustainability Scorecard and the 2024 budget and 2027 target values for each of the identified KPIs, attributable to specific material impacts, risks and opportunities;
- Review of the results of the assessment conducted by Moody's, in relation to the Net Zero Assessment Project, on the Company's decarbonisation plan;
- Review of the activities and results related to the project for the development of the Climate Change Risk Management framework within the Enterprise Risk Management model;
- Review of the document 'Snam's climate commitment and advocacy position'. Involvement in Stakeholders' Associations and Coalitions, to (i) present the Company's sustainability strategy and its emissions targets; (ii) illustrate the 6 strategic priorities on which the Company bases its institutional engagement and advocacy activities on climate issues; and to (iii) describe the process of joining associations and coalitions through which the Company advances its position on climate issues;
- Review of the new Sustainable Finance Framework, published in February 2024, which consolidated the Company's approach to sustainable finance, contemplating the issuance of sustainability-linked instruments linked to ESG targets consistent with Snam's decarbonisation trajectory and green bonds linked to the financing of specific projects aligned with the European taxonomy;
- Analysis of the approach followed in drafting the Transition Plan Report and review of the related draft;
- Update on the progress of the implementation of decarbonisation levers and the forecast of emissions reduction in the target years (2027, 2030 and 2040);
- Update on activities related to the project for alignment with the Corporate Sustainability Reporting Directive;
- Update, carried out jointly with the CCROPC and the Board of Statutory Auditors, regarding the results of the double materiality assessment, necessary for sustainability reporting, focusing on the changes made to the list of material impacts, risks and opportunities, with particular reference to the 'Environment' cluster and the 'Social' cluster;
- In-depth study, carried out jointly with the CCROPC and the Board of Statutory Auditors, on the key performance indicators ('KPI') covered by Consolidated Sustainability Statement;
- Analysis of the preliminary proposal for the 2025 Audit Plan, with particular attention to specific sustainability-related audits.

Control and Risk and Related-Party Transactions Committee (CCROPC)

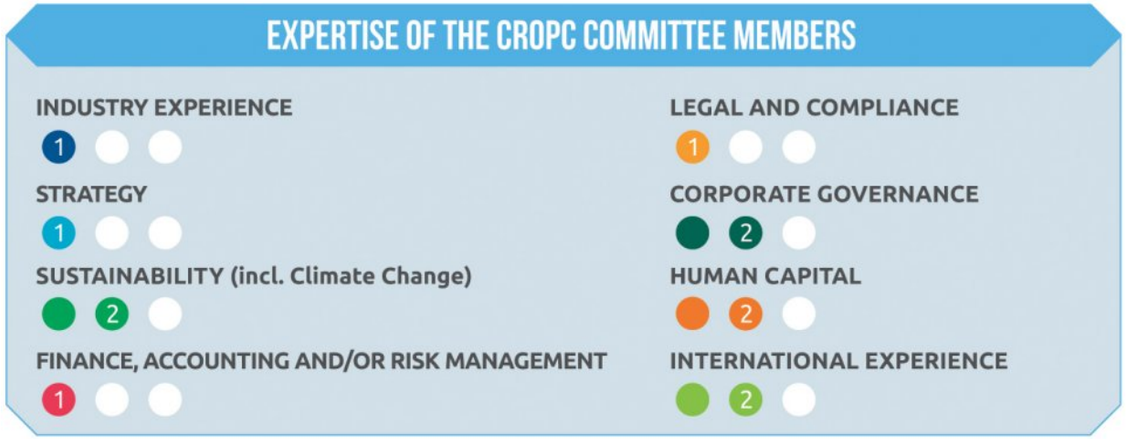
The Control and Risk and Related-Party Transactions Committee has fact-finding, proposal-making and advisory functions supporting the Board of Directors and assisting the Board in its evaluations and decisions relating to the internal control and risk management system, as well as those relating to the approval of periodic financial and non-financial reports. The Committee also performs the additional tasks assigned to it by the Board of Directors on transactions with interests of directors and auditors and transactions with related parties.

In particular, among the main tasks in the area of sustainability, the Committee:

- assesses the suitability of periodic financial and non-financial information in fairly representing the Company's business model, strategies, the impact of its activities and the performance achieved, coordinating with the SSTE Committee;
- periodically examines the main risks and opportunities, including those resulting from climate change;
- supports the Board of Directors in defining the guidelines of the internal control and risk management system, including medium- and long-term ones, in order to correctly identify, measure, manage and monitor the main risks, including those that may be material from a sustainability perspective, in coordination with the SSTE Committee;
- supports the Board of Directors in determining the degree of compatibility of these risks with consistent management of the strategic objectives, including those related to material impacts, risks and opportunities.



All CCROPC members are non-executive.



MAIN TOPICS WITH SUSTAINABILITY ASPECTS ADDRESSED BY THE CROPC COMMITTEE DURING THE 2024 FINANCIAL YEAR

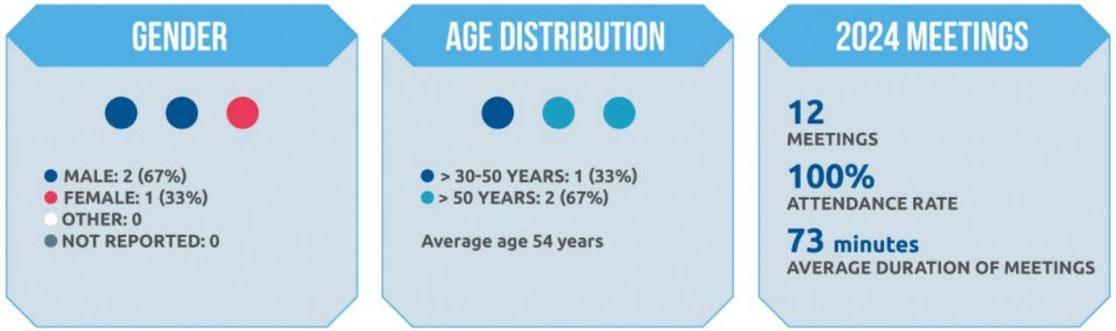
- Review of the Consolidated Non-Financial Statement prepared pursuant to Legislative Decree 254 of 2016;
- Assessment of the adequacy of the internal control and risk management system in relation to the characteristics of the company and the risk profile undertaken, as well as its effectiveness;
- Monitoring of the activities carried out by the Enterprise Risk Management function, including the identification of risks and opportunities within the scope of the double materiality assessment;
- Review, carried out jointly with the CSSTE, on the methodological approach and the innovations introduced, the operational phases and the contents of the proposed 2025 Audit Plan, developed in line with the new professional internal audit standards and the most recent developments of the ICRMS, according to a risk-basedprocess, considering the company's strategic objectives and the outcomes of the enterprise risk management process and with a greater focus on the topic of sustainability;
- Update on activities related to the project for compliance with the Corporate Sustainability Reporting Directive;
- Update, carried out jointly with the CSSTE and the Board of Statutory Auditors, regarding the results of the double materiality assessment, necessary for sustainability reporting, focusing on the changes made to the list of material impacts, risks and opportunities, with particular reference to the 'Environment' cluster and the 'Social' cluster;
- In-depth study, carried out jointly with the CSSTE and the Board of Statutory Auditors, on the key performance indicators ('KPI') covered by Consolidated Sustainability Statement.

Appointments and Remuneration Committee (CNR)

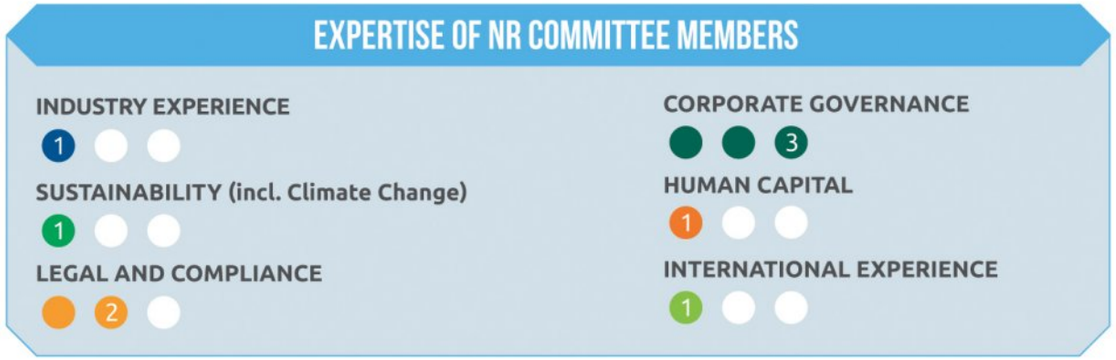
The Appointments and Remuneration Committee performs investigative, proposing and advisory functions vis-à-vis the Board of Directors with regard to the composition and size of the Board and its Committees, as well as with regard to equal treatment and opportunities between genders and with regard to remuneration.

In particular, among the main tasks in the area of sustainability, the Committee:

- within the framework of the policies adopted by the Company on diversity and inclusion, including those aimed at reducing the pay gap and promoting professional equality, it ensures their adoption and implementation, with reference to the activities falling within its remit, and monitors their concrete implementation;
- examines the indications of the CEO and proposes, with a view to sustainable value creation over the medium-/long-term: (i) general criteria for the remuneration of Managers with Strategic Responsibilities; (ii) general guidelines for the remuneration of other executives of Snam and its subsidiaries; (iii) annual and long-term incentive plans, including share-based plans;
- periodically assesses the adequacy, overall consistency and concrete application of the Remuneration Policy for the remuneration of directors, general managers and managers with strategic responsibilities, without prejudice to the provisions of Article 2402 of the Italian Civil Code, and verifying, in particular, the actual achievement of performance targets related to the variable component of remuneration, as well as the achievement of company results and the definition of claw back clauses;
- proposes the definition of performance targets, (coordinating with the Sustainability and Energy Transition Scenarios Committee as regards the identification of those that include indicators relating to material impacts, risks and opportunities, the final accounting of company results and the definition of claw back clauses, connected to the implementation of the incentive plans.



All CNR members are non-executive.



MAIN TOPICS WITH SUSTAINABILITY ASPECTS ADDRESSED BY THE CNR COMMITTEE DURING THE 2024 FINANCIAL YEAR

- Review of the proposed 2024 corporate record structure relating to variable remuneration plans including those related to sustainability topics.
- Accrued annual monetary incentive plan and long-term equity incentive plans.
- Review and approval of the Remuneration and Compensation Policy Report 2024 and its contents.
- Review and approval of the proposed definition of performance targets for the purposes of the (i) 2024 annual monetary incentive plan (AMI); (ii) Long-term Share-Based Incentive Plan (LTI) 2023-2025, 2024-2026 cycle[44].
- Launch of activities for the 2025 Remuneration Policy: (i) update on the proposal to introduce a broad-based share ownership plan for all employees; (ii) update on the extension of the *management by objectives* plan to all senior managers with an executive position.

Snam's organisational model

In order to clarify, simplify and make the Company's set of management rules organic, Snam has developed a uniform organisational and procedural system for all Snam companies in Italy and abroad.

The corporate structure adopted by the Group provides for the **centralisation** of certain staff activities within the parent company Snam S.p.A., with a view to enhancing the principles of efficiency, maintaining a unified approach, and consolidating specific skills. This centralisation takes into account the nature of the businesses in which Snam operates and ensures an appropriate level of service in line with their specific characteristics.

Snam's management team plays a fundamental role in fostering the proper functioning of the entire corporate organisational system. Each function has specific tasks, precise objectives and is evaluated on the basis of the results achieved, promoting continuous improvement of the effectiveness and efficiency of business processes.

With the aim of seizing the new and important development opportunities defined in the Group's Strategic Plan, the organisational and procedural system is structured to ensure **increasing flexibility in the corporate structure** and to meet the new challenges of the **energy transition.**

Considering the growing importance of the energy transition and related businesses within the corporate strategy, Snam's main managerial positions have specific skills not only in the area in which they operate, but also in climate change, confirming the integration of these aspects into the corporate governance model. These positions assist the CEO. Furthermore, in support of the Company's cooperative approach, of dialogue and listening nature, since 2018, the different corporate areas and functions, including ERM, Health, Safety, Environment and Quality, Sustainability & Social Impact, Corporate Strategy and Business Unit Asset Italia, have been meeting periodically to discuss and consequently harmonise the actions of climate change-related objectives.

With reference to the organisation of Snam SpA, the review of the organisational model of the **P&C[45], Administration, Finance & M&A** structure was finalised during 2024, separating Administration & Accounting activities from Planning & Control activities, and concentrating Risk Management activities with the Finance unit, which are separate from the Risk Control activities within the Financial & Commodity Risk Control & Insurance unit. In addition, the responsibility of the *Investor Relations* unit has been integrated with the *Sustainability P&C & Ratings* activities, following the implementation of the CSRD.

[44] LTI Plan = Long-Term Share-Based Incentive Plan.
[45] Planning & Control.

In 2024, the **HRO department**[46] was also reorganised, with a view to centralising all HRO structures previously located within the Subsidiaries and integrating them in the People & Corporate Services unit of the HSEQ and Supply Chain & PFM functions, previously managed under a dedicated Corporate Services function.[47]

Furthermore, during the financial year, Snam continued to consolidate the activities of the **Asset Italia Business Unit** , through the implementation of protocols, the development of projects and specific organizational measures designed to guarantee the country's energy security and the physical safety of infrastructures, in compliance with national and local provisions.

As part of the **SnamTEC** project, aimed at business innovation and the transformation of Operations from a digital perspective, the Asset Control Room was launched (February 2024); preparatory activities for the release of the new cartographic system in 2025 were completed, and the remote diagnostics system was extended to compression plants and GNL Italia.
For **Snam Rete Gas**, in particular, the following is noted:

- an evolution of the organizational model for engineering and construction activities, in line with the growth of the investment plan for both the regulated business and Energy Transition activities. In particular, it is worth noting the creation of a new unit dedicated to the Sulmona Plant project, also in relation to the development activities of the new Adriatic line, and the new project dedicated to the Pignataro Plant, for the construction of a liquefaction plant for the recharging of tankers and LNG transport, and the establishment of a new head office unit dedicated to carrying out the expropriation procedures delegated to the Company by the Ministry of the Environment and Energy Security and other Public Administration Bodies;
- the establishment of a dedicated officer in the Gas Control unit of the Dispatching and Measurement function, for the simulation and optimisation of fuel consumption, the reduction of CO_2 emissions and the application of sector coupling logics.

The following are noted for the regasification business:

- the consolidation of the dedicated garrison to guarantee direction and technical coordination for the activities in the field of **GNL Italia** and **Snam FSRU Italia companies;**
- the project relating to the future FSRU terminal at Ravenna;
- the project aimed at the merger and integration of GNL Italia into Snam FSRU Italia;
- the development of activities relating to subsidiaries and/or associates (e.g., OLT, Adriatic LNG), and
- in collaboration with Greenture, the definition of the commercial and operational management process for future *on-site* truck loading activities (unregulated business).

For **Stogit**, the integration of Edison Stoccaggio, finalized in March 2025, is noted.

With specific reference to **Greenture**, the organizational structure was rationalized during 2024, with a view to greater operational efficiency and effectiveness. With reference to the subsidiary **Cubogas** the organizational structure was consolidated, with a focus on strengthening the sales and back-office area dedicated to the development/ standardization of offers and improving the integration between the technical and commercial areas, also with a view to a better segregation of activities.

To support the development and consolidation needs of the energy efficiency, biomethane and forestry businesses, the **Environment & Efficiency Business Unit** was retained.

With reference to the **Bioenerys Group**, during the year organizational development measures were adopted for **Bioenerys Agri**; in particular the two main Business Lines dedicated to Proposal, Engineering & Execution and Plant Management & Service were assigned to two Managing Directors; and furthermore all Bioenerys Agri staff functions were centralised at Bioenerys S.r.l..
In addition, 12 companies active in the business of biomethane from agricultural waste and biomasses were merged into BYS Società Agricola Impianti S.r.l., one company into Bioenerys Agri S.r.l., and finally 7 companies owning plants for the production of biomethane from FORSU into BYS Ambiente Impianti S.r.l. The company Biowaste CH4 Group was merged and the employees were allocated to the companies Bioenerys S.r.l. and Bioenerys Ambiente S.r.l.

As regards the **Renovit Group**, in 2024, the subsidiaries TEP and Evolve were renamed Renovit Business Solutions and Renovit Building Solutions respectively. Furthermore, the 'Next' project (started in 2023) was completed in the Renovit SpA Group, to manage the end of the tax break project (Bonus 110), and refocus on other segments of the business plan. Each company was organized into the following areas: Commercial, Supply Engineering and Operations. Furthermore, a unified Engineering and Construction unit was set up in each operating company of the Group. With a view to standardising personnel policies, the entire population covered by the National Collective Bargaining Agreement for the Commercial Sector was switched over to the National Collective Bargaining Agreement for the Engineering Industry.

The development and implementation of all projects related to Carbon Capture and Storage (CCS), hydrogen and renewables continue to be ensured by the **Decarbonization Unit**.

Lastly, in support of international development, the **International Asset Management and Business Development (IAMBD)** function continues to define the development objectives for Snam's international presence and to oversee foreign investments.

Snam's organisational model, highlighting the roles and functions of each area also in the context of sustainability is presented below, confirming the deep-rooted integration of ESG topics in the company, to guarantee adequate control, management and monitoring of material impacts, risks and opportunities.

[46] Human Resources and Organization.
[47] Property & Facility Management.

Greenture
Unregulated mobility & liquefaction business development

The Chairman & Managing Director Greenture oversees the definition of strategies, guidelines, objectives and the development of the unregulated mobility and liquefaction business. In addition, in cooperation with the Business Unit Environment & Efficiency and the Decarbonization Unit, it tests the possibilities of using biomethane and hydrogen in the mobility sector by maximising synergies with existing activities and investments.

Business Unit Asset Italia
Italian subsidiaries (Transport, Storage, Regasification)

The Chief Operations Officer oversees the definition of strategies, guidelines and industrial objectives of activities related to Snam's gas infrastructure business (transportation, storage and regasification) in accordance with the guidelines and strategic directions defined by Snam, including those related to energy transition, Italian subsidiaries and development of technical services focused on specialised skills and know-how for gas operators.
It actively participates in the sharing of climate change objectives during regular meetings together with other functions.

Business Unit Environment & Efficiency
Unregulated biomethane business development, energy efficiency and forestry

The Chief Efficiency and Biomethane Officer oversees the definition of strategies, guidelines, targets and the development of the unregulated biomethane, energy efficiency and forestry businesses. It promotes the origination of potential business initiatives in line with the company's strategy, the evolution of the markets of interest and the expected economic results.

Legal, Governance, Compliance & ERM

The **Enterprise Risk Management (ERM)** function, which is overseen by the Chief Legal Officer & General Counsel, defines a risk management model that allows risks to be identified and assessed, in order to identify risk mitigation actions and develop a six-monthly reporting system. Climate change issues are integrated into the overall ERM process.

P&C, Administration, Finance and M&A

The **Chief Financial Officer** oversees the strategic planning process, the economic evaluation of investments and M&A transactions, and financial planning activities. It carries out feasibility studies, including through the analysis of national and international best practices, in relation to potential sustainable finance initiatives. Since 1 May 2024, the CFO has also held the position of Manager responsible for preparing the Company's financial reports and Manager responsible for Sustainability Reporting Officer.

People & Corporate Services

The **Chief People & Organization Officer** ensures the direction and coordination activities for the Human Resources, Organisation, Supply Chain, HSEQ, Property & Facilities Management areas by defining strategies, guidelines, methodologies, operating methods and tools for Snam and ensuring the functional coordination of the dedicated organisational units in the business units.

The **HSEQ** function oversees **energy management** activities and part of the **Climate Change** topic, with the aim of continually improving the correct management of natural gas emissions, also through participation in various international working groups and task forces (IGU, Marcogaz, GIE, GERG, etc.), also dealing with the transposition of the requirements of the Energy Efficiency Directive into Italian legislation

Commercial, Infrastructures Planning & Regulatory Affairs

The **Climate Policies & Decarbonization Market Design** function is responsible for developing Snam's Climate Policies positions in line with the corporate strategy and in coordination with the relevant corporate functions.

Strategy, Innovation and Sustainability

The **Chief Strategy & Technology Officer** is in charge of defining energy and gas demand scenarios and their coverage to support all the activities of defining the Strategic Plan and the Ten-Year Plan, infrastructure development initiatives and evaluating the contribution of gas infrastructure within the energy system to foster the decarbonisation process, as well as analysing potential technological discontinuities and the evolution of the role of infrastructure related to sector coupling and analysing consistency with reference scenarios.

The **technology functions** oversee the roadmap of digital (ICT) and industrial process (OT) technologies, define the best technology options and take care of the implementation of projects to reduce emissions and climate impact.

The Director of Sustainability & Social Impact is responsible for defining the sustainability model, ESG strategy and decarbonisation and emission reduction targets.

International Engineering, Construction & Solutions

The Executive Director oversees the definition of strategies, guidelines and initiatives relating to the development, marketing and delivery of Global Solutions services, ensuring the achievement of the defined industrial, economic and financial objectives.

Institutional Affairs

The Executive Director ensures the development of relations with national, European and international institutions and activities aimed at developing and monitoring the Italian and European regulatory framework and related policy proposals; defends the company's interests with national and European institutional stakeholders in the framework of legislative processes aimed at defining new energy, climate and environmental funds and policies in a coordinated manner between the European and national dimensions.

Global Security & Cyber Defence

The Executive Director ensures the constant alignment of the strategic and tactical approach to corporate security with evolving business needs, overseeing the areas of organisational, logical, physical and cybersecurity, defining guidelines, methodologies, operating modes and tools; manages relations with local, national and supranational Public Security Institutions and Authorities, Universities, Bodies and Research Institutes, for matters within their remit.

Decarbonization Unit

The Executive Director deals with the development and implementation of decarbonization projects. In particular, it oversees the definition of strategies, objectives, technological choices and the development of activities in the field of hydrogen and CCS systems in accordance with the guidelines and strategic directions defined by Snam and in support of the decarbonisation process of the national energy and production system.

Communication & Media Relations

The **Executive Director** ensures the maintenance and development of relations with the media and their representatives, in order to guarantee the dissemination of news concerning Snam's activities and business, and the coordination of charitable, non-profit, cultural and sponsorship initiatives towards communities and the territory.

International Asset Management and Business Development

The **Chief International Assets Officer & Business Development** oversees the definition of guidelines and objectives with respect to the development of Snam's international presence, ensuring the achievement of industrial, economic and financial objectives through the Asset Management of the associates
, and the related extraordinary business development transactions, in coordination with P&C and M&A as far as it is concerned.

Internal Audit

On behalf of the Board of Directors, the Chair coordinates and makes use of:

- the Board Secretary, for board induction and evaluation activities and all activities relating to the Shareholders' meeting, the Board of Directors, the Board Committees and - to the extent necessary - the control body;
- the Executive Director Internal Audit, for the activities falling within the remit of the Internal Audit function reporting hierarchically to the Board.

With reference to management's role in the processes, controls and governance procedures used to monitor, manage and control impacts, risks and opportunities, the Sustainability & Social Impact function of the Strategy, Innovation and Sustainability Department, as regards impacts, together with the ERM function as regards risks and opportunities, annually monitors their materiality through the double materiality assessment.

The results of the analysis are then shared by both functions with management and the Chief Executive Officer and, subsequently, submitted for review by the board committees and finally for approval by the Board of Directors.

In the general risk management process, including sustainability risks, the ERM function (i) shares with the Risk Specialists and Risk Owners of the competent functions, reporting on the risks mapped in their areas and identifies, together with the Sustainability & Social Impact function, the 'sustainability-relevant' risks from those reported by the other functions; (ii) submits to the Chief Executive Officer, the Chief Financial Officer, the Manager responsible for the preparation of the financial reports, the Chief Legal Officer & General Counsel and the Executive Director Internal Audit a report on the results of activities conducted and any updates to the risk/opportunity mapping; (iii) illustrates and submits the above findings and updates to the CCROPC and to the Board of Auditors in order to allow for relevant assessments on the effectiveness of the Internal Control and Risk Management System. Furthermore, pursuant to Model 231, the ERM function meets with the Supervisory Body, at least every six months, in order to review the implementation status of the risk identification, measurement, management and monitoring process; on at least an annual basis, it submits a sustainability risk report to the SSTE Committee; on an annual basis, it reports to the Board of Directors of Snam on the activities carried out, the mapping of risks and opportunities and the implementation of the ERM Guideline.

The Internal Audit Department verifies the operation and suitability of the Internal Control and Risk Management System, through a risk-based Audit Plan, approved by the Board of Directors and monitors the implementation of any corrective actions identified, and also carries out independent monitoring activities provided for by the Company's corporate disclosure control system, which includes Consolidated Sustainability Statement. In this regard, the Group has applied various controls and procedures dedicated to the management of impacts, risks and opportunities; in particular, the double materiality assessment has its own dedicated rule in the body of corporate regulations - the SNAM-RGL-074-R00 Sustainability Statement -, which also governs the drafting of Consolidated Sustainability Statement.
In addition, the Internal Audit Department prepares periodic reports containing an assessment of the suitability of the Internal control and risk management system and sends them to the Chairpersons of the Board of Statutory Auditors, the CCROPC and the Board of Directors, as well as to the Chief Executive Officer.
Senior management, among other things, oversees the definition of targets linked to the decarbonisation strategy and included in the Sustainability Scorecard, which are related to material impacts, risks and opportunities, and the progress made in achieving them.
In particular, the targets are defined by the competent Departments for each topic[48], in association with the Sustainability & Social Impact function and Investor Relations, Sustainability P&C & Ratings, and are periodically monitored by a dedicated function (Investor Relations, Sustainability P&C & Ratings - INSUSP&C) in the Finance, Administration and Control Department in relation to the Sustainability Scorecard targets. Furthermore, in the context of the sustainability strategy, the front line managers discuss the progress of the identified action sites and related projects with the Chief Executive Officer at regular intervals during the Sustainability Plan progress meetings, guided by the Sustainability & Social Impact function and supported by the INSUSP&C function for quantitative reporting aspects and the analysis of any deviations.

For more information on the targets related to material impacts, risks and opportunities, please refer to the chapters 'Targets' in the sections on topics, and the 'Sustainability strategy' chapter.

Snam's remuneration and incentive system

KEY PERFORMANCE INDICATORS

ESRS / Other entity-specific disclosures	INDICATOR	UNITS OF MEASUREMENT	2024
GOV-3	Proportion of variable remuneration dependent on sustainability-related targets and/or impacts [1]	%	20

Note: no incentive components are envisaged in the remuneration of the Administrative, Management and Control Bodies of Snam connected to greenhouse gas emission reduction targets.
[1] The proportion of variable remuneration dependent on sustainability-related targets and/or impacts refers to that of the CEO and key management personnel.

Snam is committed to ensuring a remuneration system that, in line with European and national regulations and market best practices, favours the Group's development according to the directives of its Strategic Plan.

The Group remuneration system is guided by the Appointments and Remuneration Committee and respects the principles of valuing people and equal opportunities, which have always been present in Snam's organisational culture and are enshrined in the Code of Ethics.

In addition to being functional to the recognition of the responsibilities assigned, the remuneration system identifies the results achieved and the quality of the professional contribution of Snam's management. In fact, the remuneration system is a primary tool aimed at attracting, retaining and motivating management with high professional qualities, capable of successfully managing the Company and aligning its actions with the interests of shareholders, promoting the creation of value in the medium-long term.

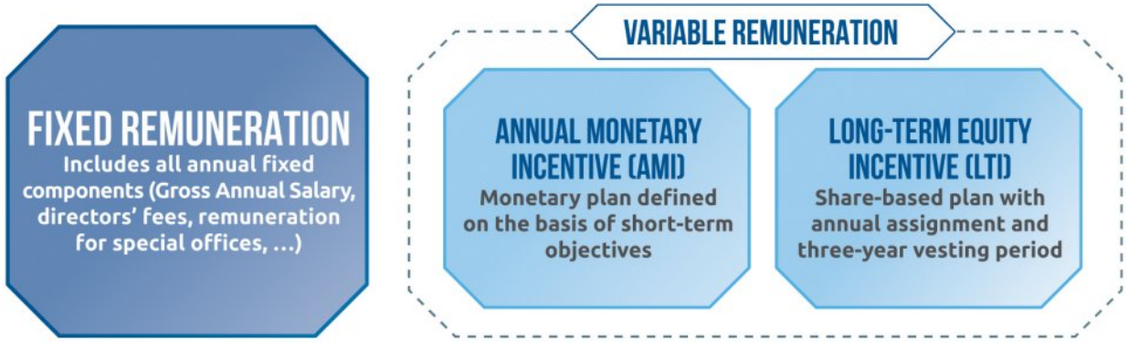
[48] Multi-molecule infrastructure, Green Transition, Carbon Neutrality, Biodiversity and regeneration, People, Local communities, Innovation.

The annual review that the remuneration system undergoes is designed to ensure this.

SNAM'S REMUNERATION SYSTEM

EXECUTIVES	COMPANY POPULATION (excluding executives)
• **Fixed remuneration**, with possible annual adjustments established by merit or by progression of role/responsibility. • **Variable remuneration** with incentives aimed at promoting professional contribution in the short term, by assigning an **annual monetary incentive (AMI/MBO),** as well as in the medium-long term, by assigning a **long-term share-based incentive (LTI),** based on principles of objectivity, transparency and measurability. Also, managers are subject to a **claw-back mechanism**, aimed at recovering the variable portion if the resulting compensation is not due if it was earned based on targets that were attained as a result of malicious or grossly negligent behaviour or that were proven to be manifestly incorrect. Finally, the ***Compensation Statement*** envisaged for managers is an information tool on the breakdown of individual remuneration that guarantees the promotion and transparency of the remuneration system.	Snam adopts a **short-term variable incentive plan** intended to reward best performance and the young resources with potential for development. What is more, all companies in the Group implemented a **Participation Bonus**, instituted by the National Collective Labour Agreement, based on the performance of profitability and productivity parameters, measured in relation to the targets agreed upon every year between the company and trade union representatives. Snam's remuneration system also encompasses an effective welfare system and supplementary health insurance, demonstrating the Group's attention to employee well-being.

With reference to remuneration for Executives, the ***Reward Policy*** is summarised as follows:



In accordance with the reference markets, severance indemnity is provided for the Chief Executive Officer for the termination of the directorship and managerial position.

Upon the simultaneous termination of both relationships, in connection with the non-renewal of the mandate upon its expiry or with the early termination of the mandate, in line with the market benchmarks and with the voting guidelines of the proxy advisors, there is a Cap to the severance calculated as two years of the fixed annual remuneration integrated by the average of the Annual Monetary Incentive paid in the last three years, including any indemnity for failure to give notice. The indemnity is not payable if the employment contracts are terminated for just cause or due to dismissal with notice on subjective grounds involving the notion of justifiability as defined by the collective agreement or in the event of a resignation. No provision is made for assigning or retaining non-monetary benefits for a period after termination of the relationship.

For Executives with Strategic Responsibilities, severance pay established by the reference national collective bargaining agreement shall be due.

Entry bonuses for the CEO are not envisaged. As regards the 2024 Remuneration Policy, entry bonuses can be paid to Managers with Strategic Responsibilities during the recruitment phase, only in exceptional cases, in order to encourage the acquisition of resources with high managerial seniority and/ or possessing specific skills considered critical for the business and essential for the achievement of the Group's strategic objectives. Snam also has the right to recognise, during the hiring process, length of service at other companies in the case of proven leadership roles with high seniority.

In the case of entry bonuses decided for top management, ad personam, (at the time of hiring), reasons for the non-payment of tranches but also for recoveries may be defined, including dismissal for just cause, in the months following the payment of all or part of the bonus.

On 7 May 2024, the Shareholders' Meeting approved the Snam Remuneration Policy for 2024 for Directors, Statutory Auditors and Managers with Strategic Responsibilities. For the 2022-2024 term of office, the Shareholders' Meeting is responsible for determining the remuneration for the non-executive members of the Board of Directors and the Board of Statutory Auditors. The Board of Directors, upon proposal of the Appointments and Remuneration Committee, defined the remuneration for the Chair and Chief Executive Officer, in accordance with the remuneration policy guidelines and with the pay mix structures described in this Report, in addition to the remuneration envisaged for participation to the internal Board Committees. In this regard, the performance objectives associated with the short and long-term incentive systems are directly connected to some key performance indicators (KPIs) or projects of the Strategic Plan.

The 2024 Remuneration Policy was defined in constant alignment with legal and regulatory provisions, also taking into account the results of the shareholders' meeting vote, the indications of shareholders and proxy advisors, as well as market best practices, with a view to continuous improvement.

Disclosure was also provided in 2024 on the link between the Remuneration Policy and the 2023-2027 Strategic Plan in order to direct management towards the goal of creating sustainable value for shareholders. In addition, targets were maintained in the incentive plans, including, for the short-term (AMI), a sustainability metric linked to ESG criteria within the supply chain scoring model, and for the long-term (LTI), a business metric linked to Energy Transition Readiness.

In this regard, the 2024 Remuneration Policy also stipulates that 20% of the short- and long-term variable incentive of the CEO and key management personnel should be linked to sustainability KPIs related to sustainable finance, the sustainable supply chain, natural gas emissions reduction and diversity and inclusion. Snam has included financial incentives that also incorporate risk management metrics. Among the Group's primary risks, risks related to health and safety are material,[49] therefore the objective relating to the combined frequency and severity index (IpFG) is relevant in the AMI of the CEO and of the Managers with Strategic Responsibilities, with a weight equal to 10%. For more information on the material risks related to the topic of Health and Safety, please refer to the chapter 'Own Workforce, Material topics, impacts, risks and opportunities'.

Below is a diagram of the business and sustainability objectives for the annual monetary incentive and the long-term incentive, highlighting the correlation between the remuneration objectives and those of the 2025-2029 Strategic Plan, as well as the integration of sustainability in the Remuneration Policy.

Snam's Remuneration Policy supports the achievement of the pillars of the new Strategic Plan through an appropriate balancing of the performance parameters of the short-term and long-term incentive systems, directing them towards the goal of creating sustainable value for shareholders.

[49] The following are the relevant risks related to the topic 'Health and Safety' that emerged from the double materiality analysis:
- Snam workers exposed to risks that may compromise their safety and physical integrity due to exogenous events (e.g. political and war events, natural disasters, etc.);
- Business discontinuity due to a lack of staff caused by inadequate/ineffective worker communication during crisis management;
- Measures or penalties for procedural breach, non-application of law or non-compliance with health and safety standards;
- Loss/suspension of certification (health, safety, quality, environment, energy, etc...) for procedural breach, non-application of law or non-compliance with health and safety standards.

			PILLARS OF THE STRATEGIC PLAN			
			Gas Infrastructure	Energy transition Platform	All-round Sustainability	Transformative Innovation
2025 MBO Plan Annual Monetary Incentive - AMI	Business	Adjusted EBITDA - 30%	✓	✓	✓	✓
		Gas Infrastructure Investments - 20%	✓			
		Energy security projects - 15%	✓			
		Non-Regulated Business - 15%		✓		
	Sustainability	Sustainability - 20%	Accident frequency and severity index [1] - 10%			
			Sustainable funding [2] - 5%		✓	
			ESG *criteria in the supply chain scoring model* [3] - 5%			

			PILLARS OF THE STRATEGIC PLAN			
			Gas Infrastructure	Energy transition Platform	All-round Sustainability	Transformative Innovation
2025-2027 LTI Plan Long-Term Equity Incentive (LTI)	Business Objectives	Adjusted net profit - 40%	✓	✓	✓	✓
		Value Added - 20%	✓	✓		
		Energy Transition - 20%	Km H_2 ready - 10%			
			MW installed biomethane - 5%	✓	✓	✓
			Projects and market design CCS and H_2 - 5%			
	Sustainability	Sustainability - 20%	Reduction of natural gas emissions [4] - 10%	✓	✓	✓
			Gender equality in the management team [5] - 10%			
Creation of a value or shareholders						

[1]IpFG - Weighted frequency and severity index for employees and contractors. Index consisting of the frequency index, measured in terms of the number of accidents per million hours worked during the year, and the severity index, measured in terms of days of absence per million hours worked.
[2] Target to increase (in € mln) sustainable funding.
[3] Percentage of the procured awarded through tenders with ESG criteria within the scoring model.
[4] Reduction of natural gas emissions in 2025 compared to 2015 values (bln/Smc). Higher than recommended by the Oil & Gas Methane Partnership Framework (OGMP 2.0) prepared by the United Nations Environment Program (UNEP). As a result of this, the targets of this objective were aligned with as envisaged in the Company's aforementioned emissions reduction plan. In the event of changes and/or variations of the Company's emission reduction plan, the targets of the emission reduction objective of the LTI Plan Cycles will be adjusted and re-measured, depending on the achievement of the final target under the UNEP Framework.
[5] Target that considers the fair representation of gender diversity in Snam's management team, calculated in terms of the percentage of women managers and middle managers out of the total number of managers and middle managers in the Group.

Statement on due diligence

The extended due diligence process aims to **ensure respect for the most important human rights** given the Group's activity and geographical context, such as those related to working conditions (discrimination, forced and child labour, restrictions on freedom of association and collective bargaining, fair remuneration and health and safety), as well as those related to individual freedom such as the right to privacy and processing of personal data of all those who work to achieve Snam's objectives.

In carrying out the due diligence process, Snam considers the**interaction with all its main stakeholders,** paying particular attention to the most vulnerable social groups, as established in the Group's Code of Ethics:

- employees
- women at Snam
- children
- subcontractors
- persons with disabilities
- local communities.

In compliance with the principles of the Code of Ethics, the provisions of the Organization, Management and Control Model adopted by Snam and the rules contained in the company policies, Snam adopts a dynamic approach to risk assessment through the periodic assessment and monitoring of relevant indicators, also supported by an integrated risk assurance and compliance system, with a view to continuous improvement and review of the mapping of company risks.

With the aim of promoting virtuous behaviours along the entire value chain, as well as ensuring its best control in this area, Snam has developed structured processes both in terms of risk management and compliance.

In particular, with regard to the Enterprise Risk Management process, the most relevant events have been identified that allow for the mapping of human and workers' rights. These assessments are carried out across the entire Group. For more information, please refer to the chapter 'Managing impacts, risks and opportunities, The ERM model for managing risks and opportunities'.

With regard to compliance aspects, Snam conducts reputational due diligence on all its third parties, in the various stages of the relationship, and the aspects connected to the protection of human rights that may arise from such analyses are always taken into due consideration also when evaluating new commercial relationships, such as joint ventures, acquisitions or mergers.

Snam has also introduced a process of 'monitoring' the compliance of its suppliers, aimed at extending the due diligence activities conducted on its third parties to aspects more closely linked to the issue of health and safety of workers and financial stability, in addition to reputational and technical factors. For more information, please refer to the chapter 'Business Conduct, Actions and metrics, Prevention and detection of corruption and bribery'.

Furthermore, Snam has a supply chain qualification system that aims to verify not only the current capabilities of the supplier, but also its future potential, according to criteria of objectivity, transparency and traceability. For the most critical product categories, additional requirements are necessary, such as having some management systems certified according to international standards (e.g. ISO 9001, OHSAS 18001/ ISO 45001, ISO 14001).
Once the qualification process has been successfully completed, following a tender process, the contract is signed. At this stage, the issue of rights is taken into strong consideration through a series of contractual clauses that set out in detail the requirements and obligations that the supplier must meet concerning regulatory, remuneration and contractual conditions for its own employees, as well as prevention in the area of health and safety. In this regard, Snam is also committed to promoting a culture and good practices for occupational health and safety, environmental protection, as well as international standards in the field of labour law, ensuring that all its suppliers are aware of Model 231 and the principles of the Code of Ethics and disseminating the ten principles set out by the Global Compact with the aim of disseminating the values it encompasses.
Thanks to this process, assessments on establishing and/or continuing a commercial relationship with a Snam business partner will never be able to ignore the business partner having to pass this preliminary due diligence phase, i.e. that there are no critical indicators relating to working conditions, the protection of workers' health and safety, the correct and full payment of wages, and insurance and social security contributions, and, lastly, also financial solidity.

To protect the integrity of supply chain sustainability and involve and commit suppliers/subcontractors to greater compliance with the principles and values deemed essential and the most stringent reputational requirements, Snam has adopted an 'Ethical and Integrity Agreement'.

In addition, to further protect the integrity of its supply chain, Snam assigns all its procurement through contracts that contain specific clauses related to sustainability (ESG factors).

For more information, please refer to the chapter 'Workers in the value chain, Actions and metrics'.

The issue of human rights, as well as the approach to 'just transition', are issues that the Sustainability and Social Impact structure analyses specifically and evaluates in light of the operational context and developments in current legislation, based on benchmarks and comparisons with external realities. Multiple functions are involved in managing this issue, from the Legal to the HR, Supply Chain and Security departments, based on the human rights aspect. The projects and initiatives related to them are mainly developed through cooperation with the Snam Foundation. For more information, please refer to the chapters 'Own Workforce, Actions and metrics', 'Workers in the Value Chain, Actions and metrics' and 'Affected Communities, Actions and metrics'.

With a view to continuously integrating sustainability into its corporate activities, Snam adopts a systematic and in-depth approach to assessing the environmental and safety impacts associated with its activities, including in the context of due diligence processes relating to M&A operations. In fact, in addition to the HSEQ analysis, which includes, among other things, the protection of workers' health and safety, the management of environmental aspects, the prevention of major accidents, HSEQ management systems and the monitoring of energy consumption, the company conducts, in its technical analysis, a careful assessment of climate-changing gas emissions. This analysis focuses in particular on direct emissions (Scope 1), as well as indirect energy emissions (Scope 2).
In this context, due diligence was conducted in 2024 for the acquisition of 100% of Edison Stoccaggio from Edison, an operation that was successfully concluded on 3 March 2025, with the signing of the deed of sale.

CORE ELEMENTS OF DUE DILIGENCE	PARAGRAPHS IN THE SUSTAINABILITY STATEMENT
a) Embedding due diligence in governance, strategy and business model	Governance, Snam's governance system; Control system Strategy and business model, Snam's business model Managing impacts, risks and opportunities, The ERM model for managing risks and opportunities Internal regulatory system
b) Engaging with affected stakeholders in all key steps of the due diligence	Impact, risk and opportunity management, Material topics for Snam; Stakeholder relations
c) Identifying and assessing adverse impacts	Impact, risk and opportunity management, Material topics for Snam; Stakeholder relations European Taxonomy for Environmentally Sustainable Activities
d) Taking actions to address those adverse impacts	Innovation & Digitalization, Actions and metrics Climate Change, Actions and metrics Pollution, Actions and metrics Own Workforce, Working Conditions, Actions and metrics; Equal treatment and opportunities for all and skills development, Actions and metrics; Health & Safety, Actions and Metrics Workers in the Value Chain, Actions and metrics
e) Tracking the effectiveness of these efforts and communicating	Affected communities, Actions and metrics

THE CONTROL SYSTEM

The Internal Control and Risk Management System (ICRMS)

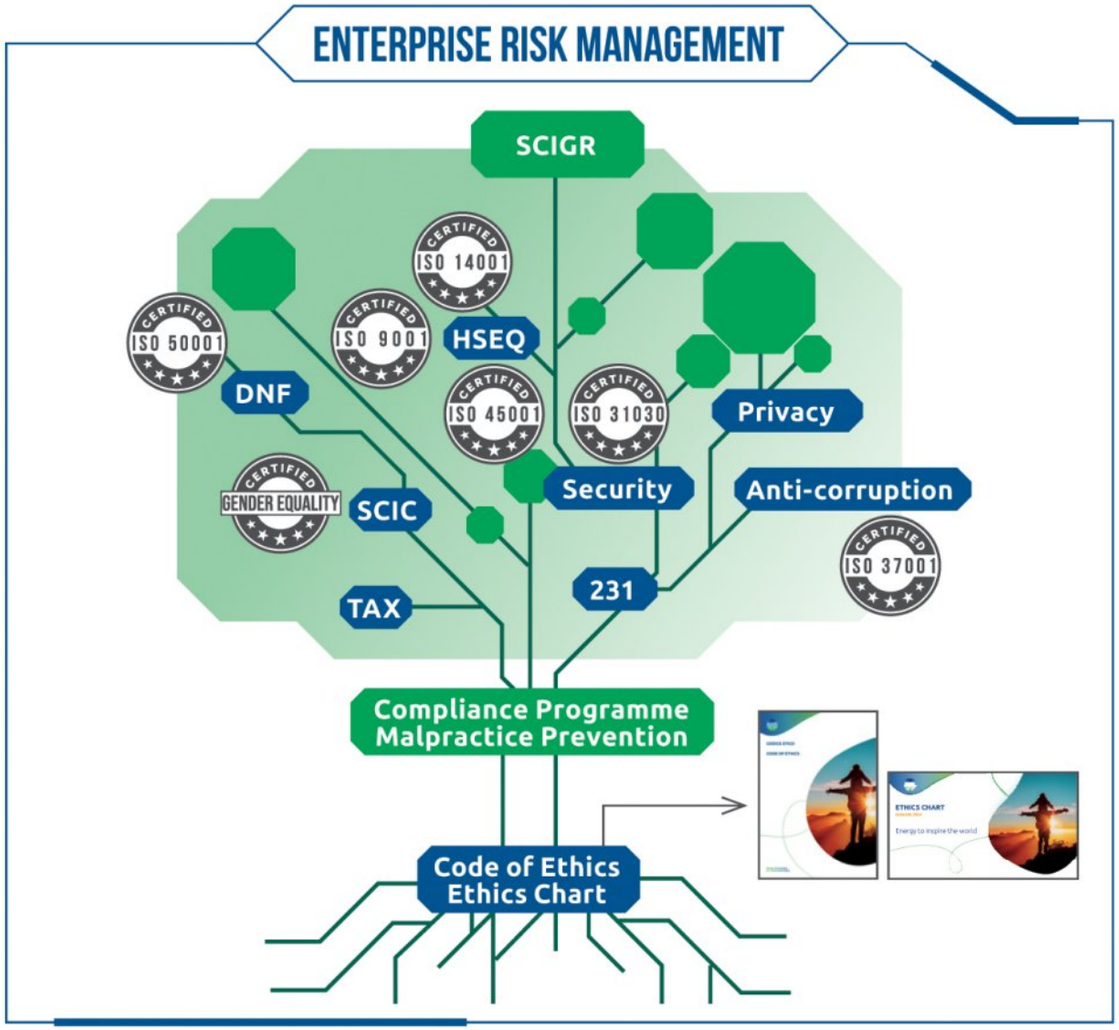
The Internal Control and Risk Management System ('ICRMS') is the set of guidelines, rules and organisational structures aimed at enabling the identification, measurement, management and monitoring of main risks.

Snam has adopted and is committed to promoting and maintaining an adequate Internal Control and Risk Management System ('ICRMS').

This system is integrated into the organisational, administrative and accounting structure and, more generally, into the corporate governance structure of Snam and is based on the Corporate Governance Code endorsed by Snam, taking national and international models and best practices as a reference.

The illustration below portrays the ICRMS as an expression of a structured system, designed in compliance with the Code of Ethics, incorporating the integration of risks and controls present in each Model, whose flows and interactions are coordinated by the Compliance Programme for the Prevention of Illicit Activities[50] (CCPI).

[50] The CPPI was defined within the 'Integrated Risk Assurance & Compliance Guideline', approved by the Board of Directors of Snam at the meeting of 11 December 2018.



Within the scope of the ICRMS, we use an integrated, dynamic and group-wide method of assessing risk that evaluates the existing management systems within the individual corporate processes, starting with those relating to the prevention of fraud and corruption and health, safety, environment and quality.

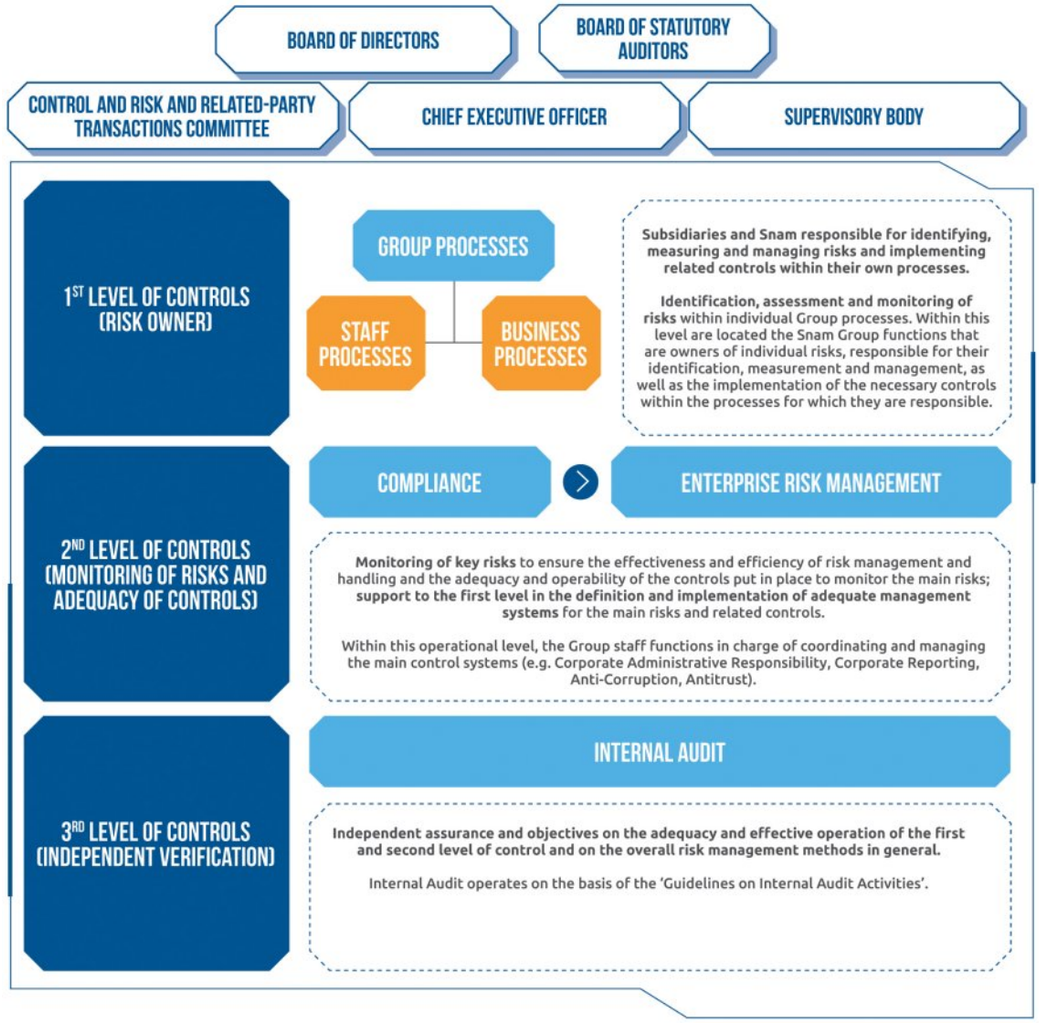
The Code of Ethics defines the guiding principles on which the ICRMS is based, such as:

SEGREGATION	The segregation of activities among persons in charge of the authorisation, execution, or control procedures
PRINCIPLES	The existence of company regulations that can provide general benchmark principles for governing corporate processes and activities
RULES	The existence of formal rules for the exercise of signatory powers and internal authorisation powers
TRACEABILITY	Traceability (guaranteed through the adoption of information systems to identify and reconstruct sources, information and checks carried out in support of the formation and implementation of the Company's decisions and financial resources management procedures)

The ICRMS is verified and updated over time, in order to constantly guarantee its suitability to monitor the main risk areas of the business activity identified according to the logic described in the ERM Model that could influence the achievement of strategic objectives, also in order to fully implement the provisions of the Corporate Governance Code.

Structure of control levels

The ICRMS has **three levels of internal control**, each of which defines specific objectives and responsibilities:



The ICRMS is an integrated system that involves the entire organisational structure: both the corporate bodies and corporate structures are required to contribute to its functioning in a coordinated manner, according to the scheme shown below, so as to ensure that the main risks affecting the Company and its Subsidiaries are correctly identified, and adequately measured, managed and monitored, also in line with the strategic objectives identified.

The **Supervisory Body**, made up of members outside the Company and the Group, one of whom acts as Chairperson, with specific expertise in legal, corporate, economic and business organisation issues:

- supervises the effectiveness of Model 231 and monitors its implementation and updating activities;
- reviews the adequacy of Model 231 for the purposes of preventing illicit conduct;
- ensures, within its area of responsibility, the adequacy of information flows with the various corporate functions and with the supervisory bodies of the Subsidiaries; and
- acts as Watchdog of the Code of Ethics.

The Supervisory Body has access, without any limitation, to the company information necessary for investigation, analysis and control activities.

The **Manager responsible for the preparation of financial reports** (DP) establishes adequate administrative and accounting procedures for the preparation of the financial statements and, where applicable, the consolidated financial statements, as well as any other financial communication.

The Board of Directors of 30 May 2024 appointed (effective 1 June 2024) Luca Passa 'Manager responsible for the preparation of financial reports' pursuant to Article 154-bis of Legislative Decree 58/1998.

Each year, the Board of Directors verifies:

- that the Manager responsible for the preparation of financial reports, on the basis of the declaration issued by him, is eligible as indicated in the Articles of Association and meets the requirements of good standing established by applicable legislation;
- the adequacy of the powers and resources available to the Manager responsible for the preparation of financial reports pursuant to law for the exercise of assigned tasks.

This activity was carried out for 2024 on 14 February 2024 and 13 March 2024 respectively.

The DP also holds the role of '**Manager responsible for Sustainability statement**' as Legislative Decree 125/2024 requires 'delegated administrative bodies and the manager responsible for the preparation of financial reports to certify, with a specific report, that the sustainability statement included in the directors' report has been drawn up in accordance with the reporting standards applied pursuant to Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 and the legislative decree adopted in implementation of Article 13 of Law 15 of 21 February 2024 and with the specifications adopted pursuant to Article 8(4) of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020'.

The **Internal Audit** function is centralised in Snam and operates within Snam itself, the Subsidiaries pursuant to Article 93 of the TUF and the joint ventures/shareholdings held jointly with other partners in accordance with the specific provisions contained in the agreements between the parties.

Within the internal control system, Internal Audit:
- verifies the operation and suitability of the ICRMS, through an Audit Plan, approved by the Board of Directors and monitors the implementation of the corrective actions identified;
- ensures the investigation of reports, even anonymous ones, sent by the Ombudsman;
- activates other audit activities not foreseen in the Audit Plan (so-called spot audits), based on requests that are also from the administrative and control bodies and from management or as a consequence of reports received;
- carries out independent monitoring as required by the Company's corporate disclosure control system;
- sends the administrative and control bodies and management, as far as they are competent, the audit reports and periodic disclosure on reports, follow-up and independent monitoring;
- prepares periodic reports containing an assessment of the suitability of the ICRMS, sending them to the Chairpersons of the Board of Statutory Auditors, the CCROPC and the Board of Directors, as well as to the Director in Charge.

The ICRMS assigns a clear position to corporate functions within the so-called three levels of internal control.

In particular, in accordance with the provisions of the Corporate Governance Code:
- the Legal, Governance, Compliance & ERM functions contribute - each within the areas under their responsibility - to an effective and efficient identification, measurement, management and monitoring of legal and compliance risks. The Compliance [51] and ERM functions also perform a second level control function;
- The Internal Audit function performs the third level control function relating to independent verification.

Furthermore, in line with an evolutionary process aimed at constantly improving the effectiveness and efficiency of the ICRMS and its greater integration, the **Financial Administration, Planning and Control function**, through the Corporate Disclosure Control System (ICSCR) structure supporting the Manager responsible for the preparation of financial reports:
- defines the Corporate Disclosure Control System model, the related methodologies, operating methods and tools;
- ensures the related risk assessment activities;
- ensures the management of information flows, control assessments and reporting, as well as the preparation of reports and information on the status of the system for the Chief Executive Officer, the Manager responsible for the preparation of financial report, the control bodies, Internal Audit and the Independent Auditors; and
- provides methodological and operational support to the functions involved in the implementation of the ICSCR.

Coordination between the subjects involved in the ICRMS

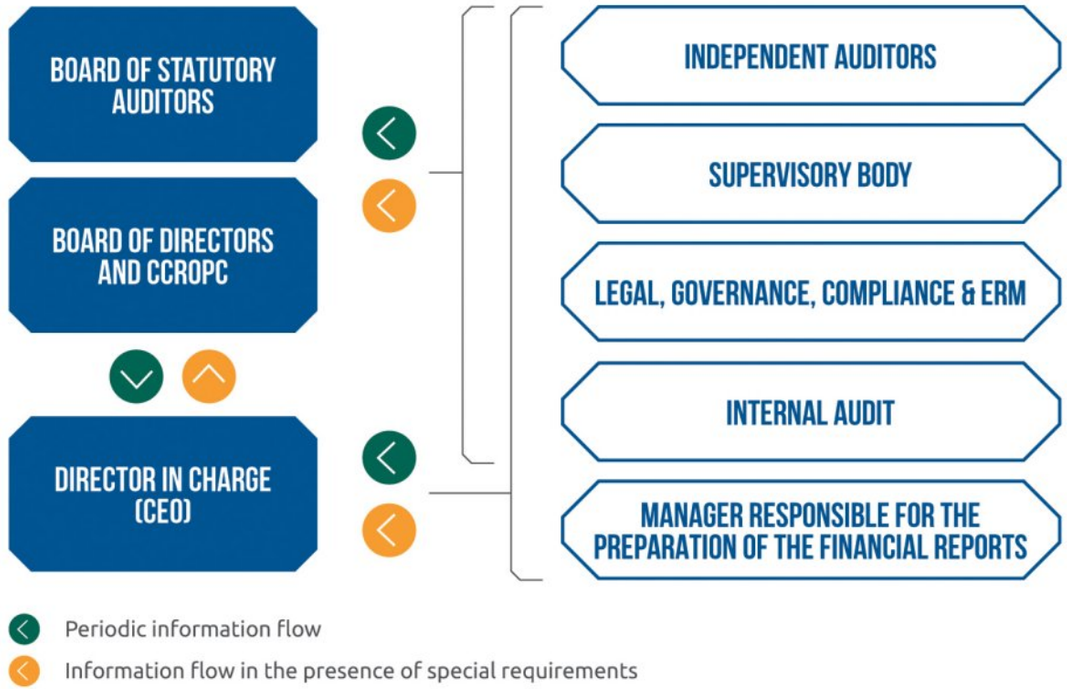
The corporate rules adopted by Snam within the scope of the ICRMS and the internal control system on corporate reporting ('ICSCR') ensure adequate coordination between all parties involved.

In particular, the information flows that ensure coordination between the parties involved in the ICRMS and the Board of Directors are structured through:
(1) the Board of Directors' review of the opinions and reports prepared by the parties involved in the ICRMS;
(2) the information provided to the Board of Directors and the Board of Statutory Auditors by the Chairperson of the CCROPC and the participation of the Board of Statutory Auditors in the meetings of the Board of Directors; and
(3) the participation of the heads of the control functions and the Manager responsible for the preparation of the financial reports in the meetings of the Board of Directors and the CCROPC, for topics under their responsibility.

[51] 'Compliance' means anti-corruption compliance, pursuant to Legislative Decree 231/2001, anti-trust, the internal control system on corporate information, tax, health, safety, environment & quality, privacy, security and non-financial disclosure. In this regard, see also the chart in the previous section 1.1 depicting the ICRMS.

Information flows within the ICRMS

CCROPC and Board of Statutory Auditors	Recipients - periodically or in the presence of particular needs - of information flows from: • the Manager responsible for the preparation of the financial reports; • the Internal Audit function; • the Supervisory Body; • the Independent Auditors and the Compliance function; • the ERM function. Once this information has been acquired, the bodies meet to evaluate the findings. In particular, the CCROPC and the Board of Statutory Auditors of Snam receive from the Manager responsible for the preparation of the financial reports: • a half-yearly and an annual report on the evaluation of the ICSCR and on compliance with administrative and accounting procedures; and • an annual report on the organisational, administrative and accounting structure of the Snam Group.
Internal Control and Audit Committee	Furthermore, the Board of Statutory Auditors of Snam, in its capacity as the 'Internal Control and Audit Committee' pursuant to Legislative Decree 39/2010, receives from the Independent Auditors the information flows necessary to carry out its duties as required by applicable legislation in force at any given time.
Chief Executive Officer	In addition, and in conjunction with the other corporate bodies, the Chief Executive Officer, as Director in Charge: • receives periodic information flows or information on particularly relevant events from the Manager responsible for the preparation of the financial reports and from the Internal Audit Manager; • promptly reports, in turn, to the CCROPC and/or to the Board of Directors of Snam, at the first possible meeting, on the critical issues and problems concerning the ICRMS.
Supervisory Body	Information flows from management to the Supervisory Body, as well as and information flows (continuous, half-yearly or immediate in the case of particular situations and/or needs) from the Supervisory Body to top management (Chief Executive Officer, CCROPC, Board of Auditors) are envisaged.
Manager responsible for the preparation of the financial reports	The Manager responsible for the preparation of the financial reports, after consulting with the Independent Auditors and the Board of Statutory Auditors evaluates with the CCROPC the correct application of the accounting principles and their uniformity for the purposes of the consolidated financial statements. Taking into account the specific responsibilities assigned to the Manager responsible for the preparation of the financial reports within the ICSCR, this Manager is the recipient of information flows from other entities, bodies and functions of the Company and its Subsidiaries.



Information flows among the boards of statutory auditors of the Snam Group

For the purposes of Snam's Board of Statutory Auditors meeting its obligations of supervision and control over the Snam Group, also in relation to Snam's exercise of management and coordination over its Subsidiaries, Snam's Board of Statutory Auditors of receives information flows from the boards of statutory auditors of the Subsidiaries:

- within the framework of joint meetings attended by the boards of statutory auditors of the Snam Group;
- by sending periodic reports or in the case of particular circumstances;
- by sending information upon request of the Board of Statutory Auditors of Snam or on the initiative of the boards of statutory auditors of the Subsidiaries.

Furthermore, the Board of Statutory Auditors receives a half-yearly report on its supervisory activity. On the basis of all this information, it promptly reports any weaknesses, critical issues or anomalies to the Board of Directors, so that the necessary or appropriate measures can be adopted.

The Internal Control System over the Consolidated Sustainability Statement

In light of recent regulatory developments on sustainability reporting, Snam has redefined some organisational and governance aspects, assigning the certification tasks relating to Consolidated Sustainability Statement introduced by Legislative Decree 125/24 to the Manager responsible for the preparation of the financial reports.
In this perspective, the corporate function responsible for managing Snam's Corporate Disclosure Control System - ICSCR - has been assigned the responsibility of defining the rules, methodologies, operating methods and tools connected with the establishment and maintenance of a Control System for Non-Financial Disclosure (also 'sustainability statement') - SCINF.
Snam's SCINF is an integral part of Snam's Internal Control and Risk Management System - ICRMS - and is based, from a methodological perspective, on the framework developed by *the C*ommittee of Sponsoring Organizations of the Treadway Commission (the 'CoSO Report, 'Achieving Effective Internal Control of Sustainability Reporting - ICSR)', as well as designed in synergy with the Snam Financial Reporting Control System - SCIF.
The **SCINF model** is formalised in the corporate regulatory document 'Guidelines for the Corporate Disclosure Control System (ICSCR)' and is set out in its operational aspects in a specific Technical Work Instruction.
In accordance with the provisions of the Snam Group's ICRMS and the principles of the CoSo Report, the SCINF governance process consists of two macro-phases:

- the first macro-phase concerns the design and implementation of the control system and includes the two phases of Scoping and Risk & Control Assessment, aimed at defining the analysis perimeter and, within the various components of the model, setting up the controls, through risk analysis;
- the second macro-phase concerns the verification of the control model and includes the Monitoring, Evaluation and Reporting phases, which are aimed at testing and evaluating the adequacy and effective operation of the controls.

The identification of the areas at greatest risk for non-financial reporting is carried out through Scoping activities, aimed at defining the scope of application of the model according to a top-down and risk-based approach.
In particular, a risk/relevance analysis is carried out on the data (or 'KPIs') included in Snam's Consolidated Sustainability Statement, based on the evaluation of specific drivers attributable to the dimensions of the probability of occurrence of mis-statement risk and the related impact, which take into account internal and external factors.

For the KPIs assessed as having the highest risk/relevance and for the group companies that contribute significantly to them, the SCINF requires a further analysis of the risks present in the company processes of generating, processing and reporting the KPIs be carried out (Risk & Control Assessment).

In particular, risk analysis consists of identifying the events most exposed to risks of error and/or fraud through the analysis of the processes and activities that comprise them. Such risks may refer to the circumstance that information:

- is not timely, meaning it is not included in the information flow within a reasonably short time frame with respect to the occurrence of the event to which it is related;
- is not accurate, or contains approximations or inaccuracies;
- is not complete, meaning it partially reflects the phenomenon to which it refers.

Based on these analyses, control measures are defined to mitigate the identified risks (so-called Process Level Controls - PLC).
Furthermore, to protect against the risks of the incorrect functioning of IT systems relevant for sustainability reporting purposes, the SCINF includes specific controls known as IT General Controls (ITGC).
Finally, Snam's SCINF is also composed of Company/Entity Level Controls (CELC), which concern the structural elements of the control system, aimed at establishing a general context to ensure that process activities are performed and controlled in accordance with the principles and objectives defined by management.

The SCINF involves **periodic and structured processes for the monitoring**, evaluation and adequacy of the control measures. In particular, monitoring includes a periodic verification phase regarding the adequacy of the control design in mitigating the potential risks identified and their actual operation. Monitoring is implemented in two ways:

- on a 'line' basis, by the management responsible for the processes and operational activities;
- 'independently', carried out by the Internal Audit Function or by another independent external body that has been appointed.

The results of the monitoring (line and independent) are analysed and evaluated by management in order to define, if necessary, the corrective actions to be implemented in the relevant processes.

In order to ensure that Snam's corporate bodies have adequate information regarding the SCINF, the model provides for a **periodic reporting** on the status of the bottom-up control system. The reporting flows concern the results of the monitoring activities conducted on the individual control components, as well as the additional information flows with an impact on the evaluation of the controls.
On the basis of this reporting system, **an annual report on the adequacy of the control system is drawn up**, containing information on the controls, updating and verification activities carried out during the period and the related outcomes. This Report is submitted to the Board of Directors, after having informed the Board of Statutory Auditors, the Control and Risk and Related-Party Transactions Committee and the Sustainability and Energy Transition Scenarios Committee.

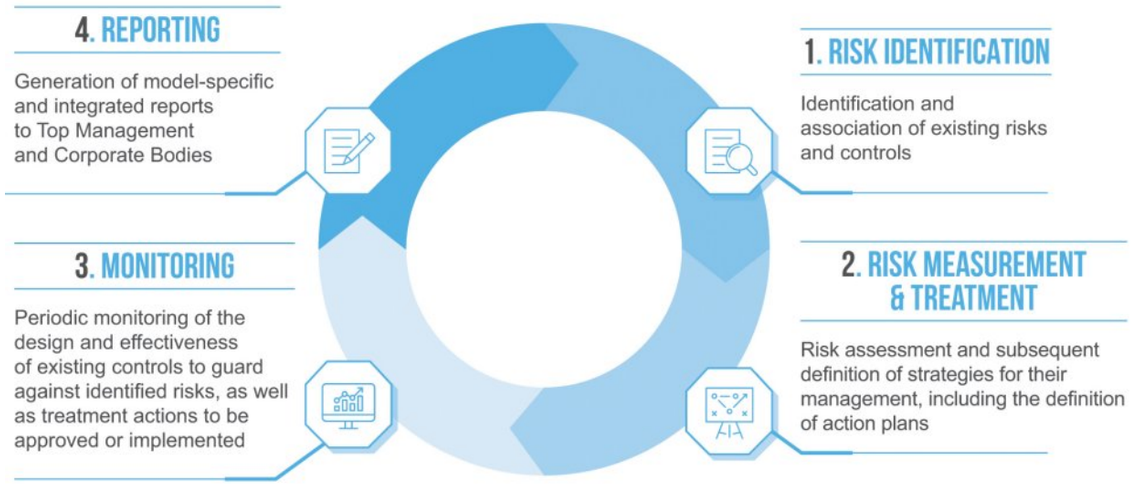
Integrated Risk Assurance & Compliance (RAC)

The Integrated Risk Assurance & Compliance (RACI) model, set out in the 'Integrated Risk Assurance & Compliance' Guidelines approved by the Board of Directors of Snam at its meeting on 11 December 2018, pursues a twofold objective:

- integrate, within the ICRMS, the control models of the so-called 2nd level such as Enterprise Risk Management, Model 231, SCIS, Tax Control Framework (TCF), Privacy, Antitrust, Anti-corruption, Health, Safety, Environment & Quality (HSEQ), NFS and Security;
- promote and support compliance with relevant regulations and the prevention of possible wrongdoing in the course of conducting business activities.

The digitalization of business processes and the application of innovative IT solutions to support the integrated Risk Assurance & Compliance Model are essential to streamline and improve the coordination of flows and interactions among the various control lines.

To this end, the Integrated Risk Assurance & Compliance platform (hereinafter 'RACI') was created, which operates according to the stages described below:



Through RACI, an integrated database (risk & control register) has been created where the models involved in the Integrated Risk Assurance & Compliance process share a single catalogue of risks and controls.

The benefits resulting from the creation of a single repository have allowed for the collection of coherent and complete information and data in an integrated manner to support the decision-making processes of Top Management and Corporate Bodies receiving dedicated reporting flows.

Internal Audit Activities

Also during 2024, the performance of activities by Internal Audit complied with the necessary conditions of independence and autonomy, as well as maintaining due objectivity, competence and professional diligence, in line with the mandate of Internal Audit and the Mandatory Guidance of the Institute of Internal Auditors and the principles contained in the Code of Ethics. In particular, Internal Audit ensured:

1. the drafting of the proposed Audit Plan, prepared on the basis of ERM function's identification and prioritization of main corporate risks, and approved by the Board of Directors of Snam on 14 February 2024, following the favourable opinion of the Control and Risk and Related- Party Transactions Committee;
2. the issue of 23 Audit Reports, of which 1 relating to the Shareholders' Audit, 6 to ISO 37001:2016 (necessary for obtaining and maintaining the anti-corruption management system certification) and 2 spot audits;
3. monitoring of the implementation of corrective actions, established in accordance with the recommendations that were provided during the audit;
4. development of the independent monitoring programme defined with the Manager responsible for preparing the Company's financial reports under the scope of Snam's Corporate Information Control System;
5. confirmations relating to reports, including anonymous, of problems linked to the internal control and risk management system, the company's administrative responsibility, whistleblowing;
6. activities relating to relations with the Independent Auditors concerning the management of the Framework Agreement entered into and, in particular, the supervision of activities for the conferral of additional appointments of the same.

Regarding point 5, in 2024, Snam received 16 reports, 12 of which were anonymous. For these, the Internal Audit function was tasked with investigating the facts reported by the competent Supervisory Body and, where necessary, activated the competent functions of Snam SpA and/or the companies involved. The main issues reported in 2024 concerned alleged behaviour contrary to the Code of Ethics, Model 231 and company regulations by suppliers and employees. Of the 16 reports forwarded in 2024 for investigation to Internal Audit, 13 were dismissed by the competent Supervisory Bodies and 3 were being analysed at 31 December 2024. For more information on this, please refer to the detailed table 'Activities carried out by Internal Audit' below.

In addition, the main additional activities carried out concerned:

- the updating of the guidelines on Internal Audit activities (Audit Charter), approved by the Board of Directors on 27 November 2024 and of the Function's Operating Manual to incorporate the new Global Internal Audit Standards;
- the alignment of the 'audit universe' with Snam Value Chain processes, which provides a complete and updated picture of the activities of the entire Group;
- managing specific requests raised during periodic meetings with Snam's control bodies;
- the extension of the process mining tool to support the performance of audit activities to all operating companies of the Group;
- carrying out an internal Quality Improvement activity with the implementation of a plan aimed at implementing the new Global Internal Audit Standards;
- the integration of independent monitoring activities with reference to the non-financial reporting control system.

In 2024, audit activities were carried out with a dedicated team of 13 auditors.

In addition, there were no cases of breaches of customer privacy data or cases of conflict of interest and money laundering and insider trading during the year.

ACTIVITIES CARRIED OUT BY INTERNAL AUDIT (NO.)

	2022	2023	2024
Total audits performed (planned and/or spot) [1]	**18**	**20**	**23**
of which for consulting activities	1	0	0
of which interventions pursuant to ISO 37001:2016	0	4	6
Independent monitoring activities (Law 262/05) [2]	**14**	**16**	**16**
Reports received and processed [3]	**7**	**11**	**16**
of which related to the Internal Control System	2	3	3
of which related to accounting, auditing, fraud, etc.	0	0	0
of which related to administrative liability pursuant to Legislative Decree 231/2001 [4]	3	4	3
of which related to violations of anti-corruption law	2	3	1
those involving other subjects (Code of Ethics, mobbing, theft, security, etc.) [5]	7	4	11
of which reports archived due to a lack of elements or untruthfulness [6]	5	4	6
of which reports concluded with disciplinary procedures/managerial action and/or subject to the Judicial Authority [7]	8	2	7
of which reports pending	0	5	3

Notes: the data refer to the entire Snam Group, unless otherwise indicated. For more information on the scope, please refer to the chapter 'Introduction and guide to reading the document, General basis for the preparation of the Consolidated Sustainability Statement'.
[1] Plan and/or spot audit reports and/or advisory intervention and/or Shareholders issued during 2024.
[2] Independent monitoring reports sent to individual Functional Managers and the Manager responsible for the preparation of the financial reports.
[3] Total reports received during the reporting year by the Internal Audit function. Individual reports may belong to multiple categories. Of the 16 reports received, 2 are related to other reports.
[4] For 2023, of which one related to alleged discriminatory behaviour.
[5] For 2022, of which: i) 2 related to the normal operation of the gas transport business; (ii) 2 also related to the Internal Control System, 231 and Anti-Corruption; (iii) 1 also relating to 231; (iv) 2 relating to discriminatory practices in violation of the Code of Ethics.
For 2023, of which 1 related to alleged discriminatory behaviour.
For 2024, 2 are attributable to complaints submitted to the Whistleblowing channel in relation to (i) conduct by a third party in the context of a tender carried out in a private sector, promptly reported by a Snam Group employee; (ii) apparent misuse of an employee's debit card which, following the investigations, was identified as a computer anomaly. For more information, please refer to the chapter 'Own workforce, Working conditions, Respect for human rights'.
[6] For 2022, of which 3 refer to reports received in 2022 and 2 refer to reports received in 2021.
For 2024, of which 1 refers to apparent misuse of an employee's debit card which, following the investigations, was identified as a computer anomaly.
[7] Reports received concluded with action plans or recommendations shared with management. The term managerial also refers to organisational/procedural interventions relative to actions aimed at improving the Internal Control and Risk Management System (ICRMS).
For 2022, of which 4 refer to reports received in 2022 and 4 refer to reports received in 2021.
For 2024, of which 1 related to conduct of a third party in the context of a privately organised tender.

Strategy and business model

SNAM'S BUSINESS MODEL

Sustainable growth, transparency, valorisation of talent and diversity, protection and social development of territories are the elements that characterise Snam's business model, which, in turn, is based on the Group's **purpose**, **vision**, **mission** and **values** .

In Snam's business model, the regulated sector businesses - namely the transportation, storage and regasification of natural gas, and the energy transition businesses - namely biomethane, hydrogen and CCS and energy efficiency coexist. Similarly, the business plan and Sustainability objectives are interconnected with the goal of making a concrete contribution to achieving the Sustainable Development Goals defined by the United Nations.

The model pursues **the creation of long-term, sustainable value** from the essential intangible resources[52], represented by the ambitions set out in the seven pillars of the Group's Sustainability Framework, for the benefit of shareholders and taking into account the interests of stakeholders relevant to the Company.

Change in the Company's recent repositioning and the actions set out in the new plan ensure that the Group is well placed to seize the opportunities arising from the energy transition. This is also thanks in part to the increasing innovation of processes and the skills developed by Snam's people – the enablers of its corporate values.

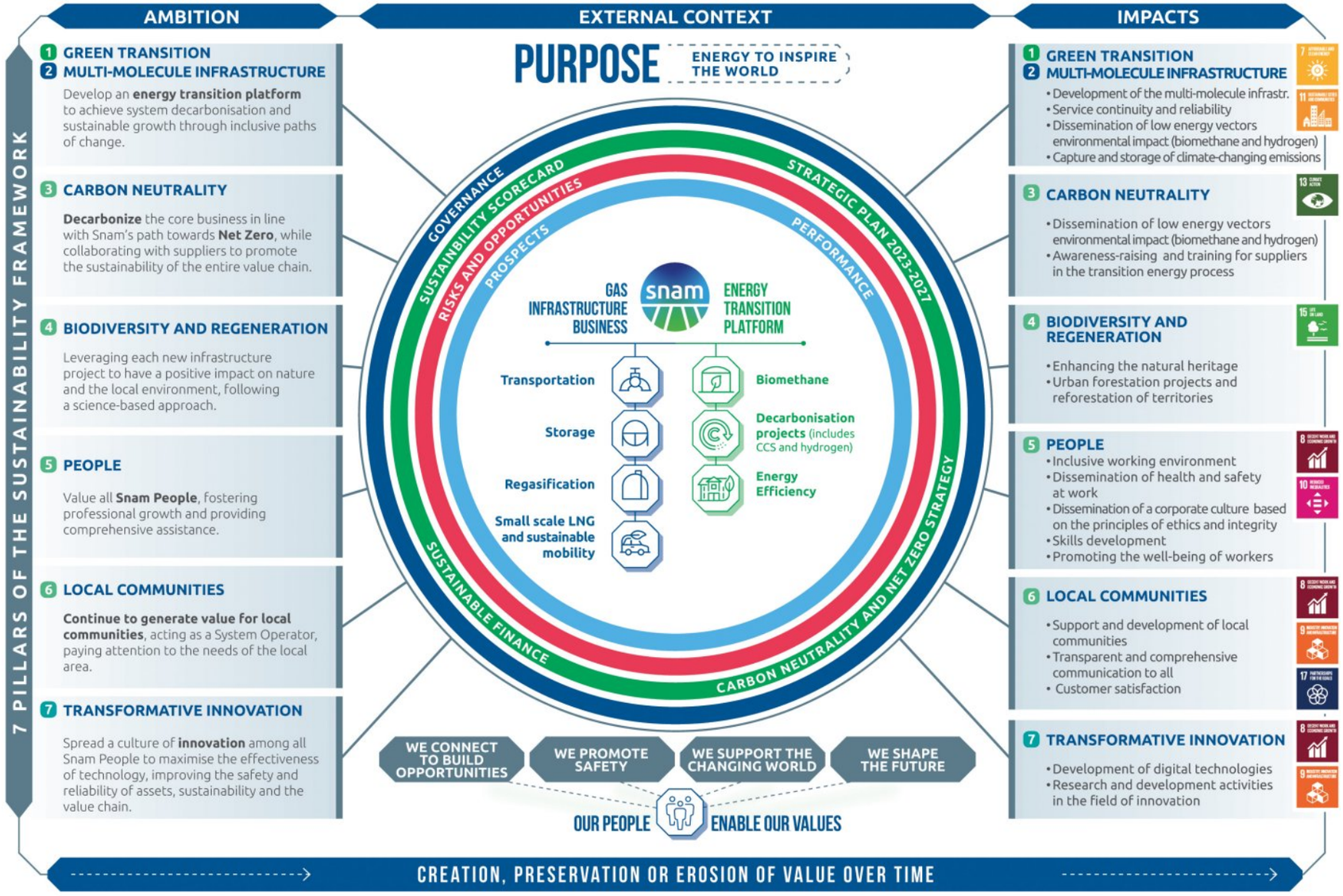
As a regulated Transmission System Operator (TSO), Snam must comply with European and Italian regulations. In short, Snam does not sell, does not produce and does not own gas molecules, but sells transport, storage and regasification capacity. According to the applicable European and national legislative framework, these midstream activities are regulated by the Regulatory Authority for Energy, Networks and Environment (ARERA) which defines the contractual terms, quality of services, conditions and tariffs.
Considering its business model, Snam,

- **must ensure energy security and system reliability;**
- **cannot be involved in upstream and downstream operations, therefore Snam does not sell natural gas and cannot be a producer of green molecules[53];**
- **in all its *midstream* activities, must provide non-discriminatory and equitable access and capacity to third parties and cannot vary tariffs based on factors such as the carbon intensity of the gas transported;**
- **daily activities are regulated by the so-called Network Code;**
- **must be certified by the Italian Regulatory Authority, to maintain its operating license, which ensures compliance with the Network Code and that there are no upstream or downstream operations;**
- **has very limited interactions with end users.**

[52] See Article 15, paragraph 1 of the Italian Legislative Decree no. 125 of 6 September 2024.
[53] The current production of biomethane is possible thanks to a temporary exemption.

Snam's value chain is mainly divided along the supply chain for natural gas and other decarbonised gases (biomethane, hydrogen); in addition, it is involved in energy efficiency and CCS activities. **Own activities** Snam's activities concern the construction and management of gas transport, storage and regasification infrastructures (natural and biomethane), the construction and management of biomethane production plants from agricultural waste and biomass and from FORSU[54] (the organic fraction of municipal solid waste), the implementation of energy efficiency actions and methane refuelling stations managed by third parties and the development of micro-liquefaction activities. In addition, Snam is involved in developing decarbonisation projects through the use of hydrogen and for the transport and storage of CO_2. **Upstream value chain** activities concern the production and supply of energy commodities (natural gas, hydrogen, gas and renewable sources), and raw materials such as agricultural waste, FORSU, materials related to the construction of gas pipelines (e.g. steel pipelines). **Downstream value chain** activities concern the distribution of natural gas that is purchased by shippers for their own use or to sell to retail companies, or directly to final customers such as industries and thermoelectric power plants, and the distribution of electricity and heat produced from biogas, as well as the provision of integrated energy services for civil, industrial, tertiary and public use, with energy efficiency activities, sustainable mobility and decarbonisation projects.

For more information on Snam's value chain, please refer to paragraph 3.4 'The world of gas' in the Directors' Report.



[54] Organic Fraction of Municipal Solid Waste.

PILLAR	OUTCOME	KEY KPIS AND RESULTS FOR 2024 [1]	FURTHER INSIGHTS INTO SUSTAINABILITY STATEMENT
GREEN TRANSITION	Support for the energy transition of the country system through the diffusion of the use and production of biomethane	107 $ktCO_2$ emissions avoided through the activities related to the biomethane (Bioenergys) and energy efficiency (Renovit) businesses 18,5 Mscm of biomethane production	Strategy and business model - The Sustainability Scorecard Climate Change - Targets
	Increase in the production of biomethane from agricultural waste with a consequent reduction in natural gas consumption and emissions from fossil fuels		
	Enabling the transport and storage of climate-changing emissions that cannot be avoided through carbon capture and storage (CCS) technologies that contribute to the reduction of emissions release into the atmosphere	€111 million investment related to phases 1 and 2 of the Ravenna CCS project	
MULTI-MOLECULE INFRASTRUCTURE	Availability of infrastructures that guarantee the security of supply and the diversification of sources, satisfying the needs of the country system and the requests of the authority	99.9% operational availability of transported gas	Strategy and business model - The Sustainability Scorecard Energy security and accessibility - Targets
	Service continuity and reliability through proper maintenance and constant monitoring of the integrity of Snam's infrastructure	1,738 km of network inspected with intelligent pigs 10,860 km of network controlled for leak detection 5,213 km of network with geological surveys	Biodiversity and ecosystems - Actions and metrics, Protecting the territory and biodiversity - Actions for 'Zero Net Conversion'
	Support for the energy transition of the country system by promoting the use and development of hydrogen transport and storage infrastructures	2,068 km of certified H_2-ready network	Strategy and business model - The Sustainability Scorecard Climate Change - Targets

PILLAR	OUTCOME	KEY KPIS AND RESULTS FOR 2024 [1]	FURTHER INSIGHTS INTO SUSTAINABILITY STATEMENT
CARBON NEUTRALITY	Enabling the transportation and storage of climate-changing emissions that cannot be avoided through carbon capture and storage (CCS) technologies that contribute to the reduction of emissions release into the atmosphere	-29% reduction in regulated-sector Scope 1 and Scope 2 GHG emissions (vs. 2022) - 63% reduction in natural gas emissions (vs. 2015)	Strategy and business model - The Sustainability Scorecard Climate Change - Targets
		-15% reduction in regulated-sector Scope 3 GHG emissions (vs.2022)	
	Support for the development of skills of supply chain workers through involvement initiatives in the path towards the energy transition of the country system	41% spent on suppliers with a decarbonisation plan 42% spent on suppliers with ESG criteria in scoring models 220 suppliers involved in the CDP Supplier Engagement Rating	Strategy and business model - The Sustainability Scorecard Climate Change - Targets Workers in the value chain - Targets; Actions and metrics
BIODIVERSITY & REGENERATION	Protection of the natural ecosystem through regeneration projects for the ecosystems and areas in which Snam operates	Zero Net Conversion to 2024 and Net Positive Impact to 2027 102% recovery of vegetation in areas impacted by pipeline construction and new forestation > 75,000 thousand trees planted by 2020	Strategy and business model - The Sustainability Scorecard Biodiversity and ecosystems - Targets; Actions and metrics, Arbolia

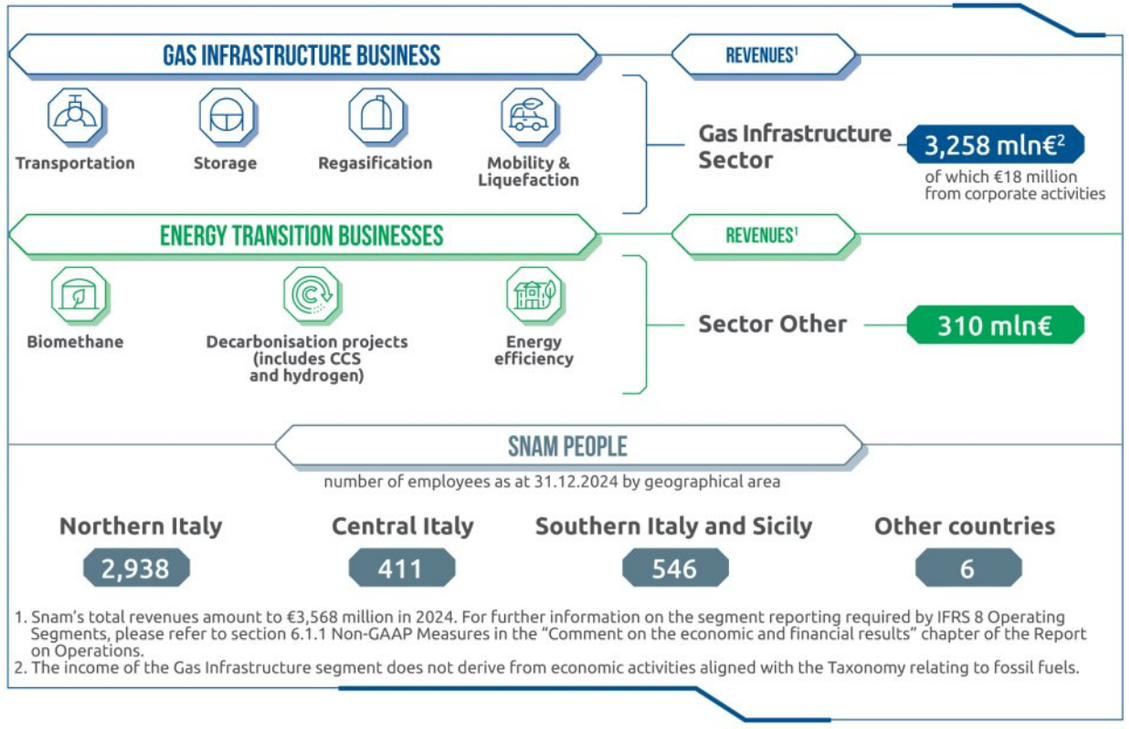
PILLAR	OUTCOME	KEY KPIS AND RESULTS FOR 2024 [1]	FURTHER INSIGHTS INTO SUSTAINABILITY STATEMENT
PEOPLE	Employees' well-being, satisfaction and work-life balance through appropriate welfare plans	81% of participants in welfare initiatives	Strategy and business model - The Sustainability Scorecard Own Workforce - Working conditions, Targets Own Workforce - Equal treatment and opportunities for all and skills development, Targets Own Workforce - Health and Safety, Targets Business Conduct - Actions and metrics, Prevention and detection of corruption and bribery
	Increasing the motivation of employees by developing an inclusive working environment	77% employee engagement index 26.5% women in executive and management positions	
	Promoting a healthy and safe working environment through health and safety training and awareness-raising activities provided to employees and contractors	+17% IpFG (Combined Frequency and Severity Index) vs. 2023	
	Developing employee skills by deploying appropriate training plans and professional growth opportunities through profitable projects and activities	42 average hours of training per employee 3,131 employees evaluated in Performance Management	
	Development of a corporate culture based on the principles of ethics and integrity and on active and passive corruption that contributes to improving the reputation and trust of stakeholders towards Snam	551 hours of training on Code of Ethics, Anti-Corruption and Model 231	
LOCAL COMMUNITIES	Support and economic development of communities in the area through social initiatives, beneficial activities and sponsorships	6,377 hours dedicated by employees to the company voluntary work of the Snam Foundation supporting local communities ~1% of benefits for local communities on regulated revenues €1,934 million value disbursed to local communities 9 Snam Foundation initiatives for the region related to energy, education and food poverty	Strategy and business model - The Sustainability Scorecard Affected communities - Targets; Actions and metrics
TRANSFORMATIVE INNOVATION	Improvement of the service offered through the development of digital technologies and the promotion of research and development activities in the field of innovation. These activities enable safe, resilient and effective management of infrastructure and resources and determine positive implications in terms of safety also for people and the environment	3% investment in innovation relative to revenue 14,8% IT applications enabled by AI 43 PoC 6 Scale of technologies and/or solutions	Strategy and business model - The Sustainability Scorecard Innovation and digitalisation - Targets

[1] Detailed information on the main KPIs listed in the table is reported in the thematic chapters of the Consolidated Sustainability Statement.

Snam's businesses

Since it was founded, Snam has operated in the **regulated natural gas sector** through the natural gas transportation and storage and liquefied natural gas regasification businesses. In light of the changing context in which it operates, where it is a priority to implement actions to mitigate and adapt to climate change, the Group has created an **energy transition platform,** completely integrated into its business model and synergistic with the regulated business that can contribute to the country's energy transition, independence and security.

Snam's businesses, as a whole, together with the know-how of the Group's 3,901 employees, place Snam at the forefront of creating a **pan-European multi-molecule infrastructure**, capable of transporting and storing not only natural gas but also renewable gases, such as biomethane and hydrogen, and achieving the company's decarbonisation targets.



Storage

The changes in the scope of consolidation of the Snam Group at 31 December 2024 compared to 31 December 2023 concerned:

(1) the merger by incorporation:
- of 12 companies, active in the business of biomethane from agricultural waste and biomass, into BYS Società Agricola Impianti S.r.l., and 1 company into Bioenerys Agri S.r.l.,
- of 7 companies, owners of plants for the production of biomethane from FORSU, into BYS Ambiente Impianti S.r.l.;
- of FSRU I Limited, the owner of the Floating, Storage and Regasification Unit (FSRU) 'BW Singapore' into Snam FSRU Italia S.r.l.;
- of the company Ravenna LNG Terminal Srl, owner of the maritime terminal, off the port of Ravenna, where the storage and regasification vessel (FSRU) 'BW Singapore' will be moored and connected to the transportation network, in Snam FSRU Italia S.r.l.;

(2) the sale of Renerwaste Cupello S.r.l., owner of a development project for a plant for the production of biomethane from OFMSW, 85% owned by Snam through its wholly-owned subsidiary Bioenerys Ambiente S.r.l.;

(3) the entry into the perimeter of the company Govone Biometano Srl, in light of the start of the construction activities of the biomethane production plant from agro-industrial waste.

Gas infrastructure business

Transportation

Through **Snam Rete Gas and the extensive gas pipeline network, natural gas is moved from import points, regasification plants and production and storage centres located throughout the Peninsula, to delivery points located in connection with import lines, to be transported and then delivered to redelivery points connected to local distribution networks and to large industrial and thermoelectric users.**

The gas transport network relies on **13 compression plants**, located along the national gas pipeline network, which maintain a constant gas pressure along its entire route, thus ensuring the smooth flow of gas; **48 Maintenance Centres** distributed throughout the country, whose activity is supervised by **8 Districts** and a **Dispatching Centre**, the technological brain of the Italian gas network, which remotely monitors and controls the transmission network, coordinating the compression plants.

Through a specific IT platform developed by Snam - Jarvis - customers who use Snam's transportation services (shippers) can sell and exchange gas in the vicinity of a Virtual Trading Point (VTP) of the national network.

With the 2025-2029 Strategic Plan, Snam intends to continue investing in the completion of the **Adriatic Line**, with the replacement of approximately 850km of pipelines to meet **hydrogen-ready** standards, the addition of three dual-fuel compression stations, and biomethane plant to transport network connections.

Storage

Through its subsidiary Stogit, Snam manages the natural gas storage business, which allows it to compensate for the different needs between gas supply and consumption, ensuring continuity of service even in the presence of possible rapid increases in demand or decreases in supplies linked to seasonal dynamics, unforeseen events or temporary crises in the gas system.

The **9 storage facilities** work in synergy with the Group's other transportation and regasification infrastructures, contributing to the country's energy security. In fact, the storage system stores gas during periods of lower demand (typically in the summer period) and then delivers it at times of peak demand or in the event of a shortage or momentary interruption of imports (typically in the winter period).

Up until 2029, Snam plans to continue the expansion and upgrade of storage sites, and the installation of three dual-fuel compression stations. In addition, part of investments are earmarked for Edison Stoccaggio assets acquired in March 2025, thus contributing to increasing the Group's storage capacity, as well as the country's energy security.

Regasification

The regasification process of liquefied natural gas (LNG) arriving in Italy by sea is managed through **GNL Italia and Snam FSRU Italia**, two companies controlled by Snam. Natural gas, extracted from reservoirs, undergoes a cooling process that transforms it into a liquid state, significantly reducing its volume. This allows for more efficient transportation via LNG carriers, making it easier to import into the country. In the regasification business, Snam operates with the **Panigaglia** terminal, the first regasification plant built in Italy and two floating units (FSRU), **Golar Tundra**, renamed **ItalisLNG**in June 2024, located at Piombino in Tuscany which entered into service in July 2023, and the **BW Singapore**, located at Ravenna in Emilia-Romagna, which is expected to enter into service in April 2025.

The 2025-2029 Strategic Plan includes investments for the commissioning of the Ravenna FSRU, which will contribute to the increase of LNG importable in the country and, consequently, to a greater security and diversification of energy supplies.

Small scale LNG and sustainable mobility

Greenture is the subsidiary of Snam that promotes the energy transition in the land, maritime and rail transportation sectors, as well as for offgrid industrial users, through the development of infrastructures dedicated to the use of Bio C-LNG (compressed and liquefied natural gas of biological origin), hydrogen (H_2) and other green molecules.

The Company is responsible for creating a network of **Bio C-LNG and H2** road refuelling stations **focusing on the automotive sector** (increasingly on heavy transport), the railway and naval sectors, and for developing *midstream* infrastructures and***small scale* LNG projects** , which include small liquefaction units and tanker loading, with the aim of relaunching sustainable mobility and the decarbonisation of the off-grid industrial segment in Italy.

In this regard, during the Plan period, Snam will be making investments aimed at building *small-scale* infrastructure at Panigaglia (adaptation of the regasification terminal for loading tanker trucks) and at Pignataro Maggiore (Liquefaction Plant), as well as a network of 135 Bio CNG, LNG and$_{H2}$stations.

The investments planned for the transportation, storage and regasification sectors and the related projects are dedicated to the sustainable development of infrastructures and contribute to the achievement of sustainability objectives linked to the energy transition and the creation of a multi-molecule infrastructure, with particular reference to the increase of the H_2-ready gas infrastructure and the stability of the operational availability of the infrastructure's gas. For more information, please refer to the paragraph 'Sustainability strategy, Sustainability Scorecard' in this chapter.

The energy transition businesses

Biomethane

With the work and technical know-how of **Bioenerys**, Snam is committed to fostering the development of infrastructure for biomethane production, as well as the disseminating the use of biomethane throughout Italy, contributing to the creation of value, the promotion of the country's energy transition and the achievement of decarbonisation targets.

Biomethane is a renewable and sustainable energy source, which can be introduced into existing infrastructures, bringing significant benefits from both an economic and environmental point of view.

Over the 2025-2029 Plan period, Snam intends consolidating the objective of promoting and optimising the integration of biomethane plants into the network. Within the Bioenerys perimeter, a development and conversion plan is also envisaged for plants, bringing the installed biomethane production capacity to 78MW by 2027.

Decarbonisation Projects

The Decarbonisation Project function manages Snam's hydrogen and carbon capture and storage (CSS) projects, with the aim of accelerating their development and deployment as key levers in ensuring the achievement of European and global decarbonisation goals, in particular in sectors with higher emissions.

In the hydrogen sector, the Strategic Plan has confirmed the first investments for the start of the construction of the 2,300 km Italian segment of the South$_2$ Corridor, the pipeline that will transport hydrogen included in the European Union Projects of Common Interest (PCI) and in the Global Gateways List. The project has significant strategic relevance, being one of the key hydrogen corridors to Germany and currently the most advanced in hydrogen development in Europe, and is considered the most cost-effective due to the extensive reuse of existing backbones.

CCS is emerging as one of the most effective technologies for decarbonising energy-intensive and carbon-intensive industrial sectors; therefore the Strategic Plan to 2029 foresees significant investments in the development of CO_2 transport at a national level and of the storage infrastructure in Ravenna, in partnership with Eni. Injection activities at **Ravenna CCS** started in August 2024, and the plant is currently preparing for Phase 2, which plans to increase capacity to industrial scale by 2028-2032 to reach up to 4 tonnes of CO_2 per year, in line with the Italian National Energy and Climate Plan (NECP).

Energy efficiency

To date, Snam is one of Italy's leading operators in energy efficiency services in the residential, industrial, tertiary and public administration sectors, thanks to the work of **B Corp Renovit**, established in 2021 by Snam and CDP Equity, which offers innovative energy efficiency solutions to its customers by investing directly in decarbonisation interventions, digitalisation, also by promoting self-consumption.

In energy efficiency, the Strategic Plan aims to direct Renovit's business portfolio towards industrial customers and the Public Administration, increasing long-term energy performance contracts, also leveraging Snam's extensive nationwide-presence.

The investments planned for energy transition businesses and related projects aim to address the increasingly strong need to counter the effects of climate change and achieve a greater flexibility of the energy system. The energy transition businesses leverage decarbonisation technologies and contribute to the achievement of sustainability objectives related to the energy transition and the creation of a multi-molecule infrastructure, with particular reference to the increase in kilometres of the H_2-ready network, avoided and captured emissions, biomethane production and investments related to the Ravenna CCS project (phase 1 and 2). For more information, please refer to the section "Sustainability strategy, Sustainability Scorecard' in this chapter.

THE CONTEXT

Geopolitical tensions and market fragmentation pose significant risks to global energy security and the transition to cleaner energy. With ongoing conflicts in the Middle East and Ukraine, and growing reliance on concentrated supply chains, the global energy landscape remains fragile. Additionally, global gas markets have faced significant changes since 2022 that have created significant tensions in gas supply, pushing prices to record highs.

In this context, the importance of energy security extends beyond traditional energy sources to include infrastructure adequacy, the resilience of clean energy supply chains, and the transformation of the electricity and gas sector. The clean energy transition, although accelerated, is not linear and is subject to political and industrial uncertainties, especially in developing countries, where the high cost of capital hampers investment.

Global energy demand continues to grow, driven primarily by emerging economies such as India and Southeast Asia. However, improving energy efficiency and the electrification of consumption are dampening the overall growth of traditional fuels.

In 2024, global demand for natural gas recorded significant growth, driven primarily by rapidly expanding Asian markets. Despite this strong growth, the outlook for gas demand remains uncertain. Global LNG production fell short of expectations in the second quarter of 2024, while geopolitical tensions fuelled price volatility, with prices rising across all major markets.

To address these critical issues, in recent years the European Union has implemented several measures that have helped maintain adequate supplies on the European gas market. The measures include filling storage capacity, which already made it possible, in August 2024, to reach the goal of filling gas storage facilities to 90% in view of the winter.

Other measures implemented at the European level include initiatives to increase gas and electricity consumption efficiency, also supported by the **AggregateEU** joint purchasing mechanism, and by encouraging the expansion of imports from other sources, in particular LNG. In fact, much European investment has been directed towards **increasing LNG capacity** and has resulted in the construction of new liquid gas terminals including the FSRU terminal in Piombino and Ravenna. Since Russia's invasion of Ukraine, Europe has added 58.5 billion cubic meters (bcm) of new LNG regasification capacity. This increase includes 47.7 billion cubic meters of new FSRUs and 10.8 billion cubic meters of expanded terminals.

These developments have strengthened the **resilience** of the European gas market, diversifying supply sources and reducing dependence on pipeline supplies. The gas sector showed a **significant ability** to adapt in 2024, supported by effective policies and strategic investments that have ensured **energy security** and **market stability**.

Uncertainty over gas supply seems to remain for 2030 and beyond.

According to the scenarios presented by the World Energy Outlook 2024, global demand for natural gas will reach a growth peak around 2030, then follow a declining *trend* in the following years. Depending on the rate of dissemination of renewable technologies and the growth in electricity demand, this peak in gas demand could be brought forward or postponed, with a more or less significant decline between 2030 and 2035, respectively.

At the same time, there is a clear need to continue to focus investments and commitments on alternative forms of **clean energy**, first and foremost renewables, not only to reduce emissions, but also to ensure security of supply and energy supply.

In this regard, the **World Energy Outlook 2024** confirms the turnaround highlighted in 2023; In fact, although the demand for fossil gases has remained high in the past years, the rate of construction and/or addition of fossil-fuelled assets has declined, and, on the contrary, the deployment of low-emission energy alternatives has increased, in parallel with investment. Global investment in the energy sector is expected to **exceed $3 trillion in 2024**, with the majority being earmarked for clean energy technologies and infrastructure.

Progress in the deployment of renewable energy has been particularly significant over the past year, in fact with renewable energy generating 50% of electricity in the European Union in the first half of 2024.

Following this planning approach, Member States are encouraged to invest in the green and just transition, through instruments such as the Recovery and Resilience Facility (RRF), which provides for the progressive replacement of fossil fuels, promoting both the development of renewable green gases and low-carbon gases and the application of CCUS technologies, to promote the decarbonisation of so-called hard-to-abate sectors, in which emissions are more difficult to reduce.

Indeed, CCUS, combined with ad hoc policies to favour the implementation of carbon capture and storage projects and facilities, has emerged as one of the main levers of decarbonisation, scalable by adapting existing facilities and infrastructure. The **Global Gas Report 2024** estimates that total carbon capture capacity is expected to grow from 55 Mtpa of CO_2 in 2024 to over 550 Mtpa of CO_2 in 2030.

In this direction, in 2023 the first authorization was released to carry out an experimental programme called 'CCS Ravenna Phase 1' whose operations began during 2024, with an injection capacity of 25 $ktCO_2$/year. The captured carbon dioxide is transported, through pipelines previously used for the transportation of natural gas and appropriately reconverted, to the offshore platform of Porto Corsini Mare Ovest, to be injected into the depleted gas field of the same name where it is permanently stored at a depth of approximately 3000 metres. This project represents the first global example of CO_2 capture with such levels of efficiency.

Industrial-scale development is also planned, with a Phase 2 to increase storage capacity to 4 million tonnes per year by 2028-2032, with the potential to reach up to 16 million tonnes of CO_2 per year, meeting the needs of energy-intensive industries and contributing to decarbonisation.

In order to test the market response to CCS technology, Eni and Snam launched a market survey in 2024 'Survey on the potential market for the transportation and storage of CO_2 at the Ravenna CCS site' addressed to entities with emission sites on Italian territory and which remained active from 7 February to 5 May 2024.

The initiative was conceived with the aim of:

- **informing interested stakeholders about the modular and integrated development of CO_2 transport that will facilitate the collection and delivery of CO_2 to the permanent geological storage facility envisaged by the project;**
- **collecting technical and economic data, useful for defining the most efficient transport solutions for the needs of the Italian industrial system;**
- **testing the market interest for the CO_2 transportation and storage service at the Ravenna site through non-binding expressions of interest.**

The expressions of interest collected from 61 companies that joined the survey correspond to a potential of approximately 30 Mton/year of CO_2 at around 2030, confirming the interest in CCS technology by the Italian industrial system, in particular by the hard-to-abate, thermoelectric and Waste to Energy sectors.

In addition to the expansion of CCS technologies, **hydrogen** also represents a valid alternative to traditional fuels. By repurposing existing pipelines and creating new network sections, it can complement or replace natural gas in some sectors and processes. According to the IEA, the number of announced projects for low-emission hydrogen production is expanding rapidly and will peak at 49 million tonnes in 2030, according to the **Global Hydrogen Review 2024**. However, equipment-related expenses, financial costs and strong inflationary pressures could hinder deployment, jeopardising project activation and reducing the impact of government support for implementation. Confirming this, according to the **Energy Transition Outlook 2024** published by DNV, estimated global spending on hydrogen production for energy purposes will reach USD 6.8 trillion by 2050, with a parallel increase in future hydrogen demand, which is expected to exceed 188 MtH_2 per year by 2050, exploiting its maximum potential mainly in the manufacturing sector (73%), followed by the transport sector (14%) and buildings (7%), while the remainder will be allocated to the electricity production and other purposes.

In addition to hydrogen, the other vectors in which Europe is investing are **biomethane**, a gas equated to natural gas produced renewably from biomass or materials of biological origin, and **synthetic methane**, i.e. low-carbon hydrogen converted into methane, the applications of which are still at a preliminary and experimental stage. Biomethane and synthetic methane are a direct substitute for natural gas, without requiring changes to the existing natural gas infrastructure.

Even in 2024, the drivers characterising the resilient, flexible and stable European gas market are energy security, innovation, sustainability and diversification. To this end, it will be necessary to leverage existing policies and technologies to lay the foundations for a low-emission future and economy, as well as to invest in new innovative projects, with renewables, green gases, such as biomethane and hydrogen, and carbon capture and storage, as key players.

THE EUROPEAN AND NATIONAL STRATEGY

Starting in 2019, with the approval of the **European Green Deal,** the European Union has set out on a path towards a low-carbon economy, with the ultimate goal of achieving carbon neutrality by 2050.

To this end, the European Commission has promoted a number of legislative initiatives, anchored on key European policy documents with a view to supporting the achievement of the 2030 and 2050 targets.

With regard to strategic direction documents, the following is noted:

- the **EU Strategy on Energy System Integration**, which aims to optimise and modernise the European energy system as a whole by connecting different energy carriers with each other and with end-use sectors by leveraging emerging technologies, processes and business models;
- the **Hydrogen Strategy**, in continuity with the EU Strategy on Energy System Integration, which aims to create a European hydrogen ecosystem by moving from research and development projects to the creation of scalable hydrogen infrastructures by leveraging the opportunity to decarbonise the European Union through production and use of renewable hydrogen.
- the **EU Methane Strategy**, which aims to reduce methane emissions, improve air quality and strengthen European leadership in combating climate change, for example through improved measurement, reporting and verification of these emissions by the energy sector, with the mandatory adoption of leak detection and repair tools (see Leak Detection and Repair).
- the **REPower EU Plan**, following Russia's invasion of Ukraine, the European Commission presented in March 2022 this Plan, which sets out a series of measures to reduce Europe's reliance on natural gas from Russia and at the same time accelerate the transition to clean energy.
- the **Industrial Carbon Management Strategy**, an industrial strategy document for carbon management (COM/2024/62) adopted by the Commission on 6 February 2024. The strategy identifies a series of actions to be taken, at EU and national level, to establish a single market for CO_2 emissions in Europe and make investments in industrial carbon management technologies more attractive.
- The **Sustainable Carbon Cycles** initiative, an action plan adopted in 2021 by the Commission to develop short- and medium-term sustainable solutions with the aim of increasing carbon removals.

In terms of legislative proposals, the main elements of the EU Green Deal implementation reforms already adopted at European level are:

- **Fit for 55**, a set of proposals to update EU regulations relevant to the decarbonisation of energy systems in line with the climate targets agreed by the Council and the European Parliament. The package of proposals aims to provide a coherent and balanced framework for achieving the EU climate targets, to:
  - ensure a fair and socially just transition;
  - maintain and strengthen the innovation and competitiveness of EU industry while ensuring a level playing field with economic operators in third countries;
  - support the EU's leading position in the global fight against climate change.

  The 'Fit for 55' package is relevant for gas markets because the combination of the underlying regulatory proposals has an impact on the energy mix within the EU and on energy efficiency, and thus on the volumes of natural, low-carbon and renewable gas over time.

- the **Hydrogen and gas markets decarbonisation package**, a set of regulatory revisions aimed at decarbonising the EU gas market by facilitating the deployment of renewable and low-carbon gases, including hydrogen, and ensuring energy security for all European citizens. The main objectives include:
  - Promote the development of an interconnected European market for renewable gas, low-carbon and hydrogen through enabling measures;
  - promote the conversion of gas infrastructures for hydrogen transport, with common standards for blending and interoperability, and define rules for future hydrogen network planning;
  - introduce a regulatory framework for hydrogen along the lines of that for gas;
  - strengthen consumer protection measures with special reference to vulnerable consumers and those at risk of energy poverty;
  - strengthen security of supply by bringing into the package some of the most recent emergency measures introduced in the context of the war in Ukraine, such as those for demand aggregation and solidarity default clauses, to make them permanent. The 'Gas and Hydrogen Package', consisting of the revision of the Gas Directive and Gas Regulation, is the European legislative initiative with the most direct impact from the point of view of infrastructure operators as it determines the approach to infrastructure regulation of hydrogen and decarbonised and renewable gases as well as to infrastructure planning.
- the **EU Methane Emissions Regulation**, the regulation for the reduction of fugitive methane emissions, aimed at addressing the issue of fugitive emissions by introducing provisions to harmonise the collection of emissions data and promote preventive measures by infrastructure operators.
- the **Energy Performance of Buildings Directive (EPBD)** and the **Energy Efficiency Directive (EED)**, two directives that form a framework of regulations that promote the creation of policies that will enable:
  - the realisation of highly energy-efficient and decarbonised buildings by 2050;
  - the creation of a stable environment for investment decisions;
  - consumers and businesses to make more informed choices to save energy and money.

  With the revision of the EPBD in December 2023, it is planned to increase the renovation rate, in particular for the worst performing buildings in each country, to improve air quality, the digitisation of energy systems for buildings and the implementation of sustainable mobility infrastructure, and to support EU countries in the realisation of a more efficient building stock taking into account their particularities, with a view to just transition.

- the **Renewable Energy Directive III (RED III)**, the third revision of the Renewable Energy Directive, first published in 2009, provides a number of innovations for Member States in the field of renewable energy, in particular with regard to their promotion and increasing their share in the EU's energy mix.
- the **Net Zero Industry Act (NZIA)**, i.e. the Commission's legislative proposal to promote the clean tech manufacturing industry in Europe and to support strategic net zero technologies, with the ultimate aim of increasing the Union's competitiveness in the context of the energy transition, enhancing its resilience, both in terms of economic efficiency and security of supply. In this sense, the Net Zero Industry Act is an important lever for the development of technologies such as biomethane, CCS, fuel cells and hydrogen and to this extent is relevant for the decarbonisation of the gas system;
- the **European Taxonomy**, a regulation coming into force in 2020 that defines a common EU-wide classification system of economic activities that can be considered environmentally sustainable and, in line with the objectives of the European Green Deal, helps to guide the choices of investors and companies towards a transition to economic growth without negative impacts on the environment and, in particular, on the climate. The taxonomy is relevant for gas infrastructures insofar as alignment with the investment taxonomy is relevant both from the perspective of investors' financing choices and the allocation of public funds towards infrastructure investments functional to the development of decarbonised gas.
- the **Carbon Removals and Carbon Farming (CRCF) Regulation**, which establishes the first voluntary EU-wide framework for the certification of carbon removals, carbon sequestration in agricultural soils and storage of carbon produced across Europe. By establishing EU quality criteria and establishing monitoring and reporting processes, the CRCF Regulation will facilitate investments in innovative carbon removal technologies and sustainable carbon sequestration solutions in agricultural soils, while addressing the risk of greenwashing.

The objective behind the above-mentioned action plans and directives is to support the energy transition and, at the same time, to promote the **just transition,** i.e. to ensure the achievement of carbon neutrality in a fair and equitable manner among all member states, leaving no one behind**.** In order to mitigate the socio-economic impact of the transition by supporting the regions, industries and workers that will be most affected by it, the European Commission has activated a reinforced cross-border solidarity mechanism (**Just Transition Mechanism - JTM**), developed within the framework of the European Green Deal, from 2020. The JTM will mobilise at least €100 billion of investment between 2021 and 2027 and will reach almost €150 billion over the next 10 years, focusing, in particular, on the most CO_2-intensive regions and those with the highest number of employees in the fossil fuel sector.

Snam believes in the fundamental importance of infrastructure for the dissemination of renewable gases to achieve emission reduction targets and promotes, within associations and regulatory areas, the recognition of their strategic role.
In this regard, Snam is actively involved in a wide range of European Union initiatives, mainly within the framework of the new planning guidelines of the European Commission presented in the Clean Industrial Deal and the Action Plan on Affordable Energy Prices.
During 2024, Snam participated in:

- **8 public consultations at European level;**
- **more than 50 meetings with European institutions, category associations and think tanks;**
- **more than 100 meetings with members of states and governments, diplomatic representatives, authorities and multilateral organisations.**

In line with the 2025-2029 Strategic Plan, Snam confirms its role focused on the creation of a **pan-European multi-molecule infrastructure**, focusing on gas infrastructure and energy transition platforms. Using innovation and sustainability as levers, gas infrastructure and energy transition are becoming increasingly interconnected, sharing their use and European perspective.

Snam's strategy includes, in addition to investments in gas infrastructure to ensure security of supply, activities aimed at integrating new technologies and developing technical standards.

In particular:

- H_2 readiness of infrastructure, including materials, network components and storage for the transport of pure hydrogen or H_2/gas mixtures;
- participation in projects for the production and use of H_2 (also in blending with natural gas);
- the diffusion of low and zero-emission technologies including the development and integration of new biomethane plants and CCS;
- participation in projects for the development of infrastructures for the transportation and storage of CO_2 and the definition of technical standards at European level;
- a reduction of its emissions through the adoption of measures aimed at achieving carbon neutrality, including the use of green gases, the installation of dual fuel compressors, monitoring and minimising fugitive emissions from the grid (LDRA programme).

In a scenario of European energy markets characterised by volatility and imbalances, Snam needs to invest in energy resilience, increasing the infrastructure capacity for natural gas (including biomethane), hydrogen and CO_2, with a focus on transportation and storage. Snam also accelerates innovation, with a vision that is two-fold: implementing mature technologies to optimize safety and operational efficiency; and developing innovative solutions, including open innovation and generative artificial intelligence.

Snam, as one of the leading European Transmission System Operators (TSOs), has privileged access to consultations on climate policies, and also through its participation in working tables and associations, contributes to the definition of climate policies developed at European level. In particular, in 2024 Snam updated its Climate Lobbying policy ('Snam's climate commitment and advocacy position'), which describes the fundamental principles on which Snam's climate strategy is based, its climate advocacy position and participation in international and national associations within the Snam Group and which confirms the corporate objective of carrying out its business in line with the Paris Agreement. Relations with associations and other organisations of which Snam Group is a member (such as think tanks, networks and forums) are aimed at sharing Snam's point of view and contribution in the definition of policies and other initiatives carried out by the association. For more information, please refer to the chapter 'Business conduct'.

The Italian Government is implementing several initiatives to facilitate the energy transition, especially in the most vulnerable areas, addressing the challenges posed by the recent energy crisis. Among these, the promotion of **Renewable Energy Communities** (CER) stands out, with its aim of installing at least 2 gigawatts of new renewable capacity, financed with 2.2 billion euros from the **National Recovery and Resilience Plan** (NRRP).

In light of the current circumstances, influenced by the energy crisis and geopolitical tensions, the Italian Government has made further changes to the National Recovery and Resilience Plan (NRRP) during 2024. In particular, on 4 March 2024, a request for a targeted revision of the NRRP was submitted to the European Commission, which was approved on 26 April 2024. These changes, of a technical nature, follow the comprehensive revision of the plan adopted by the Government on 8 December 2023.

The revision of the NRRP, through the Dossier 'The reprogramming of NRRP interventions' of 8 April 2024, led to the financing of additional investments for approximately 25 billion euro, of which 11.18 billion allocated to the objectives of REPowerEU to accelerate the energy independence of Italy and the European Union, reducing reliance on fossil fuels and diversifying energy supply sources.

Among the reforms of the new NRRP, the development of biomethane has also been strengthened. In addition to facilitating the reconversion and modernisation of existing biogas plants, as well as the creation of new plants for biomethane production, the Plan aims to reduce the cost of connection to the gas grid for plants producing biomethane from municipal organic waste or agricultural waste. The theme was previously considered in the publication of the **Biomethane Decree**, in force from October 2022, which formalises the incentives for achieving these targets, providing a 40% contribution to the costs incurred and an incentive tariff applied to net biomethane production for a duration of 15 years.

In addition to biomethane, the NRRP devotes part of the reforms to hydrogen, supporting its development through:

- the creation of **hydrogen valleys**, i.e. ecosystems that include both hydrogen production and consumption;
- the construction of refuelling stations;
- its application in rail transport and hard-to-abate sectors;
- the production of electrolysers for the creation of a national hydrogen supply chain;
- the promotion of research and development projects in the field.

On 26 November 2024, the Ministry of Environment and Energy Security (MASE) presented the **National Hydrogen Strategy**, outlining scenarios for the adoption of renewable and low-carbon hydrogen up to 2050.

The strategy highlights the importance of hydrogen as a practical solution to achieving decarbonisation objectives, in line with the **National Integrated Energy and Climate Plan.** (NECP 2024) to 2030 and target of climate neutrality by 2050.

The document highlights the need to combine different technological solutions, including increasing production from renewable sources, developing carbon capture and storage (CCS), biofuels, biomethane and, possibly, the use of nuclear energy, to ensure a resilient and competitive energy system.

In particular, the strategy foresees three possible scenarios of national hydrogen demand by 2050, varying between 6 and 12 Mtep, with a corresponding need for electrolysers ranging from a few gigawatts to up to several tens of gigawatts, depending on the contextual conditions.

To meet this demand, two main supply scenarios have been outlined:

- **Scenario 1**: 70% domestic production and 30% imports, requiring between 15 and 30 GW of electrolysers supported by 45-90 GW of renewable energy plants;
- **Scenario 2**: 20% domestic production and 80% imports, with a need for 4-9 GW of electrolysers powered by 13-26 GW of renewable plants.

Snam plays a major role in identifying and developing the necessary actions towards a resilient and flexible national and non-national energy system, leveraging its know-how in the field of gas infrastructure, as well as investing significantly in alternative energy sources, including biomethane and hydrogen, in energy efficiency measures, in carbon capture and storage projects and in the research and development of innovative and cutting-edge technologies, capable of responding to the needs of the energy transition.

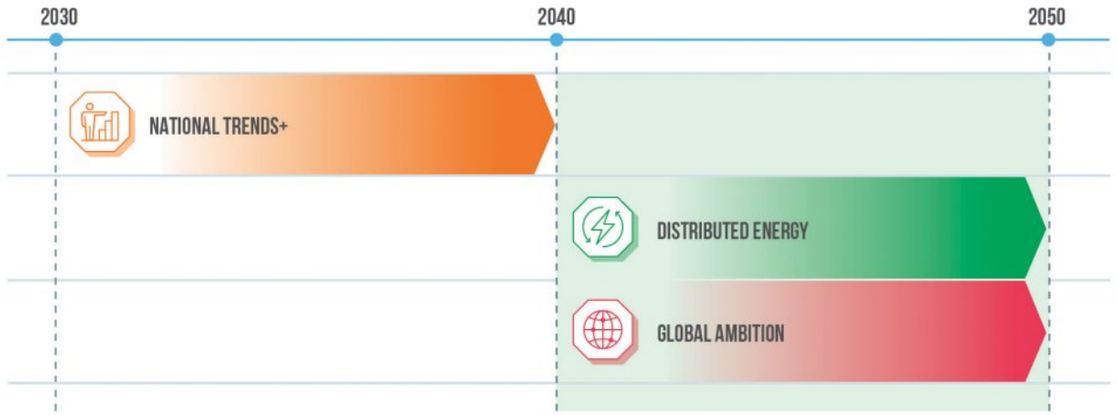
THE ROLE OF GAS

The gas industry must actively work to achieve the international community's challenging decarbonisation targets. To this end, in order to promote and develop collaboration between national operators at a European level, the European Network of Transmission System Operators for Gas (ENTSOG) was established in 2009, of which Snam is a member. Among its objectives, the Association aims for the improvement of cooperation in Europe among national gas transmission system operators, working to ensure that the European gas transmission system develops in line with EU energy and climate objectives.

It is in this perspective that every two years, as required by ACER (the European Union Agency for the Cooperation of Energy Regulators) in the document 'TYNDP Scenarios Guidelines'[55], ENTSOG collaborates with ENTSO-E (the European Network of Transmission System Operators for Electricity) to develop a joint European Energy Scenario (Joint Scenario Report). This report provides the common basis for the evolution of the European energy system on which ENTSOG and ENTSO-E prepare their respective Ten-Year Network Development Plans (TYNDP), which present the strategies and development plans for the European gas network (ENTSOG TYNDP) and the development plans for the European electricity network (ENTSO-E TYNDP).

The 'Joint Scenario Report' is drawn up taking into account the energy and environmental policy guidelines at EU level, which in turn are broken down into the targets of reducing emissions, increasing the contribution from renewable energy and increasing energy efficiency over a short-medium, long- and very long-term time horizon. The development of the joint scenario also takes into account the contributions of the association's members and includes all the best information which may be inferred from studies and discussions with the main organizations in the energy sector. These include the publications of the International Energy Agency (IEA) and the studies published by the European Commission on energy and environmental issues, which are considered as a key reference for the long-term evolution of commodity prices and CO_2 emission costs.

The latest 'Joint Scenario Report' of ENTSOG and ENTSO-E was published in May 2024 and represents the scenario set for the development of the TYNDP 2024. The 'Joint Scenario Report' describes a short-/long-term scenario and two long-term scenarios (or **deviation scenarios**) to address the increasing uncertainties after 2030:



TYNOP scenario horizon
Assessment of pathways in compliance with Paris Agreement

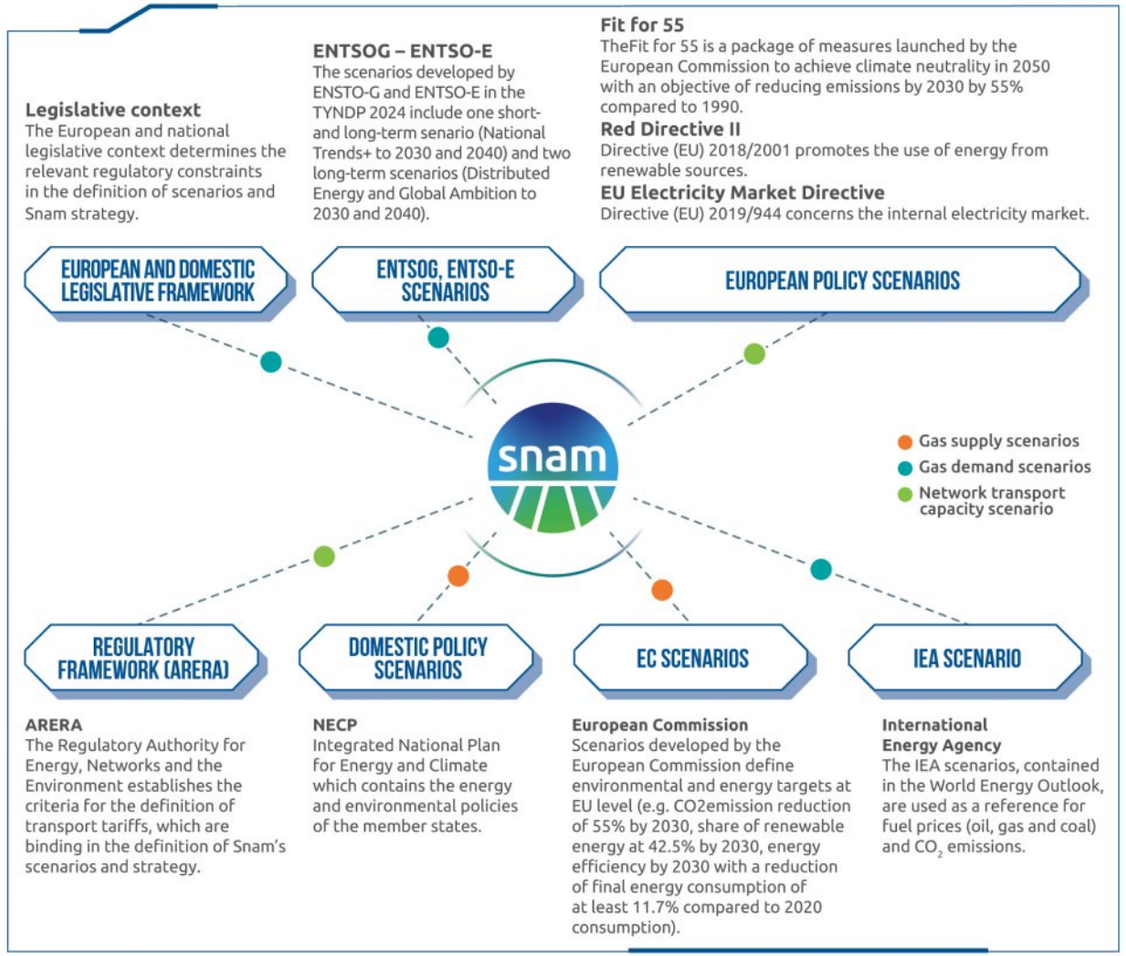
- **National Trends+**, consistent with national energy and climate policies (National Energy and Climate Plans, national long-term strategies, hydrogen strategies, etc.) derived from European objectives. For the first time, the National Trends+ scenario has been quantified for all energy carriers, expanding the analysis beyond electricity and gas.
- **Distributed Energy** envisages the maximisation of renewable energy production in Europe, as well as a strong reduction in energy imports, with the aim of achieving energy autonomy through local initiatives implemented by citizens, communities and organisations, supported by the authorities.
- **Global Ambition**, envisages the development of renewable and low-carbon technologies and the adoption of global energy trading as a means to accelerate decarbonisation. In addition, it estimates significant reductions in the costs of emerging technologies due to economies of scale and an increase in decarbonised energy imports.

The Distributed Energy and Global Ambition scenarios are developed in line with the objectives defined in COP21 and ensure limiting the temperature increase as foreseen by the Paris Agreement, to keep the increase in the global average temperature to well below 2 °C compared to pre-industrial levels and continuing the action aimed at limiting this increase to 1.5 °C compared to pre-industrial levels. In this way, these scenarios lay the foundation for a pathway to achieve carbon neutrality by 2050, forecasting a reduction in emissions of at least 55% in 2030 compared to 1990. In particular, both scenarios foresee that, in order to reach the climate targets set at European level, it will be necessary to continuously improve existing technologies and encourage a shift towards more efficient technologies. In addition, electrification and the increased use of the hydrogen vector with the realisation of electrolysers capable of producing green hydrogen are two other key elements of the above-mentioned

[55] TYNDP Scenarios Guidelines.

scenarios. Finally, the use and integration of CCS technologies is planned, especially in the case of the Global Ambition scenario.

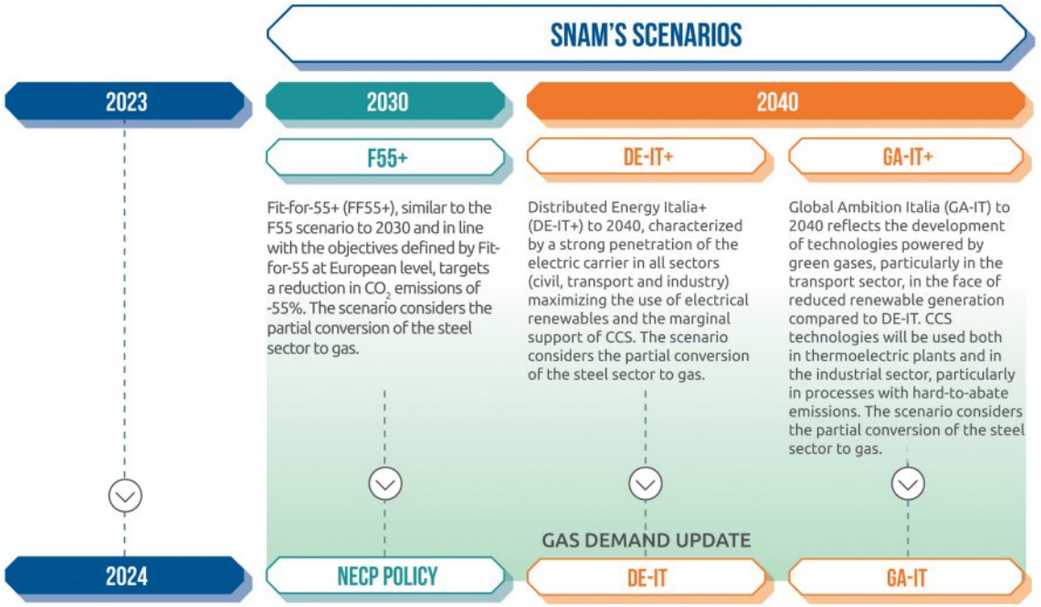
SNAM'S SCENARIOS[56]



The pursuit of the national energy transition, supported by the development of a multi-molecule infrastructure, suitable for the transport and storage of green gases, including biomethane and hydrogen, and the use of increasingly advanced technologies to support the green projects in which the Company is investing, are the fundamental elements that guide the definition of gas supply and demand scenarios with a view to defining short, medium and long-term objectives for its business.

The reference scenario context is based on the scenarios developed by Snam, in coordination with Terna, and published in the '**Document describing the 2024 Scenarios**' (DDS 2024), and which, in turn, are based on those contained in the legislative and regulatory frameworks defined at a European level, national level and by the Regulatory Authority for Energy Networks and Environment (ARERA), and on a substantial amount of information derived from the ENTSOG and ENTSO-E scenarios, from the European Commission, and from IEA (International Energy Agency), including the Net Zero emissions by 2050 scenario (NZE). This information refers to prices, economic growth trends, technological evolution and the availability of energy sources and carriers, taking into account the geographical context in which Snam operates.

The 2024 DDS presents the following scenarios, updated from the 2023 version:



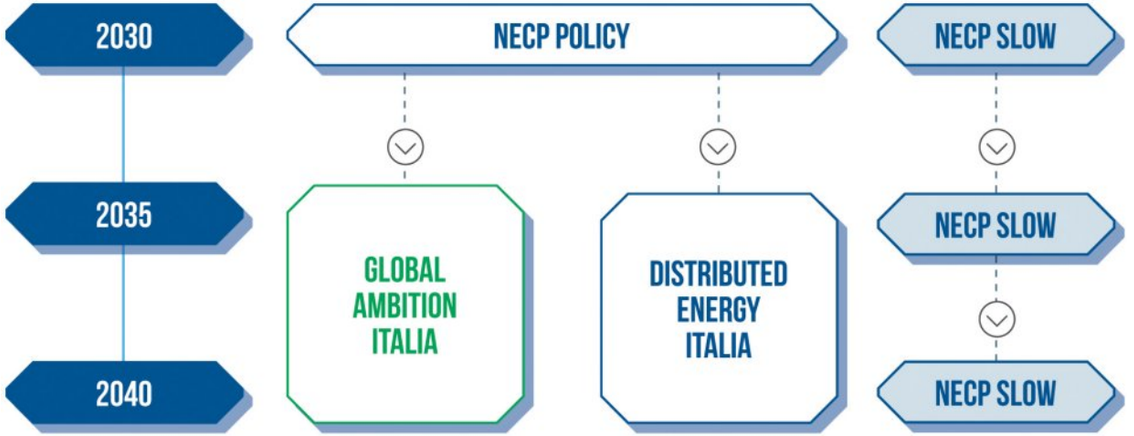
[56] For the sake of completeness, we also note the Representative Concentration Pathway 2.6 (so-called 'RCP 2.6'), the scenario used by Snam for the physical risk assessment.

The 2024 DDS analyses the evolution of the energy system with particular reference to gas and electricity demand and coverage in the horizon years 2030 -2035 and 2040.
By 2030, the F55+ scenario is replaced by the NECP P**olicy** scenario published by the Ministry of the Environment and Energy Security (MASE) in the 2024 NECP published in June 2024, and which represents the most up-to-date vision of the evolution of the national energy system.

The DE-IT and GA-IT policy scenarios for 2035 and 2040 have been developed, presenting two possible paths to achieve Carbon Neutrality in 2050 and are aligned respectively with the storylines of the ENTSOs Global Ambition and Distributed Energy scenarios of the next 2024 TYNDP.

In addition to the policy scenarios described above, there is the NECP **Slow** scenario which hypothesizes a delay both in the measures envisaged by the NECP 2024 to 2030, and with respect to the DE-IT and GA-IT scenarios in the years 2035 and 2040:

- **NECP POLICY (2030)**: Overall, the 2030 Policy scenario is in line with the 'Fit-for-55 2030' scenario developed by Snam and Terna in 2022 and 2023, and integrates recent socio-economic and political updates. It provides for the closure of coal plants by 2030 and a significant development of renewable sources, such as photovoltaic and wind power, supported by network infrastructures and storage systems. It also provides for a sustained development of biomethane and the use of green hydrogen as a new energy carrier from domestic production and imports. To achieve the ambitious decarbonisation targets, it also includes CO_2 capture and storage (CCS) technologies, with a planned capacity of 4 million tonnes per year by 2030, which may be extended up to 20 million in subsequent years.
- **DE-IT and GA-IT (2035 - 40)**: achieving energy and environmental objectives requires the use of all available technologies for the energy transition. The different penetration of one or more of these technologies is the distinguishing element between the DE-IT and GA-IT scenarios. In the **DE-IT**scenario the increased penetration of the electric vector is expected in all end-use sectors (civil, transport and industry) thus maximising the use of solar and wind power generation, which becomes the main tool for achieving decarbonisation objectives. The use of hydrogen in final consumption is limited to the so-called '*hard-to-abate*' sectors. The **GA-IT** scenario foresees the decarbonisation of consumption through a greater hydrogen penetration in all sectors, a different use of technologies and energy vectors in the mobility sectors (electricity, hydrogen, e-liquids and biofuels) and a more significant use of CO_2capture and storage, both in the hard-to-abate and thermoelectric sectors. Common to both scenarios is the maximization of biomethane, the development of new electrolysers for hydrogen production thanks to the strong penetration of RES-E and the use of CCS.
- **NECP SLOW (2030 - 35 - 40)**: the NECP Slow scenario is developed for all three time horizons (2030, 2035 and 2040) and assumes a delay in the implementation of the measures envisaged by the policy scenarios to achieve the decarbonisation targets. Over all horizon years, the delay with a slower electrification of consumption, a slower development of renewable sources, electrolysers and biomethane, as well as limited progress in green hydrogen. CO_2 capture and storage is focused solely on the Ravenna project, with 4 million tonnes captured by 2030 and 16 million by 2040.



Each scenario has a set of information with respect to commodity prices, CO_2, gas demand and supply for the years 2030, 2035 and 2040.

	NECP POLICY	GLOBAL AMBITION ITALY (GA-IT)	DISTRIBUTED ENERGY ITALY (DE-IT)	NECP SLOW
REFERENCE TEMPERATURE PER SCENARIO	Net Zero by 2050; -1.5°C	Net Zero by 2050; -1.5°C	Net Zero by 2050; -1.5°C	Net Zero by 2050; -1.5°C
TIME HORIZON	2030	2035, 2040	2035, 2040	2030, 2035, 2040
SOURCE	NECP 2024	Processing on ENTSOs-TYNDP 2024	Processing on ENTSOs-TYNDP 2024	Processing on NECP 2024
PARAMETERS USED [1]	Trends in economic and demographic variables (2030): • GDP (CAGR): +0.6% • Population (mln): 58.8 • No. of families (mln): 25.3 • Commodity prices (2030): • Gas (€/MWh): 32.4 • Oil (€/MWh): 50 • Coal (€/MWh): 14.4 • Emission quota (€/tCO_2): 95	**The following parameters are common to the GA-IT+ and DE-IT+ scenarios** Trends in economic and demographic variables (2035-2040): • GDP (CAGR): +1.1% • Population (mln): 58.6 - 58.5 • No. of families (mln): 25.4 Commodity prices (2035, 2040): • Gas (€/MWh): 29.5 - 36.4 • Oil (€/MWh): 55.4 - 56.9 • Coal (€/MWh): 13.7 • Emission quota (€/tCO_2): 100		Trends in economic and demographic variables (2030-2040): • GDP (CAGR): +0.6% - +1.1% • Population (mln): 58.8 - 58.5 • No. of families (mln): 25.3 - 25.4 • Commodity prices (2030-2040): • Gas (€/MWh): 32.4 - 36.4 • Oil (€/MWh): 50 - 56.9 • Coal (€/MWh): 14.4 - 13.7 • Emission quota (€/tCO_2): 95 - 100
POLICY AND TECHNOLOGICAL DEVELOPMENT	• CO_2 emissions -55% in the EU, -51% in Italy; • Energy efficiency in final consumption (about 95 Mtoe by 2030, -14% compared to 2019); • Maximum development of renewable energy sources capable of covering around 65% of electricity needs; • Strong growth in biomethane; • Use of CCS in 'hard-to-abate' sectors; • Partial conversion of the steel sector to gas with Direct Reduced Iron (DRI) technology.	• Biomethane, H_2 and e-fuel used in the transport sector (light-duty and heavy-duty trucks); • Heating buildings through hybrid and purely electric heat pumps; • Hydrogen as a substitute for natural gas in the industrial sector and as a green fuel in the transport sector. Start of penetration in the civil sector; • (electricity) generation from renewable sources; • Introduction of CCS for process emissions and power plants; • Partial conversion to gas in the steel industry with Direct Reduced Iron (DRI) technology.	• Strong electrification of transport (light-duty vehicles and light-duty trucks) and residential heating; • Hydrogen in industry, mainly hard-to-abate, and in transport. Marginal share in the civil sector; • Maximum development of (electricity) generation from renewable sources; • Green gas and storage used as back-up for intermittent generation from renewable sources; • Residual use of CCS if necessary; • Partial conversion to gas in the steel sector.	• Slower electrification of consumption resulting in reduced electricity demand. • Development of renewable energy source laggards; • More limited development of electrolysers; • Non-maximized development of biomethane that follows an evolutionary trend consistent with historical evolution; • Limited development of green hydrogen; • Use of CCS with the sole development of the Ravenna project.

[1] All scenarios are based on the macroeconomic and demographic assumptions reported in the 2024 NECP and consistent with the 2024 European Commission Ageing Report.

Degree of development: low ■□□ average ■■□ high ■■■

2030

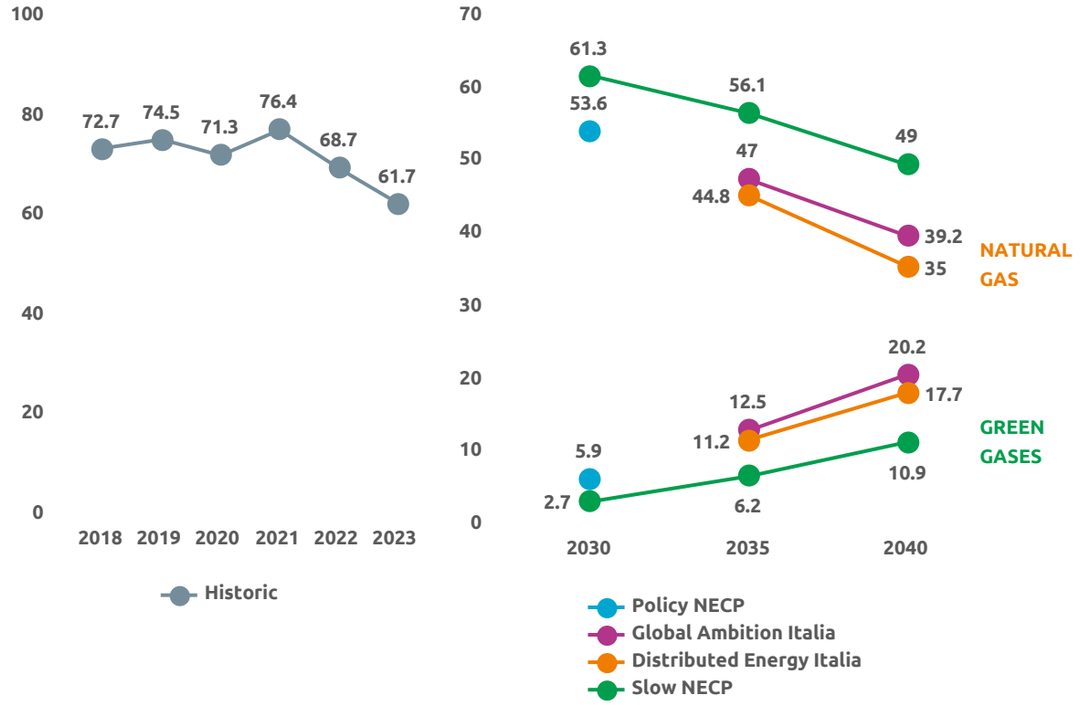
	TOTAL GAS DEMAND				LEVERS		SHARE OF GREEN GAS IN GAS DEMAND
	Total gas	Natural gas	Biomethane	Hydrogen		Degree of development	
NECP POLICY	59.5 bln/m^3	53.6 bln/m^3	5.0 bln/m^3	0.9 bln/m^3	Biomethane	■■□	9.9% share of green gas in gas demand
					Green hydrogen	■□□	
					CCUS technologies (estimated captured volume of 4 Mton/CO_2 per year)	■■□	
NECP SLOW	64.0 bln/m^3	61.3 bln/m^3	2.3 bln/m^3	0.4 bln/m^3	Biomethane	■□□	4.3% share of green gas in gas demand
					Green hydrogen	■□□	

Degree of development: low ■□□ average ■■□ high ■■■

2035

	TOTAL GAS DEMAND				LEVERS		SHARE OF GREEN GAS IN GAS DEMAND
	Total gas	Natural gas	Biomethane	Hydrogen		Degree of development	
GA-IT	59.5 bln/m^3	47.0 bln/m^3	7.8 bln/m^3	4.7 bln/m^3	Biomethane	■■□	21.0% share of green gas in gas demand
					Green hydrogen	■■□	
DE-IT	56.1 bln/m^3	44.8 bln/m^3	7.8 bln/m^3	3.4 bln/m^3	Biomethane	■■□	20.0% share of green gas in gas demand
					Green hydrogen	■□□	
NECP SLOW	62.3 bln/m^3	56.1 bln/m^3	3.5 bln/m^3	2.7 bln/m^3	Biomethane	■□□	9.9% share of green gas in gas demand
					Green hydrogen	■□□	

SNAM'S SCENARIOS (BILLIONS OF M3)



Note: the billions of m3 of hydrogen are equivalent, i.e. converted according to the different calorific value compared to natural gas.

For more information on Snam's scenario development in the different sectors - civil, industrial, transport, thermoelectric and heat - please refer to the 2024 Scenario Description Document published on Snam's website.

THE LONG-TERM OUTLOOK: 2050

Over a longer time horizon, and in line with regulatory guidelines, Snam develops directional scenarios for 2050 that align with the legally binding EU target of reaching Net Zero by 2050. The long-term scenarios up to 2050 will be the subject of a specific analysis during 2025, in collaboration with Terna, as established by ARERA regulation 392/2024/R/com.

When considering long-term energy projections, several factors need to be taken into account. Although macroeconomic and market conditions and technological progress are characterized by a greater uncertainty, the following elements prove resilient under different scenarios:

- the role played by electrification in final energy consumption is expected to become significantly more important, from a share of less than 25% today to between 50 and 55% by 2050 (e.g. the IEA's Net Zero Emissions scenario estimates a share of 53%);
- carbon capture and storage (CCS) must be deployed on a large scale to offset emissions from industrial processes, agriculture, waste and other residual emissions that cannot be abated. For natural gas, the capture and permanent storage of one Mton of CO_2 enables the decarbonisation of 0.5 billion m^3 of natural gas. This helps meet residual energy demand not supplied by other zero-carbon energy carriers, or where natural gas is used as feedstock for carbon-intensive industrial processes. For Italy, an annual CCS infrastructure capacity of 30-40 Mton of CO_2 (according to recent market tests and policy studies) would represent an emissions reduction potential corresponding to 15-20 billion m^3 of natural gas. Further applications of CCS include the production of liquid or gaseous synthetic fuels and the implementation of negative emissions processes, such as the capture of biogenic CO_2 during the production of biomethane. Promoting a CO_2 economy will therefore require the development of a complete and integrated value chain;
- as highlighted in the REPowerEU Plan, biomethane is a crucial energy carrier to achieve decarbonisation by 2050, while fostering the circular economy of organic waste, as well as playing a key role in avoiding the delocalisation of some hard-to-abate sectors. Italy stands out as one of the EU countries with the highest potential for biomethane production, which according to some studies should increase up to 15 billion cubic meters by 2050, as specifically highlighted by the ENTSO study on biomethane potential for the 2024 Draft Scenario Report.
- Another molecular energy carrier that is expected to gain a larger share in the 2050 energy mix is decarbonized hydrogen, both low-carbon and zero-carbon. It can be used directly in gaseous form or in the form of liquid derivatives such as e-fuels. According to the latest scenarios published by ENTSO, hydrogen is expected to play a significant role starting from 2030, and its use in Italy will reach 150-200 TWh by 2050. This amount of energy is equivalent to a demand volume of 45-60 billion m^3, taking into account the lower heating power of hydrogen compared to natural gas.

An integrated multi-molecule infrastructure will be essential to ensure security of supply and balance with demand for all the molecules described above, including decommissioned fossil gases (and associated CO_2), biomethane, low-carbon hydrogen – both as an energy carrier and as feedstock for the production of synthetic fuels. Achieving this balance at all times and for all molecules will be a fundamental challenge, especially during the transition to more sustainable energy sources. A critical aspect of this effort will be the integration of different infrastructures and the role of energy storage. While leveraging existing line-pack (i.e., grid reserves) is important, molecule-based storage solutions are the most efficient option for long-term, weekly, monthly, or even seasonal storage, as well as for storing substantial amounts of energy. Energy storage systems play a critical role in maintaining the balance between supply and demand, especially when operating intermittent renewable energy sources, such as solar or wind power.

SUSTAINABILITY STRATEGY

In light of the current regulatory and market context, characterised by increasingly complex challenges in the energy and environmental fields, Snam confirms its role as leader in the transition to a decarbonised economy. Responding to growing stakeholder expectations for transparency and sustainability, the Company adopts an all-round sustainability approach as a strategic lever to create shared value.

In all its activities, in Italy and abroad, Snam pursues a sustainable and socially responsible growth model, aimed at creating value for the company and for the communities in which it operates.

With this in mind, sustainability is profoundly integrated into the 2025-2029 Strategic Plan, in which it takes on the role of an enabling strategic lever to guide the Group in its investment decisions, day-to-day activities, as well as in the development of corporate businesses, contributing to long-term value creation.

In this regard, Snam has defined a sustainability framework based on seven guidelines, with specific ambitions, targets and actions for their pursuit, which are embodied in the Sustainability Scorecard.

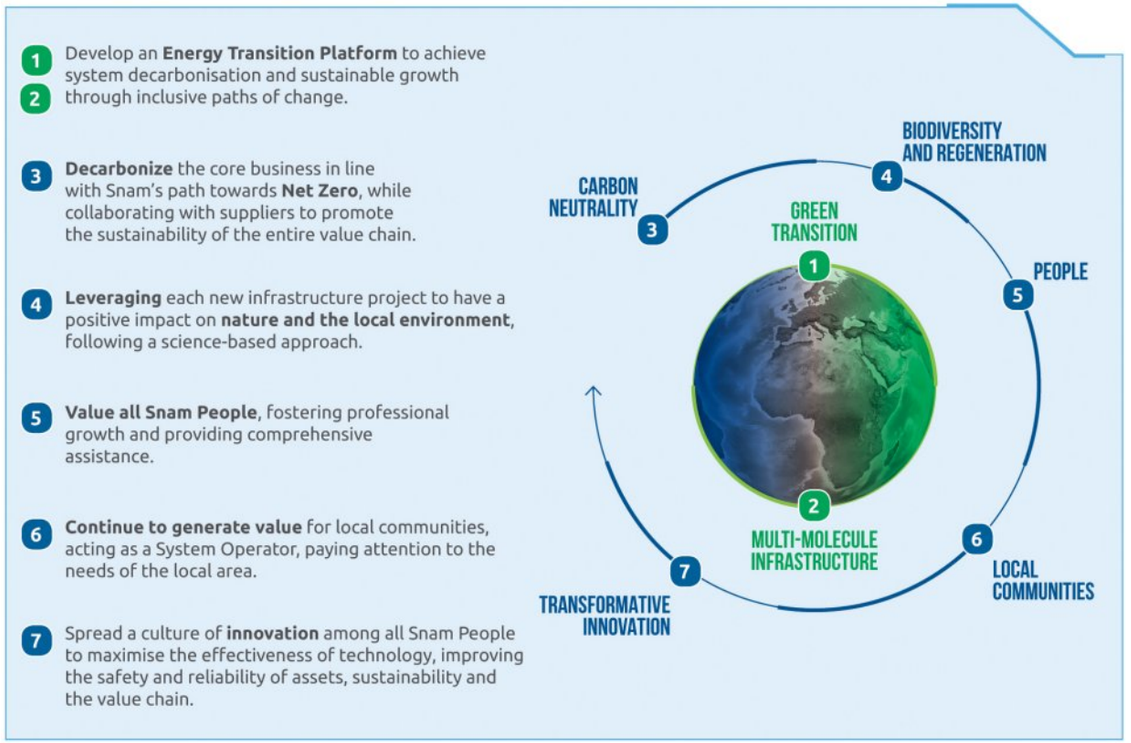
The framework builds on the distinctive elements that characterise the Group and reflects the objective of achieving the transition to a low-carbon economy in a just transition perspective. In fact, in the path of ecological transition in which Snam plays a leading role, the Group intends to protect not only its employees, but also its suppliers, supporting them with specific policies (e.g. the HSEEQ Policy, the Supplier Code of Ethics and the Social Supply Chain Policy), programmes and training initiatives, to make them more competent and aware, also thanks to the work of the Snam Foundation.

Furthermore, to respond to new market trends, the expectations of operators, investors and regulatory authorities, as well as the objectives outlined in the 2025-2029 Strategic Plan, Snam has updated its decarbonisation strategy. This strategy aims to achieve carbon neutrality for its activities by 2040 and net zero emissions, including the entire value chain, by 2050, through targeted investments in infrastructure, innovative technologies and solutions for the energy transition.

Snam's sustainability framework

In Snam's sustainability framework, the objectives of the Strategic Plan and those of the sustainability strategy coexist, thus creating a direct link between business performance and the achievement of specific targets related to multi-molecule infrastructure, green transition, decarbonisation, biodiversity, and innovation and digitalisation, as well as those related to Snam people and local communities. In fact, with the sustainability framework, on the one hand Snam intends to achieve a safe and green energy transition by directing significant investments in infrastructure for the capture, utilisation and storage of hydrogen and carbon, which will significantly contribute to the security, sustainability and competitiveness of the country's energy supply, in line with the objectives of the Strategic Plan. On the other, Snam wants to be a sustainable company, providing fair, inclusive and safe working conditions for its employees, collaborating with local communities for their development and actively working to reduce climate-changing gas emissions and have a positive impact on nature. In this context, the role of innovation and digitisation will be transversal and enabling for all defined objectives.

The sustainability framework is structured in 7 strategic pillars, for each of which, the Group has defined a clear ambition with a 2030 perspective, set out in the 2025 and 2029 targets of the updated Sustainability Scorecard, which monitors more than 30 KPIs.



Each of the seven areas, including their targets and actions for their achievement, is dealt within the relevant chapters.

Specifically: areas 1 and 2 are covered with the objectives and actions set out in the Strategic Plan 2025-2029, explained in the chapter 'Strategy and Business Model'; area 3 is covered by the targets and actions envisaged by the decarbonisation strategy, illustrated in the paragraph 'The Carbon Neutrality and Net Zero strategy' of this chapter and in the chapter 'Climate change'; area 4 is illustrated in the section 'The Biodiversity Strategy' of this chapter and in the chapter 'Biodiversity and Ecosystems'; areas 5 and 6 are discussed in more detail in the chapters 'Own Workforce' and 'Affected communities'; area 7 is described in the chapters 'Innovation and digitalisation' and 'Cyber security'.

The objective of Snam's new sustainability strategy is to preserve through the seven guidelines of the sustainability framework, related investments and external and internal communication, giving due importance to key areas such as decarbonisation, biodiversity, workforce, supply chain, innovation and just transition.
The sustainability strategy also aims to maintain Snam's leadership in these areas in the medium term and, at the same time, strengthen its role as a 'System Operator' in Italy.

Carbon Neutrality and Net Zero strategy

The issue of climate change is central to Snam, which has defined a decarbonisation strategy aimed at containing and reducing climate-changing gas emissions, energy efficiency and the search for innovative, low-carbon solutions.
The Group has outlined a clear decarbonisation pathway for Scope 1 and Scope 2 GHG (greenhouse gas) emissions from the activities of the regulated business[57], setting itself intermediate targets at 2027, 2030 and 2032 compared to 2022 levels, to subsequently achieve carbon neutrality at 2040 across the entire Snam group perimeter. Furthermore, Snam has also outlined a decarbonisation path for Scope 3 GHG emissions from upstream and downstream value chain activities, with intermediate targets to 2030 and 2032 on the regulated business perimeter.

The choice of the regulated perimeter for the GHG emissions reduction targets is related to the greater stability that this perimeter offers with respect to the energy transition businesses and to the share that these emissions cover on the total emissions generated by Snam, equal to 96% for Scope 1 and Scope 2 emissions on the total Scope 1 and Scope 2 GHG emissions and 84% for Scope 3 emissions on the total Scope 3 GHG emissions. The perimeter of the targets for 2040 and 2050, i.e. the entire Snam Group, is consistent with the undertaking's GHG Inventory.

With the approval of the 2025-2029 Strategic Plan - which took place on 22 January 2025-, Snam confirms its ambitious goal of achieving net zero emissions by 2050 for all direct and indirect emissions of the Group, to be understood as a 90% reduction in emissions and the remaining 10% through off-setting projects, through the purchase of high quality carbon credits, committing to purchasing carbon credits certified through the most recognised standards (e.g. Gold Standard) and through the permanent storage of CO_2, as a key measure for the decarbonisation of hard-to-abate industries. In particular, Snam is investing in the construction of an infrastructure for the transport and permanent storage of CO_2emissions, presumably subject to TPA ('Third party access'). If permitted by the national legislative and regulatory framework, Snam may consider leveraging this infrastructure for carbon removal activities. In the hierarchy of mitigation measures adopted by Snam to reduce GHG emissions, the purchase of carbon credits is positioned as a residual solution to achieve carbon neutrality in 2040 and zero net emissions in 2050, if the decarbonisation levers adopted, with particular reference to those to reduce Scope 1 and Scope 2 GHG emissions, are not sufficient.

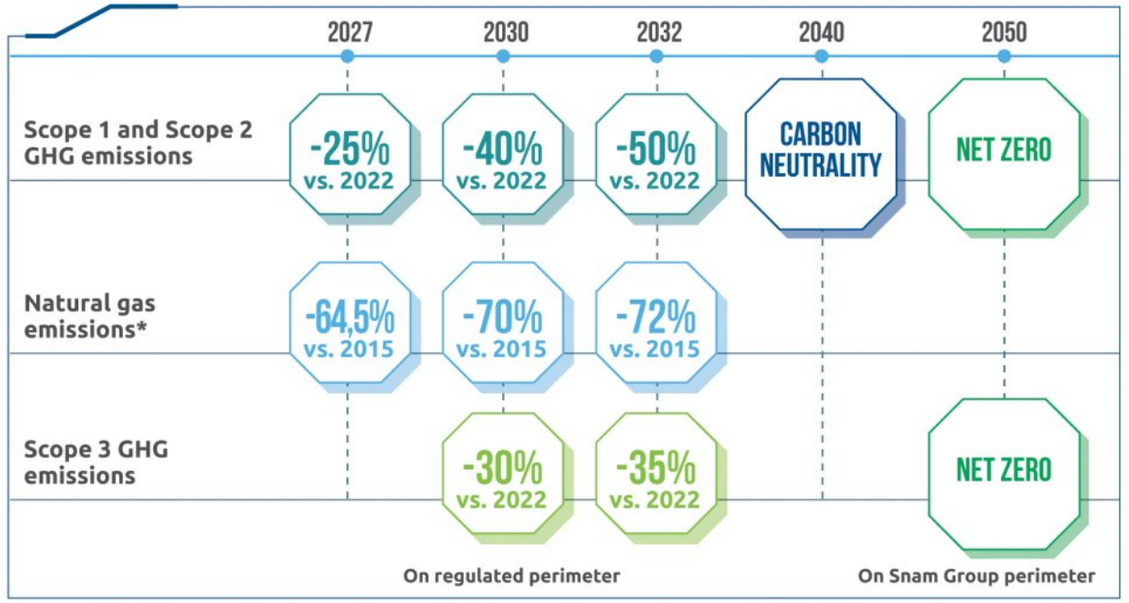
All numerical emission reduction targets were defined using the generic SBTi (Science-Based Targets initiative) methodology[58].

[57] Since 2000, under European regulations on the liberalisation of the energy sector in Europe (main regulations: Directive 2009/73/EC of the European Parliament and the European Council and the preceding 2003/55/EC and 98/30/EC) and Italian regulation (mainly Legislative Decree 164/2000 and subsequent amendments) regulated activities in the gas sector have referred to activities related to transport, storage, regasification and distribution infrastructure elements and related services. According to national legislation, these activities in Italy are subject to regulation by the Regulatory Authority for Energy Networks and the Environment (established by Law 481/1995 as amended). The regulated perimeter includes the parent company, Snam S.p.A., companies in the transportation sector (Snam Rete Gas S.p.A., Infrastrutture Trasporto Gas S.p.A., Enura S.p.A.), companies in the liquefied natural gas regasification sector (GNL Italia S.p.A., Snam FSRU Italia S.r.l.) and companies in the natural gas storage sector (Stogit S.p.A.).
[58] As of 2024, a specific guideline for TSOs (Transport System Operators) has not yet been published. Snam undertakes to adopt the specific methodology once it is available.

As evidence of its commitment to achieving net zero emissions, Snam participated in Moody's Net Zero Assessment (NZA), an initiative aimed at assessing the ambition of the defined targets, the consistency of the action plans to achieve them and the degree of alignment with the objectives of the 2015 Paris Agreement on climate change. The assessment was based on three main components: objectives, robustness of the implementation plan and governance.
The analysis confirmed the robustness of Snam's action plan on Scope 1 and 2 emissions, thanks to the use of mature, proven and scalable technologies. For Scope 3 emissions, the analysis highlighted the inherent complexity of the sector, particularly for suppliers and associated companies. In particular, the Scope 1 and Scope 2 GHG emission reduction targets are consistent with the trajectory of global emissions increase within 1.5°C in the medium and long term, while the Scope 3 GHG emission reduction targets are consistent with an increase in global temperatures between 1.5°C and well-below 2°C to 2032 and an increase in global temperatures within 1.5°C to 2050, consistent with the objectives of the Paris Agreement.

To identify the targets set, Snam applies its own scenarios updated in 2024 in defining its emissions reduction targets, considering a heterogeneous range of climate scenarios compatible with limiting global warming to 1.5 °C.

For more information on the scenarios underlying Snam's strategy, please refer to the chapter 'Managing Impacts, Risks and Opportunities, Snam's scenarios'.



(*) The target for natural gas emissions is related to the perimeter of the Snam Group, however the perimeter of the regulated business is equal to 99.9% of the total natural gas emissions in 2024.

In order to ensure that the baseline value of its GES targets continues to be representative over time, Snam has provided for a Recalculation Policy, present within the Sustainable Finance Framework 2024, which provides for a modification of the baseline value in the following cases:

- a change in the calculation methodology, due to a change in the applicable standard, or following a significant change in the data due to improved accessibility to the data or the discovery of errors in the data;
- a significant structural change in the Group's scope due to an acquisition, divestiture, merger or spin-off, a disposal, a sale of assets or other restructuring;
- any changes to laws, regulations, rules, guidelines and policies applicable to the Group's business;
- an event that, individually or collectively, has a significant impact on the baseline, i.e. which causes an increase or decrease in the value equal to or greater than 5% compared to the value itself.

The Recalculation Policy therefore allows the previously defined reduction targets to be kept unchanged, while taking into account the changes in the scope.

Scope 1 and Scope 2 emissions

Snam defined GHG emissions reduction targets for Scope 1 and 2 for the first time in 2020, which were then implemented in 2021 with a series of intermediate targets. At the beginning of 2024, the Group communicated an update of its emissions reduction targets, defining a new baseline for 2022 to reflect the changed context in which Snam operates.

2022 was a turning point for the global energy system, which had to deal with the geopolitical, economic and social consequences of the Russian invasion of Ukraine. Until 2021, much of the gas came from Russia through the entry point of Tarvisio in northern Italy.
Since the outbreak of the Russian-Ukrainian conflict, there has been a continuous and progressive decline in these supplies, which has led to an unprecedented reversal of gas flows, which our country and Europe have had to face.

Due to the reversal of the hourglass of gas flows, Snam has increased its supply of natural gas from Southern Italy, allowing this change of direction without shocks for the system.
The changes in industrial structure and the modifications in gas transport flows have had an impact on emissions, for which countermeasures have been undertaken with a view to maintaining the target of achieving carbon neutrality by 2040 as previously planned.

In light of this, to reflect the new normal that was taking hold, the Company decided to use 2022 as the new baseline in updating its targets. It is in fact precisely in 2022 that the new reality emerged, with supply and consumption scenarios very different from those of the past.

At the end of 2024, the baseline value of the Scope 1 and Scope 2 emissions targets has been updated, in line with the provisions of the Recalculation Policy.
In fact, in 2023, with a view to diversifying its supply sources to guarantee energy security, the Company acquired a regasification vessel (FSRU) located at the Port of Piombino. Following this, emissions from the FSRU's operations in 2024 were added to the 2022 baseline value, as 2024 was the first full year of operation of the vessel and its share of emissions was 5% of the baseline value.
The base year target value has been changed from 1,451 ktonCO_2e to 1,530 ktCO_2e, since FSRU Italia's Scope 1 and Scope 2 GHG emissions have been integrated.

In this new context, Snam has renewed its commitment to the decarbonisation of its assets, defining new challenging targets, in line with the 1.5°C scenario of the Paris Agreement, based on the general SBTi methodology - in the absence of a specific Oil&Gas methodology.

In order to define or update its targets, Snam prepares a forecast of emissions in the target years starting from the forecasts of national gas demand and import and export volumes. The national gas demand and the related transport flows are processed on the basis of the Scenario Description Document (DDS), prepared every two years by Snam jointly with Terna, the operator of the national electricity transmission network, as set out in ARERA resolutions 654/2017, 689/2017 and 392/2024. For more information, please refer to the section 'Snam's scenarios'.

Since 2020, Snam has joined the OGMP 2.0 (Oil & Gas Methane Partnership 2.0) Protocol led by the United Nations Environment Programme (UNEP), which represents the most up-to-date global reference for reporting methane emissions. This Protocol also provides for the use of top-down technologies, capable of measuring emissions at site level, to integrate bottom-up measurements, at the level of the single emission source. The combined use of these two measurements represents the highest level of accuracy expected by the protocol. With this aim, since 2023 Snam has started extensive campaigns to measure methane emissions from its infrastructures, using sensors mounted on drones, which have been compared to traditional measurements. These measurements do not represent a real methodological change, but integrate the bottom-up measurements, increasing their accuracy.

Snam is therefore committed to reducing its Scope 1 and Scope 2 emissions by 25% by 2027, by 40% by 2030 and by 50% by 2032 on the regulated activities perimeter, compared to 2022 and carbon neutrality on the Group perimeter by 2040. The Company also aims to achieve Net Zero by 2050 on all its Scope 1, 2 and 3 GHG emissions across the Group.

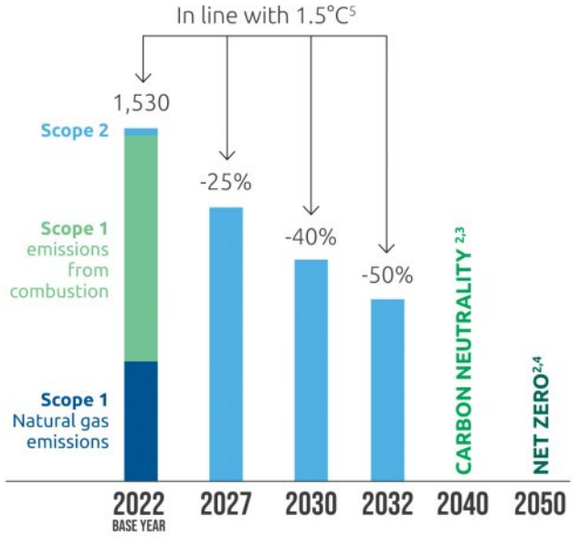
Defining the target requires the participation of various corporate functions with various interests. The target is proposed to Snam's decision-making bodies (the Board of Directors which, after consulting the Sustainability and Energy Transition Scenarios Committee, deliberates within the scope of Snam's strategic plan), which approve it, possibly defining any changes.

The scope of the Scope 1 and Scope 2 GHG emission reduction target defined by Snam is related to the regulated sector businesses for interim targets in 2027, 2030 and 2032. The perimeter considers regulated businesses because, being less frequently subject to M&A transactions, they are more stable. For the 2040 and 2050 targets, the boundary coincides with the Snam Group's GHG Inventory .
The Scope 1 and Scope 2 GHG emissions of the regulated business represent: 96% of the Group's total emissions in reference to the 2022 baseline (specifically, 96% of Scope 1 GHG emissions and 64% of Scope 2 GHG emissions) and 94.5% in reference to the Group's total emissions in the 2024 financial year (specifically, 94.6% of Scope 1 GHG emissions and 91.5% of Scope 2 GHG emissions).

The target includes a component relating to the reduction of scope 2 GHG emissions, calculated according to the market-based method. However, this share is marginal compared to the overall value of the combined reduction target. In fact, for each target year, Scope 1 contributes at least 98% of the reduction.

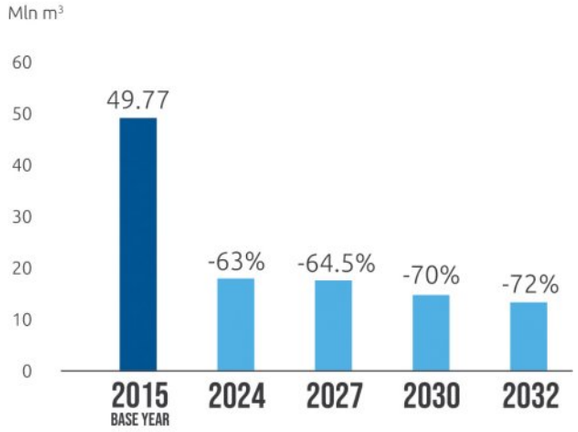
Target performance is verified annually, through the monitoring of Scope 1 and Scope 2 GHG metrics.

TARGET SCOPE 1 AND SCOPE 2 GHG EMISSIONS (KTON CO_2E)[1]



1. On the regulated perimeter as in 2022.
2. On the perimeter of the SNAM Group.
3. CARBON NEUTRALITY: full offsetting of residual emissions.
4. NET ZERO: -90% of emissions compared to base year and neutralisation of residual emissions through permanent carbon removal.
5. According to SBTI's generic methodology.

NATURAL GAS EMISSIONS TARGET (MLN M^3)



In order to reduce Scope 1 and Scope 2[59] GHG emissions, Snam will continue to invest in the installation of dual fuel compressor stations and intends to use all available levers to achieve the targets, including the use of renewable energy (electricity or biomethane).

The emission reduction targets will also be achieved thanks to the efforts dedicated to reducing natural gas emissions, an area in which Snam achieved positive results in 2024. The company had set a 2023 reduction target of 57.5% compared to 2015 levels, but exceeded this threshold, reaching a 63% reduction in 2024. Snam is committed to maintaining and strengthening this trend, aiming for an even more significant reduction in its natural gas emissions. Future targets include a reduction of 64.5% by 2027, 70% by 2030 and 72% by 2032, always compared to 2015 levels.

[59] Equal to 1.52 million tonnes of CO_2e in 2022, considering the entire Snam Group.

KEY LEVERS FOR SCOPE 1 AND SCOPE 2 GHG EMISSIONS REDUCTION

The levers and investments required to achieve even intermediate decarbonisation targets have been detailed in the Transition Plan.
To achieve its 2030 and 2040 reduction targets for Scope 1 and Scope 2 GHG emissions vs. 2022, Snam plans a combined strategy that includes:

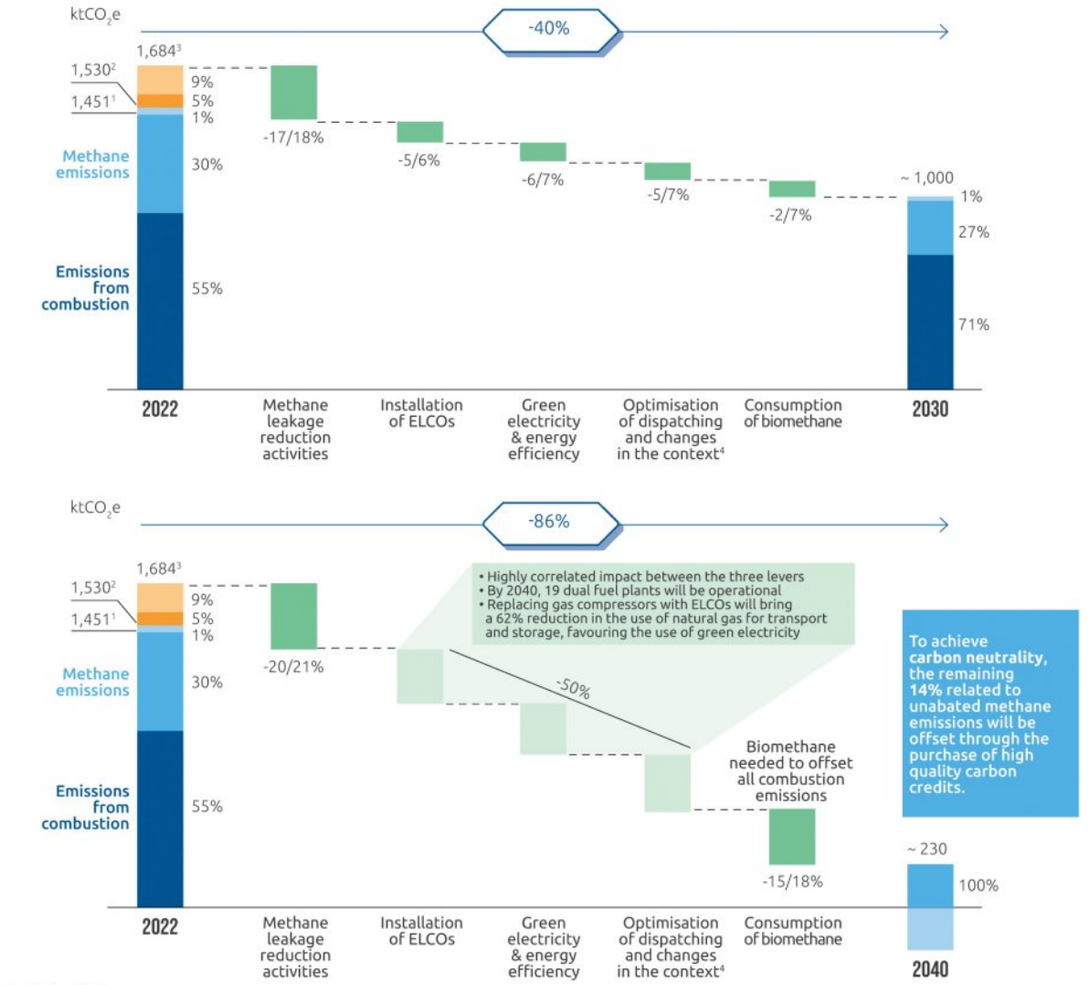
- **the reduction of methane losses (with a contribution of approximately -17/18% by 2030 and -20/-21% by 2040) through the following initiatives:**
  - **implementation of LDAR (Leak Detection and Repair) programs to reduce fugitive emissions from all major infrastructures in the transportation, storage and regasification businesses;**
  - **replacing gas-operated pneumatic regulators with compressed air, electric, mechanical or low-emission devices;**
  - **reduction of pressure in the pipelines prior to maintenance activities, with consequent reduction of related venting emissions;**
- **a positive combined emission reduction effect resulting from:**
  - **the installation of electric compressors, with a contribution of -5/6% by 2030;**
  - **an increase in the share of purchased green electricity and energy efficiency that will help reduce emissions by -6/7% by 2030;**
  - **dispatching optimisation and changes in the environment including gas demand, storage and regasification, with a contribution of -5/7% to 2030;**

  Together, the above-mentioned levers will contribute to a 50% reduction in emissions by 2040.
- **the biomethane consumption required to cover all combustion emissions (with a contribution of about -2/7% by 2030 and -15/18% by 2040).**

To achieve carbon neutrality by 2040, the remaining approximately 14% of emissions to be reduced, related to non-abateable methane emissions, will be offset through the purchase of high-quality carbon credits.

For more information on Snam's Transition Plan[60], please refer to the chapter 'Climate Change, Transition Plan for Climate Change Mitigation'.

SCOPE 1 & 2 - ROADMAP TO 2030 AND 2040



1. Baseline 2022
2. Baseline adjusted in accordance with Snam's Recalculation Policy, including the FSRU of Piombino, considering the actual FY 2024 figure
3. Baseline adjusted in accordance with Snam's Recalculation Policy, including the FSRU of Piombino, considering the actual FY 2024 figure, the FSRU of Ravenna and the Sulmona compressor station, according to the 2024 dait forecast
4. Differences in demand for gas, stored and regasified gas, including the direction of flows compared to 2022.

[60] The Transition Plan document published by Snam can be accessed at the following link: https://www.snam.it/content/dam/snam/news-assets/comunicati-stampa/it/2024/CS_Snam%20Transition%20Plan.pdf.

Direct Scope 1 GHG emissions include the following types of emissions:
- **Natural gas emissions resulting from Snam's various businesses such as transportation, storage and regasification;**
- **CO_2emissions due to Snam's direct consumption, such as natural gas used in the combustion of industrial processes, and for office heating industrial processes and for heating offices, and other fuels such as diesel oil, gasoline and LPG;**
- **Emissions of HFCs (insignificant), used in air conditioning systems.**

Indirect Scope 2 GHG energy emissions include indirect emissions for the production of electricity and steam produced by third parties, which Snam uses for its own activities.

Scope 3 emissions

With the aim of following market best practices, Snam has developed a series of environmental targets for the reduction of GHG emissions, all in absolute terms, following the general SBTi methodology, given the absence of specific guidelines for its business.
The Scope 3 targets, according to SBTi's generic methodology, are aligned with and fall within the scenarios of global warming containment targets between 1.5°C and well below 2°C set in the Paris Agreement.

Snam defined Scope 3 GHG emissions reduction targets for the first time in 2021 and updated them in 2024 to make them even more challenging, committing to achieve a 30% reduction by 2030 and a 35% reduction by 2032 across the scope of regulated business companies, compared to 2022.
The Company has therefore also set itself the goal of achieving Net Zero by 2050 on all its Scope 1, 2 and 3 GHG emissions across the Group.

Defining the target requires the participation of various corporate functions with various interests.
The target is proposed to Snam's decision-making bodies (the Board of Directors which, after consulting the Sustainability and Energy Transition Scenarios Committee, deliberates within the scope of Snam's strategic plan), which approve it, possibly defining any changes.

The scope of the Scope 3 emissions reduction targets for 2030 and 2032 relates only to the regulated business as it is more stable, less frequently subject to M&A and because in 2022 it represented 82.5% of the Scope 3 emissions of the entire Snam Group. The perimeter of the targets for 2040 and 2050 coincides with the perimeter of the Snam Group's GHG Inventory.

To define the Scope 3 emission targets, several elements were taken into account:
- with regard to associates

, the decarbonisation plans of each, where available, and the emissions associated with the gas transported, stored and/or regasified forecasts were taken into account;
- with regard to the supply chain, Snam's CapEx OpEx investment plan, suppliers' decarbonisation targets and the availability of primary data were taken into account;
- with regard to other Scope 3 GHG emissions, Snam's direct consumption forecast and mix, the share of work performed by employees remotely, as well as the promotion/incentive to use less polluting means of transport for business trips were taken into account.

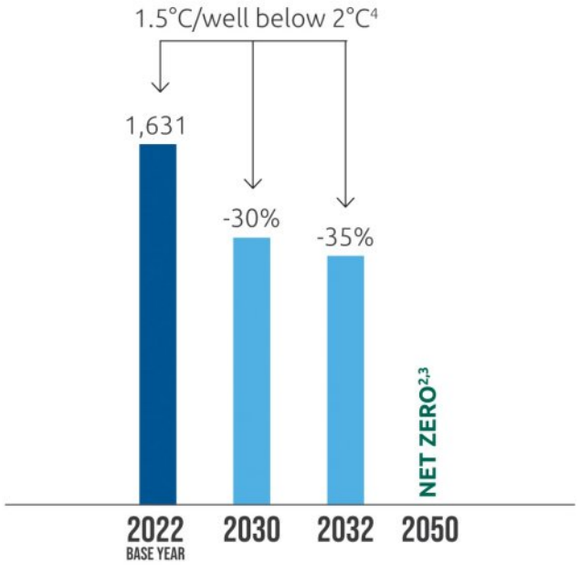
As for the Scope 1 and Scope 2 GHG emission reduction targets, 2022 was also chosen for the Scope 3 GHG emission reduction targets, as it was a turning point for the global energy system, which had to deal with the geopolitical, economic and social consequences of the Russian invasion of Ukraine. This, in addition to having an impact on the transport flow of Snam's network, also had an impact on its subsidiaries.
In 2022, the supply and consumption scenarios were very different from the past even for the associates
, which represented 50% of the Scope 3 emissions of the regulated business.
Additionally, to ensure that the 2022 baseline was representative of the business, emissions from SeaCorridor, a company acquired in early 2023, were added to the baseline.

It should be noted that the baseline value has been modified following the decision to use, starting from the 2024 reporting, together with DEFRA (Department for Environment, Food and Rural Affairs), an additional database regarding the emission factors for the category 'Fuel and energy related activities (not included in Scope 1 or 2)'. This database (Ecoininvent 3.11) provides in many cases country-specific emission factors, thus allowing a more precise estimate of the category's emissions.

Considering that the variation resulting from the use of the new emission factors is greater than 5% of the 2022 value, the value of the baseline and of the following years has been recalculated with the respective databases (Ecoinvent 3.9.1 for 2022 and Ecoinventi 3.10.1 for 2023), in line with Snam's Recalculation Policy.
This aspect will not impact the targets, which remain at -30% in 2030 and -35% in 2032.

Target performance is verified annually, through the monitoring of Scope 3 GHG metrics.

TARGET SCOPE 3 GHG EMISSIONS (KTON CO_2E)[1]



1. On the regulated perimeter as in 2022.
2. On the perimeter of the SNAM Group.
3. NET ZERO: -90% of emissions compared to base year and neutralisation of residual emissions through permanent carbon removal.
4. According to SBTI's generic methodology.

The Scope 3 GHG Protocol categories covered by the perimeter are all those concerning Snam's regulated business with reference to the 2030 and 2032 targets, i.e:

Supply chain
Category 1. Purchased goods and services
Category 2. Capital goods
Category 4. Upstream transport and distribution
Category 5. Waste generated during operations
Category 8. Upstream leasing activities

Associates
Category 15. Investments

Other emissions[61]
Category 3. Activities related to fuels and energy
Category 6. Business travel
Category 7. Employee commuting

Scope 3 GHG emissions are mainly attributable to emissions from Snam's associates and its supply chain.

KEY LEVERS FOR SCOPE 3 GHG EMISSIONS REDUCTION

To achieve its 2030 reduction target of Scope 3 GHG emissions vs. 2022, Snam plans a combined strategy that includes:

- **the reduction of emissions of most of the associates**

, in line with emission reduction plans and decarbonisation targets similar to those of Snam (with a contribution of approximately -13%/15%). Such decarbonisation plans include among the levers:

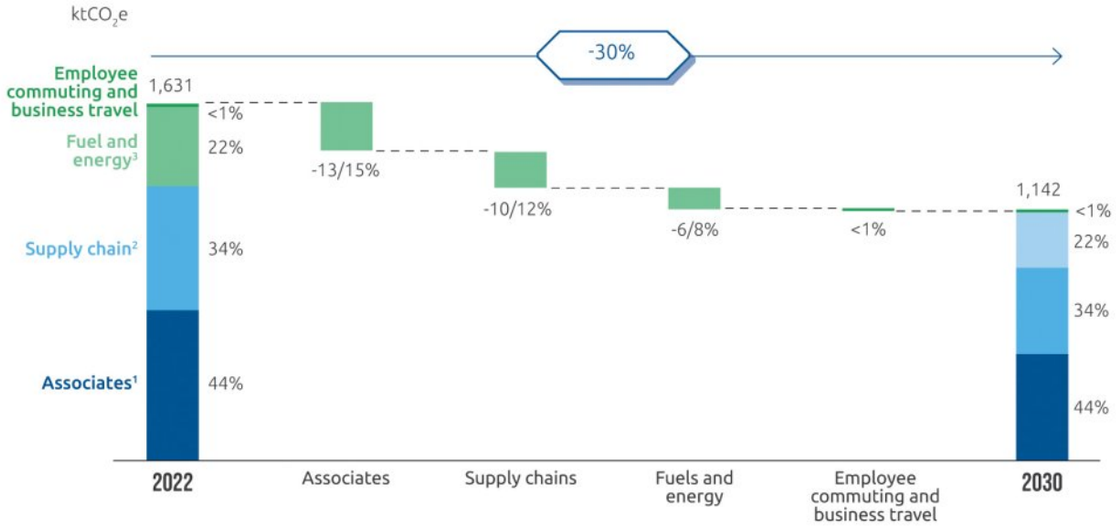
  - **the use of green gases and the installation of electric compressors to reduce CO_2 emissions from combustion;**
  - **the use of renewable sources;**
  - **implementation of Leak Detection and Repair (LDAR) programs to reduce fugitive emissions.**

- **involvement of the supply chain in the decarbonisation process through supplier training on climate change mitigation, analysis and evaluation of supplier performance and decarbonisation plans (with a contribution of approximately -10%/12%);**
- **reduction of emissions related to category 3. Fuel and energy-related activities (not included in scope 1 or 2) of the GHG Protocol, as a consequence of the decarbonisation levers implemented in the reduction of Scope 1 and Scope 2 emissions (with a contribution of approximately -6%/8%);**
- **The other minor GHG emissions in Scope 3, subject to decarbonisation levers (with a contribution of approximately <1%) are the emissions related to the GHG Protocol categories 6. Business travel and 7. Employee commuting, through the involvement and awareness-raising of employees on the issue.**

Suppliers' decarbonization plans, together with system decarbonization, will contribute substantially to achieving the 2050 targets. Similarly, a key contribution will be made by associates that will reduce their emissions in line with their respective decarbonization plans. Emissions related to the upstream component of energy consumption will continue their reduction in line with Snam's decarbonization plan, while non-avoidable emissions will be neutralized through projects that generate high-quality carbon credits.

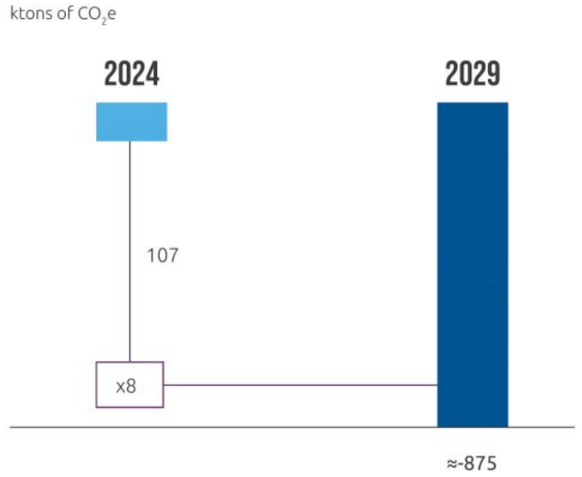
[61] As regards category 11, please refer to the paragraph 'Use of transported gas' within the chapter 'Climate Change' where the Company's approach to the topic is represented'.

SCOPE 3 EMISSIONS: REDUCTION LEVERS TO 2030



1. Inclusion of SeaCorridor emissions, officially acquired in early 2023.
2. Composed of the following categories of the GHG Protocol: 1. Purchased goods and services 2. Capital goods, 3. Upstream transport and distribution, 5. Waste generated in operations, 8. Upstream leased goods.
3. Fuel and energy-related activities not included in Scope 1 and 2.

TOTAL EMISSIONS AVOIDED THANKS TO ENERGY TRANSITION BUSINESSES



Avoided and captured emissions

The Group's activities related to the energy transition business contribute to avoiding emissions that would otherwise be generated by other actors in the national system.

In particular, from the combined effect of emissions not produced as a result of energy efficiency measures Renovit, from the emissions deriving from the combustion of biomethane produced by Bioenerys - equal to zero if associated with Guarantees of Origin - and from the emissions captured by Carbon Capture & Storage (CCS) activities, Snam has estimated that the emissions avoided by 2029 will be approximately twelve times greater than those avoided in 2022[62].

The biodiversity strategy

In Snam's sustainability strategy, in addition to climate change, the issue of biodiversity is also crucial. Snam, in fact, has developed a strategy, using international methodological standards, aimed at reducing the environmental impact of its activities, paying particular attention to the protection of biodiversity.

Therefore, in 2023, the Group embarked on a clear path to define its own **biodiversity strategy** and to have targets aligned with the currently available guidelines of the Science Based Target for Nature (SBTN) framework.

[62] The value of the target for 2029 consists of the contribution of two business areas: i) the Ravenna Carbon Capture and Storage (CCS) project, developed in a 50% joint venture with Eni; ii) Energy Efficiency, which contributes to avoid 150 $ktCO_2e$ (order of magnitude in line with the 2025 target). The estimate of the impact of the Ravenna CCS project was built considering an injection capacity of 1,600 kton for 2029, from which GHG produced during the construction of the Hub, emissions due to storage and losses were subtracted for a total of 149 kton of CO_2e produced. Consequently, we land on a total of 1,451 kton of GHG avoided by the project for which, being a joint venture with Eni, we considered an impact on the Snam side of approx. 725$ktCO_2e$ (1,451*50%). The sum, therefore, of the impacts of the two business lines (Energy Efficiency and Snam S.p.a. – CCS Ravenna) is 875 $ktCO_2e$.

* 5 main pressures driving overall biodiversity loss: change in land and sea use, direct overexploitation of natural resources, climate change, pollution, spread of invasive species.
** The company's most impactful activities on nature, classified based on crossing footprint and "local context"

Pressure	Biomes		Infrastructure construction	Transport and dispatching	Storage	Off-shore regasification (FSRU)	On-shore regasification
Change in land and sea use	Earth	km^2	1		No impact		
Pollution	Air	kg, particulate matter, PM2.5	2				
	Soil	Tonnes of NO_x				No impact	
		Tons of waste				N/A	
	Ocean	Tonnes of NO_x	No impact				No impact
		kg of chlorine					
Exploitation of resources	Fresh water	m^3					

1 Infrastructure construction has a significant impact on land use, while other 'pressures' have no material impact along the value chain

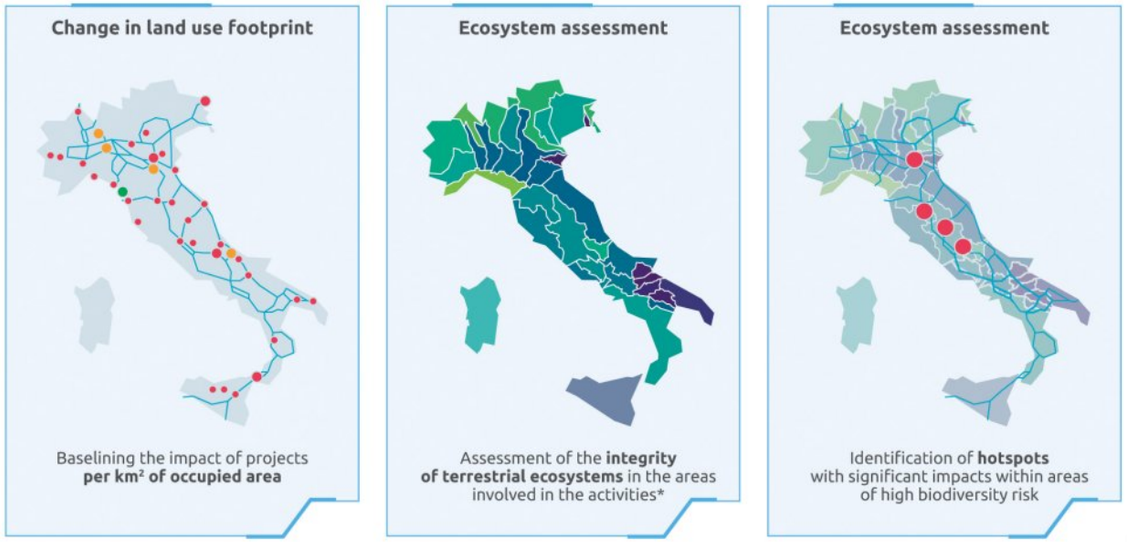
2 All activities have no material impact on Nature

Snam has analysed its activities and identified their impacts in detail. In this regard, on the basis of the 'pressure on nature exerted by Snam's activities, it has been possible to calculate the organisation's 'nature footprint', highlighting the material impacts on biodiversity resulting from land use change during infrastructure construction and maintenance work.

With particular reference to land use change, Snam measured the absolute impact of projects in terms of area occupied in km^2. This was then compared with the local biodiversity risk[63], using tools such as the Environmental Integrity Index and taking into consideration Snam's activities and the areas adjacent to its operations.

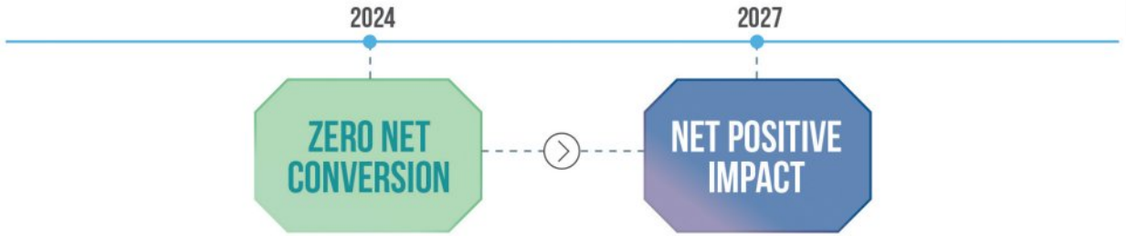
From the analysis of the absolute impact of projects on biodiversity, only four 'Hotspot' projects were identified, i.e. located in locations at high risk for biodiversity according to the SBTN methodology.

[63] The risk of 'Failure to meet sustainability targets in terms of sustainable construction site and 40% emission reduction by 2030 (ELCO-related investment plan)' is integrated into the ERM process.



* The use of the EII provides guidance on the integrity of terrestrial ecosystems globally at 1 km2 resolution, providing a scientifically robust method to measure, monitor and report on the integrity of terrestrial ecosystems at any geographic scale; from the already degraded environment to the intact environment.

Based on the results obtained and the analyses carried out, Snam has defined two targets, consistent with what has already been established in its Health and Safety, Environment, Energy and Quality Policy (HSEEQ Policy) and in the Biodiversity Policy and draws inspiration from the main National and International guidelines and strategic plans relating to the topic, including the **Global Biodiversity Framework**. In particular, Snam's Policy refers to the Convention on Biological Diversity (CBD) adopted in 1992, to the United Nations 2030 Agenda, in particular to Goal 15 'Life on Land', to the EU Biodiversity Strategy 2020, to the Kunming-Montreal Global Biodiversity Framework adopted in 2022 during COP 15 and to the National Biodiversity Strategy adopted in 2023.



Snam currently already operates in a Zero Net Conversion regime, which is achieved through the operational management of the infrastructure, in all its phases, according to the approach that requires the rigorous application of the **four actions linked to the mitigation hierarchy**: firstly, seeking solutions to avoid and prevent the occurrence of negative impacts, and secondly reducing their effects or compensating for residual negative impacts. Snam, where possible, always avoids passing its gas pipeline projects through natural areas such as wooded areas or natural meadows. Where it is not possible to identify alternative areas, in order to minimize impacts, Snam adopts systems to avoid open-air passage, such as Trenchless technologies. If even this solution is not possible, mitigation measures are adopted such as the use of the reduced runway in wooded areas to contain the impact on possible vegetation or the protection of any valuable tree elements on the runway, compatible with construction site work and the safe transit of workers and vehicles.

In the open-air natural areas affected, Snam, at the end of the works, carries out vegetation restoration activities such as reforestation and grassing to restore the pre-construction environmental situation. To restore ecosystem and ecological balances in the shortest possible time frame, Snam carries out Crop Care activities on the Newly Planted Cenoses for the 5 years following the execution of the restorations. For more information on the targets relating to the topic Biodiversity and ecosystems, please refer to the the paragraph 'Targets' in the chapter 'Biodiversity and ecosystems'.

Snam, in collaboration with the Polytechnic University of Marche, has launched a pilot project for the use of drones and laser scanners in environmental monitoring of biodiversity in the Post Operam (PO) phase.

The aim is to evaluate the effectiveness of these technologies to support engineering firms and specialized works management, optimizing the monitoring of vegetation restoration and obtaining real-time control of the ecological dynamics of the natural and semi-natural areas affected by the gas pipeline works.

The project applies to the PO monitoring of vegetation restoration of the Pieve di Soligo-S.Polo-Salgareda methane pipeline, where, upon prescription of the territorial authorities, 5 PMA-vegetation stations have been extended to monitor the effectiveness of the restoration. A specialist technician carries out qualitative and quantitative monitoring of the reconstituted vegetation to verify its effectiveness during the 5 years of cultivation treatments.

In parallel with standard monitoring, the pilot project includes the use of laser scanners for 360° scans, both dynamic and static, of the areas undergoing vegetation restoration. This technology allows for complete surveys of the area, reducing monitoring times and ensuring the replicability of the results.

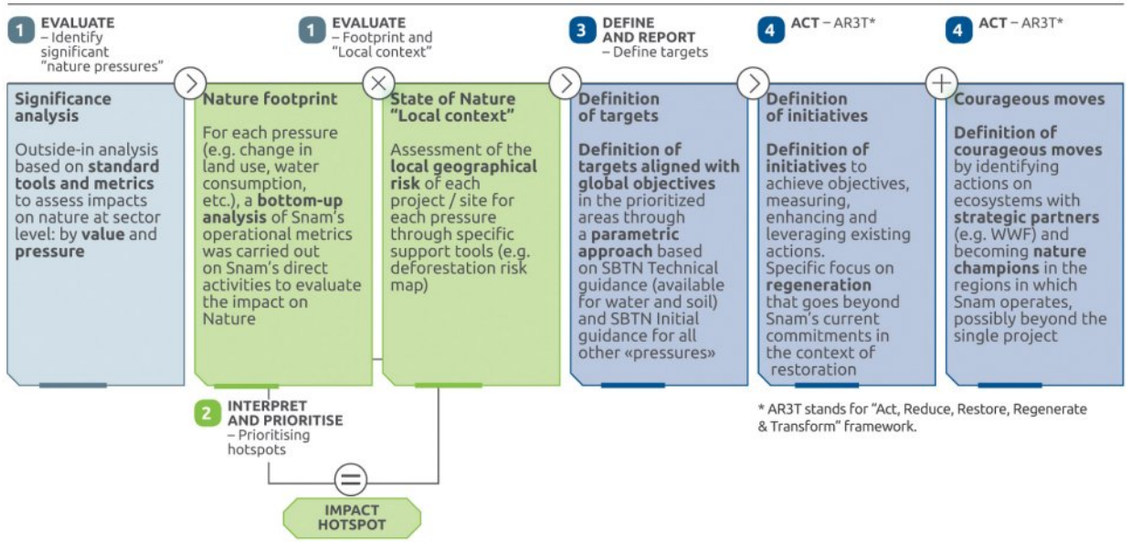
From the first monitoring session, carried out in July 2024, it emerged that the use of the laser scanner for monitoring vegetation restoration allows a total survey of the area to be monitored, reducing the time and improving the efficiency of the process.

The next steps of the pilot project include:

- continue the Laser-Scanner surveys during the monitoring sessions in the vegetation restoration (RV) areas of Pieve di Soligo, to evaluate the effectiveness of the instrument on biodiversity parameters, comparing them with standard monitoring;
- carry out drone surveys in the areas of gas pipelines with vegetation restoration underway (CO), such as the Rimini-Sansepolcro gas pipeline, to verify the effectiveness of digital tools on larger surfaces and with different vegetation levels.

The Zero Net Conversion target, referring to the commitment not to change land use, restoring the vegetation present in it, in the construction and maintenance activities of Snam's linear gas transport infrastructures, also translates into Snam's ambition to have a zero net impact from the point of view of deforestation (no net deforestation).

The target is aligned with the guidelines of the Science Based Target for Nature (SBTN) framework. Although the target validation phase by the entity is not yet open, Snam has applied the methodology proposed by SBTN which envisaged the execution of the following steps:



Operating under a Zero Net Conversion regime represents an intermediate goal towards an even more ambitious target: achieve a net positive impact on nature by 2027, with a specific focus on areas at high risk of biodiversity loss. This target refers to Snam's commitment to enriching biodiversity by investing in projects that contribute to the maintenance and improvement of wildlife and vegetation, as part of the construction and maintenance activities of Snam's linear gas transport infrastructure. To achieve this goal, Snam is committed to implementing at least two initiatives in areas identified as high risk for biodiversity as identified through the analysis carried out according to the guidelines of the Science Based Target for Nature (SBTN) framework.

In particular, the first project, currently being defined within a natural park in central Italy, aims to create an ecological and cultural hotspot, in line with current visions of environmental sustainability, biodiversity protection, community education and awareness, accessibility, integration and recovery of local traditions. The project targets include:

- create an oasis of floristic biodiversity to support local communities of Lepidoptera and pollinating insects;
- recover and redevelop an area currently in a state of abandonment;
- create a site for environmental education and naturalistic dissemination, based on concepts of biodiversity, accessibility, sustainability and integration;
- optimise the design of a green work, capable of combining agricultural tradition and ecosystem compatibility through a floristic mosaic that includes natural environments and medicinal gardens.

In general, to achieve these targets, Snam is implementing several innovative measures, including:

1. ADVANCED TECHNICAL STANDARDS

The integration of 'Zero Net Conversion' into Snam's operating model through the application of high technical standards and detailed alte-operam assessments.

2. MONITORING AND ANALYSIS USING ADVANCED TECHNOLOGIES

The use of laser scanners to monitor the loss and recovery of vegetation, both pre-operational and port-operational.

3. RESTORATION AND CONSERVATION PROJECT

Carrying out feasibility studies for habitat restoration work natural and biodiversity conservation.

4. INTERNATIONAL PARTNERSHIPS AND COMMITMENTS

Snam was the first global infrastructure company to join SBTN's Corporate Engagement programme, demonstrating its commitment to alignment with international standard and frameworks, such as the TNFD (Taskforce on Nature-related Financial Disclosures).

Commitments to protecting and enhancing biodiversity and ecosystems are also the result of listening to and actively involving Snam's stakeholders, both at the local level and at the corporate and international level. The definition of targets in the 'biodiversity' field is the result of a process of listening to our stakeholders, such as investors, who are increasingly aware of the financial impacts that can arise from the impoverishment of nature; the scientific community, international organisations and government agencies, which, in light of new scientific evidence, have issued agreements and strategies aimed at conserving and increasing biodiversity at a global level.

Sustainability Scorecard

The Sustainability Scorecard aims to systematically monitor and track progress towards achieving its sustainability goals, while ensuring transparent communication of its actions and commitments to stakeholders and the broader market. The Scorecard serves as a comprehensive tool to measure the company's contribution to the energy transition and its broader environmental and social responsibilities, in line with the **Paris Agreement**.

The targets included in the Sustainability scorecard were defined within the framework of strategic projects first in 2020 and then in 2022 involving the main company managements, subsidiaries and consulting companies. The definition process, valid for all the identified targets, was started from the materiality analysis of the period of competence, from the comparison with peer companies and best practices and from the analysis of historical performances, if available, once the reference KPIs were defined.

The process of defining or reviewing the targets of the Sustainability Scorecard is activated whenever the need arises to introduce a new target or modify an existing target. This may occur if the target is achieved prematurely, significant changes occur within the organization (e.g. changes in strategy or business model), or changes in the operating environment that could affect the reliability, materiality or consistency of the target.

Every year, in the event of a new target being defined or an existing target being revised, the function in charge of the issue develops a proposal in line with the industrial plan. The proposal is overseen by the Investor Relations, Sustainability P&C & Ratings and Sustainability & Social Impact functions and subsequently included in the Sustainability Scorecard. The document is submitted to the Chief Executive Officer for review and approval. Once updated, the document is shared with the Sustainability and Energy Transition Scenarios Committee and included in the Corporate Strategic Plan for final approval by the Board of Directors. Subsequently, the approved target is communicated to the department responsible for sustainability monitoring and reporting.

The Investor Relations, Sustainability P&C & Ratings function requests performance related to targets from the competent function on a quarterly basis (or with another agreed frequency) in order to update the Sustainability Scorecard.

With the 2025-2029 Strategic Plan, Snam has updated the **Sustainability Scorecard,** re-proposing and updating the targets incorporated in the seven pillars.

The new Sustainability Scorecard, aligned with the new Strategic Plan 2025-2029, takes into account the exit from the biomethane business (planned for 2027), and the start of the CCS project by 2028 and the related avoided and captured emissions, which have been included in the 2029 targets.

The titles and calculation methodologies of some targets have been updated, compared to last year, to better adapt to Snam's strategy and the evolution of the business or to simplify their representation.

In addition to the Scorecard targets, Snam is also committed to monitoring and reporting on other sustainability-related performance indicators, including those related to the European Taxonomy, sustainable finance and governance.

In 2024, Snam achieved several excellent results, including the increase in CO_2 emissions avoided thanks to the work of Renovit and Bioenerys, as well as the increase in spending on total procurement with decarbonization plans received from suppliers. The target for reducing natural gas emissions has also improved, as has the target for the value released to local communities. Significant improvements have also been recorded in the area of transformative innovation.

For more information on Snam's targets, plrease refer to the material topical chapters.

In this context, it is worth highlighting the commitment of top management, witnessed by the presence of KPIs linked to sustainability aspects among the short-term and long-term variable incentive targets, for a 20% share each, defined in the Company's Remuneration Policy. In particular, the following KPIs were included in 2024, in terms of short term targets: injury frequency and severity index, increasing sustainable financing and ESG criteria in the supply chain scoring model. In the long term, on the other hand, the reduction of natural gas emissions and equal representation in terms of gender diversity in the management team (middle and senior management) are contemplated. For more information, please refer to the section ‘Snam's remuneration and incentive system‘ in the ‘Governance‘ chapter.

SUSTAINABILITY SCORECARD

STRATEGIC KPIs

	KPI	2024 Actual	2025 Budget	2029 Target
GREEN TRANSITION	Avoided and captured CO_2 emissions ($ktCO_2e$)[1]	107	147	875[1]
	H2 readiness length of network certified (km)	2,068	2,400	3,200
MULTI-MOLECULE INFRASTRUCTURE	Gas Transportation operational availability (%)	99.9	>99	>99
	Production of Biomethane (Mscm)	18.5	30	-
	Investments related to the CCS Ravenna Project phases 1+2 (€M)	111	178	626
CARBON NEUTRALITY	Reduction of total natural gas emissions (% v. 2015)[2]	-63	-60	-69
	ESG criteria in procurement procedures (% spending)	42	45	70
	RES on total electricity purhcased (%)	61	70-75	100
	Spending on total procured with decarb. plan from suppliers (%)	41	35	50
BIODIVERSITY & REGENERATION	Zero Net Conversion by 2024	✓		
	Net Positive Impact by 2027			
	Vegetation restored in areas of pipes constr. and new forestation (%)	102	≥ 100	≥ 100
FINANCIAL & CO_2	ESG Finance over total funding available (%)	84		90
	CapEx EU Taxonomy-aligned (% of total)	31		
	Revenues EU Taxonomy-aligned (% of total)	6		
	CapEx SDGs-aligned (% of total)	65		
		2027 Target	2030 Target	2032 Target
	Scope 1 and 2 CO_2 emissions reduction (% v. 2022)	-25	-40	-50

STRATEGIC KPIs

	KPI	2024 Actual	2025 Budget	2029 Target
PEOPLE	Employee Engagement Index (%)	77	>80	>80
	Women in executive and middle-mgmt. roles (%)	26.5	26.5	29.5
	IpFG (Combined Frequency and Severity Index)	0.55	0.55	MBO
	Gender pay gap (%)	6	-	+/- 5
	Participations in welfare activities (%)	81	78	82
	Training hours delivered to employees (h/capita)	42	37	42
LOCAL COMMUNITIES	Benefits for local communities over reg. revenues (%)	~1	~1	~1
	Value released at local communities (€M)	1,934	>1,000	>1,000
	Avg customer satisfaction rate for service quality (1-10)	7.9	≥ 8	≥ 8
TRANSFORMATIVE INNOVATION	Investments in innovation over revenues (%)	3	3	3
	PoC and scale of technologies and services (#)	43 (6)	47 (7)	75 (11)
	AI-enabled IT applications (% of total)	14.8	16.5	40
	Projects covered by Security by Design cyber approach (%)	100	100	100
SUSTAINABLE PRINCIPLES	ESG matters discussed at BoD meetings *(>40% of BoD discussions with ESG topics discussed)*			
	3rd parties subject to procurement process on which reputational checks are performed *(100% of suppliers with reputational checks performed)*			
	Italian territory covered by cyber resilience field tested scenarios *(100% of Italian territory covered)*			

The KPIs modified from the 2024-2027 Scorecard are shown in blue.

1. Subject to Final Investment Decision (FID);
2. Targets including Edison Stoccaggi and FSRU. 2025 figures would be 64.6% "like for like" with previous years.

Managing Impacts, Risks and Opportunities

MATERIAL TOPICS FOR SNAM

The double materiality analysis is aimed at **identifying the most significant sustainability issues for Snam and its stakeholders**. The results support the definition of the corporate sustainability strategy, the declination of the Group's actions on priority sustainability issues that influence the creation of long-term value, as well as the identification of the most relevant aspects on which to provide appropriate information, in compliance with the requirements of the new Legislative Decree 125/2024 implementing the **Corporate Sustainability Reporting Directive (CSRD)**[64].

Although Snam had already updated its analysis process of material sustainability issues in the context of '**double materiality**' in recent years, in 2024, by virtue of regulatory developments, it further refined the analysis process to take into account the provisions introduced by the **European Sustainability Reporting Standards** (ESRS) and the recommendations included in the Guidelines provided by EFRAG.[65] IG1: Materiality Assessment Implementation Guidance, which represent a support tool in the application of the new methodological directions.

The 'double materiality' analysis consists of two perspectives:

- **the impact materiality perspective aims to identify the material impacts - negative or positive, actual or potential - connected to the direct activities of the undertaking or to those of its value chain on people or the environment in the short, medium or long term;**
- **the financial materiality perspective aims to identify risks and opportunities related to material sustainability issues that have or can reasonably be expected to have a material influence on the development of the undertaking, its financial position, results of operations, cash flows, access to finance or the cost of capital in the short, medium or long term.**

A sustainability issue is considered material when it is material from one or both perspectives.

The process for defining and updating the material topics for 2024 included the following four main phases:

1 UNDERSTANDING THE CONTEXT IN WHICH SNAM OPERATES	2 IDENTIFICATION OF IMPACTS, RISKS AND OPPORTUNITIES TO BE ASSESSED	3 ASSESSMENT AND DEFINITION OF SNAM'S MATERIAL IMPACTS, RISKS AND OPPORTUNITIES	4 REPORTING
Identification of sustainability issues potentially material for the Group, starting from the sustainability issues envisaged by the ESRS, through: • analysis of Snam's activities and its upstream and downstream commercial relationships; • analysis of company targets; • analysis of the ESG context and macro-trends; • benchmark analysis on a sample of peers; • analysis of the topics material to Snam in the previous financial year's reporting. **Stakeholder mapping and prioritisation update** through the involvement of the responsible functions*.	• With reference to the perspective of impact materiality, on the basis of the analyses carried out in phase 1, **definition of impacts** connected to potentially material sustainability issues. • **Definition of an impact assessment model** consistent with Snam's ERM methodology, used for the assessment of risks and opportunities. • With reference to the perspective of financial materiality, **correlation and verification of completeness of Sustainability-material risks and opportunities**, identified within the scope of Risk Assessment activities, with the topics foreseen by the ESRS.	Involvement of the **main company functions** for the **evaluation**: • on the one hand, **of the impacts** within its own competence according to the perspective of impact materiality; • on the other hand, **of the risks and opportunities** from the perspective of financial materiality, within the scope of the Group's Risk Assessment process. Sharing results with **representatives of key stakeholder categories** and/or **experts**. **Aggregation of results** basedon the defined materiality threshold and **definition of Snam's material impacts, risks and opportunities**.	Identification of the **obligations of information** foreseen by the ESRS **to be reported** in the 2024 Consolidated Sustainability Statement, connected to Snam's material impacts, risks and opportunities.

*For more information on stakeholder mapping, please refer to the chapter 'Managing impacts, risks and opportunities, Stakeholder relations'.

[64] Community Directive 2022/2464/EU
[65] EFRAG: European Financial Reporting Advisory Group, the European body that deals with accounting standards which, since 2022, has assumed a role of technical support to the European Commission in the drafting of the ESRS sustainability reporting standards.

Phase 1: Understanding the context

To identify the **list of impacts, risks and opportunities** and **related sustainability topics** to be submitted for evaluation, an analysis was carried out aimed at mapping the context in which Snam operates, starting from the activities **carried out directly by the Group** as well as those carried out by its own **value chain** going deeper:

- type of activities and commercial relationships of the Group's companies and shareholdings, as well as its upstream and downstream value chain;
- geographical location of the operational sites and those of the main suppliers;
- dependencies on natural and/or human resources in the value chain;
- stakeholders interested or influenced by Snam's direct and/or indirect activities;
- potential impacts, risks and opportunities related to the value chain.

Once a comprehensive representation of the context in which Snam operates was obtained, potentially relevant aspects were identified starting from the list of topics, sub-topics and sub-sub-topics proposed by the ESRS (Appendix A). Subsequently, the Group's **strategic targets** outlined in the Strategic Plan, the Carbon Neutrality and Net Zero Strategy and the Sustainability Scorecard were analysed, as well as the external context, including the main macro-trends in the ESG area and the sustainability aspects considered priorities by a sample of companies comparable to Snam.
The result of this first phase was summarised in a **list of sustainability topics potentially material for Snam**, which took into account both the topics covered by the ESRS and undertaking-specific topics, the so-called 'entity-specific', the latter integrated to provide an overall vision of the Group's potential impacts, risks and opportunities.

Phase 2: Identification of impacts, risks and opportunities to be assessed

The identification of impacts, risks and opportunities was then divided into two distinct and parallel, but interconnected, processes:

- **Identification of impacts**: based on the results of the context analysis and taking into account further public sources (such as the results of Snam's double materiality analysis carried out in 2023, the main sustainability reporting frameworks, the ENCORE platform[66], etc.) the actual and potential negative and positive impacts connected to the potentially material sustainability issues have been identified.

In defining the impacts, those generated by the company's direct activities, as well as through commercial relationships, were considered, identifying the **value chain phase** (i.e. own activities, upstream value chain and/or downstream value chain) as well as the **time horizons in which they are considered most likely to occur. I**n particular, the time horizons considered by Snam coincide with those defined by the ERM function in the context of the risk and opportunity analysis: Short Term: reporting period; Medium term: plan arc; Long Term: over 5 years old. For more information, please refer to the chapter 'Introduction and guide to reading the document, Disclosures in relation to specific circumstances'.

- **Risk and opportunity identification**: in synergy with Snam's Enterprise Risk Assessment process, the risks and opportunities connected to sustainability issues (so-called Sustainability-material) mapped in the company's Risk Register were selected.

Once identified, they were aggregated into macro-risks and macro-opportunities based on the materiality of the topic discussed and subsequently correlated to the topics, sub-topics and sub-sub-topics envisaged by the ESRS. In parallel, the completeness of the risks and opportunities present in the Risk Register was assessed with respect to the sustainability topics proposed by the ESRS as well as in consideration of the connection with the identified impacts, which, in some cases, led to the formulation of new risks to be assessed.

Phase 3: Assessment and definition of Snam's material impacts, risks and opportunities

The list of impacts, risks and opportunities and the related sustainability issues that emerged from Phase 2 were assessed according to **the impact materiality and financial materiality perspectives respectively**. The methods adopted for their evaluation are illustrated below:

- **Impact Significance Perspective.**
  The impact assessment methodology adopted was defined in line with the provisions of the ESRS and the guidelines provided by EFRAG *(IG1:* Materiality Assessment Implementation Guidance)[67]. In particular, to determine the **level of materiality of each impact** the metrics of entity, scope and irremediable nature (the latter only for negative impacts) were assessed according to a scale from 1 (negligible) to 4 (very material) and, only for potential impacts, also the probability metrics considering a scale from 1 (rare) to 4 (probable), in line with the evaluation scales used in the risk assessment process. Furthermore, the evaluation scale has been declined with specific qualitative and quantitative evaluation parameters depending on the impact to be considered, in order to allow for an evaluation consistent with the defined metrics.

[66] ENCORE (encorenature.org) database of potential nature-based impacts, risks and dependencies to which companies contribute or are exposed, broken down by sector of operation
[67] The approach used in the impact assessment was the same for both environmental and other impacts, considering the existing prevention measures and not the measures that Snam plans to develop in the future, in line with the provisions of IG1 (Implementation Guidance (efrag.org)).

IMPACT EVALUATION METRICS

Severity (or magnitude), determined by the combination of the parameters of:

Magnitude, or how severe a negative impact is or how many benefits a positive impact brings to people or the environment.	**Reach**, or how widespread a positive or negative impact is. In the case of environmental impacts, the scope may be understood as the extent of environmental damage or a geographical perimeter. In the case of impacts on people, the scope may be understood as the number of people affected.	**Irremediable character**, whether and to what extent a negative impact could be remediated, i.e., restoring the environment or affected people to their prior state. The irremediable character is evaluated only for negative impacts.	**Probability**, or the probability that a potential impact will occur. The probability is not assessed for actual impacts.

To assess the materiality of the impacts, the main stakeholders were involved **corporate functions responsible for the issues discussed and the contacts of the main Snam subsidiaries**, having each assess the impacts under their own responsibility.

The results obtained were subsequently submitted for validation by the **main categories of Snam stakeholders**, preferring, compared to previous years, **direct involvement through interviews or workshops.**

4 **Workshops** organised with employees, workers' representatives, customers and suppliers

6 **One-to-one interviews** with associations and communities, other operators and competitors, media, business partners and institutions

STAKEHOLDER CATEGORIES	ASSESSED IMPACTS RELATED TO THE FOLLOWING SUSTAINABILITY TOPICS
Workers	● Own Workforce
Workers' representatives	● Own Workforce
Customers	● Relations with authorities and quality of services ● Energy security and accessibility
Business partner	● All environmental topics ● All social topics ● All governance topics ● All entity-specific topics
Suppliers	● Workers in the value chain
Other operators and competitors	● All environmental topics ● All social topics ● All governance topics ● All entity-specific topics
Institutions	● Affected communities
Associations and	● Affected communities
Medium	● Affected communities ● Business conduct ● Consumers and end-users

● Environmental topics ● Social topics ● Governance topics ● Entity-specific topics

- **Financial materiality perspective.**
  The Sustainability-relevant risk and opportunity assessment methodology[68] reflects that defined by Snam's Enterprise Risk Management function. Therefore, the evaluation metrics considered were the qualitative and quantitative impact produced on the Company, according to a scale from 1 (negligible) to 4 (very material), and the probability, according to a scale from 1 (rare) to 4 (likely).

RISK AND OPPORTUNITY ASSESSMENT METRICS

Impact, i.e. the effect/consequence of the occurrence of an event within the reference time horizon with respect to the pursuit of Snam's targets, determined by considering:

Economic and financial impact **Reputational impact**

Likelihood, understood as the probability of an event occurring over the reference time horizon

For more information on risk and opportunity assessment metrics, please refer to the chapter 'Managing impacts, risks and opportunities, The ERM model for managing risks and opportunities'.

To assess the materiality of the risks and opportunities, the following were involved: **Risk Owner** and **the Group's Risk Specialists** as part of the risk assessment process.

The assessments obtained on the individual Sustainability-material risks and opportunities were aggregated into the macro-risks and opportunities defined in phase 2. Finally, the results were submitted to the validation of representatives of the stakeholder categories. **financial community and Snam shareholders and investors**, through ad hoc interviews.

[68] For more information on sustainability-material risks and opportunities, please refer to the chapter 'Managing impacts, risks and opportunities, The ERM model for managing risks and opportunities'.

3 One-to-one interviews with the financial community and investing shareholders

The results obtained from the internal and external stakeholder engagement activities led to the identification of the list of material impacts, risks and opportunities of Snam. Furthermore, this approach has also allowed to improve the alignment between the business model and the expectations of stakeholders, strengthening the coherence and materiality of corporate strategies.
The materiality threshold was determined by representing the obtained ratings in a two-dimensional heatmap (Impact Severity x Likelihood) which allowed us to determine 4 materiality clusters: 1) Highly material; 2) Material; 3) Not very material; 4) Not material. The materiality threshold has been defined in correspondence with the areas 'Highly material' and 'Material'.

The final results were validated by the management, reviewed by the SSTE Committee and the CROPC Committee and approved by the Board of Directors.

Phase 4: Reporting

Starting from Snam's material impacts, risks and opportunities, the disclosure obligations required by the ESRS reporting standards reported in this 2024 Consolidated Sustainability Statement have been identified. In the case of specific topics for Snam not covered by the ESRS, in addition to the disclosure relating to the Minimum Disclosure Requirements on Policies, Actions and Targets, metrics derived from other standards, such as GRI Standards, or entity-specific metrics were used.

Material topics according to double materiality

In the following table they are marked with a dot (●) the topics that present, respectively, at least one negative impact, one positive impact, one risk or one material opportunity.

TOPIC	IMPACT MATERIALITY PERSPECTIVE		FINANCIAL MATERIALITY PERSPECTIVE	
	Negative impacts	Positive impacts	Risks	Opportunities
Climate change	●	●	●	●
Pollution[1]	●			
Water[2]	●◉●			
Biodiversity and ecosystems		●	●	●
Resource use and circular economy (n.m.)				
Own workforce[3]	●	●	●	●
Workers in the value chain[4]	●	●	●	
Affected communities[5]	●	●		
Consumers and end-users (n.m.)				
Business conduct		●	●	●
Cyber security			●	●
Innovation and digitalisation[6]	●	●	●	●
Relations with authorities and quality of services		●	●	
Energy security and accessibility		●	●	●

● Environmental topics ● Social topics ● Governance topics ● Entity-specific topics (n.m.) Topics not material for Snam
●◉● Upstream value chain

[1] In 2023, the topic 'Pollution' was defined as 'Air Pollution'.
[2] In 2024, the 'Water' topic was found to be above the materiality threshold considering a material negative impact in the upstream value chain.
[3] The topics 'Health and safety', 'Equal treatment and opportunities for all and skills development' and 'Working conditions of employees' present in 2023 have been merged into the topic 'Own Workforce'. In the context of the disclosure pursuant to ESRS 2, all its own workers on whom Snam could produce material impacts are included.
[4] In 2023, the topic 'Workers in the value chain' was defined as 'Sustainable supply chain'. The disclosure under ESRS 2 includes workers in the value chain on which Snam could have material impacts.
[5] In 2023, the topic 'Affected communities' was defined as 'Relations with local communities'. In the scope of ESRS 2 disclosure, affected communities that may be materially impacted by the undertaking are included.
[6] The topic 'Innovation, digitalisation and cyber security' present in 2023 has been divided into 'Innovation and digitalisation' and 'Cyber security'.

Material topics, impacts, risks and opportunities for Snam

The results obtained from the double materiality analysis conducted in 2024 confirm the importance of the topic '**Climate change**'. Climate change mitigation, as well as enabling the energy transition, remain key aspects for Snam, considering both the impacts connected to its own operations and those of the supply chain, as well as the physical and transition risks linked to climate change, as well as the risks linked to variations in gas demand.

In line with last year, the topic **'Biodiversity and ecosystems'** is confirmed as one of the priorities for Snam, considering the positive impacts resulting from soil regeneration activities and protection of the natural ecosystem, as well as the risks associated with obtaining authorizations and the negative effects on business continuity resulting from alterations in biodiversity.

The topic '**Own workforce**' also appears to be above the threshold of relevance, with particular reference to health and safety impacts and risks, as well as opportunities related to training and the dissemination of a corporate culture on safety and equitable skills development. In addition, among the relevant impacts, there are positive ones that benefit both workers, as a result of the activities that Snam puts in place to improve the welfare and training plan offered, also considering the needs in terms of know-how arising from the company's energy transition path, as well as to ensure a healthy and inclusive working environment. The members of the workforce who are affected or could be affected by these positive impacts are divided into managers, executives, clerks and workers, and non-employee workers, i.e. agency workers and those with a coordinated and continuous collaboration contract (so-called Co.Co.Co.). The material negative impact connected to potential violations of direct or indirect workers' rights, such as incidents of forced labour and child labour, has, however, a remote likelihood of occurrence considering the Group's controls and the company's track record in terms of the absence of confirmed cases of human rights violations. In this regard, Snam has no operations at serious risk of forced or compulsory labor and child labor.

With reference to the topic **'Workers in the value chain'**, the material positive impacts mainly concern the activities that Snam carries out in the area of training and skills development aimed at its suppliers both to accompany and support them in the decarbonisation and energy transition process and to raise awareness on issues related to cyber security. For more information on these activities, please refer to the chapter 'Workers in the value chain, Actions and metrics'.

The topic **'Affected communities'** also remains above the materiality threshold. Snam's business model and strategy are also influenced by the impacts on the communities affected. In particular, critical issues arise from tensions and conflicts that arise from inadequate compensation, restrictions in access to land during the construction of transport infrastructure and insufficient dialogue with the communities themselves. These impacts, closely linked to the business model, can compromise the undertaking's reputation and stakeholder trust, causing delays or interruptions in projects and requiring a recalibration of strategic priorities. To manage the effects of these negative impacts, Snam has confirmed its commitment to transparent and participatory dialogue with communities, adopts fair compensation mechanisms and policies aimed at balancing the use of resources. The material positive impacts concern the activities aimed at the development and economic support of the local communities in which Snam operates, as well as the improvement of air quality and social development, also promoted thanks to the support of Fondazione Snam and Arbolia. In general, Snam, thanks to its focus on tax transparency and compliance with the obligations set out in the tax contribution framework, supports the national economy, creating a systemic and generalized positive impact.

Furthermore, although **'Cyber security', 'Innovation and digitalisation', 'Relations with authorities and quality of services' and 'Energy security and accessibility'** and the related impacts, risks and opportunities are not foreseen by the topical ESRS, they are central topics for Snam's business and are therefore considered as entity-specific aspects.

Compared to 2023, the topic 'Pollution' has proven to be more material due to the growing attention that stakeholders and Top Management are placing on the management of air emissions and not only of climate-changing gases, the impacts of which are considered within the topic 'Climate Change'. The topic of **'Water'** also turned out to be more material than the results of the materiality analysis conducted last year, in particular following a growing focus on the impacts generated along the value chain.

Among the topics below the materiality threshold, **'Resource use and circular economy'**is confirmed, with reference to the sub-topic 'Waste' which is however constantly monitored and managed in compliance with current legislation, and the topic **'Consumers and end users'**. The latter has been subject to evaluation starting this year as it was introduced by the new reporting standards; However, it was below the relevance threshold because most of the downstream business relations do not concern end consumers, but large 'shipper' customers included in the entity-specific topic 'Relations with authorities and service quality'.

To respond to the current and expected effects of material impacts, risks and opportunities, Snam has equipped itself with a sustainability framework structured into 7 strategic pillars, for each of which, it's been defined a clear ambition with a perspective to 2030, embodied in the 2025 and 2029 targets of the **Sustainability Scorecard**, which monitors more than 30 KPIs. With particular reference to the impacts, risks and opportunities related to climate change, the company has also formalised a plan for the transition to a low-carbon economy and a Carbon Neutrality and Net Zero strategy.

With respect to the financial year 2024, the analysis of the risks and opportunities identified did not lead to the need to recognise previously unrecognised liabilities in the financial statements, thus making it unnecessary to critically review the provisions therein. There are no material financial effects of the material risks and opportunities of the undertaking on its financial position, economic results and cash flows. For more details, see section 2.3.3 of the Consolidated Financial Statements.

In light of the material impacts, risks and opportunities, Snam has conducted resilience analyses, which show that Snam's business model and strategy are overall resilient in the face of different scenarios covering a short (2025), medium (2025-2029) and long (2030-2050) term time horizon. For more information on the resilience of the business strategy and model to impacts, risks and opportunities, please refer to the chapters 'Expected financial effects from material physical and transition risks and potential climate-related opportunities' and 'Anticipated financial effects from biodiversity and ecosystem-related risks and opportunities'.

The table of correspondence between Snam's topics related to material impacts, risks and opportunities and the topics and sub-sub-topics provided by the ESRS is rapresented below:

ESRS	SNAM'S TOPICS	SUB-TOPIC	SUB-SUB-TOPIC
ESRS E1	**Climate change**	Climate change adataptation Climate change mitigation Energy	
ESRS E2	**Pollution**	Pollution of air	
ESRS E3	**Water**	Water [1]	Water consumption Water withdrawals Water discharges
ESRS E4	**Biodiversity and ecosystems**	Direct impact drivers of biodiversity loss	Climate Change Land-use change, fresh water-use change and sea-use change
		Impacts on the state of species	
		Impacts on the extent and condition of ecosystems	Land degradation
ESRS S1	**Own workforce**	Working conditions	Work-life balance
			Health and safety
		Equal treatment and opportunities for all	Gender equality and equal pay for work of equal value Training and skills development Employment and inclusion of persons with disabilities Measures against violence and harassment in the workplace Diversity
		Other work-related rights	Child labour Forced labour
ESRS S2	**Workers in the value chain**	Working conditions	Health and safety
		Equal treatment and opportunities for all	Training and skills development The employment and inclusion of persons with disabilities Measures against violence and harassment in the workplace Diversity
		Other work-related rights	Child labour Forced labour
ESRS S3	**Affected communities**	Communities' economic, social and cultural rights	Land-related impacts Security-related impacts
		Communities' civil and political rights	Freedom of expression Freedom of assembly
ESRS G1	**Business conduct**	Corporate culture Protection of whistle-blowers Management of relationships with suppliers including payment practices	
		Corruption and bribery	Prevention and detection including training
	Innovation and digitalisation		
	Cyber security		
	Relations with authorities and quality of services		
	Energy security and accessibility		

[1] With regard to the "Water" topic, which was found to be above the materiality threshold for a negative impact in the upstream value chain, Snam applies the phase-in to value chain-related information in reporting on material sustainability topicss for the 2024 Sustainability Statement.

● Environmental topics ● Social topics ● Governance topics ● Entity-specific topics

The topics and their material impacts, risks and opportunities are represented below.[69] They emerged following the double materiality analysis and for each one is indicated the trend in terms of materiality of the topic with respect to the analysis carried out in 2023, the typology (actual/potential), the time horizons, the source of the impacts, i.e. where they are generated, and the stakeholders impacted.

Cluster:
- Environment
- Social
- Governance
- Entity-specific

Impact:
- positive
- negative

Time horizon:
- B short term
- M medium term
- L long term

Source of impact:
- upstream activities
- direct activities
- downstream activities

	IMPACT MATERIALITY						FINANCIAL MATERIALITY	
	TREND	IMPACT DESCRIPTION	POSITIVE / NEGATIVE	ACTUAL / POTENTIAL	TIME HORIZON	SOURCE OF IMPACT	RISKS	OPPORTUNITIES
Climate change [1]	=	Greenhouse gas emissions generated by Snam in carrying out its activities (Scope 1, Scope 2) which contribute to the effects of climate change	−	Actual	B	direct activities	• Physical risk - Increased severity of extreme weather events, with possible impacts on continuity and quality of service and asset integrity • Physical risk - Intensification of chronic climatic phenomena in the medium and long term (temperatures, precipitation, winds), with possible impacts on the continuity and quality of service and on the integrity of assets • Transition risk - Reduction in gas demand due to changes in the regulatory/legislative context on emissions, rising temperatures, increased demand for alternative low-carbon technologies • Transition risk - Worsening of external perception due to climate change mitigation targets and/or initiatives to achieve them not being in line with stakeholders' expectations	Improved external perception as a result of the Company's commitment to climate change mitigation, including developments in decarbonisation projects also due to increased customer demand
		Climate-changing gas emissions generated by Snam's value chain (Scope 3) that contribute to the effects of climate change	−	Actual	B	upstream, direct, downstream activities		

[69] The risks and opportunities submitted for assessment represent a reworking of those reported in the risk register, highlighting the main ones.

	IMPACT MATERIALITY						FINANCIAL MATERIALITY	
	TREND	IMPACT DESCRIPTION	POSITIVE / NEGATIVE	ACTUAL / POTENTIAL	TIME HORIZON	SOURCE OF IMPACT	RISKS	OPPORTUNITIES
Climate change [1]	=	Support for the energy transition of the country system by promoting the use and development of hydrogen transport and storage infrastructures	+	Potential	M L		• Transition risk - Disappointing economic results due to failure to develop markets for the energy transition businesses • Transition risk - Lack of skills necessary for the correct conduct of business and the achievement of strategic business and sustainability targets due to an inadequate workforce development plan, also in response to the know-how needs of the energy transition	Market expansion for long-range hydrogen business development following a favourable regulatory, policy and regulatory environment, as well as available partnerships and financing
		Support for the energy transition of the country system through the diffusion of the use and production of biomethane	+	Potential	M			Expansion of the biogas and biomethane market thanks to a favourable regulatory framework
		Increase in the production of biomethane from agricultural waste with consequent reduction in natural gas consumption and emissions from fossil fuels	+	Actual	B			
		Enabling the transport and storage of climate-changing emissions that cannot be avoided through carbon capture and storage (CCS) technologies that contribute to the reduction of emissions release into the atmosphere	+	Potential	M			Development of carbon capture and storage (CCS) projects thanks to a favourable legislative, political and regulatory environment
		Energy efficiency of customer-owned infrastructures aimed at reducing energy consumption and installation of energy production systems from renewable sources with consequent reduction of emissions produced	+	Actual	M			Improved external perception thanks to the Company's commitment to climate change mitigation, including developments in decarbonisation projects also due to increased customer demand
Pollution	↑	Generation of polluting emissions (e.g. NOx) in the performance of Snam's industrial activities which compromise air quality	−	Actual	B			
		Generation of polluting emissions (e.g. NOx) in the performance of Snam's value chain activities that compromise air quality	−	Actual	B			
Water	↑	Contribution to water resource scarcity in the territories where operators in Snam's value chain operate due to water consumption in company activities	−	Actual	B			
Biodiversity and ecosystems	=	Protection of the natural ecosystem through regeneration projects for the ecosystems and areas in which Snam operates	+	Potential	M		• Failure to obtain permits for the construction of works or interruption of company activities due to environmental constraints • Increased biodiversity alterations with possible impacts on service continuity and asset integrity	Improving external perception through urban reforestation activities
		Soil regeneration through the dispersion of nutrients in the form of digestate and compost	+	Actual	B			

		IMPACT MATERIALITY					FINANCIAL MATERIALITY	
	TREND	IMPACT DESCRIPTION	POSITIVE / NEGATIVE	ACTUAL / POTENTIAL	TIME HORIZON	SOURCE OF IMPACT	RISKS	OPPORTUNITIES
Own workforce [2]	=	Employees' well-being, satisfaction and work-life balance through appropriate welfare plans	+	Actual	B			
		Promoting a healthy and safe working environment through health and safety training and awareness-raising activities provided to employees and contractors	+	Actual	B		• Snam workers exposed to risks that may compromise their safety and physical integrity due to exogenous events (e.g. political and war events, natural disasters, etc.) • Business discontinuity due to a lack of staff caused by inadequate/ ineffective worker communication during crisis management • Measures or penalties for procedural breach, non-application of law or non-compliance with health and safety standards • Loss/suspension of certification (health, safety, quality, environment, energy, etc...) for procedural breach, non-application of law or non-compliance with health and safety standards	Increasing Snam's appeal among workers by raising awareness in health and safety issues
		Injuries, occupational illnesses and/or damage to the psycho-physical health of employees due to inadequate safety management and monitoring, failures and malfunctions of company structures and assets (impact related to single incidents)	-	Potential	B			
		Workforce discrimination in relation to equal treatment and opportunities and consequent worsening of working conditions (impact related to single incidents)	-	Actual	B			
		Developing employee skills by deploying appropriate training plans and professional growth opportunities through profitable projects and activities [3]	+	Actual	B			Increased appeal among top talent and increased retention, fostered by a corporate culture focused on equal skills development
		Training and raising the awareness of employees in issues of cyber security	+	Actual	B			Increased appeal among top talent and increased retention, fostered by a corporate culture focused on equal skills development
		Increasing the motivation of Snam employees by developing an inclusive working environment	+	Actual	B			

		IMPACT MATERIALITY					FINANCIAL MATERIALITY	
	TREND	IMPACT DESCRIPTION	POSITIVE / NEGATIVE	ACTUAL / POTENTIAL	TIME HORIZON	SOURCE OF IMPACT	RISKS	OPPORTUNITIES
Own workforce [2]	=	Violations of own workforce rights, such as instances of forced labour and child labour, which resulting in a deterioration of working conditions (generalised impact in the context in which Snam operates)	-	Potential	B			
		Discrimination of workers in the value chain in relation to equal treatment and opportunities and consequent worsening of the working conditions of contractors and employees of suppliers (generalised impact in the context in which Snam operates)	-	Actual	B			
Workers in the value chain [4]	=	Support for the development of skills of supply chain workers through involvement initiatives in the path towards the energy transition of the country system	+	Actual	B			
		Training and awareness raising of workers in the value chain on cyber security and consequent increase in resilience to cyber attacks in the gas value chain	+	Actual	B			
		Work-related accidents, occupational diseases and impacts on workers' health in the value chain due to inadequate management and monitoring of safety, failures and malfunctions of company structures and assets (impact related to single incidents)	-	Potential	B		Exposure of workers in the Snam value chain to organised and non-organised criminal activities with impacts on their safety	
		Violations of workers' rights in the value chain, such as incidents of forced labour and child labour, resulting in worsening of the working conditions of contractors and suppliers' employees (generalised impact in the context in which Snam operates)	-	Potential	B M			

		IMPACT MATERIALITY					FINANCIAL MATERIALITY	
	TREND	IMPACT DESCRIPTION	POSITIVE / NEGATIVE	ACTUAL / POTENTIAL	TIME HORIZON	SOURCE OF IMPACT	RISKS	OPPORTUNITIES
Affected communities [5]	=	Support and economic development of communities in the area through social initiatives, beneficial activities and sponsorships	+	Actual	B			
		Implementation of reforestation and urban regeneration projects that contribute to improving air quality and creating opportunities for social and economic development for Italian cities and regions	+	Actual	B			
		Support to the national economy through tax contributions	+	Actual	B			
		Tensions and conflicts on the part of the communities affected by Snam projects due to inadequate communication and dialogue with the Company (impact related to single incidents)	-	Actual	B			
		Tensions and conflicts on the part of the affected communities (municipalities and private entities) due to inadequate and unfair compensation for land use (impact related to single incidents)	-	Actual	B M			
		Tensions and conflicts by affected communities due to the limitation of access to land and use of resources for communities affected by transport infrastructure construction activities (impact related to single incidents)	-	Actual	B			
Business conduct	=	Dissemination of environmental and social sustainability principles through the involvement of suppliers and supply chain partners in order to promote a culture of sustainable development	+	Actual	B		Worsening of external perception and interruption of supply due to practices of counterparties that do not meet Snam's professional, economic, financial and ethical requirements	Expanding the ESG-aligned Supplier Pool
		Development of a corporate culture based on the principles of ethics and integrity and on active and passive corruption that contributes to improving the reputation and trust of stakeholders towards Snam	+	Potential	B		Criminal and administrative measures and sanctions for violation of anti-corruption, privacy and antitrust legislation	
							Tax disputes due to regulatory uncertainty, lack of tax audits, increasing internationalisation of Snam and/or new acquisitions in unregulated businesses	
								Improved external perception thanks to ESG performance in line with Snam's targets and effective communication to key stakeholders
Cyber security	=						Cyber attack with possible damage to assets and/or interruption of operations and/or other indirect costs	Improved external perception thanks to adequate cyber security supervision and awareness-raising activities on the topic

	IMPACT MATERIALITY						FINANCIAL MATERIALITY	
	TREND	IMPACT DESCRIPTION	POSITIVE / NEGATIVE	ACTUAL / POTENTIAL	TIME HORIZON	SOURCE OF IMPACT	RISKS	OPPORTUNITIES
Innovation and digitalisation	=	Improvement of the service offered through the development of digital technologies and the promotion of research and development activities in the field of innovation. These activities enable safe, resilient and effective management of infrastructure and resources and determine positive implications in terms of safety also for people and the environment	+	Actual	B		Ineffective development and/or adoption of innovative and technological solutions functional to Snam's strategy	Competitive and image advantages resulting from the timely development and/or adoption of innovative and technological solutions functional to Snam's strategy
		Deterioration of the service offered due to the failure to use cutting-edge technologies with repercussions on the effectiveness of asset and infrastructure management	-	Potential	M			
Relations with authorities and quality of services	=	Increased customer satisfaction through engagement and listening initiatives and the development of customer-centric platforms	+	Potential	M			
							Regulatory framework penalising gas infrastructure businesses	
Energy security and accessibility	=	Availability of infrastructures that guarantee the security of supply and the diversification of sources, satisfying the needs of the country system and the requests of the authority	+	Actual	B		Interruption of services due to exogenous causes, including possible criminal and terrorist, geopolitical and/or natural activities	Greater penetration of technologies enabling a multi-molecule infrastructure to support a sustainable energy system, including storage
		Service continuity and reliability through proper maintenance and constant monitoring of the integrity of Snam's infrastructure	+	Actual	B			

[1] For more information on the process of identifying and assessing climate-related physical and transition risks and opportunities, please refer to the chapter 'Climate change, Anticipated financial effects from material physical and transition risks and potential climate-related opportunities'.
[2] Snam's own workforce is made up of employees, divided into managers, executives, clerks and workers, and non-employees, i.e. temporary workers, those with a coordinated and continuous collaboration contract (so-called Co.Co.Co.) and interns. For more information on the composition of Snam's own workforce, please refer to the chapter 'Own workforce, Actions and metrics'. The material risks and opportunities arising from impacts and dependencies in terms of own workers concern the entire own workforce.
[3] The impact derives, among others, from the transition plan launched by Snam and which provides for the adaptation of the skills needed to respond to the challenges of the energy transition.
[4] Workers in Snam's value chain are predominantly suppliers, contractors, who carry out their activities in workplaces controlled by Snam, but who are not part of the undertaking's own workforce, and subcontractors, who work for entities in the value chain upstream of the undertaking. The material impacts, risks and opportunities arising from the impacts and dependencies in terms of workers in the value chain concern the entire value chain.
[5] The affected communities subject to material impacts are mainly municipalities and private individuals, environmental, cultural and non-governmental organisations (NGOs), farmers', industrial, professional and trade associations and, more generally, the entire citizenry of the territories in which Snam, directly and indirectly, operates. These communities may live and work or work near operating sites, factories, plants or other facilities in which Snam physically operates and along Snam's upstream value chain. Communities subject to material impacts do not include those present at one or both end points of the value chain or indigenous peoples' communities.

THE ERM MODEL FOR MANAGING RISKS AND OPPORTUNITIES

The analysis of risk events and opportunities that may affect the business plays an essential role in order to continue operating sustainably in the long term, defining strategic choices that respond to changes in the context in which Snam operates.

The **head of Enterprise Risk Management (ERM)** is responsible for the ERM function, located at the second level of the Internal Control and Risk Management System (ICRMS) and structurally independent of Snam's business lines. The ERM function reports directly to the **Chief Legal Officer & General Counsel** and plays a fundamental role in the integrated management of corporate risks, making use of an ERM Model defined in accordance with corporate values and in line with the **recommendations of the Corporate Governance Code**[70] and international reference models and best practices in risk management such as: the international standard ISO 31000 'Risk Management Guidelines', the CoSO Framework[71]and, with reference to sustainability risks, the 'CoSO ERM WBCSD - Applying enterprise risk management to environmental, social and governance-related risks'

Snam's ERM Model operates at the level of all Group companies and involves Risk Owners and Risk Specialists, understood as front-line employees and those in operational roles dedicated to both Staff and Business processes, who monitor the risks and opportunities under their jurisdiction. This ensures not only that the ERM model is implemented correctly, but also that assessments are carried out consistently by the various risk owners and risk specialists (first line of defense). Within the scope of the SCIGR, the ERM function collaborates continuously with the units responsible for Compliance, at the second level of control, and with Internal Audit, a function placed at the third level of control and responsible for independent and objective assurance on the adequacy and effective operation of the first and second levels of control and in general on the overall risk management methods.

The ERM Model enables the identification, assessment and monitoring of risks and opportunities associated with Snam's business strategy and is described in the 'Enterprise Risk Management Guidelines' (the 'ERM Guidelines'[72]), approved by the Board of Directors in December 2023 and applied within the Snam Group. As part of the overall evolution and consolidation process of the ERM Model, methodological and process interventions were also carried out in 2024 (the main ones are reported below), aimed at making the ERM increasingly integrated and modern, strengthening its ability to support decision-making at the various levels of the Group through a risk-informed contribution:

RISK APPETITE FRAMEWORK (RAF) ANALYSIS	Following the adoption of the RAF in 2023, in 2024 the analyses on the risk-return propensity were conducted following the predefined process that includes the periodic review of the RAF indicators, the intra-annual and continuous (event-based) monitoring and the annual 2024 reporting.
RATIONALISATION OF RISK RESPONSE ANALYSIS METHODS	Risk response assessments provide for a clear distinction between measures that are already effective in terms of risk mitigation (existing measures) and measures whose adoption is planned/underway but which are not yet effective (future mitigation actions).
EXTENDING RISK AND OPPORTUNITY ANALYSES TO THE LONG TERM	The main risk and opportunity scenarios are also assessed in the long term, defining the relative time horizon in alignment with the main international frameworks and standards and introducing logics for extending the impact scales (economic-financial and reputational).
ADOPTING SUSTAINABILITY-MATERIAL LOGIC FOR OUTSIDE-IN ANALYSES OF DOUBLE MATERIALITY	The logic for classifying risks as 'Sustainability Risks' according to a Sustainability-materiality criterion, which qualifies a risk as 'Sustainability' when it impacts topics/factors that are material for Snam also for the purposes of the sustainability reporting, was used to contribute to the identification of material topics from the perspective of financial materiality.
INTRODUCTION OF A 'DYNAMIC' APPROACH TO RISK ANALYSIS	Risks are analysed starting from impact, likelihood and velocity assessments (traditional approach) and introducing an assessment of mutual interconnection, thus allowing a representation of the overall level of contagion.
INTRODUCTION OF BIODIVERSITY RISK IN CLIMATE CHANGE RISK MANAGEMENT	Integration of the view dedicated to biodiversity risk within Climate Change Risk Management (CCRM), with the consequent evolution of the 'vertical' into Climate Change & Biodiversity Risk Management (CBRM), i.e. a vertical of analysis with integrated and specific methodologies for the identification, measurement and management of risks connected to climate change and the evolution of biodiversity (physical & transition), in alignment with the main references and standards in the climate risk & biodiversity risk field and thus determining a progressive compliance with the logic of the Planetary Boundaries. For more information, please refer to the sections 'Actions and metrics, Anticipated financial effects from material physical and transition risks and potential climate-related opportunities' in the 'Climate change' chapter and 'Actions and metrics, Expected financial impacts from biodiversity and ecosystem-related risks and opportunities' in the 'Biodiversity and ecosystems' chapter.

[70] The Corporate Governance Code was approved in 2020 by the Corporate Governance Committee, set up in June 2011 by the Business Associations (ABI, ANIA, Assonime, Confindustria), Borsa Italiana S.p.A. and the Association of Professional Investors (Assogestioni). The Corporate Governance Code can be found at the following link: https://www.borsaitaliana.it/comitato-corporate-governance/codice/2020.pdf.

[71] Committee of Sponsoring Organizations of the Treadway Commission.

[72] The Guidelines describe Snam's Enterprise Risk Management model and applies to Snam S.p.A. and its subsidiaries. The document is structured in 9 paragraphs describing: (i) fundamental principles; (ii) scope of application; (iii) risk governance; (iv) ERM model; (v) risk & control register; (vi) information flows and reporting; (vii) risk appetite framework; (viii) communication and training; (ix) responsibility for updating. The Enterprise Risk Management Guidelines can be found at the following link: https://www.snam.it/content/dam/snam/pages-attachments/it/investor-relations/documents/risk-management/Snam_Linea_Guida_ERM_20231219.pdf.

The results of risk and opportunity assessment and monitoring activities and related management strategies are periodically presented to the Control and Risk and Related-Party Transactions Committee, the Sustainability and Energy Transition Scenarios Committee, the Board of Statutory Auditors, the Supervisory Board and the Snam Board of Directors. The results are also shared with the Internal Audit function, as mentioned above, which uses them in the preparation of the audit plan, the Strategic Planning function, which performs a consistency assessment with the Strategic Plan analyses and risk assessments, and the Sustainability and Social Impact function, which complements the planning and definition of strategies for the management of sustainability topics material to the Group. Like other corporate functions, these functions are also directly involved in the ERM Risk Assessment process.

For more information on governance in the area of risk management, please refer to the chapter 'Governance, The System of Controls'.

Risk culture is already a founding element of Snam and the ERM Unit, collaborating across all company levels, supports both staff and business processes with risk-informed assessments. Among others, the following are worth mentioning:

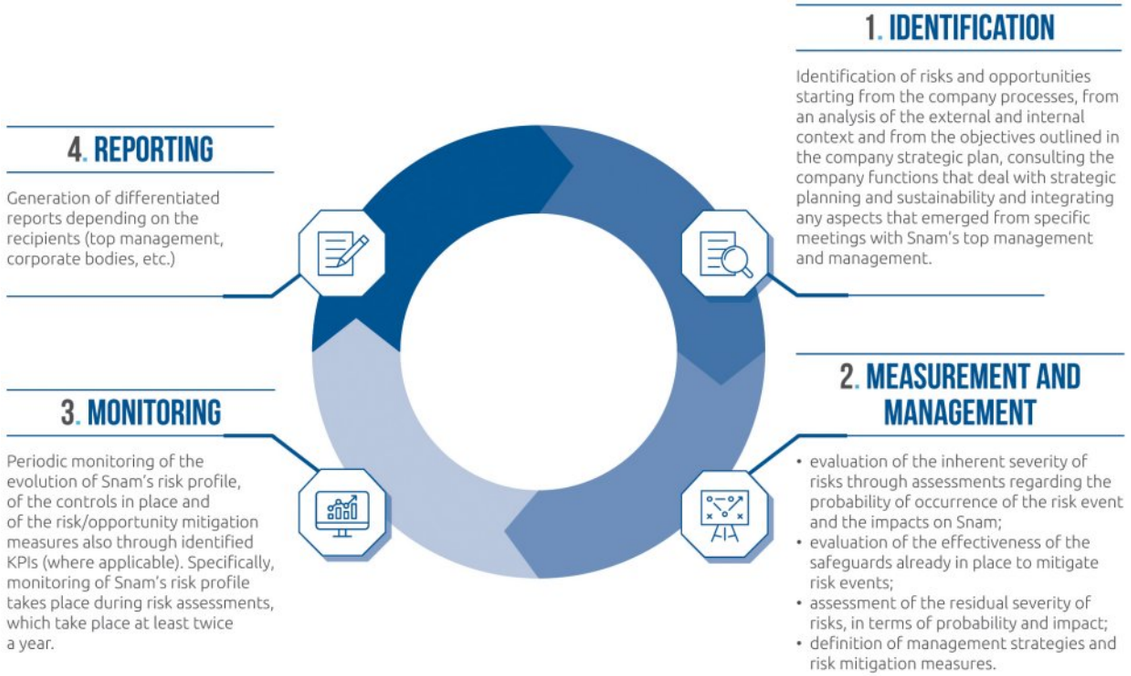
- **the transport service activity which is carried out on the basis of risk based information;**
- **asset design activities carried out according to project risk management logic;**

In the staff area, some sustainability targets (e.g. the injury frequency and severity index - IpFG and the target of fair representation in the management team) are included in the management incentive system, these targets are assessed and monitored in terms of risk in the ERM framework.

In addition, with a view to strengthening the risk culture, the ERM unit carries out awareness-raising and training activities for executive and non-executive directors on the risk management methodologies applied and the evolution of Snam's ERM model. Training activities are also extended within the company, with the aim of creating full awareness of roles and responsibilities, illustrating, through specific initiatives, the purposes and characteristics of the ERM model and the risk assessment methodology. This ensures not only that the ERM model is implemented correctly, but also that assessments are carried out consistently by the various risk owners and risk specialists.

The ERM process represents the set of activities aimed at the identification and management of risks/opportunities with respect to all business processes and aimed at guaranteeing homogeneity in the identification and prioritisation of risks and opportunities through a balanced Top-Down & Bottom-Up approach and a uniform methodology for the Group, which takes into account the specificities and complexities of the various businesses.

The ERM analysis logic is divided into the following steps:



The updating of the ERM Model takes place continuously and independently of the process steps mentioned above, with the aim of continuously having a model that is effective over time and aligned with emerging best practices. In 2022, the risk management activity was covered by an internal audit, while with regard to external audits, in the HSEQ area, the external certifying body DNV always carries out a specific audit on ERM activity.

Risk assessment campaigns involve Risk Owners and Risk Specialists, who assess risks and opportunities according to the metrics below:

EVALUATION METRICS		TYPE		OUTPUT
Likelihood				
Understood as the probability of an event occurring over the reference time horizon.	From 1 (low) to 4 (very high)		⇒	The combination of the likelihood level and the impact level with the highest rating among those measured determines the severity of each event.
Impact				
Understood as the overall magnitude of the effect/consequence of the occurrence of an event over the reference time horizon with respect to the pursuit of Snam's targets.	From 1 (low) to 4 (material)	**Economic-financial**, expresses in quantitative and/or qualitative terms the potential repercussions that a risk/ opportunity event would have for Snam in the Budget year and/or over the Plan period. **Reputational**: expresses the potential repercussions that a risk/opportunity event would have for Snam in terms of image damage and/or number of stakeholder categories and related expectation factors [1] impacted in connection with the materiality analysis.	⇒	The inherent severity is understood as the level of exposure to the individual event in the absence of direct mitigation of the same but considering the stable/maintained mitigating action of the broader ICRMS. Starting from the inherent severity assessment and considering the effectiveness assessment of the measures adopted to mitigate the risk, the residual severity is obtained, which represents the actual exposure to a specific risk.

[1] Expectation factors are understood to be the topics material to stakeholders declined in terms of the expectations, demands and needs that these stakeholders have of Snam. The expectation factors of the different stakeholder categories are identified taking into consideration: (i) material topics relevant for the double materiality analysis and (ii) topics included in the Stakeholder Engagement questionnaires.

The stakeholder expectation factors considered by the reputational impact assessment metric include the HSE component. This makes it possible to assess all identified risks and opportunities also on the basis of possible impacts on people's health and safety. In addition, specific HSE risks/opportunities are mapped, which are, among others, periodically reported by the ERM function to the corporate bodies and top management.

Risks and opportunities are prioritised taking into account residual severity values and are classified into financial, operational, legal and compliance, strategic and emerging risks.

In order to capture the main risks and opportunities that could affect Snam's targets in the short, medium and long term, the ERM Model provides that the reference time horizon for their assessment and measurement is the Plan period; Consequently, the time horizons considered are defined as follows:

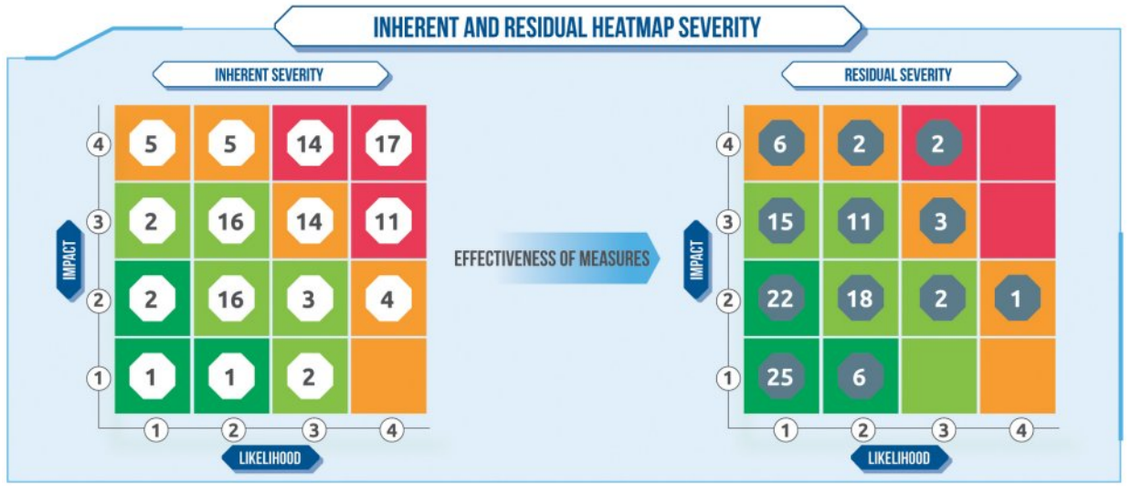
- **Short term (≤ 1 year)**: in the short-term, Snam creates value by pursuing its business in the manner established by the rules and procedures, with particular focus on risk management and operational efficiency. The main point of reference is the annual budget;
- **medium term (≤ 5 years)**: in the medium term, the ability to carry out investment programmes, thereby ensuring a flow of resources and that favourable economic conditions are maintained, is also important. The main point of reference is the Strategic Plan, which covers a period of up to five years;
- **Long term (> 5 years)**: in the long-term, it is vital that the investment decisions and strategic choices made have interpreted trends in the best way possible. The main point of reference is the Ten-year transportation network development plan submitted to the Authority, which covers a period of 10 years.

For more information on time horizons, plrease refer to the chapter 'Introduction and reading guide, Disclosures in relation to specific circumstances'.

In addition, events with impacts that may occur beyond the planning period are also taken into account through the valuation of risk/opportunity velocity and/or within the framework of the Climate Change & Biodiversity Risk Management. In particular, velocity measures the time elapsing between the occurrence of the risk/opportunity event and the moment in which the impacts associated with that event will manifest themselves (a moment that can be located in the three time horizons of short, medium and long term), allowing management activities to be prioritised on the basis of the time horizon in which these impacts will be realised.

In 2024, also in consideration of methodological developments and in order to guarantee further control over the quality of the analyses also for the purposes of financial and non-financial reporting, the mapping of risks/ opportunities was carried out with the aid of dedicated IT supports in order to favour dialogue with the risk owners. A process for transferring information to the RACI IT platform is already foreseen, within the framework of an Integrated Risk Assurance and Compliance Model aimed at integrating the information flows of second level controls with a synergic approach aimed at maximum rationalisation and overall efficiency of the ICRMS. For more information, please refer to the chapter 'Governance, The control system'.

At the end of 2024, 113 risks have been mapped in the short/medium term (2025-2029) and 64 in the long term (2030-2050). 51 opportunities in the short/medium term (2025-2029) have also been mapped. In particular, the risks are prioritised as depicted in the graph below.



Note: The values in the matrices represent the number of risks in each quadrant according to likelihood and impact.

The following is a breakdown of the main strategic, operational, legal and compliance risks, i.e. the most material risks for Snam in the short/medium term, characterised by a high or critical residual severity, identifiable in the heatmap above. Furthermore, these risks are correlated to the risk dimensions identified in the Risk Appetite Framework and the relative appetite level indicated in the Risk Appetite Framework paragraph of this chapter.

CATEGORY: STRATEGIC RISK

DESCRIPTION	RELATED MATERIAL TOPICS	MAIN MEASURES
Regulatory risk - periodic review of the regulatory framework in Italy and the countries of interest, in particular with regard to criteria for determining tariffs	Relations with authorities and quality of services	• Maintaining a continuous and constructive dialogue with the regulator that contributes to the definition of a clear, transparent and stable framework to encourage the sustainable development of the gas system; • Monitoring consultation processes in a direct and/or indirect manner; • Preparation and transmission of documents containing company positions and/or proposals regarding the definition of the regulatory framework; • Continuous regulatory oversight with monitoring of the evolution of laws and rulings, analysis of new developments, and the dissemination of information and insights to business and commercial departments.
Difficulties in reaching recruitment/promotion targets for female employees in STEM area	Own workforce (Equal treatment and opportunities for all)	• Training and development initiatives aimed at young women to enhance their managerial and technical-professional skills; • Dedicated talent development/job rotation paths and/or cross-functional/international projects to accelerate growth and development; • Gender equality dashboard for retention to monitor progress.

CATEGORY: OPERATIONAL RISKS (1/2)

DESCRIPTION	RELATED MATERIAL TOPICS	MAIN MEASURES
Breakage or damage to pipelines/plants, also as a result of extraordinary events, which could cause malfunction and unplanned service interruption	Climate Change (Adaptation to Climate Change) Energy security and accessibility	• Application of a recovery plan and business continuity management system aligned with international best practices; • Communication initiatives aimed at providing information regarding the presence of infrastructure and the behaviours to be avoided or implemented by third parties in order to prevent damage occurring to them; • Technologically advanced tools for monitoring/controlling the state of infrastructure elements, also in view of their useful life, and the environmental context in which they are located; • Continuous verification of insurance coverage in relation to the type of business and related risks; • Systematic and continuous maintenance and control actions, with implementation of the pipeline replacement plan based on analyses of specific technical parameters; • Timely implementation of Emergency Response Procedures.

Cyber attack	Cyber security	• Adaptation of information security and business continuity management criteria and processes to the provisions of ISO/IEC 27001 and ISO 22013 standards and certification of compliance with them, with reference to core processes; • Management of application and infrastructure development activities in compliance with Security by Design principles and processes; • Formalisation of security intelligence processes for the preventive identification of potential threat sources; • Management of monitoring and response to events potentially damaging to the integrity of the information and information systems used through the establishment and maintenance of a cybersecurity operation centre; • Performing periodic technical verification activities; • Design and execution of periodic testing and simulation activities; • Development of a cyber security culture through the design and delivery of security awareness initiatives.
Health and Safety Risk	Own workforce (Health and Safety)	• Promoting a HSE culture and responsibility at all levels of the organisation; • Involve employees and contractors in understanding and applying health, safety and environmental policies; • Definition of operational controls to ensure that activities are carried out in compliance with mandatory and voluntary HSE requirements; • Periodic internal and external audits to evaluate the effectiveness of control measures and identify any areas for improvement; • Monitoring of regulatory developments and their application; • Adoption and maintenance of Health, Safety and Environment management systems certified in accordance with the ISO 45001 and ISO 14001.
Security Risk	Workers in the value chain (Working conditions)	• Creation of an Integrated Security System (ISS); • Reputational Due Diligence on associated businesses • Dedicated risk assessments (physical security, country risk, etc.); • Collaboration protocols with the Ministry and Law Enforcement; • Governance and Security awareness.

CATEGORY: OPERATIONAL RISKS (2/2)

DESCRIPTION	RELATED MATERIAL TOPICS	MAIN MEASURES
Deviation from time and budget of investment realisation projects	Business conduct	• Project Risk Management; • Stakeholders engagement; • Process streamlining and digitalization.
Difficulty in achieving attraction, retention and skills development targets	Own workforce (Equal treatment and opportunities for all and skills development)	• Technical academy; • Market studies on the territory; • Snam's New Employer Branding Strategy as an operator for the multi-molecule transition.
Unavailability of ICT systems and applications	Innovation and digitalisation Cyber security	• Continuous monitoring of application performance; • Service Level Monitoring.
Inadequacy or unavailability of insurance coverage	n.a.	• Internal/external risk analysis and assessment; • Insurance market monitoring.

CATEGORY: LEGAL AND COMPLIANCE RISK

DESCRIPTION	RELATED MATERIAL TOPICS	MAIN MEASURES
Non-compliance with applicable regulations	Business Conduct (Active and passive corruption)	• Updating and monitoring of Model 231 protocols; • Awareness-raising and training initiatives on corruption and accident prevention for the entire company and its contractors; • Adoption and maintenance of the Company's Corruption Prevention Management System certified according to ISO 37001:2016; • Adoption, updating and monitoring of a privacy management system; • Adoption, updating and monitoring of a system of reputational checks on third parties (suppliers/ subcontractors and other third parties); • Analysis and evaluation of the reports received via the channels provided in the reporting procedure; • Regulatory oversight and case law developments.

Snam was one of the first companies to integrate its risk management model from an ESG perspective by identifying and classifying risks and opportunities as 'sustainability-material'. According to this criterion, risks and opportunities are qualified as Sustainability-material where they impact sustainability issues or factors that are also material to Snam for the purposes of related reporting.
The references considered for the sustainability materiality assessment of risk events are:

- **international reference standards (including the new ESRS standards);**
- **materiality analysis and material topics;**
- **the sustainability strategy, sustainability scorecard and related KPIs.**

These references are to be considered dynamic and integrable with respect to the evolutions of the internal and external context, in order to achieve a comprehensive and up-to-date mapping of Sustainability Risks.
At the end of 2024, 61 risks and 26 opportunities were classified as Sustainability-material.

Risk Appetite Framework

Snam has equipped itself with a Group Risk Appetite Framework (hereinafter also 'RAF') approved by the Board of Directors.

BENEFITS	The Risk Appetite Framework makes it possible to: • make explicit the Group's risk appetite by defining the level of risk one is willing to accept in pursuit of the strategic targets (risk-return profile); • support the making of choices consistent with the risk appetite validated by the Board of Directors; • facilitate escalation to the Board of Directors in the event of risk-taking beyond the defined limits; • integrate the ERM model by strengthening its ability to contribute to decision-making processes; • strengthen the risk culture.
METHODOLOGICAL APPROACH	The framework was defined in a process consisting of the following activities: • identification of the key risk-return dimensions, i.e. the risk areas on which to express the Group's risk return appetite; • for each identified dimension, definition: a qualitative statement that explains the level of risk that the company is willing to accept to achieve its targets and indicators and metrics that allow monitoring of the risk-return profile assumed; • determination of suitable thresholds to place the company's risk profile within an acceptable range beyond which corrective action will be required[1].
REPORTING	The ERM Function reports, inter alia, to the Control and Risk and Related-Party Transactions Committee and the Board of Directors: • on at least an annual basis, on the analysis and monitoring of indicators; • per event, in the event of a risk limit breach, i.e. where the breach exceeds the risk threshold that the company agrees to bear.

[1] The following parameters are identified for each indicator: (i) risk ambition, i.e. the level of risk exposure at which the company aims to achieve the best risk-return balance; (ii) actual, which coincides with the company's risk-return profile at a given time, and (iii) risk limit, which identifies the maximum level of risk the company is willing to tolerate in pursuit of its targets.

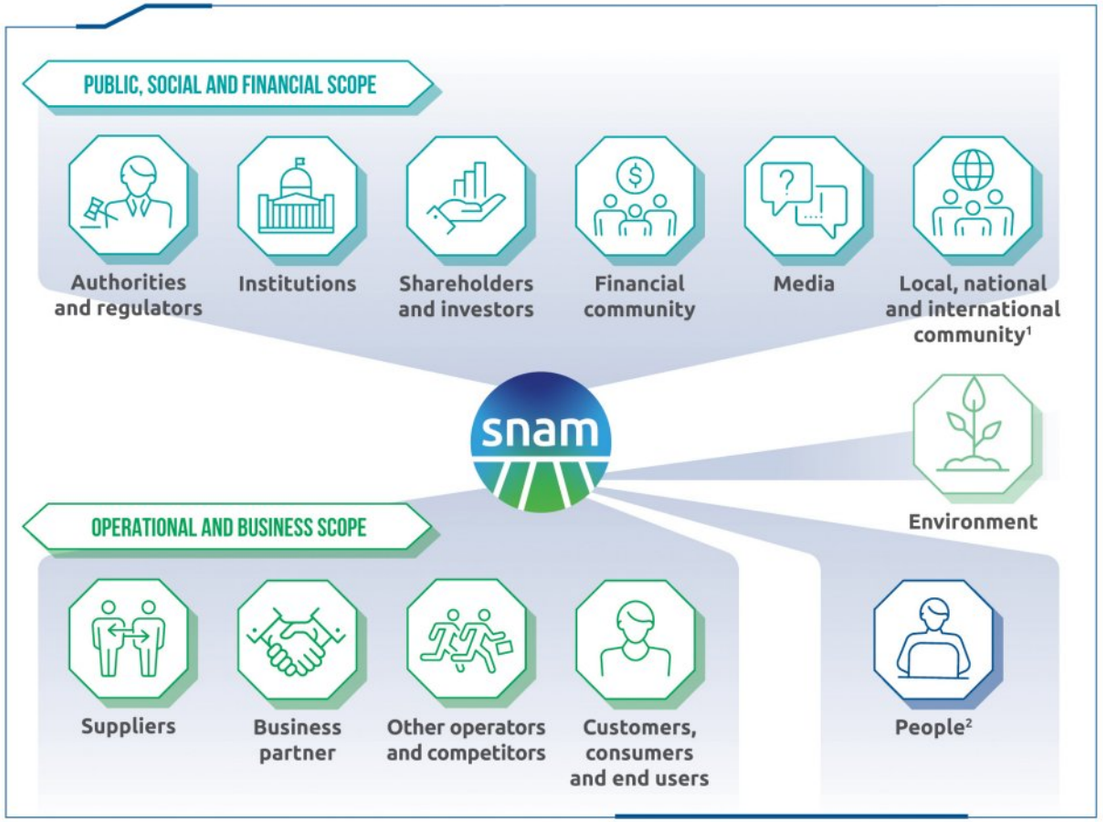
Below is the qualitative statement that explains in general terms the level of risk the company is willing to accept in order to achieve its targets and the risk/return dimensions identified within the RAF with the main risks related to them.

Snam pursues its sustainable success by focusing its business on the value axes of Profitability, Reputation and Sustainability, while maintaining a low risk profile, through the reliability of its infrastructure, a disciplined financial policy, the pursuit of a Net Zero strategy, the consolidation of its reputation among stakeholders and constant attention to all its people.

RISK-RETURN DIMENSIONS	MAIN RISKS (SHORT/MEDIUM AND LONG TERM)
Regulatory and investment gas infrastructure	Regulatory risk, changes in the regulatory framework in Italy and the countries of interest, in particular with regard to criteria for determining tariffs
	Deviation from time and budget of investment realisation projects
Quality & security	Breakage or damage to pipelines/plants, also as a result of extraordinary events, which could cause malfunction and unplanned service interruption
	Cyber attack
	Security
	Unavailability of ICT systems and applications
	Inadequacy or unavailability of insurance coverage
Financial management	Risk rating
	Financial risks
Energy transition	Non-achievement of emission reduction targets defined within the decarbonisation strategy
	Increase in raw material costs
Reputation	Non-compliance with applicable regulations
	Worsening external perception of Snam's positioning and commitment on sustainability issues
Human capital	Difficulty in achieving attraction/retention and skills development targets and difficulty in achieving promotion targets for female employees in the STEM field
	Health, Safety and Environment Risk

STAKEHOLDER RELATIONS

In carrying out its activities, Snam fosters a collaborative relationship with all its stakeholders aimed at dialogue and active listening, developing tools and engagement actions that strengthen trust and inclusion, mutual growth and licence to operate.



1. In the category 'Local, national and international community', associations are included.
2. In the category 'Persons', workers and workers' representatives are included.

In the 2024 stakeholder mapping update exercise, Environment was included as a new stakeholder category. Nature is considered a silent stakeholder that has an influence on Snam's activities and, at the same time, is influenced by company operations. According to the ESRS, nature is an essential part of the sustainability context of the undertaking and the value chain in which it operates.

Since 2016, Snam has adopted a policy aimed at stakeholder engagement, through which it ensures a homogeneous approach to dialogue and listening activities with stakeholders based on 4 fundamental steps:

IDENTIFY
through a mapping exercise, the different categories of stakeholders with which the Company interacts by following the evolution of the context and the development of corporate activities

ANALYSE AND UNDERSTAND
the stakeholders' profile and their perception with respect to Group initiatives and activities

STUDY IN DEPTH
the most material interests and topics for each stakeholder category, including through regular meetings on ESG issues and the updating of the materiality analysis

COMMUNICATE
periodically to stakeholders the results of operations in relation to material topics of mutual interest through reporting documents, including the Sustainability Statement

The Stakeholder Engagement Policy, updated in 2024 and valid for the entire Snam Group, places at its centre the need to create solid relationships between people, suppliers and communities, meeting the sustainable development needs of all stakeholders.
The targets of Snam's stakeholder engagement are:

- establishing an **ongoing and constructive dialogue** with Snam's main stakeholder group on sustainability strategies, taking into account any stakeholder requests and identifying areas for improvement and possible synergies
- define the company's **material topics** in the ESG area
- contributing to the maintenance of the **corporate reputation**
- contributing to the **identification of opportunities and risks**

For further information on the Stakeholder Engagement Policy, please refer to the chapter 'Internal Regulatory System'.

The stakeholder engagement process

In order to stimulate mutual and continuous growth in the relationship between Snam and its stakeholders, the Group bases the foundations of its stakeholder engagement process on constant and proactive communication.

Following the changes that the international landscape has undergone due to the evolving geo-political context in recent years, one of the main threads of stakeholder engagement activities in 2024 was the issue of energy security. Snam, in fact, represents one of the most important national guarantors in terms of security of supply and, with a view to understanding the need that this issue reveals for all stakeholders along the value chain, shares strategic lines, targets and supporting activities.

With this in mind, the company has worked on defining its ambition '**Energy infrastructures for a sustainable future**' with the aim of giving substance to the purpose and representing the medium-long term vision contained within the Group's industrial plan, coherently aligning all stakeholder involvement activities with it.

Among the activities of 2024, the advertising campaign launched in 2023 '**We are the network that transports your energy every day**' was resumed, which tells the importance of the natural gas transport, storage and regasification service managed by the Group in guaranteeing the country's energy security and enabling its transition towards a zero-emission future.

In addition, the communication activities that characterised 2024 continued to promote, among others, the commitment to the enhancement of territories and local communities, the biomethane, hydrogen and energy efficiency businesses. Sustainability and innovation continue to be the strategic levers to support our ambition to become a leading pan-European multi-molecule energy player. In doing so, Snam keeps stakeholder engagement high along the entire value chain, through transparent communication and sharing of its targets and activities.

Snam celebrated art and sustainability with the 'Designing the Future' contest, created to artistically narrate the Company's role in the energy transition. Launched in July 2024 and concluded in December, 'Drawing the Future' involved over 160 illustrators in just a few weeks, who were asked to graphically interpret the transition path undertaken by Snam towards a sustainable, safe and inclusive future.

Snam has continued to expand its commitment to organising online and hybrid meetings and events, as well as in-person events, promoting ongoing dialogue with its stakeholders through proactive and integrated communication, capable of establishing solid and lasting relationships. Involvement activities in 2024 covered the topics of:

Snam's business model and strategy are structured to effectively manage material impacts, thanks to an integrated approach that combines sustainability and innovation. The company's sustainability strategy is divided into **seven key areas**, each supported by specific ambitions to be achieved by 2029. Among these, the commitment to people, the support of local communities and the path towards carbon neutrality stand out.
Snam invests significantly in **its people** through the professional growth, safety and well-being of its employees, while promoting the energy transition through decarbonisation and digitalisation processes.

Within the **value chain**, the company addresses material impacts by adopting sustainable practices that directly involve suppliers. Integrating ESG criteria into procurement and supporting decarbonization improves the overall sustainability of the supply chain, strengthening stakeholders' contribution to the energy transition.

With regard to **local communities,** Snam promotes dialogue and the development of modular and sustainable infrastructures, capable of guaranteeing resilience and lasting environmental and economic benefits. Initiatives dedicated to territorial regeneration, biodiversity protection and community support play a fundamental role in ensuring a fair transition, in line with the sustainability targets outlined in the Strategic Plan.

The 2024 engagement activities are marked in the document by the icon on the side.

In 2024, Snam strengthened its dialogue with all stakeholders to promote the energy transition, accelerate the development of innovative solutions and consolidate ESG commitments.
Some of the methods and related involvement activities by stakeholder category are shown below:

STAKEHOLDER CATEGORY	ENGAGEMENT ACTIVITIES 2024	
Shareholders and investors	Seminars	• Involvement of 400 investors, with moments of discussion and in-depth analysis of strategies, performance and sustainable growth prospects. • The following topics were explored in approximately 20 structured meetings with shareholders and investors: CEO remuneration, board skills and training on sustainability issues, challenges in reducing emissions, biodiversity, presentation of scenarios for 2050, risks related to stranded assets, focus on value chain emissions and the business model.
Institutions **Authorities and regulators**	Seminars Public consultations Technical tables	• Over 200 meetings with national and local institutions in order to maintain a constant dialogue with public administrations, territorial bodies and authorities relating to the territories affected by the Snam Group's infrastructure, in addition to those involved in the activities carried out by Fondazione Snam and Arbolia. • Snam has participated in 8 public consultations launched by the European Commission, contributing to the development of policies on energy and climate. • 25 meetings with European institutions, trade associations and think tanks through working tables and moments of exchange on best practices and future scenarios of the energy sector; • Over 60 meetings with parliamentarians and diplomatic representatives to foster dialogue on decarbonisation policies and industrial growth opportunities linked to clean energy. • Formal consultations and technical roundtables with regulators to ensure transparency and regulatory alignment on key issues such as tariffs, infrastructure and environmental standards. • Active participation in working groups and technical tables organized by the Ministry of the Environment and Energy Security on issues related to the development of the hydrogen and CCS market.
Suppliers	Collaboration	Guidelines have been provided to integrate ESG criteria into supply processes, encouraging the transition towards sustainable business models.
Business partner	Collaborations and partnerships	Through collaborations, partnerships and initiatives such as Hydrogen Valleys and H2A Industries, hydrogen production and use solutions have been tested with the aim of reducing emissions along the entire supply chain.
Customers	Seminars Workshops	More than 400 customers were involved in dedicated meetings and workshops, aimed at identifying their needs and promoting a constructive dialogue.
Other operators and competitors	Collaborations and partnerships	Snam works closely with other operators in the sector, especially to create an integrated European network and to continue the development of market-oriented services, as well as to spread alternative uses of gas, through the promotion of biomethane, hydrogen and CCS technologies as the main solutions for achieving decarbonisation targets. Major collaborations include: • the **Tech4Planet**, a national technology transfer hub created two years ago by CDP Venture Capital SGR, and of which Snam is a corporate partner, to facilitate market access and support the growth of new businesses, conceived within research laboratories and dedicated to environmental sustainability; • **Politecnico di Milano**, which renewed its collaboration agreement with Snam on joint research activities dedicated to the role of the gas system in the country's energy security and transition. The framework agreement will focus on the development of studies and projects from infrastructure safety to green gases (hydrogen and biomethane) and technologies for decarbonisation, such as hydrogen and CO_2 capture and storage.

Snam's commitment to stakeholder engagement translates into a complex and inclusive process, aimed at ensuring the assessment of impacts, risks and opportunities, with particular reference to respect for human rights. To this end, Snam has organised:

- a workshop involving the Inclusion Team, representing the main diversities in the company, participants in the ERG groups (employee resource groups, communities dedicated to specific issues related to the work environment) and a workshop dedicated to workers' representatives was held to gather opinions and validate internal assessments on the impacts, risks and opportunities related to the company's own workforce, including those relating to human rights;
- a workshop to which Snam's main suppliers were invited to gather opinions and validate internal assessments on impacts, risks and opportunities related to workers, including those relating to human rights;
- interviews with representatives of local institutions in the vicinity of plants linked to Snam's activities and with associations involved in projects aimed at creating positive impacts to gather opinions and validate internal assessments on impacts, risks and opportunities related to workers, including those relating to human rights.

Snam believes that its strategy and business model contribute to creating material impacts considering both its own activities and those of the value chain, as emerged following the double materiality analysis presented in the chapter 'Management of impacts, risks and opportunities, Material topics for Snam'. With this awareness, the Sustainability Framework was defined, which makes Snam's strategy and business model adequate to address material impacts on all the main categories of stakeholders. Indeed, Snam:

- invests significantly in the professional growth, safety and well-being of its **employees**, while promoting the energy transition through decarbonisation and digitalisation of processes;
- promotes sustainable practices that directly involve **suppliers**. Adopting ESG criteria in procurement and supporting decarbonisation improve the overall sustainability of the chain and strengthen the contribution of stakeholders in the energy transition. This approach ensures that corporate actions are aligned with sustainability goals, creating value for all parties involved;
- promotes dialogue with the **affected communities** and the development of modular and sustainable infrastructures, capable of ensuring resilience and lasting environmental and economic benefits. Initiatives aimed at territorial regeneration, biodiversity protection and support for local communities are essential to ensure a fair transition, in line with the targets of decarbonisation and sustainability.

At the beginning of 2024, Snam presented the new Sustainability Strategy, the result of a structured and participatory process that involved a vast audience of internal and external stakeholders. During the initial listening phase, members of the Board of Directors, the C-Suite and several Executive Directors were consulted, as well as representatives of the investment community, civil society, sustainability experts, figures from the tech and supply chain world, specialists in biodiversity and regeneration and institutional and regulatory representatives. This process has enabled us to integrate stakeholders' opinions and interests in the definition and, in the future, in the further evolution of the strategy and business model, thus ensuring an approach increasingly aligned with the impacts and opportunities related to sustainability. The Strategy, already disclosed to the public through numerous events, includes further listening phases for continuous updates and planned measures, supported by specific work sites for each pillar and monitored through quarterly meetings between the CEO and his first reports. In these meetings, specific issues related to stakeholders are reported and brought to the attention of the relevant Committees, ensuring that the administrative, management and control bodies are constantly informed and involved in the sustainability path.
For more information on the actions implemented by Snam to contribute to the creation of positive impacts and the mitigation of negative ones, please refer to the thematic chapters.

Media Relations

In 2024, Snam continued and intensified its relations with the national and local press, while consolidating its position with the international media.

To this end, press coverage was expanded through articles, interviews, TV and radio reports, including the organisation of press conferences, express trips and plant visits. The activities contributed to strengthening Snam's visibility and role as a key player in the country's energy security, enhancing the strategic role of its infrastructures and key projects, such as the regasifiers in Piombino and Ravenna, and its role as an enabler of the energy transition. Communication efforts have not only focused on safety, but also on the energy transition, which Snam considers as two complementary and necessary elements to each other. Activities on this front have mainly focused on the development of green gases (hydrogen and biomethane), new technologies for decarbonisation (such as, for example, CCS infrastructure) and energy efficiency interventions.

Among the year's media awards and accolades, Snam was ranked third in the Webranking Europe 500 for corporate and financial digital communication compiled by Lundquist in cooperation with Comprend. Snam also received the 'Who To Watch' award for transparency in communicating key aspects of its governance. Present in the research for 23 years, since its listing in 2001, Snam has obtained 20 positions in the Top 10, maintaining a constant presence in the Top 3 for 11 consecutive years. The company, according to the research, stands out for its ability to clearly communicate its corporate identity and for the detail of its sustainability information.

During the year, communication relating to ESG issues and stakeholder engagement projects for communities and territories was strengthened, as well as financial communication, strengthening collaboration with Snam's Finance, Investor Relations and M&A teams. Ample space was dedicated to the issue of safeguarding biodiversity, highlighting the vegetation restoration activities that Snam is used to implementing after the laying of a gas pipeline, in order to restore the affected area to *ante operam* conditions or in some cases to improve it.

During 2024, numerous documents were also produced for external use for the prompt handling of situations in which the company was directly involved. In October, Snam's first Transition Plan was presented at the event 'Strategies for the future: sustainability at the centre', a clear and credible roadmap towards Net Zero by 2050, to support the decarbonisation of the energy system.

In November, Snam Summit participated in COP29 in Baku, the Conference of the Parties, where Snam was confirmed, for the fourth consecutive year, as having received the maximum score from the United Nations Gold Standard for the Environment in the Annual Report of the International Methane Emissions Observatory (IMEO) in recognition of the commitment undertaken by the Group in combating and reducing emissions. Furthermore, during COP29, Snam took part in the launch of the Azerbaijani COP Presidency Declaration on Hydrogen in partnership with the Hydrogen Council, a Union for the Mediterranean event on the energy transition in the region and the IRENA Alliance for Industry Decarbonization (AFID) Conference.

Digital engagement

During the year, Snam consolidated its relationship with stakeholders by implementing digital, transparent, proactive and multi-channel communication. In particular, the Group proceeded with:

- the review of 14 web properties of the Snam Group's digital ecosystem, under the banner of a design system and communication consistent with the Group's positioning and image;
- the enrichment of the social media strategy, with numerous educational columns on both energy security and energy transition businesses;
- the publication on social channels of content dedicated to enhancing the role of infrastructure;
- the online publication of south$_2$corridor.net, sunshynecorridor.eu, sea-corridor.com, ravennaccs.it;
- influencer marketing campaign with Geopop on how Carbon Capture and Storage works and on energy efficiency;
- the Sustainability Profile and Transition Plan Roadmap headings in a multi-channel logic to promote Snam's sustainable approach disseminated on the sustainability website.

Snam and participation in working groups and technical tables

Snam is actively involved in defining and developing the role of energy infrastructure in the future energy mix and in the use of renewable energy carriers, in the associations below:

INDUSTRY ASSOCIATIONS	• **Organisation Méditerranéenne de l'Energie et du Climat (OMEC)**, for the development of new areas of cooperation between Europe and North African countries both on issues related to energy and climate, and on business development opportunities in the Mediterranean region; • **Alliance for Industry Decarbonization (AFID)**, a global platform that aims to share knowledge and expertise among corporate members on wide-ranging issues, including green hydrogen, CCS and sustainable finance; • **European Energy Forum (EEF)**, a multi-stakeholder forum promoted by the European Parliament with a focus on material topics in the field of energy and climate; • **Proxigas**, for the promotion of the interests of companies operating along the entire natural gas supply chain in all institutional, technical and regulatory settings; • **Assorisorse**, which represents approximately 100 Italian and foreign companies committed to enhancing natural resources and skills through technological innovation and circular economy, with the aim of contributing to the decarbonisation of industrial processes and environmental, economic and social sustainability; • **CIG - Italian Gas Committee**, which aims to promote the technical and regulatory development of the sector on the production, transport and distribution, storage and use of combustible gases; • **Assocostieri,** which represents energy logistics, is made up of private companies operating in the mineral oil, chemical products, LPG, biodiesel sectors, so-called small scale LNG depots and all LNG regasification terminals. In addition, Snam is a member of Confindustria Nazionale, its territorial branches and its delegation to the European Union.
OTHER ASSOCIATIONS	ENTSO-G, Gas Infrustructure Europe (GIE), EU Delegation of Confindustria, European Gas Research Group (GERG), Assogasliquidi, which represents companies that distribute LPG and LNG for all different uses.

For more information on the main partnerships and associations of which Snam is a member, please refer to the chapters 'Climate change', 'Business conduct' and Annex 3 'Main partnerships'.

In addition, Snam participates in working tables and events with a focus on the Euro-Mediterranean energy transition, being part of events on the role of energy infrastructure in the future energy mix and the use of renewable energy carriers of the World Energy Council. The company also participated in the **East Mediterranean Gas Forum (EMGF)**, to support the formation of a regional gas (in the future hydrogen) market, the optimised development of infrastructure resources and assets, as well as more competitive prices in the area and strengthened trade relations.

Disclosure Requirements in ESRS covered by the Consolidated Sustainability Statement

Disclosure requirement and related datapoint	Regulatory References [1] (1) SFDR (2) Third pillar (3) Benchmark regulation reference (4) EU climate legislation	Materiality of the disclosure (Material / Not material)	Paragraph	Notes
ESRS 2 - GENERAL DISCLOSURES				
ESRS 2 BP-1 General basis for preparation of sustainability statements			Introduction and guide to reading the document - General basis for the preparation of the Consolidated Sustainability Statement	
ESRS 2 BP-2 Disclosures in relation to specific circumstances			Introduction and guide to reading the document - Disclosures in relation to specific circumstances	
ESRS 2 GOV-1 The role of the administrative, management and supervisory bodies	(1), (3): paragraph 21, letter d) (3): paragraph 21, letter e)		Governance Management of impacts, risks and opportunities - The ERM model for managing risks and opportunities Climate change - Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	
ESRS 2 GOV-2: Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies			Governance - Snam's governance system, The administrative, management and control bodies	
ESRS 2 GOV-3 Integration of sustainability-related performance in incentive schemes			Governance - Snam's remuneration and incentive system	
ESR 2 GOV-4 Statement on due diligence	(1): paragraph 30		Governance - Statement on due diligence	
ESRS 2 GOV-5 – Risk management and internal controls over sustainability reporting			Governance - The control system, The Internal Control System over the Consolidated Sustainability Statement	
ESRS 2 SBM-1 Strategy, business model and value chain	(1), (2), (3): paragraph 40, letter d), point i) (1), (3): paragraph 40, letter d), point ii) (1), (3): paragraph 40, letter d), point iii) (3): paragraph 40, letter d), point iv)		Strategy and business model - Snam's business model; Sustainability strategy	
ESRS 2 SBM-2 Interests and views of stakeholders			Management of impacts, risks and opportunities - Material topics for Snam; Stakeholder relations Own Workforce - Communication and involvement of Snam people Workers in the value chain - Engagement with value chain workers; Actions and metrics, Suppliers in communities for sustainability	

Disclosure requirement and related datapoint	Regulatory References [1] (1) SFDR (2) Third pillar (3) Benchmark regulation reference (4) EU climate legislation	Materiality of the disclosure (Material / Not material)	Paragraph	Notes
ESRS 2 SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model			Management of impacts, risks and opportunities - Material topics for Snam Innovation and digitalisation - Material topics, impacts, risks and opportunities Cyber security - Material topics, impacts, risks and opportunities Relations with authorities and quality of services - Material topics, impacts, risks and opportunities Energy security and accessibility - Material topics, impacts, risks and opportunities Climate Change - Material topics, impacts, risks and opportunities Pollution - Material topics, impacts, risks and opportunities Biodiversity and ecosystems - Material topics, impacts, risks and opportunities Water - Material topics, impacts, risks and opportunities Own Workforce - Material topics, impacts, risks and opportunities Workers in the value chain - Material topics, impacts, risks and opportunities Affected communities - Material topics, impacts, risks and opportunities Business Conduct - Material topics, impacts, risks and opportunities	Phase in: for FY 2024 the company has omitted the information required by ESRS 2 SBM-3 par. 48 letter (e), as provided for in Appendix C (ESRS 1) of Delegated Regulation (EU) 2023/2772.
ESRS 2 IRO-1 Description of the process to identify and assess material impacts, risks and opportunities			Management of impacts, risks and opportunities - Material topics for Snam	
ESRS 2 IRO-2 Disclosure Requirements in ESRS covered by the undertaking's sustainability statement			Management of impacts, risks and opportunities - Material topics for Snam Disclosure Requirements in ESRS covered by the Consolidated Sustainability Statement	

Disclosure requirement and related datapoint	Regulatory References [1] (1) SFDR (2) Third pillar (3) Benchmark regulation reference (4) EU climate legislation	Materiality of the disclosure (Material / Not material)	Paragraph	Notes
ESRS E1 CLIMATE CHANGE		Material		
ESRS 2 GOV-3 - E1 Integration of sustainability-related performance in incentive schemes		Material	Governance - Snam's remuneration and incentive system	
ESRS E1-1 Transition plan for climate change mitigation	(4): paragraph 14 (2) (3): paragraph 16, letter g)	Material	Climate Change - Transition Plan for Climate Change Mitigation	
ESRS 2 SBM-3 - E1 Material impacts, risks and opportunities and their interaction with strategy and business model		Material	Management of impacts, risks and opportunities - Material topics for Snam Climate change - Material topics, impacts, risks and opportunities; Anticipated financial effects from material physical and transition risks and potential climate-related opportunities; The resilience of Snam's strategy	
ESRS 2 IRO-1 - E1 Description of the processes to identify and assess material climate-related impacts, risks and opportunities		Material	Management of impacts, risks and opportunities - Material topics for Snam Climate change - Material topics, impacts, risks and opportunities; Scenario analysis on physical and transition risks	
ESRS E1-2 Policies related to climate change mitigation and adaptation		Material	Climate Change - Policies	
ESRS 2 Policies MDR-P Policies adopted to manage material sustainability matters		Material	Domestic regulatory system Climate change - Policies	
ESRS E1-3 Actions and resources in relation to climate change policies		Material	Climate Change - Actions and metrics	
ESRS 2 Actions MDR-A Actions and resources in relation to material sustainability matters		Material	Actions and resources in relation to material sustainability matters Climate Change - Actions and metrics	
ESRS E1-4 Targets related to climate change mitigation and adaptation	(1), (2), (3): paragraph 34	Material	Strategy and business model - Sustainability Strategy, Carbon Neutrality and Net Zero Strategy; The Sustainability Scorecard Climate Change - Targets	
ESRS 2 Targets MDR-T Tracking effectiveness of policies and actions through targets		Material	Strategy and business model - The Sustainability Strategy; The Carbon Neutrality and Net Zero Climate Change Strategy - Targets	
ESRS E1-5 Energy consumption and mix	(1): paragraph 38 (1): paragraph 37 (1): paragraphs 40 to 43	Material	Climate Change – Actions and metrics, Energy consumption and mix; Key performance indicators Annex 2 – Data and performance indicators	
ESRS 2 Metrics MDR-M Metrics in relation to material sustainability matters		Material	Climate Change – Actions and metrics, Energy consumption and mix; Key performance indicators Annex 2 – Data and performance indicators	

Disclosure requirement and related datapoint	Regulatory References [1] (1) SFDR (2) Third pillar (3) Benchmark regulation reference (4) EU climate legislation	Materiality of the disclosure (Material / Not material)	Paragraph	Notes
ESRS E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions	(1), (2), (3): paragraph 44 (1), (2), (3): paragraphs 53 to 55	Material	Introduction and guide to reading the document, Disclosures in relation to specific circumstances, Sources of estimation and outcome uncertainty Climate Change - Actions and metrics, GHG Emissions Annex 2 – Data and performance indicators	
ESRS 2 Metrics MDR-M Metrics in relation to material sustainability matters		Material	Introduction and guide to reading the document, Disclosures in relation to specific circumstances, Sources of estimation and outcome uncertainty Climate Change - Actions and metrics, GHG Emissions Annex 2 – Data and performance indicators	
ESRS E1-7 GHG removals and GHG mitigation projects financed through carbon credits	(4): paragraph 56	Material	Strategy and business model - The Sustainability Strategy; The Carbon Neutrality and Net Zero Strategy Climate Change - Actions and metrics, GHG Emissions	
ESRS 2 Metrics MDR-M Metrics in relation to material sustainability matters		Material	Strategy and business model - The Sustainability Strategy; The Carbon Neutrality and Net Zero Strategy Climate Change - Actions and metrics, GHG Emissions	
ESRS E1-8 Internal carbon pricing		Material	Climate Change - Internal Carbon Pricing	
ESRS 2 Metrics MDR-M Metrics in relation to material sustainability matters		Material	Climate Change - Internal Carbon Pricing	
ESRS E1-9 Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	(3): paragraph 66 (2): paragraph 66, letter a) (2): paragraph 67, letter c) (3): paragraph 69	Material	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities; The resilience of Snam's strategy	
ESRS E2 POLLUTION		Material		
ESRS 2 IRO-1 - E2 Description of the processes to identify and assess material pollution-related impacts, risks and opportunities		Material	Management of impacts, risks and opportunities - Material topics for Snam Pollution - Material topics, impacts, risks and opportunities	
ESRS E2-1 Policies related to pollution		Material	Pollution - Policies	
ESRS 2 Policies MDR-P Policies adopted to manage material sustainability matters		Material	Internal regulatory system Pollution - Policies	
ESRS E2-2 Actions and resources related to pollution		Material	Pollution - Actions and metrics	
ESRS 2 Actions MDR-A Actions and resources in relation to material sustainability matters		Material	Actions and resources in relation to material sustainability matters Pollution - Actions and metrics	
ESRS E2-3 Targets related to pollution		Material	Pollution - Targets	
ESRS 2 Targets MDR-T Tracking effectiveness of policies and actions through targets		Material	Pollution - Targets	

Disclosure requirement and related datapoint	Regulatory References [1] (1) SFDR (2) Third pillar (3) Benchmark regulation reference (4) EU climate legislation	Materiality of the disclosure (Material / Not material)	Paragraph	Notes
ESRS E2-4 Pollution of air, water and soil	(1): paragraph 28	Material	Pollution – Actions and metrics; Key performance indicators Annex 2 – Data and performance indicators	
ESRS 2 Metrics MDR-M Metrics in relation to material sustainability matters		Material	Pollution – Actions and metrics; Key performance indicators	
ESRS E2-5 Substances of concern and substances of very high concern		Not material		
ESRS 2 Metrics MDR-M Metrics in relation to material sustainability matters		Not material		
ESRS E2-6 Anticipated financial effects from pollution-related, risks and opportunities		Not material		No material risks or opportunities have been identified relating to the topic in question.
ESRS E3 WATER AND MARINE RESOURCES		Material		
ESRS 2 IRO-1 - E3 Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities		Material	Management of impacts, risks and opportunities - Material topics for Snam Water - Material topics, impacts, risks and opportunities	
ESRS E3-1 Policies related to water and marine resources	(1): paragraph 9 (1): paragraph 13 (1): paragraph 14	Material	Waters - Policies	
ESRS 2 Policies MDR-P Policies adopted to manage material sustainability matters		Material	Internal regulatory system Water - Policies	
ESRS E3-2 Actions and resources in relation to water and marine resources		Material	Waters - Actions and metrics	
ESRS 2 Actions MDR-A Actions and resources in relation to material sustainability matters		Material	Actions and resources in relation to material sustainability matters Waters - Actions and metrics	
ESRS E3-3 Targets related to water and marine resources		Material	Waters - Targets	
ESRS 2 Targets MDR-T Tracking effectiveness of policies and actions through targets		Material	Waters - Targets	
ESRS E3-4 Water consumption	(1): paragraph 28, letter c) (1): paragraph 29	Material	Waters - Actions and metrics; Key performance indicators	
ESRS 2 Metrics MDR-M Metrics in relation to material sustainability matters		Material	Waters - Actions and metrics; Key performance indicators	
ESRS E3-5 Anticipated financial effects from water and marine resources-related impacts, risks and opportunities		Not material		No material risks or opportunities have been identified relating to the topic in question.

Disclosure requirement and related datapoint	Regulatory References [1] (1) SFDR (2) Third pillar (3) Benchmark regulation reference (4) EU climate legislation	Materiality of the disclosure (Material / Not material)	Paragraph	Notes
ESRS E4 BIODIVERSITY AND ECOSYSTEMS		Material		
ESRS E4-1 Transition plan and consideration of biodiversity and ecosystems in strategy and business model		Material	Biodiversity and ecosystems – Transition plan and consideration of biodiversity and ecosystems in strategy and business model; Actions and metrics, Protecting Land and Biodiversity – Actions for 'Zero Net Conversion'; Anticipated financial effects from biodiversity and ecosystem-related risks and opportunities Biodiversity and ecosystems - Actions and metrics	
ESRS 2 SBM 3 - E4 Material impacts, risks and opportunities and their interaction with strategy and business model		Material	Management of impacts, risks and opportunities - Material topics for Snam Biodiversity and ecosystems - Topics, impacts, risks and opportunities	
ESRS 2 IRO-1 - E4 Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities	(1): paragraph 16, letter a), point i) (1): paragraph 16, letter b) (1): paragraph 16, letter c)	Material	Management of impacts, risks and opportunities - Material topics for Snam Biodiversity and ecosystems - Topics, impacts, risks and opportunities	
E4-2 Policies related to biodiversity and ecosystems	(1): paragraph 24, letter b) (1): paragraph 16, letter c) (1): paragraph 16, letter d)	Material	Biodiversity and Ecosystems - Policies	
ESRS 2 Policies MDR-P Policies adopted to manage material sustainability matters		Material	Internal regulatory system Biodiversity and ecosystems - Policies	
E4-3 Actions and resources related to biodiversity and ecosystems		Material	Biodiversity and Ecosystems - Actions and metrics	
ESRS 2 Actions MDR-A Actions and resources in relation to material sustainability matters		Material	Actions and resources in relation to material sustainability matters Biodiversity and ecosystems - Actions and metrics	
E4-4 - Targets related to biodiversity and ecosystems		Material	Strategy and business model - Sustainability Strategy, Biodiversity Strategy; The Sustainability Scorecard Biodiversity and Ecosystems - Targets	
ESRS 2 Targets MDR-T Tracking effectiveness of policies and actions through targets		Material	Strategy and business model - Sustainability Strategy, Biodiversity Strategy; The Sustainability Scorecard Biodiversity and Ecosystems - Targets	
E4-5 Impact metrics related to biodiversity and ecosystems change		Material	Biodiversity and Ecosystems – Actions and metrics; Key performance indicators	
ESRS 2 Metrics MDR-M Metrics in relation to material sustainability matters		Material	Biodiversity and Ecosystems – Actions and metrics; Key performance indicators	
E4-6 Anticipated financial effects from biodiversity and ecosystem-related risks and opportunities		Material	Biodiversity and Ecosystems - Actions and metrics, Anticipated financial effects from biodiversity and ecosystem-related risks and opportunities	Phase in: For FY 2024, the company has omitted the quantitative information required by ESRS 4-6, providing only qualitative information, as required in Appendix C (ESRS 1) of Delegated Regulation (EU) 2023/2772.

Disclosure requirement and related datapoint	Regulatory References [1] (1) SFDR (2) Third pillar (3) Benchmark regulation reference (4) EU climate legislation	Materiality of the disclosure (Material / Not material)	Paragraph	Notes
ESRS E5 RESOURCE USE AND CIRCULAR ECONOMY		Not material		
ESRS 2 IRO-1 - E5 Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities		Not material	Management of impacts, risks and opportunities - Material topics for Snam	
ESRS E5-1 Policies related to resource use and circular economy		Not material		
ESRS 2 Policies MDR-P Policies adopted to manage material sustainability issues		Not material		
ESRS E5-2 Actions and resources related to resource use and circular economy		Not material		
ESRS 2 Actions MDR-A Actions and resources in relation to material sustainability matters		Not material		
ESRS E5-3 Targets related to resource use and circular economy		Not material		
ESRS 2 Targets MDR-T Tracking effectiveness of policies and actions through targets		Not material		
ESRS E5-4 Resource inflows		Not material		
ESRS 2 Metrics MDR-M Metrics in relation to material sustainability matters		Not material		
ESRS E5-5 Resource outflows	(1): paragraph 37, letter d) (1): paragraph 39	Not material		
ESRS 2 Metrics MDR-M Metrics in relation to material sustainability matters		Not material		
ESRS E5-6 Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities		Not material		

Disclosure requirement and related datapoint	Regulatory References [1] (1) SFDR (2) Third pillar (3) Benchmark regulation reference (4) EU climate legislation	Materiality of the disclosure (Material / Not material)	Paragraph	Notes
ESRS S1 OWN WORKFORCE		Material		
ESRS 2 SBM-2 - S1 Interests and views of stakeholders		Material	Management of impacts, risks and opportunities - Material topics for Snam; Stakeholder relations Own Workforce - Communication and involvement of Snam people	
ESRS 2 SBM-3 - S2 Material impacts, risks and opportunities and their interaction with strategy and business model	(1): paragraph 14, letter f) (1): paragraph 14, letter g)	Material	Management of impacts, risks and opportunities - Material topics for Snam Own Workforce - Material topics, impacts, risks and opportunities	
ESRS S1-1 Policies related to own workforce	(1): paragraph 20 (1): paragraph 21 (1): paragraph 22 (1): paragraph 23	Material	Own Workforce - Working conditions, Equal treatment and opportunities for all and skills development, Health and safety: Policies	
ESRS 2 Policies MDR-P Policies adopted to manage material sustainability issues		Material	Internal regulatory system Own Workforce - Working conditions, Equal treatment and opportunities for all and skills development, Health and safety: Policies	
ESRS S1-2 Processes for engaging with own workers and workers' representatives about impacts		Material	Own Workforce - Communication and Involvement of Snam people	
ESRS S1-3 Processes to remediate negative impacts and channels for own workers to raise concerns	(1): paragraph 32, letter c)	Material	Own Workforce - Grievance mechanisms for the workforce	
ESRS S1-4 Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions		Material	Own Workforce - Communication and involvement of Snam people Own Workforce - Working conditions, Equal treatment and opportunities for all and skills development, Health and safety: Actions and metrics	
ESRS 2 Actions MDR-A Actions and resources in relation to material sustainability matters		Material	Actions and resources in relation to material sustainability matters Own Workforce - Working conditions, Equal treatment and opportunities for all and skills development, Health and safety: Actions and metrics	
ESRS S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities		Material	Strategy and business model - The Sustainability Scorecard Own Workforce - Working conditions, Equal treatment and opportunities for all and skills development, Health and safety: Targets	
ESRS 2 Targets MDR-T Tracking effectiveness of policies and actions through targets		Material	Strategy and business model - The Sustainability Scorecard Own Workforce - Working conditions, Equal treatment and opportunities for all and skills development, Health and safety: Targets	
ESRS S1-6 Characteristics of the undertaking's employees		Material	Own Workforce - Working conditions, Actions and metrics, Employee Composition and Turnover Own Workforce - Key Performance Indicators, Working conditions	

Disclosure requirement and related datapoint	Regulatory References [1] (1) SFDR (2) Third pillar (3) Benchmark regulation reference (4) EU climate legislation	Materiality of the disclosure (Material / Not material)	Paragraph	Notes
ESRS 2 Metrics MDR-M Metrics in relation to material sustainability matters		Material	Own Workforce - Working conditions, Actions and metrics, Employee Composition and Turnover Own Workforce - Key Performance Indicators, Working conditions	
ESRS S1-7 Characteristics of non-employee workers in the undertaking's own workforce		Material	Own Workforce - Working conditions, Actions and metrics, Non-Employee Workers Own Workforce - Key Performance Indicators, Working conditions	
ESRS 2 Metrics MDR-M Metrics in relation to material sustainability matters		Material	Own Workforce - Working conditions, Actions and metrics, Non-Employee Workers Own Workforce - Key Performance Indicators, Working conditions	
ESRS S1-8 Collective bargaining coverage and social dialogue		Material	Own Workforce - Working conditions, Actions & Metrics, Industrial Relations	
ESRS 2 Metrics MDR-M Metrics in relation to material sustainability matters		Material	Own Workforce - Working conditions, Actions & Metrics, Industrial Relations	
ESRS S1-9 Diversity metrics		Material	Own Workforce - Working conditions, Actions and metrics, Employee Composition and Turnover Own Workforce - Equal Treatment and Opportunity for All and Skills Development, Actions and metrics, Diversity and Inclusion Own Workforce - Key Performance Indicators, Working conditions; Equal treatment and opportunities for all and skills development	
ESRS 2 Metrics MDR-M Metrics in relation to material sustainability matters		Material	Own Workforce - Working conditions, Actions and metrics, Employee Composition and Turnover Own Workforce - Equal Treatment and Opportunity for All and Skills Development, Actions and metrics, Diversity and Inclusion Own Workforce - Key Performance Indicators, Working conditions; Equal treatment and opportunities for all and skills development	
ESRS S1-10 Adequate wages		Material	Own Workforce - Working conditions, Actions and metrics, Workforce paid with a fair wage	
ESRS 2 Metrics MDR-M Metrics in relation to material sustainability matters		Material	Own Workforce - Working conditions, Actions and metrics, Workforce paid with a fair wage	
ESRS S1-11 Social protection		Material	Own Workforce - Working conditions - Actions and metrics, Workforce covered by social protection and corporate welfare systems	
ESRS 2 Metrics MDR-M Metrics in relation to material sustainability matters		Material	Own Workforce - Working conditions - Actions and metrics, Workforce covered by social protection and corporate welfare systems	
ESRS S1-12 Persons with disabilities		Material	Own Workforce - Equal treatment and opportunities for all and skills development, Actions and metrics, Persons with disabilities Own Workforce - Key performance indicators; Equal treatment and opportunities for all and skills development	

Disclosure requirement and related datapoint	Regulatory References [1] (1) SFDR (2) Third pillar (3) Benchmark regulation reference (4) EU climate legislation	Materiality of the disclosure (Material / Not material)	Paragraph	Notes
ESRS 2 Metrics MDR-M Metrics in relation to material sustainability matters		Material	Own Workforce - Equal treatment and opportunities for all and skills development, Actions and metrics, Persons with disabilities Own Workforce - Key performance indicators; Equal treatment and opportunities for all and skills development	
ESRS S1-13 Training and Skills Development metrics		Material	Own Workforce - Equal treatment and opportunities for all and skills development: Actions and metrics - Training, skills development and performance management Own Workforce - Key performance indicators, Equal treatment and opportunities for all and skills development	
ESRS 2 Metrics MDR-M Metrics in relation to material sustainability matters		Material	Own Workforce - Equal treatment and opportunities for all and skills development: Actions and metrics - Training, skills development and performance management Own Workforce - Key performance indicators, Equal treatment and opportunities for all and skills development	
ESRS S1-14 Health and safety metrics		Material	Own Workforce - Health and Safety, Actions and metrics Own Workforce - Key Performance Indicators, Health and Safety	
ESRS 2 Metrics MDR-M Metrics in relation to material sustainability matters	(1), (3): paragraph 88, letters b) and c) (1): paragraph 88, letter e)	Material	Own Workforce - Health and Safety, Actions and metrics Own Workforce - Key Performance Indicators, Health and Safety	
ESRS S1-15 Work-life balance		Material	Own Workforce - Working conditions, Actions and metrics, Workforce covered by social protection systems and corporate welfare Own Workforce - Key performance indicators, Working conditions	
ESRS 2 Metrics MDR-M Metrics in relation to material sustainability matters		Material	Own Workforce - Working conditions, Actions and metrics, Workforce covered by social protection systems and corporate welfare Own Workforce - Key performance indicators, Working conditions	
ESRS S1-16 Remuneration metrics (pay gap and total compensation)	(1), (3): paragraph 97, letter a) (1): paragraph 97, letter b)	Material	Own Workforce - Equal treatment and opportunities for all and skills development, Actions and metrics, Gender pay gap and annual total remuneration ratio Own Workforce - Key performance indicators, Equal treatment and opportunities for all and skills development	
ESRS 2 Metrics MDR-M Metrics in relation to material sustainability matters		Material	Own Workforce - Equal treatment and opportunities for all and skills development, Actions and metrics, Gender pay gap and annual total remuneration ratio Own Workforce - Key performance indicators, Equal treatment and opportunities for all and skills development	
ESRS S1-17 Incidents, complaints and severe human rights impacts	(1): paragraph 103, letter a) (1), (3): paragraph 104, letter a)	Material	Own Workforce - Working conditions, Actions and metrics, Respect for human and workers' rights Own Workforce - Key performance indicators, Working conditions	

Disclosure requirement and related datapoint	Regulatory References [1] (1) SFDR (2) Third pillar (3) Benchmark regulation reference (4) EU climate legislation	Materiality of the disclosure (Material / Not material)	Paragraph	Notes
ESRS 2 Metrics MDR-M Metrics in relation to material sustainability matters		Material	Own Workforce - Working conditions, Actions and metrics, Respect for human and workers' rights Own Workforce - Key performance indicators, Working conditions	
ESRS S2 WORKERS IN THE VALUE CHAIN		Material		
ESRS 2 SBM-2 - S2 Interests and views of stakeholders		Material	Management of impacts, risks and opportunities - Material topics for Snam; Stakeholder relations Workers in the value chain - Engagement with value chain workers	
ESRS 2 SBM-3 - S2 Material impacts, risks and opportunities and their interaction with strategy and business model	(1): paragraph 11, letter b)	Material	Management of impacts, risks and opportunities - Material topics for Snam Workers in the value chain - Material topics, impacts, risks and opportunities	
ESRS S2-1 Policies related to value chain workers	(1): paragraph 17 (1): paragraph 18 (1), (3): paragraph 19 (3): paragraph 19	Material	Workers in the value chain - Policies; Grievance mechanisms for workers in the value chain	
ESRS 2 Policies MDR-P Policies adopted to manage material sustainability matters		Material	Internal regulatory system Workers in the value chain - Policies	
ESRS S2-2 Processes for engaging with value chain workers about impacts		Material	Workers in the value chain - Engagement with value chain workers	
ESRS S2-3 Processes to remediate negative impacts and channels for value chain workers to raise concerns		Material	Workers in the value chain - Grievance mechanisms for workers in the value chain	
ESRS S2-4 Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action	(1): paragraph 36	Material	Workers in the value chain - Actions and metrics	
ESRS 2 Actions MDR-A Actions and resources in relation to material sustainability matters		Material	Actions and resources in relation to material sustainability matters Workers in the value chain - Actions and metrics	
ESRS S2-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities		Material	Strategy and business model - The Sustainability Scorecard Workers in the value chain - Targets	
ESRS 2 Targets MDR-T Tracking effectiveness of policies and actions through targets		Material	Strategy and business model - The Sustainability Scorecard Workers in the value chain - Targets	
ESRS 2 Metrics MDR-M Metrics in relation to material sustainability matters		Material	Workers in the value chain – Actions and metrics; Key performance indicators	
ESRS S3 AFFECTED COMMUNITIES		Material		
ESRS 2 SBM-2 - S3 Interests and views of stakeholders		Material	Management of impacts, risks and opportunities - Material topics for Snam; Stakeholder relations Affected Communities - Engagement with value chain workers	

Disclosure requirement and related datapoint	Regulatory References [1] (1) SFDR (2) Third pillar (3) Benchmark regulation reference (4) EU climate legislation	Materiality of the disclosure (Material / Not material)	Paragraph	Notes
ESRS 2 SBM-3 - S3 Material impacts, risks and opportunities and their interaction with strategy and business model		Material	Management of impacts, risks and opportunities - Material topics for Snam Affected communities - Material topics, impacts, risks and opportunities	
ESRS S3-1 Policies related to affected communities	(1): paragraph 16 (1), (3): paragraph 17	Material	Affected communities - Policies	
ESRS 2 Policies MDR-P Policies adopted to manage material sustainability matters		Material	Internal regulatory system Affected communities - Policies	
ESRS S3-2 Processes for engaging with affected communities about impacts		Material	Affected Communities - Engagement with affected communities	
ESRS S3-3 Processes to remediate negative impacts and channels for affected communities to raise concerns		Material	Affected communities - Grievance mechanisms for affected communities	
ESRS S3-4 Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	(1): paragraph 36	Material	Affected communities - Actions and metrics	
ESRS 2 Actions MDR-A Actions and resources in relation to material sustainability matters		Material	Actions and resources in relation to material sustainability matters Affected communities - Actions and metrics	
ESRS S3-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities		Material	Strategy and business model - The Sustainability Scorecard Affected communities - Targets	
ESRS 2 Targets MDR-T Tracking effectiveness of policies and actions through targets		Material	Strategy and business model - The Sustainability Scorecard Affected communities - Targets	
ESRS 2 Metrics MDR-M Metrics in relation to material sustainability matters		Material	Affected communities - Actions and metrics; Ensuring transparency in taxation matters	

Disclosure requirement and related datapoint	Regulatory References [1] (1) SFDR (2) Third pillar (3) Benchmark regulation reference (4) EU climate legislation	Materiality of the disclosure (Material / Not material)	Paragraph	Notes
ESRS S4 CONSUMERS AND END-USERS		Not material		
ESRS 2 SBM-2 - S4 Interests and views of stakeholders		Not material		
ESRS 2 SBM-3 - S4 Material impacts, risks and opportunities and their interaction with strategy and business model		Not material		
ESRS S4-1 Policies related to consumers and end-users	(1): paragraph 16 (1), (3): paragraph 17	Not material		
ESRS 2 Policies MDR-P Policies adopted to manage material sustainability matters		Not material		
ESRS S4-2 Processes for engaging with consumers and end-users about impacts		Not material		
ESRS S4-3 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns		Not material		
ESRS S4-4 Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	(1): paragraph 35	Not material		
ESRS 2 Actions MDR-A Actions and resources in relation to material sustainability matters		Not material		
ESRS S4-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities		Not material		
ESRS 2 Targets MDR-T Tracking effectiveness of policies and actions through targets		Not material		
ESRS 2 Metrics MDR-M Metrics in relation to material sustainability matters		Not material		
ESRS G1 CONDUCT OF BUSINESS		Material		
ESRS 2 GOV-1 - G1 The role of the administrative, management and supervisory bodies		Material	Governance, Snam's governance system, The administrative, management and control bodies	
ESRS 2 IRO-1 - G1 Description of the processes to identify and assess material impacts, risks and opportunities		Material	Management of impacts, risks and opportunities - Material topics for Snam Business conduct - Material topics, impacts, risks and opportunities	
ESRS G1-1 Corporate culture and business conduct policies	(1): paragraph 10, letter b) (1): paragraph 10, letter d)	Material	Business conduct - Policies; Actions and metrics, Prevention and detection of corruption and bribery	
ESRS 2 Policies MDR-P Policies adopted to manage material sustainability matters		Material	Internal regulatory system Business conduct - Policies	
ESRS G1-2 Management of relationships with suppliers		Material	Workers in the value chain - Actions and metrics, The path to join Snam's Supply Chain 4.0; The supplier performance monitoring process Business conduct - Actions and metrics, Management of relationships with suppliers	

Disclosure requirement and related datapoint	Regulatory References [1] (1) SFDR (2) Third pillar (3) Benchmark regulation reference (4) EU climate legislation	Materiality of the disclosure (Material / Not material)	Paragraph	Notes
ESRS G1-3 Prevention and detection of corruption and bribery		Material	Business conduct - Policies; Actions and metrics, Prevention and detection of corruption and bribery; Key performance indicators	
ESRS G1-4 Confirmed incidents of corruption or bribery	(1), (3): paragraph 24, letter a) (1): paragraph 24, letter b)	Material	Business conduct - Actions and metrics, Prevention and detection of corruption and bribery; Key performance indicators	
ESRS 2 Metrics MDR-M Metrics in relation to material sustainability matters		Material	Business conduct - Actions and metrics, Prevention and detection of corruption and bribery; Key performance indicators	
ESRS G1-5 Political influence and lobbying activities		Not material		
ESRS 2 Metrics MDR-M Metrics in relation to material sustainability matters		Not material		
ESRS G1-6 Payment practices		Material	Business conduct - Actions and metrics, Management of relationships with suppliers; Key performance indicators	
ESRS 2 Metrics MDR-M Metrics in relation to material sustainability matters		Material	Business conduct - Actions and metrics, Management of relationships with suppliers; Key performance indicators	
ESRS 2 Actions MDR-A Actions and resources in relation to material sustainability matters		Material	Actions and resources in relation to material sustainability matters Governance - Snam's governance system; The control system, Internal Audit activities Workers in the value chain - Actions and metrics Business conduct - Actions and metrics	
ESRS 2 Targets MDR-T Tracking effectiveness of policies and actions through targets		Material	Strategy and business model - The Sustainability Scorecard Business conduct - Targets	
INNOVATION AND DIGITALISATION		Material		
ESRS 2 Policies MDR-P Policies adopted to manage material sustainability matters		Material	Internal regulatory system Innovation and digitalisation - Policies	
ESRS 2 Actions MDR-A Actions and resources in relation to material sustainability matters		Material	Actions and resources in relation to material sustainability matters Innovation and digitalisation - Actions and metrics	
ESRS 2 Metrics MDR-M Metrics in relation to material sustainability matters		Material	Innovation and digitalisation - Targets	
ESRS 2 Targets MDR-T Tracking effectiveness of policies and actions through targets		Material	Innovation and digitalization - Targets Strategy and business model - The Sustainability Scorecard	
CYBER SECURITY		Material		
ESRS 2 Policies MDR-P Policies adopted to manage material sustainability matters		Material	Internal regulatory system Cyber security - Policies	
ESRS 2 Actions MDR-A Actions and resources in relation to material sustainability matters		Material	Actions and resources in relation to material sustainability matters Cybersecurity - Actions and metrics	
ESRS 2 Metrics MDR-M Metrics in relation to material sustainability matters		Material	Cyber security - Actions and metrics	
ESRS 2 Targets MDR-T Tracking effectiveness of policies and actions through targets		Material	Strategy and business model - The Sustainability Scorecard Cyber security - Targets	

Disclosure requirement and related datapoint	Regulatory References [1] (1) SFDR (2) Third pillar (3) Benchmark regulation reference (4) EU climate legislation	Materiality of the disclosure (Material / Not material)	Paragraph	Notes
RELATIONS WITH THE AUTHORITIES AND QUALITY OF SERVICES		Material		
ESRS 2 Policies MDR-P Policies adopted to manage material sustainability matters		Material	Internal regulatory system Relations with authorities and quality of services - Policies	
ESRS 2 Actions MDR-A Actions and resources in relation to material sustainability matters		Material	Actions and resources in relation to material sustainability matters Relations with authorities and quality of services - Actions and metrics	
ESRS 2 Metrics MDR-M Metrics in relation to material sustainability matters		Material	Relations with authorities and quality of services - Key performance indicators	
ESRS 2 Targets MDR-T Tracking effectiveness of policies and actions through targets		Material	Strategy and business model - The Sustainability Scorecard Relations with authorities and quality of services - Targets	
ENERGY SECURITY AND ACCESSIBILITY		Material		
ESRS 2 Policies MDR-P Policies adopted to manage material sustainability matters		Material	Energy security and accessibility - Policies	
ESRS 2 Actions MDR-A Actions and resources in relation to material sustainability matters		Material	Actions and resources in relation to material sustainability matters Energy security and accessibility - Actions and metrics	
ESRS 2 Metrics MDR-M Metrics in relation to material sustainability matters		Material	Energy security and accessibility - Key performance indicators	
ESRS 2 Targets MDR-T Tracking effectiveness of policies and actions through targets		Material	Energy security and accessibility - Targets	

[1] For more information on the regulatory references, please refer to Appendix B of the ESRS 2 standard - General disclosures.

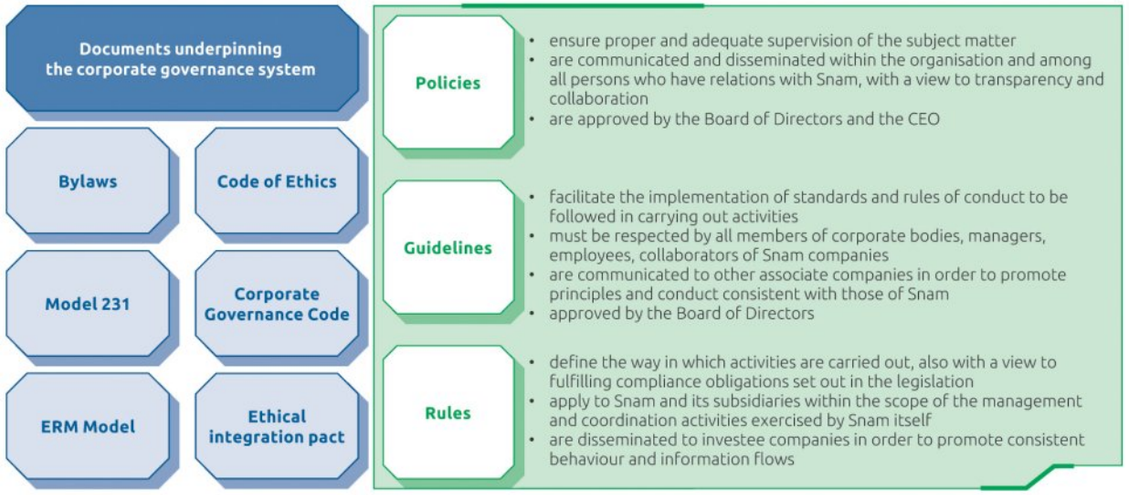
Internal regulatory system

Snam's corporate activities are based on the principles set out in the United Nations Universal Declaration of Human Rights, the fundamental Conventions of the International Labour Organisation (ILO), the OECD Guidelines for Multinational Enterprises and the Global Compact.

Snam's corporate governance system is organized on three levels: **policies, guidelines and rules.**

Through this approach, Snam correctly oversees all business-related issues, while guaranteeing adequate management and performance of business activities and compliance with the general principles contained in the **Articles of Association**, in **Code of Ethics**, in **Corporate Governance Codeac**, in **Model 231** and in **The Enterprise Risk Management Model (ERM Model).**

Furthermore, Snam confirms its commitment to considering sustainability as a guiding element for the definition of its strategic and operational choices also through the **Ethics and Integrity Pact**, through which the Group defines further principles that must be applied and shared with its suppliers.



Listed below are the corporate policies and guidelines associated with each of Snam's sustainability topics, approved by the Board of Directors and the Chief Executive Officer, who is the signatory. These policies and guidelines apply to the entire Group, unless otherwise indicated, and are communicated to all those who come into contact with Snam's activities or sites and made available online at www.snam.it.

MATERIAL TOPICS	POLICIES AND GUIDELINES	TARGETS, CONTENT AND SCOPE OF APPLICATION
● **Climate change** ● **Pollution** ● **Biodiversity and ecosystems** ● **Water** ● **Own workforce - Health and safety** ● **Energy security and accessibility**	**Health and Safety, Environment, Energy and Quality Policy (HSEEQ Policy)**	The policy promotes environmental sustainability, safety and efficiency. The policy aims to deepen the aspects related to **climate change mitigation and adaptation, energy efficiency**, the diffusion of renewable energy, including the methods of managing physical and transition risks related to climate change. Furthermore, the Policy outlines commitments to prevent, manage and monitor negative impacts related to **pollution** and explores aspects related to the protection of **biodiversity** and **ecosystems** concerning operational sites owned, leased or managed within or near a sensitive area from a biodiversity perspective. The HSEEQ Policy also defines clear commitments to mitigate the effects of **water consumption**, through reduction, treatment, reuse and transparency activities. With reference to **health and safety**, the Policy illustrates the commitments to ensure compliance with the protection of workers' health and safety, reduce to a minimum the risks associated with assets, acting in compliance with the laws and administrative provisions and in coherence with the Code of Ethics and Model 231 and with national and international best practices. Finally, the Policy also includes commitments regarding **energy security and accessibility to energy**, aimed at guaranteeing the provision of services, business continuity and the full right of customers to accessibility and use of the services themselves. Snam's HSEEQ policy applies to all its activities, staff, contractors and all persons supervised by the Snam Group; all Snam companies adopt this Policy and – through the Employers and all persons responsible for health, safety, the environment, energy efficiency and quality – implement its principles.
● **Climate change** ● **Pollution** ● **Biodiversity and ecosystems** ● **Own workforce - Health and Safety** ● **Energy security and accessibility**	**Asset Management Policy**	The Policy ensures that assets are managed effectively, efficiently and sustainably throughout their life cycle, starting from the design, construction, testing, operation and supervision of natural gas transport works and plants, ensuring the adaptation of the network, using flexible, resilient and cutting-edge infrastructures, aimed at developing solutions for **mitigating and adapting to climate change** and supporting the energy transition and enabling its assets to transport renewable gas (or green gas). The Policy, in accordance with the requirements indicated by the UNI ISO 55001:2015 standard, guarantees the prevention of**pollution** by adopting technologies and systems throughout the life cycle of the assets aimed at promoting careful and timely management, also in order to protect **biodiversity** and natural ecosystems through projects for the regeneration of the ecosystems and territories in which Snam operates, including the correct decommissioning of infrastructures and plants, as well as the **health and safety** of workers, adopting measures for the management and prevention of accidents, injuries, occupational diseases and emergency situations. In addition, the Policy aims to implement and improve procedures to manage the risks related to its business and is committed to developing, maintaining and improving a management system that ensures **energy security** and **accessibility**, guaranteeing the continuity of its operations, the minimum service limits of critical processes even following events or emergency situations that could compromise its regular operations. The policy applies to all assets used by Snam for the transportation of natural gas such as pipelines, booster stations, regulation, reduction, interception, mixing and measurement plants, as well as other ancillary plants necessary for the transportation and dispatching of gas.
● **Pollution** ● **Biodiversity and ecosystems**	**GNL Italia's Major Accident Prevention Policy** **Stogit's Major Accident Prevention Policy** **Snam FSRU Italia's Major Accident Prevention Policy**	The policies outline the commitments of each entity (GNL Italia, Stogit and FRSU Italia) in the **prevention of major accidents to safeguard the environment and safety**. They provide for continuous improvement in hazard control, safe plant maintenance, staff training, emergency management and risk analysis. The activities comply with environmental regulations and prioritise prevention. The policy applies to all activities related to the storage of natural gas (Stogit), activities carried out at liquefied natural gas (LNG) terminals, and activities of floating storage and regasification units (FSRU); applies to all directly employed personnel, contractors and suppliers.
● **Biodiversity and ecosystems**	**Biodiversity Policy**	Snam's Biodiversity Policy aims to define the commitments and actions adopted by the Group to **protect biodiversity**, as a fundamental pillar of sustainable development, essential for the health and well-being of people and to preserve life on Earth. The Policy describes Snam's commitment to managing its infrastructure with an approach aimed at **safeguarding ecosystems**, ensuring the application of solutions to avoid and prevent the occurrence of negative impacts as much as possible, through the investigation of potential risks on biodiversity, with particular attention to natural ecosystems that fall within the Natura 2000 Network Sites, integrating international best practices and guidelines. Snam's Biodiversity matters policy applies to all its activities, staff, contractors and all persons supervised by the Snam Group. All Snam companies adopt this Policy and implement its principles.
● **Biodiversity and ecosystems**	**Bioenerys Ambiente Health, Safety and Quality Policy (HSEQ Policy)**	The HSEQ Policy of Bioenerys Ambiente is specific to the business related to the production of biomethane and compost from the treatment and valorisation of organic waste and intends to present the objectives of the two businesses within the Integrated Management System for Quality, Environment, Health and Safety. With reference to **biodiversity** and **ecosystems**, the Policy promotes, encourages and spreads a shared culture based on sustainability, which finds concrete expression in the monitoring of environmental impacts, in the sustainable use of resources and in the valorisation of waste in a circular economy perspective, for example through the **regeneration of the soil** through the dispersion of nutrients in the form of digestate and compost.

MATERIAL TOPICS	POLICIES AND GUIDELINES	TARGETS, CONTENT AND SCOPE OF APPLICATION
● **Own workforce - Working conditions** ● **Business conduct**	**Code of Ethics**	The Code of Ethics collects the set of values that the Company recognizes, accepts and shares and the responsibilities that it assumes towards the inside and outside of its organization. The values set out in the Code of Ethics aim to define a shared system of values that expresses Snam's **ethical corporate culture** , which must inspire strategic thinking and the conduct of corporate activities, in a context of ethics, transparency, correctness, professionalism, good faith, honesty and competition, in compliance with the legitimate interests of all interested parties with whom we interact on a daily basis. Among others, the Code of Ethics pays particular attention to **working conditions**, promoting the protection of people, the protection of individual freedom, dignity and well-being, the protection of work, the recognition of constitutionally guaranteed rights in terms of remuneration, and trade union freedoms. The principles and contents of the Code apply to Snam's People and activities, including its suppliers and subcontractors. The representatives indicated by Snam in the corporate bodies of the subsidiaries, consortia and joint ventures promote the principles and contents of the Code in their respective areas of competence.
● **Own workforce - Working conditions** ● **Workers in the value chain** ● **Affected communities** ● **Business conduct**	**Human rights policy**	Through the Human rights policy, Snam outlines the founding principles and actions undertaken to protect human rights in carrying out its activities and, in general, in every context in which it operates, including through its business partners. The Policy, applied to the entire workforce, promotes and protects **respect for human rights,** including through continuous training aimed at Snam people, with particular attention to aspects relating to health and safety,**integrity and business ethics, inclusion and diversity**, repudiating any form of (i) discrimination based on ethnicity, nationality, language or religion, political or sexual orientation, gender, social context, age, disability or any other personal, cultural or professional sphere of the individual; (ii) harassment, violence, threats, intimidation or sexual, psychological, physical or verbal abuse; (iii) labour exploitation, including forced or child labour and human trafficking; (iv) corruption. Furthermore, the Code of Ethics guarantees the recognition and protection of the **freedoms of association** and the right to **collective bargaining.** The Policy applies to Snam and its subsidiaries and is brought to the attention of other associates as well as to its suppliers, subcontractors and business partners, and to any other person, wherever located, who acts, in any capacity, in the name of and/or on behalf of Snam.
● **Own workforce - Working conditions** ● **Own workforce - Equal treatment and opportunities for all and skills development** ● **Workers in the value chain** ● **Affected communities**	**Guidelines for the respect of human rights**	The Guidelines define the **HREDDM (Human Rights and Environmental Due Diligence Model) process** that operates both in a preventive perspective, working on robust risk assessment processes towards the universe of applicable regulations, and in a 'detection' perspective through a structured monitoring activity of the safeguards and actions developed to prevent, mitigate or put an end to negative impacts. With a view to clearly formalising responsibilities with reference to the activities covered by the Guidelines for the respect of human rights, Snam has identified a multifunctional governance system with the aim of promoting and protecting human rights, both in its own operations and along the entire chain of activities: • Snam's **Board of Directors** is responsible for approving the Guidelines for respecting human rights; • the **Chief Executive Officer**, in confirmation of the Company's commitment to promoting a culture of respect and protection of human rights, undertakes to disseminate, also through the relevant corporate functions, in a clear and unequivocal manner, the principles expressed in this document, ensuring that they are applied and integrated into the various internal regulatory instruments and reflected in the organisation; • The **Business Integrity & Compliance** function is responsible for defining and implementing the relevant Compliance Model. The Guidelines apply to Snam and, as part of the management and coordination activities, to all subsidiaries. It is also brought to the attention of other associates in order to promote principles and conduct consistent with those expressed by Snam. The document applies to all Snam people, as well as to any other person, wherever they may be, who acts - in any capacity - in the name and on behalf of the Company, within the limits of their role and responsibilities.
● **Own workforce - Equal treatment and opportunities for all and skills development**	**Diversity and Inclusion Policy**	The Policy aims to ensure **equal dignity and opportunities** for all people, regardless of gender, origin, culture, religion, sexual orientation or other characteristics. Snam promotes an inclusive, fair and non-discriminatory work environment, supporting professional development and work-life balance. The policy applies to the entire organisation and to people in relation with Snam.
	Diversity and Inclusion Policy: Gender equality	The Policy contributes to the creation of a more balanced and heterogeneous leadership pipeline, fairly valuing the contributions of both genders in decision-making processes within the organisation, and contributes to creating a **culture of gender equality** to ensure excellent performance based on talent and long-term sustainability. The document is an integral part of the Diversity and Inclusion Policy and is an appendix to it.
	Diversity and Inclusion Policy: Recruiting	The Policy creates a **standardised and inclusive methodology of the selection and recruitment process** through clear, shared, consistent, fair and merit-based guidelines. The document is an integral part of the Diversity and Inclusion Policy and is an appendix to it.
	Diversity and Inclusion Policy: Harassment Policy	The Policy promotes a serene and professional **working environment, free from all forms of discrimination and harassment**, where people feel respected, valued and free to express their full potential, with a company policy of zero tolerance for any form of harassment in the workplace. The document is an integral part of the Diversity and Inclusion Policy and is an appendix to it.
	Diversity and Inclusion Policy: Gender Social Transition	The Policy complements the Diversity and Inclusion Policy and aims to **support transgender Snam people in their journey to affirm the gender they feel is their own**. The policy ensures that the person's needs are fully respected and specifically identifies how Snam provides support, how communication is managed and how the team in charge is activated. By introducing the Policy, Snam reaffirms the importance of sharing the value of inclusion in all its forms, recognising everyone's responsibility to adopt words and behaviour that generate a positive impact on the people around them. The document is an integral part of the Diversity and Inclusion Policy and is an appendix to it.
● **Own workforce - Health and safety**	**Travel Risk Management Policy**	The policy protects **health, safety and physical and mental well-being**, with a focus on the risks of travelling personnel. It aims to ensure regulatory compliance, reduce operational, legal and reputational risks, and adopts the Travel Risk Management Programme to manage travel, emergency and training risks. The policy applies to all personnel of Snam SpA and its subsidiaries, contractors and all persons travelling on behalf of the Snam Group.

MATERIAL TOPICS	POLICIES AND GUIDELINES	TARGETS, CONTENT AND SCOPE OF APPLICATION
● **Workers in the value chain** ● **Business conduct**	**Supplier Code of Ethics**	The Code of Ethics defines **ethical guidelines for suppliers and collaborators,** promoting regulatory compliance, sustainability and transparency. The Supplier Code of Ethics guarantees respect for human rights, the creation of inclusive work environments, health, safety, environmental sustainability and reduction of ecological impact. Furthermore, the commitments defined in the Supplier Code of Ethics promote sustainable business relationships and stakeholder involvement, enhancing innovation and social responsibility. The Snam Group considers the recipients of this document to be the Suppliers, external collaborators and companies that, individually or as part of a group, provide goods, services, works and resources necessary for carrying out activities and providing services.
● **Workers in the value chain**	**Social Supply Chain Policy**	The Policy promotes **inclusive and sustainable economic growth** by enhancing the role of the third sector for social inclusion and employment of disadvantaged groups, encouraging collaborations with social enterprises, their involvement as subcontractors, and invites suppliers to integrate social cooperatives into supply chains, in compliance with transparency and legality. Adherence to the principles of this policy is mandatory to collaborate with Snam, ensuring alignment with the required ethical and operational standards. This policy applies to all economic operators who intend to collaborate with Snam.
● **Affected communities**	**Stakeholder engagement policy**	The policy establishes Snam's ambition to **create solid relationships with stakeholders** through flexible dialogue methods, such as webinars and focus groups, to promote constant discussion on sustainability strategies. The policy aims to identify areas for improvement, opportunities and risks, helping to maintain the company's reputation and define material ESG topics. This policy applies to the entire Group (parent company and its subsidiaries), and aims to ensure that the company's stakeholder involvement strategy is applied consistently across all operations.
	Snam policy for the management of philanthropic activities and social initiatives	The policy regulates **philanthropic and social activities to promote culture, added value and sustainability, creating benefits for Snam, stakeholders and regions.** It responds to local needs, promotes social, cultural and environmental interventions with transparency and fairness, and confirms its commitment to dialogue, collaboration and the environment. Snam's policy for the management of philanthropic and social activities applies to all activities and personnel of the Snam Group, involving interested stakeholders where possible; All Snam companies adopt this Policy and implement its principles.
	Tax Control Framework Guidelines - Tax Strategy	The guidelines promote responsible management of **tax risks, supporting transparency, compliance and collaboration with authorities**. The main targets include: efficient management of tax costs, protection of corporate reputation, integrity in tax compliance, promotion of corporate values, transparent relations with tax authorities and development of internal skills. Snam adopts a Tax Control Framework to identify, monitor and minimise tax risks, ensuring regulatory compliance. The Guidelines are applied to Snam and its subsidiaries, with periodic review to align with best practices and the most up-to-date regulations.
● **Business conduct**	**Snam S.p.A. Corruption prevention policy**	The Policy adopted with a **'zero tolerance' approach towards corruption**, promotes transparency, fairness and integrity in relations with public and private entities. It provides measures to protect whistleblowers and ensures safe channels for reporting. Snam has established an **Anti-Corruption Committee for the implementation of the ISO 37001:2016 system**, involving all employees and partners in compliance with anti-corruption regulations in Italy and abroad. The policy applies to employees, collaborators of any kind, and business associates, ensuring that all recipients scrupulously comply with the regulations in force regarding the prevention of corruption, in Italy and in the countries in which Snam operates.
	Anti-corruption guidelines	The guideline, inspired by the principles of ethics and transparency, defines the rules of conduct and prohibited behaviours, with the aim of preventing corruption and other fraud. Supported by the Anti-Corruption Committee, it promotes mandatory training for employees and practical actions against corruption. Snam is committed to cooperating with international bodies for a transparent economy and to protecting its reputation, focusing on the selection of suppliers and business partners. The document applies to Snam and its subsidiaries subject to management and coordination and is disseminated to other associates
	Whistleblowing Guidelines	The guideline, compliant with the Code of Ethics and Model 231, regulates the **treatment of whistleblowing reports, guaranteeing confidentiality, protection from retaliation and prevention of abuse.** It promotes a culture of compliance, holding management and employees accountable, and disseminates disciplinary channels and tools. Applied to Snam and its subsidiaries, both in Italy and abroad, it is periodically reviewed to improve its effectiveness and align with best practices, preventing future violations and strengthening the internal control system.
● **Innovation and digitalisation**	**Innovation and Digitalization Policy**	The Policy promotes **advanced technologies to improve performance, efficiency and sustainability, favouring the energy transition towards a decarbonized and resilient model.** Coordinated by the Innovation Committee and supported by programmes such as SnamTEC, it aims to maintain leadership in the energy sector through a collaborative approach with stakeholders and customers. Periodically updated to respond to regulatory and environmental developments, the policy applies to all Group companies and controlled subsidiaries.
● **Cyber security** ● **Energy security and accessibility**	**Global Security Guidelines**	The guidelines promote an **integrated model for corporate security management**, optimising resources and processes to prevent risks and reduce negative impacts, including **service interruption**. It includes measures for **physical, logical and organisational security**, with principles and standards defined by the Global Security & Cyber Defence Function. Prevention is an integral part of corporate activities, supported by communication, training and awareness. The Guidelines apply to Snam and its subsidiaries subject to management and coordination and are also brought to the attention of other associates
● **Relations with authorities and quality of services**		Snam does not adopt a specific policy for managing relations with authorities and quality of services, but complies with the **resolutions and provisions of the Regulatory Authority for Energy, Networks and the Environment (ARERA)**, which regulate and supervise corporate activities in the energy sector and which apply to regulated business activities in Italy, subject to the supervision of ARERA.

● Environmental topics ● Social topics ● Governance topics ● Entity-specific topics

Actions and resources in relation to material sustainability matters

To manage material sustainability issues, Snam, in addition to having implemented its own sustainability strategy, annually defines action plans that contribute to achieving the targets of the Sustainability Scorecard, as well as managing material impacts, risks and opportunities.

Within each thematic chapter, qualitative and quantitative information is reported relating to the actions implemented during the reporting period and planned in the Plan Period, including significant current and future financial resources, in terms of CapEx and OpEx.

The financial resources allocated to the action plans mainly concern financial instruments defined as **'general corporate purpose'**, the proceeds of which are used to support corporate initiatives and projects in line with the corporate targets and the Strategic Plan. In addition to these instruments, Snam also adopts **'use of proceeds'** instruments to finance some coherent transition projects aligned with the Corporate Strategic Plan, as well as with Snam's Sustainable Finance Framework and detailed in the Sustainable Finance Annual Report 2024, the allocation report drawn up in line with the International Capital Market Association (ICMA) standards for the issuance of Use of Proceeds instruments.

In the following chapters, Snam's 'entity-specific' topics are represented, i.e. those issues that emerged as relevant from the double materiality analysis but were not covered by the ESRS. The reported disclosures provide an understanding of the company's relevant impacts, risks and opportunities in relation to these issues, and relate to governance, in terms of policies and management systems, metrics and objectives, and the actions put in place to ensure that the topics and their related impacts, risks and opportunities are addressed.

Innovation and digitalisation

MATERIAL TOPICS, IMPACTS, RISKS AND, OPPORTUNITIES

IMPACT MATERIALITY	**POSITIVE IMPACTS** Improvement of the service offered through the development of digital technologies and the promotion of research and development activities in the field of innovation. These activities enable safe, resilient and effective management of infrastructure and resources and determine positive implications in terms of safety also for people and the environment **NEGATIVE IMPACTS** Deterioration of the service offered due to the failure to use cutting-edge technologies with repercussions on the effectiveness of asset and infrastructure management
FINANCIAL MATERIALITY	**RISKS** Ineffective development and/or adoption of innovative and technological solutions functional to Snam's strategy **OPPORTUNITIES** Competitive and image advantages resulting from the timely development and/or adoption of innovative and technological solutions functional to Snam's strategy

For more information, please refer to the chapter 'Managing Impacts, Risks and Opportunities, Material topics for Snam'.

The positive impact related to innovation and digitalisation is closely linked to Snam's strategy and business model, considering the investments allocated in the area of transformative innovation, which aim to ensure continuous research and development towards the use of increasingly innovative technologies capable not only of improving Snam's service, but also the infrastructure itself, so that it is resilient and secure, also pursuing the opportunity related to competitive and image advantages.

Snam's commitment to innovation is necessary to avoid the potential negative impact and risk identified as material following the double materiality analysis conducted in 2024.

POLICIES

In order to ensure adequate management of aspects related to innovation and digitalisation, and, in particular, the related impacts, risks and opportunities, Snam has equipped itself with the **Innovation and Digitalization Policy**, implemented by the functions responsible for innovation-related activities and approved by the Board of Directors and the Chief Executive Officer, who is responsible for signing the aforementioned policies and making them formal regulatory instruments.

INNOVATION AND DIGITALIZATION POLICY

Contents, targets and monitoring process

The policy describes Snam's strategy regarding innovation and digitalisation as fundamental tools to integrate infrastructure with cutting-edge technological solutions to improve the performance, reliability, efficiency and sustainability of its activities and services. Furthermore, it highlights the participatory and coordinated process of innovation that is achieved thanks to the presence of the Committee for Innovation and Technology and the SnamTEC, Snaminnova and HyAccelerator projects and programs.

The objective of the policy is to define and disseminate the strategy that allows Snam and the other companies of the Group to continue to be leaders in innovation in the energy sector, supporting the transition towards a decarbonised, digitalised, resilient and secure energy model, through a collaborative approach with corporate partners, universities, start-ups, customers and the financial community.

To ensure continuous improvement of innovation and digitalisation initiatives and to adapt to an ever-changing context, the policy is periodically updated following on the one hand any commercial, regulatory and environmental developments and on the other the observations of the stakeholders involved and the performances related to the initiatives themselves.

Scope of application

The policy applies to all Snam Group companies, as well as to all non-Group subsidiaries over which Snam has effective control, within the limits established by law.

References to third-party standards or initiatives

In general, through its Innovation and Digitalisation Policy, Snam is committed to identifying solutions in terms of decarbonisation and energy transition in line with EU regulations and national targets on energy and climate.

For more information on the policies on Innovation and digitalisation, please refer to the chapter 'Internal regulatory system'.

Snam is aware of the relevance and benefits related to the advent of **Artificial Intelligence** systems in the context of the evolution of technologies and the way human beings can interact with them, bringing value to their work, but is also aware of the risks associated with their not fully conscious use. Therefore, Snam has issued internal instructions, addressed to all employees, on the ethical **use of artificial intelligence**, providing for compliance with core issues relating to the protection of confidentiality, the integrity of corporate assets and the protection of the personal data of those concerned.

In order to proactively respond to the multiple scenarios arising from these regulations and the related needs, also in terms of information system and data security, it has decided to identify a Data-AI Officer with the task of ensuring that only artificial intelligence systems that comply with ethical principles such as equality, transparency, fairness, accountability and justice are adopted, and to ensure risk assessment in coordination with the Enterprise Risk Management Model.

With reference to artificial intelligence, in September 2024, Snam participated in the XIV Annual Workshop of the Agici-Accenture Utilities Observatory, where the topic of Generative AI and its impact on the utilities sector was explored in depth, from a strategic, managerial, organizational and business transformation perspective.

TARGETS

TRANSFORMATIVE INNOVATION

KPI	Baseline and base year	Performance 2022	Performance 2023	Performance 2024	Target		Performance 2024 vs. target
Investments in Innovation as % of revenues [1] (SCORECARD)	3.3 in 2023	-	3.3	3	3	by 2024	✓
					3	by 2025	⚙
					3	by 2029	
PoC and scale of technologies and services (No.) [2] (SCORECARD)	15 PoC (3) in 2022	15 PoC (3)	28 PoC (5)	43(6)	40(6)	by 2024	✓
					47(7)	by 2025	⚙
					75(11)	by 2029	
AI enabled IT applications (% of total) [3] (SCORECARD)	10 in 2023	-	10	14.8	12	by 2024	✓
					16.5	by 2025	⚙
					40	by 2029	

(SCORECARD) KPIs included on the Sustainability Scorecard | (CARBON NEUTRALITY) KPI included in the Carbon Neutrality Strategy | ✓ Target reached | ⚙ Target in progress | ⊘ Target not reached

Notes:
- the targets shown refer to the entire Snam Group, unless otherwise indicated. For more information on the scope, please refer to the chapter 'Introduction and guide to reading the document, General basis for the preparation of the Consolidated Sustainability Statement';
- the underlying methodologies, applied in the calculation of the targets, are the result of the internal development of the functions responsible for the control and monitoring of the targets themselves.

[1] The figure takes into account capital and operating expenditure for transformative innovation, divided into 'Open Explorative Innovation', which is related to R&D projects, venture capital, pilot projects and feasibility studies, and 'Proven Exploitative Innovation', which includes investments in existing innovation projects and SnamTEC. The figure is calculated as the ratio between investments and operating expenses in innovation and total revenues, both expressed in millions of €. By 'total revenue' we mean consolidated revenue, but net of pass-through revenue.
[2] The target was renamed. In previous years it was 'Start-ups accelerated after PoC', below are the performances of the three-year period 2022-2024: 2022 (base year) - 6 accelerated start-ups and 12 PoCs; 2023 - 11 accelerated start-ups and 22 PoCs; 2024 - 15 accelerated start-ups and 25 PoCs. The updated target considers the number of technologies and services evaluated in the business case phase, in the test phase, in the experimental research phase or tested/implemented on a significant portion of the network or enterprise, and is provided as a cumulative figure starting from 2022. PoC means 'Proof of Concept'.
[3] The target was renamed. In 2023 it was 'Digitised and AI-enabled processes on total number of IT applications' and included in two numbers the quantity of processes identified to be digitised and those that use AI (the first number is the percentage of processes already digitised, while the second number represents the number of IT applications that use or are supported by AI on total IT applications). The 2023 performance is shown below: 100% and 10%. The updated target value is calculated as the ratio of the total number of AI applications to the total number of IT applications.

The targets of the Sustainability Scorecard support the Group in achieving the targets set out in the Snam SpA Innovation and Digitalization Policy through the allocation of resources and the implementation of initiatives aimed at accelerating Snam's digital transformation. In addition, these targets contribute to the management of the material impacts, risks and opportunities relating to innovation and digitalisation listed in the paragraph 'Material topics, impacts, risks and opportunities' of the same chapter.

The targets 'Investments in innovation on revenues', 'PoC and scale of technologies and services' and 'AI enabled IT applications' showed progress in line with initial plans, confirming the alignment of performance with the communicated targets.

For more information on the targets of the Sustainability Scorecard, please refer to the paragraph 'The Sustainability Scorecard' in the chapter 'Strategy and business model'.

ACTIONS & METRICS

IMPLEMENTED AND PLANNED ACTIONS AND RELATED RESOURCES ALLOCATED IN RELATION TO INNOVATION AND DIGITALISATION

	2024	
KPI	CapEx	OpEx
Amount of current financial resources allocated to actions related to innovation and digitalisation (millions of €)	**143**	**28**
Amount of future financial resources earmarked for actions related to innovation and digitalisation (€ million) [1]	**598**	**137**

Notes:
- the data refer to the entire Snam Group, unless otherwise indicated. For more information on the scope, please refer to the chapter 'Introduction and guide to reading the document, General basis for the preparation of the Consolidated Sustainability Statement';
- with reference to Bioenerys and Renovit, CapEx and OpEx are included in the topic 'Climate Change';
- financial resources may give rise to operating costs (see Note 29 Operating costs and charges in the Notes to the Consolidated Financial Statements) or, if the conditions apply and if strictly related to an investment, may give rise to CapEx (see Note 8 Property, plant and equipment and Note 9 Intangible assets in the Notes to the Consolidated Financial Statements);
- for more information, please refer to the chapter 'Actions and resources in relation to material sustainability matters'.

[1] Future financial resources consider the Plan period.

Innovation is one of the strategic levers of the Plan to 2029 and the Vision to 2034, which Snam adopts in order to enable the creation of a flexible, modular and multi-molecule infrastructure. To this end, the Group has adopted a dual approach aimed on the one hand at supporting new ideas and technologies through the 'Open Innovation' model in collaboration with start-ups, incubators, and universities, and on the other hand at harnessing scalable and reliable industrial innovations to support the operation of assets. In this context, Snam pursues the **technological development of infrastructures through the digitalisation and optimisation of asset management systems and industrial processes**, with the aim of promoting the acceleration of innovation, transformation and flexibility, as well as **operational excellence** through increased digitalisation, the use of Artificial Intelligence and innovative technologies for the development of decarbonised molecules.

To confirm the importance that Snam attributes to digitalisation and technological innovation processes to accelerate the energy transition and manage its business in an increasingly effective, efficient and resilient manner, the Group invests significant resources to monitor this issue and to implement strategic interventions that contribute to achieving the targets and objectives of its policies on innovation and digitalisation (for more information, please refer to the paragraphs 'Policies' and 'Targets' of this chapter).

Snam's digital innovation strategy, aimed at seizing the opportunities offered by the evolution of the energy system, focuses on two macro-areas:

- **digitisation of the core business** for technological innovation and digital transformation of the transport, storage and regasification business;
- **digitisation of corporate functions** to achieve digital transformation also among corporate functions supporting the core business.

In accordance with these fields of action, Snam has implemented the following projects and initiatives:

ARTIFICIAL INTELLIGENCE AND AUTOMATION	**Description of the initiative** Implementation of AI tools to optimize business processes, improve and support data and document analysis and pattern research activities, in order to extend proactivity and improve the quality of forecast data. Increased automation of IT operations tasks, resulting in reduced human error. Release of new KPI dashboards capable of providing visibility of defect rates and supporting the governance of automation processes. **Time horizons** Further phases of growth and adoption of AI and implementation of automation tasks are expected in 2025 and 2026. **Progress and action plan** The targets set by this initiative were achieved during 2024 and the continued adoption of AI and automation is expected through 2026.
RESILIENCE SERVICES AND APPLICATIONS	**Description of the initiative** Evolving platforms to ensure resilience across cloud datacentres and facilitate application lifecycle. **Time horizons** The initiative will be developed over the 2025-2029 time frame.
SETUP AND MOVING NEW HQ	**Description of the initiative** New headquarters set up with advanced technological experience at the service of users, ensuring ease of connection, use of spaces and devices combining quality and privacy in a shared and innovative context. **Time horizons** The target is expected during the year 2025.
TLC INFRASTRUCTURE AND PLANT EVOLUTION	**Description of the initiative** The project for the new geographic backbone has been completed, making the architecture cloud ready, maximising the capacity of fibre optic traffic and reducing hardware costs as well as power consumption. **Time horizons** The initiative will be developed over the 2024-2025 time frame. **Progress and action plan** The architecture installation was completed during 2024 and infrastructure configuration activities are planned for 2025.
DESIGN SYSTEM AND ACCESSIBILITY	**Description of the initiative** Optimisation of Snam digital interfaces through the use of the Design System, with the aim of improving accessibility, coherence and usability of the entire Snam digital ecosystem, optimising the design and development times of corporate websites, conversational interfaces and chatbots. **Time horizons** The initiative will be developed over the 2024-2025 time frame. **Progress and action plan** Phase 1 was completed in 2024 and Phase 2 of the initiative is planned for 2025.

With a view to digitising its industrial assets and operations, Snam is pursuing its industrial innovation program **SnamTEC**, which boasts a total of 50 projects.

Through the use of technologies such as sensors, remote diagnostics, Internet of Things, artificial intelligence, augmented and virtual reality, drones and satellites, the program allows Snam people to make decisions in an even safer, more sustainable and efficient way thanks to data analysis and risk forecasting.

All this allows us to pursue four fundamental objectives:

1 PERSONAL SAFETY	2 CONTINUITY OF SERVICES PROVIDED	3 SAFEGUARDING THINGS AND THE ENVIRONMENT	4 PROCESS OPTIMISATION
SnamTEC allows numerous training, testing, control, diagnostics and asset management activities to be carried out, even remotely, and provides real-time data to support on-site operations, increasing the forecasting capacity of teams located throughout the territory and thus reducing people's exposure to risk.	Energy and geopolitical crises have reminded everyone how important energy supplies are. SnamTEC uses technology to increase the intelligence, flexibility and agility of assets and processes, so as to guarantee the continuity and safety of the operation of essential services (transportation, storage and regasification) and - with a view to the future - to better manage an increasingly multi-vector system, capable of also transporting 'green molecules' such as biomethane and hydrogen, essential for enabling the energy transition.	Thanks to the monitoring of an integrated plurality of parameters, both infrastructural and environmental, SnamTEC helps people to intervene with maximum effectiveness. In a timely manner, and in person or remotely, it is possible to isolate, contain or even avoid the impact of potentially critical phenomena, protecting the value of infrastructures that are part of the national heritage and safeguarding the environment in which they are located.	Thanks to SnamTEC we are refining advanced techniques for correlating huge amounts of data, which allow us to extract the maximum operational value from extremely heterogeneous information and optimise our processes. This approach enables the optimisation of network, plant, and operational efficiency, while also reducing operating costs and environmental impact.

Among the many innovations that SnamTEC has introduced, the following stand out:

- **predictive maintenance**, which minimises costs and downtime, contributing to security and continuity of supply;
- the application of **artificial intelligence to the operational management of network assets**, which allows consumption and emissions to be reduced;
- the use of **big data to support decision-making in industrial processes**, making decision-making more factual, faster and more effective.

SNAMTEC'S MAIN PROJECTS AND PROGRAMMES IN 2024

PERSONAL SAFETY

Remote diagnostics

Description of the initiative
Development of algorithms for advanced data analysis and processing and automation of checks for immediate diagnosis of anomalies.
Release of new features that allow the collection of data and the processing of advanced KPIs useful for the analysis of the operation of the system in its specific critical sections and for the analysis of the operation of turbochargers with details on performance and consumption.

Time horizons
- Completion of activities for network remote diagnostics on three GEST nodes expected in 2025;
- Completion of regasification remote diagnostics activities expected by the end of 2026.

Progress and action plan
In 2024, the first remote diagnostics MVP for LNG was released and the plan is to extend the activities to cover network nodes and assets, continuing the development of diagnostic algorithms to achieve greater forecasting capacity.

Enhanced PIMOS

Description of the initiative
Enhancements to the PIMOS gas leak detection and location tool, with new features that improve the accuracy of alarm classification generated by operating anomalies.

Time horizons
First PIMOS management automation features expected to be released in 2025.

Progress and action plan
In 2024, new features were implemented that made anomaly management more accurate. The program plans to continue developing the system automation and integrating monitoring processes with scheduled PIG steps.

T.LAB - Methane detector

Description of the initiative
Experimentation aimed at developing a fixed smart sensor for the identification and quantification of methane leaks, essential for preventing risk situations for personnel.

Time horizons
There is a plan to continue the activities of T.LAB in the future.

Progress and action plan
During 2024 the design report was shared with ARERA.

SNAMTEC'S MAIN PROJECTS AND PROGRAMMES IN 2024

CONTINUITY OF SERVICES PROVIDED

SmartPipes & Plants

Description of the initiative
Validation of intelligent devices for network (SmartPipe) and power plant (SmartPlant) monitoring.

Time horizons
In 2025, the construction of 5 SmartPipe systems is planned with implementation of the management model and integration in remote diagnostics.

Progress and action plan
In 2024, validation activities were completed on 17 types of devices for the network and 19 for the plants. Furthermore, the first 5 philosophies for SmartPipe systems have been defined, making it possible to identify which devices to install and on which assets. There is a plan to proceed with the implementation of the management model and to extend it to additional types of assets.

Asset Control Room

Description of the initiative
Development of a centralised platform for integrated process management, with functionalities covering interference detection, digitalisation of maintenance processes and operational support via the Wall Back Office Centre.

Time horizons
The integration of the interference management process, the definition of the maintenance process strategy and the implementation of the main functionalities are expected to be completed by 2025.
The development of ACR will continue, according to the defined evolution path, until 2030.

Progress and action plan
Numerous new features and updates were released throughout 2024, impacting over 20 processes. The initiative plans to continue the evolution of the platform until it integrates and transforms all operations processes into a single tool.

T.LAB - Advanced Microturbines

Description of the initiative
Testing of a microturbine to support the power supply of the photovoltaic systems, aimed at ensuring operational continuity in installations within pilot reduction plants and in order to ensure the power supply of the UMT and the charging of backup batteries. Testing of a microturbine to support the power supply of the photovoltaic systems, aimed at ensuring operational continuity.

Time horizons
There is a plan to continue the activities of T.LAB in the future.

Progress and action plan
In 2024, positive results were obtained that confirm the suitability of the solution, allowing the evaluation of the scalability of the solution on assets with similar characteristics and definition of the steps for its operational adoption.

SNAMTEC'S MAIN PROJECTS AND PROGRAMMES IN 2024

CONTINUITY OF SERVICES PROVIDED

ELCO

Description of the initiative
Implementation of the new electrocompressors (ELCOs) to improve the proper operation and management of compression, storage, and transportation systems, with simulations of possible to-be configurations and definition of regulations for plant inventory.

Time horizons
The Operating Regulations for the Malborghetto plant are expected to be signed by June 2025, with commissioning expected by the end of the year. Furthermore, the design of the processes-to-be and the preparation of the contract for additional power plants (Poggio Renatico and Messina) are expected to be completed by 2025.

Progress and action plan
During 2024, the first simulations were started, the Regulations for the Plant Inventory for the new ELCO assets were defined, and the contract with Renovit was signed for SRG's entry into the White Certificates Market. The contract regulates Renovit's support for the management of TEE (Energy Efficiency Certificates or White Certificates) resulting from the commissioning of ELCO in the Malborghetto power plant.

SAFEGUARDING THINGS AND THE ENVIRONMENT

H_2 Readiness

Description of the initiative
Experimentation to verify the compatibility of Snam assets for hydrogen transportation, testing gas turbines powered by H_2NG (hydrogen-enriched natural gas).

Time horizons
The activities were carried out during 2024.

Progress and action plan
In 2024, the first compatibility assessments were conducted, and experimental studies are expected to continue in order to gradually increase the percentage of hydrogen compatible with transportation.

CO_2 Readiness

Description of the initiative
Repurposing of current gas infrastructures for the transportation of CO_2, through the definition of a new technical rule that adapts the principles already tested for natural gas to the specific ISO 27913 regulation for CO_2.

Time horizons
It is expected that the drafting of the new technical regulation will continue during 2025.

SNAMTEC'S MAIN PROJECTS AND PROGRAMMES IN 2024

PROCESS OPTIMISATION

AFTER

Description of the initiative
Digital evolution path of operations processes, from pure computerisation to integration with ACR (Asset Control Room), aimed at generating a continuous transformation approach.

Time horizons
In 2025, the experimentation on a first pilot use case involving at least three components (including Energy Excellence, Engine, Intangible Network, Verso, Monitor) is expected to be completed.

Progress and action plan
During 2024, the Concept Design was completed, with the definition of the components and operating logics. There is a plan to experiment with and validate the pilot components, and then extend the model on a larger scale.

Energy optimisation for grid assets and compression

Description of the initiative
Development of a prototype of a network asset optimiser, aimed at improving energy consumption and reducing emissions, tested on a limited number of DISP users.

Time horizons
- The first statistics on the results are expected to be collected in 2025;
- The consolidation of the advanced solution is expected in 2026.

Progress and action plan
During 2024, the first prototype was released and testing and fine-tuning activities began. There is a plan to proceed with the testing phases, refine the model, and implement the solution on a full scale.

One Machine

Description of the initiative
Project to unify remote control devices, creating a system enabling the transmission of any type of OT or I-IoT information to Snam application systems, so simplifying and centralising data management.

Time horizons
In 2025, the tender is expected to be awarded, the detailed design is to be completed and the first prototypes are to be made available.

Progress and action plan
During 2024, the high level design was completed and the preliminary technical specifications were negotiated. The plan is to test the first prototypes and then proceed with full implementation.

SNAMTEC'S MAIN PROJECTS AND PROGRAMMES IN 2024

PROCESS OPTIMISATION	Design to ACR	**Description of the initiative** Initiative aimed at prefiguring the plant of the future, integrating the solutions studied in various projects and developing an intelligent plant setting that monitors and governs its operation, in line with the SnamTEC vision and the ACR guidelines. **Time horizons** A possible revision of the plant philosophies is expected no earlier than 2027. **Progress and action plan** During 2024, a pilot was carried out which allowed the conceptual design of the Reduction Plant 2.0 to be defined.
	ATLANTE	**Description of the initiative** Implementation of IT tools for the management of the new Asset Creation process in line with BIM logics, to support the development of the Digital Asset Model (DAM). **Time horizons** In 2025, the ATLANTE platform is expected to be enabled for activities on assets in the Network area and the BIM Office processes to be activated for all Snam territorial units. **Progress and action plan** During 2024, the core functionalities of ATLANTE GIS were completed and an initial training assessment was carried out at the Sergnano booster station.
	Digital Asset Model (DAM)	**Description of the initiative** Snam asset modelling and digitalisation campaign, which has already led to the modelling of 291 plants in 4 districts and the construction of the second experimental booster station. **Time horizons** • In 2025, there is a plan to model at least 4,000 km of pipelines, additional reduction plants in 2 districts, and initiate the modelling of 2 more booster stations. • The digitalisation of the entire infrastructure is expected to be completed in 2028. **Progress and action plan** The first modelling campaign was launched during 2024, with positive results in the first districts. The plan is to continue with asset modelling until the entire infrastructure is fully digitalised.

SNAMTEC'S MAIN PROJECTS AND PROGRAMMES IN 2024

PROCESS OPTIMISATION	T.LAB - Smart Infrastructure Monitoring	**Description of the initiative** Testing of a multi-sensor device, intended to be installed on helicopters, for data collection and analysis to support decision-making processes in asset monitoring. **Time horizons** The activity was carried out in 2024 and is under development. **Progress and action plan** Experimental activity for the development of the device and related analysis models began in 2024. The initiative plans to further develop the device and define analytical models to integrate the monitoring system into the Snam TEC ecosystem.

SNAMTEC ACTIVITIES FOR THE GAS INFRASTRUCTURE OF THE FUTURE

During 2024, Snam continued experimentation and studies aimed at supporting the energy transition by evaluating the existing infrastructure and the transportation of natural gas and hydrogen blends with H_2 content up to 100%. This was the main focus of activities during the year:

- **engineering for permits to carry out field tests on the MARS 100 SOLAR turbine (with a capacity of approximately 12 MW) in order to verify the efficiency of its operation with a mixture of hydrogen and methane (H_2 up to 20% by volume, variable);**
- **the activation of qualification processes for the supply of H_2compressors;**
- **the continuation of studies aimed at evaluating the effectiveness of systems for the separation of Hydrogen from H_2NG mixtures.**
- **the completion of the technical qualification of some suppliers of electric and electro-hydraulic actuators and of male and ball shut-off valves, insulating joints and specifications for the transport of natural gas and blends with hydrogen up to 100% H_2;**
- **the issuing of internal regulations for the construction of new pipelines, the conversion of existing pipelines to accommodate the transport of up to 100% H_2, and the application of coatings for above-ground plants (paint cycles). These regulations were supported by carrying out valve and piping tests according to ASME B.31.12 'Hydrogen Piping & Pipelines';**
- **participation in research groups and experiments for the definition of new European standards for the study of the effects of the presence of hydrogen in steel pipelines and the monitoring of new technologies;**
- **the continuation of the development of the Italian Hydrogen Backbone, a network that will enable the transport of 100% hydrogen from North Africa to meet the needs of the domestic and, to some extent, the European market. Around 70% of the infrastructure on Italian soil will consist of networks converted from natural gas to hydrogen.**

In addition, across these lines, in 2024, Snam continued with:

- infrastructure investments for the energy transition by participating in tests, research and studies for its realisation;
- studies and research in the area of Carbon Capture and Storage (CCS). In this regard, Snam, supported by the Business Unit Asset Italia (BUAIT) function, supported the feasibility and subsequent construction of the above-ground (plants), underground (reservoirs and wells) and onshore transmission line infrastructures within the 'Ravenna CCS Hub' project, resulting from the collaboration between Snam and Eni;
- the Snaminnova programme, with the aim of increasingly integrating sustainability into the company's business model and along its value chain.

Snaminnova and the Open Innovation Hub

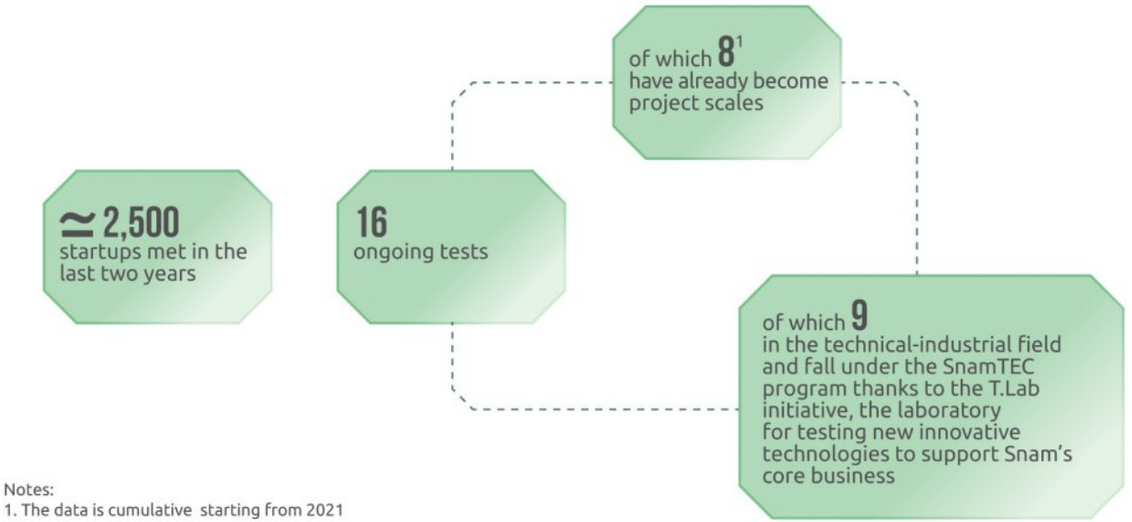
Snam launched the new edition of **Snaminnova**in 2024, in line with the Group's strategic objectives and in order to support the company in consolidating its role as a protagonist of the energy transition.
Through the initiative, the theme of which this year was dedicated to Snam's ambition: 'Energy infrastructures for a sustainable future', the fourth edition of **Centrale delle idee** has been launched, an internal innovation initiative that allows the Group's people to propose innovative ideas that can be developed internally.

This year the programme saw the submission of 58 ideas by approximately 80 Snam employees from 17 different Business Units. Of the ideas collected, with the help of the Open Innovation Scientific Committee, 4 were selected and had access to the development path for the structuring of the idea and the creation of a business model. At the end of the process, the **Energy Mill** idea was proclaimed the winner. It aims to improve the energy efficiency of reduction systems by installing a turbine in place of the pressure reducer.
The winner was announced during **Innovation Day - Evolving Horizons**, an event dedicated to innovation that proved a unique opportunity for different companies to dialogue and share their views and experiences, in order to explore technologies and ideas capable of redesigning the energy industry. Over 250 people participated in the event.

In the field of **external innovation**, more than 4,000 start-ups have been met over the past four years, 16 experiments have been initiated and a project scale has been reached during 2024.

During this fourth year of launching, Snam has further increased its offering of Open Innovation services, through the approval within the innovation committees of two new Innovation Deployment processes: Venture Building and Innovative Sourcing. During the year, Snam began to categorise innovation projects based on the Innovation Deployment process to be used for each project. These new processes serve to ensure continuity to the innovation projects that arise from the Ideas Centre and other innovation programmes, such as R&D, Hyaccelerator and TLab. Scouting was also carried out to identify solutions aimed at reducing the environmental impact of Snam sites.
Snam also continues to strengthen its positioning on the topic of Open Innovation, which plays a strategic role for the Group, also through participation in the Faros accelerator, dedicated to Blue Economy start-ups. More than 60 start-ups have been presented within this programme, with the aim of launching collaborations and pilot projects.

Also this year, the Innovation Ambassadors - a community of over 70 employees from different company areas- participated to support the internal and external innovation paths. In particular, the community took part in **4 training workshops** on the topics of idea generation, storytelling techniques, support for the development of ideas and finally identification of innovation needs.



Notes:
1. The data is cumulative starting from 2021

The evolution of technological infrastructures supporting the Snam transition

One of the many challenges Snam is facing in its complex digital transformation journey is to transfer a major part of its workloads to the public cloud.

The IT infrastructure has a total of about 3,800 virtual servers, 900 physical servers, 580 database instances and 10,000 PaaS containers. In addition, more than 11,000 company mobile devices are held by technicians and office staff. The services are currently delivered from four different data centres, two primary on-prem owned ones and two in the cloud in Microsoft's West Europe and North Italy regions.

To support business growth and meet the growing demand for digital services, the need arose to design an infrastructure capable of optimising processing workloads and improving operational efficiency, while reducing costs and environmental impact.

Snam's choice of strategy for tackling this path was the transition to the 'cloud', and, in particular, the implementation of a **hybrid cloud**, with the migration of current data centers towards more optimised, efficient and resilient infrastructures. This model will enable greater visibility, control and measurement, as well as significant reductions in CO_2 consumption and workload optimisation.
Following the completion of the migration of the first 800 virtual machines to the European cloud in 2022, the progress achieved in 2024 with the cloud migration programme is in line with expectations.
It will then continue in the following years (2025 - 2026), gradually migrating even the most strategic workloads under a business continuity regime and repatriating workloads already present in foreign clouds.

TECHNOLOGICAL INFRASTRUCTURE FOR EMPLOYEES

On the side of technology infrastructure to support employees, the important progress of the Digital Workplace 5.0 programme is noted.
The main achievements include the following initiatives:

- **Consolidation and evolution of fleet management systems, introducing automatic delivery functions;**
- **The office model for operating system updates was engineered, with the aim of updating all the group's PC devices to the Windows 11 operating system;**
- **Refresh of PC and Smartphone devices ready for Artificial Intelligence with the aim of improving the user experience and introducing innovative and simplified solutions.**

The objectives set for these initiatives were achieved during 2024 and there is a plan to proceed with the refresh of the devices and the introduction of AI in 2025.

Cyber security

MATERIAL TOPICS, IMPACTS, RISKS AND, OPPORTUNITIES

FINANCIAL MATERIALITY

RISKS
Cyber attack with possible damage to assets and/or interruption of operations and/or other indirect costs

OPPORTUNITIES
Improved external perception thanks to adequate cyber security supervision and awareness-raising activities on the topic

For more information, please refer to the chapter 'Managing Impacts, Risks and Opportunities, Material topics for Snam'.

The risk of cyber attacks could have negative impacts on the continuity of Snam's business, as well as on the upstream and downstream value chain, however Snam has equipped itself with cyber security measures capable of preventing, monitoring and, if necessary, directing timely remediation interventions to deal with situations that could damage the confidentiality, integrity and availability of the information processed and the technologies implemented.

The Cyber Security Incident Management & Intelligence model, overseen by the Security Incident Response Team integrated into the corporate business model, represents a fundamental tool for the effective management of risks related to cyber security and for pursuing the opportunity to improve external perception thanks to adequate cyber security supervision and awareness-raising activities on the topic.

For more information on actions to address particular material impacts or risks or to pursue particular relevant opportunities, please refer to the 'Actions and metrics' section of this chapter.

POLICIES

To manage aspects related to cyber security, and, in particular, the related risks and opportunities, Snam has equipped itself with the **Global Security Guideline**, the principles of which are implemented by the Executive Director Global Security & Cyber Defence, and approved by the Board of Directors.

GLOBAL SECURITY GUIDELINES

Contents, objectives and monitoring process
The Guideline promotes the principles adopted to ensure an informed and effective assessment and management of security risks, promoting an integrated management model of corporate security aimed at optimising resources, processes and results, through:

- the uniform and timely application of security guidelines;
- the allocation of the necessary resources to ensure the deployment of appropriate measures in the areas of physical, logical and organisational security;
- the commitment to considering security risk prevention as an integral part of managerial and business activities.

In addition, the Guideline illustrates the security areas on which the Global Security & Cyber Defence Function defines the technical guidelines and methodologies, identifies the reference standards, and guarantees the design, implementation and management of the activities.

The aim of the Guideline is to illustrate the principles adopted by Snam to prevent security risks and reduce the impact of events potentially capable of generating negative effects for the company and to outline the fundamental principles on which to base the processes and practices that allow for the correct management of the cyber security risk, defining the macro-process for identifying security needs, ensuring their management through the application of appropriate countermeasures and, finally, verifying the effectiveness of the latter.
The diffusion of the culture of security is supported through communication, training and awareness, engaging employees and collaborators to ensure a shared commitment to the protection of the company and its stakeholders, both internal and external. In addition, the Guideline takes into account the following stakeholder interests.

The Global Security & Cyber Defence function periodically reviews the Guideline to ensure its effectiveness over time and its adherence to best practices. The process of monitoring and updating the Guideline also includes the involvement of the company units/positions affected by the activities related to cyber security.

Scope of application
The document applies to Snam and the subsidiaries subject to its management and coordination and is also communicated to the other associates to promote principles and conduct consistent with those expressed by Snam, in compliance with the relevant internal procedures.

References to third-party standards or initiatives

- International practices aimed at managing security risks (e.g. ISO 31000 - Risk Management)
- Certification of the skills of the personnel responsible for security activities (e.g. UNI 10459 standard)
- Business Continuity Management Systems (ISO 22301)
- Information Security Management Systems (ISO/IEC 27001)

Snam's approach to cyber security also takes into account the provisions of Law No. 90 of 2024, the so-called DDL Cyber, and Legislative Decree No. 65/2018 (the so-called NIS) and is integrated on a framework based on the ISO 3100 standard whose application on the most critical processes is certified ISO/IEC 27001 (Information Security Management Systems) and provides for the development of security risk management models, suitable for identifying threats and vulnerabilities and assessing the relative risk, identifying and implementing the most effective mitigation measures.

For more information on Cyber security policies, please refer to the chapter 'Internal regulatory system'.

TARGETS

TRANSFORMATIVE INNOVATION AND SUSTAINABLE PRINCIPLES

KPI	Baseline and base year	Performance 2022	Performance 2023	Performance 2024	Target		Performance 2024 vs. target
Projects covered by Cyber Security by Design approach (%) [1] SCORECARD	100% in 2024	-	-	100	100	by 2024	✓
					100	by 2025	⚙
					100	by 2029	
Italian territory covered by cyber resilience field tested scenarios (%) [2] SCORECARD	68% in 2023	-	68	100	100	by 2024	✓
					100	by 2025	⚙
					100	by 2029	

SCORECARD KPIs included on the Sustainability Scorecard | CARBON NEUTRALITY KPI included in the Carbon Neutrality Strategy | ✓ Target reached | ⚙ Target in progress | ⊘ Target not reached

Notes:
- the targets shown refer to the entire Snam Group, unless otherwise indicated. For more information on the scope, please refer to the chapter 'Introduction and guide to reading the document, General basis for the preparation of the Consolidated Sustainability Statement';
- the underlying methodologies, applied in the calculation of the targets, are the result of the internal development of the functions responsible for the control and monitoring of the targets themselves.

[1] The target perimeter refers to Snam S.p.A. Percentage of projects covered by the Security By Design process, in relation to new project initiatives included in the plan at the beginning of the year and whose developments have been initiated in accordance with such planning. A project covered by 'Security by Design' means a technological initiative of a project type to which the 'Security By Design' process is applied for the correct addressing of Cyber Security aspects. 'Total planned projects' means the number of projects for which, at the beginning of the year, the launch of activities for the current year was planned. The achievement of the objective is measured by the percentage of projects that are covered by cybersecurity from the early stages of project design (with regard to digitalised systems) compared to the total number of projects planned at the beginning of the year to reduce their vulnerabilities.

[2] The target 'Italian territory covered by field tests in cyber resilience scenarios' is calculated on the basis of tests involving several plants and one or more districts, taking into account two factors in equal measure: technology and people. In the first case, Snam's most important plants are taken into account from a control point of view, and are assigned a weight, depending on the type of plant (e.g. storage, compression). From the sum of the weights, the percentage of coverage is obtained. In the case of people, a value is assigned, in the form of weight, to the management of the local network and facilities by the local team. Again, the sum of the assigned values gives the percentage of coverage. The KPI investigates the ability of core business processes (transportation and storage) to operate without the support of the main Dispatching technology, simulating an interruption of activities by the process data control system - the Supervisory Control and Data Acquisition (SCADA) - and the application of procedures to ensure continuity of service, considering also the daily demands of the Dispatching to which the personnel in charge must respond, for example, by providing data on gas measurement and handling.

The objectives of the Sustainability Scorecard support the Group in achieving the targets set out in the Global Security Guidelines, with particular reference to those relating to cyber security, through the application of security guidelines and the allocation of resources in order to ensure adequate protection and prevention measures in this area. In addition, these targets contribute to the management of the relevant impacts, risks and opportunities relating to cyber security listed in the paragraph 'Material topics, impacts, risks and opportunities' of the same chapter.

The target 'Projects covered by *the Cyber Security by Design* approach' integrates Snam's strategy to promote an effective risk culture that covers the entire organisation, incorporating risk criteria into the development of products and services. The *cyber Security by Deisgn* approach requires compliance with specific requirements and appropriate checks for each application and infrastructure development.

The targets showed progress in line with the initial plans, confirming the alignment of performance with the communicated objectives, in particular:
- the target 'Projects covered by Cyber Security by Design approach' was achieved through the completion of 54 projects covered by Cyber Security by Design;
- the target 'Italian territory covered by field tests in cyber resilience scenarios' was achieved by completing the coverage of the entire Italian territory.

For more information on the targets of the Sustainability Scorecard, please refer to the paragraph 'The Sustainability Scorecard' in the chapter 'Strategy and business model'.

ACTIONS & METRICS[73]

The company's rapid evolution process, supported by the continuous development of innovative solutions, is increasingly exposing Snam to the **risk of cybercrime**, a danger that has become increasingly relevant over the years, as confirmed by the **Global Risks Report 2025**, drawn up by the World Economic Forum.

According to the Global Risks Report 2025, the risk of cyber espionage and warfare (i.e. the unauthorised collection of sensitive information through digital means and offensive operations that aim to destabilise, manipulate or disrupt information systems) is among the 10 main risks of the coming years.

The growing use of IT systems, including the digitalisation of the network with the help of new technologies (e.g. Internet of Things) is in fact accompanied by an increased exposure to illicit activities of different types of actors with different purposes and modes of action, in particular cyber criminals, cyber hacktivists and state-sponsored action groups who, thanks to technological developments, have at their disposal increasingly sophisticated tools through which they can make their attack techniques more effective.

[73] Snam considers the financial resources allocated to the cybersecurity action plan as classified and sensitive information. Therefore, the company avails itself of the option to omit the quantification of such resources, in accordance with the provisions of ESRS 1, paragraph 7.7, regarding classified and sensitive information.

Strongly aware that cyber-security threats are destined to evolve in terms of numbers and complexity, Snam continues to allocate increasing resources in the area of **cyber security, thus attributing to it a fundamental role aimed at preventing or coping with very heterogeneous events** that may extend from the compromise of individual workstations, to the degradation of entire business processes in the transportation, storage and regasification areas, with potential effects on the expected service delivery capacity.

To meet these needs, with a view to a holistic and integrated model of security risk management, the **Global Security & Cyber Defence department**, identifies reference standards and establishes technical guidelines and methodologies, as well as ensures the design, implementation and management, of activities relating to the following areas:

Physical & Personnel Security	Prevention and reduction of potential security risks to people and corporate physical assets
Information & Cyber Security	Safeguarding and protecting corporate information assets
Security Intelligence	Processing of information useful for current and future business decisions, for the defence of rights, people, PPE and intangible corporate assets
Investigation & Forensics	Investigative activities, also carried out with the support of qualified professionals, regarding internal or external threats, also implemented through IT tools.

In order to counter the latest cyber threats, Snam has developed the **Cyber Security Incident Management & Intelligence** model, manned by the **Security Incident Response Team.**

In 2024, the Security Incident Response Team

1	2	3
worked without interruption, guaranteeing the delivery of its support service on a daily basis, 24 hours a day, 7 days a week	managed 4,353 security events [1]	managed 2,556 Cyber Threat Intelligence alerts

[1] 'Security events' means any event with potential impact on the security of Snam's information or infrastructure.

The Cybersecurity Incident Management model makes use of tools for collecting and correlating all the security events recorded on the entire perimeter of the company's IT infrastructure, making it possible to prevent, monitor and, if necessary, direct timely remedial action to deal with situations that could affect the confidentiality, integrity and availability of the information processed and the technologies implemented. In addition, as part of **cyber incident management** activities and in compliance with formal agreements signed between the Parties, **Info sharing** (i.e., information sharing) is also used with **national and European institutions and peers**, with the aim of increasing the capacity and speed of response to possible security incidents. Such a practice is expected to become increasingly necessary in the future, also in the light of the cyber incident reporting requirements imposed by national security regulations.

Among the main activities carried out by the function, risk analysis and technical verification play a key role, allowing the identification of protection needs arising from technological developments and any previously unknown vulnerabilities within business processes. These analyses are followed by replacement or supplementary solutions.

Furthermore, the **Security by Design** activities continued through the definition of security technologies more suitable to support the new skills that Snam has acquired and will acquire in the near future. Finally, with a view to safeguarding the continuity of processes related to the provision of essential services to the country system, a series of initiatives were completed in 2024 to:

- increase, through participation in crisis scenario management simulations, the awareness of top management and the board regarding their role in managing emergency events;
- test and exercise the ability to execute operational contingency plans prepared to support cyber crisis scenarios.

54 projects followed with security by design

15 safety tests performed

The human factor is a central element in activities to prevent and identify potential cyber attacks that might occur in the normal course of business. For this reason, Snam promotes various activities to the entire corporate population:

Information	Training	Awareness-raising
alerting, e.g. by specific emails or messaging, staff about ongoing phishing campaigns	including both an *ad hoc* session dedicated to cyber security within the induction path planned for new hires, both by delivering a multimedia course on learning the basic principles of cyber security to the entire company population	for example, by planning regular White Phishing campaigns, i.e. simulations of fraudulent email forwarding to identify the company's areas of greatest vulnerability and help users recognise possible suspicious communications

Cyber security is also strengthened outside the Group through awareness activities and the direct involvement of customers and suppliers. In particular, the latter are called upon to sign the Ethics and Integrity Agreement, which requires them to be transparent about incidents and how to defend themselves in the event of any critical issues.

2024 SECURITY TRAINING AND AWARENESS-RAISING ACTIVITIES

6 White Phishing campaigns totalling 23,116 emails sent	Development of **7 infographics** to raise awareness on various topics related to cyber security	**18 mass emails sent by the cyber soc** to inform population about current events	**11 in-person training sessions** for colleagues from local offices	Development of **internal rules** for the composition of mass mails in order to minimise false positives

During 2024, Snam participated in the Cybersecurity Summit 2024 in Milan, during which the topics addressed included cyber resilience and the role that the entire corporate organisation plays in defining and completing a program capable of improving its ability to resist and respond to the cyber threats of the modern world.

Relations with authorities and quality of services

MATERIAL TOPICS, IMPACTS, RISKS AND, OPPORTUNITIES

IMPACT MATERIALITY	**POSITIVE IMPACTS** Increased customer satisfaction through engagement and listening initiatives and the development of customer-centric platforms
FINANCIAL MATERIALITY	**RISKS** Regulatory framework penalising gas infrastructure businesses

For more information, please refer to the chapter 'Managing Impacts, Risks and Opportunities, Material topics for Snam'.

The positive impact and risk inherent in the topic 'Relations with authorities and quality of services' are both closely linked to Snam's business model, with particular reference to the regulated business. The current and expected effects linked to the positive impact concern customer satisfaction also supported by the numerous listening and engagement initiatives promoted by Snam, as well as by the development of customer-centric platforms, such as Jarvis. These allow a complete user experience thanks to the functions, constantly integrated into the platform, and which respond to customer needs.
To address the potential material risk, Snam actively interacts with ARERA through meetings, responses to public consultations, participation in technical tables and by developing and presenting tariff proposals or amendments to the Network Codes for the transportation, storage and regasification businesses.

For more information on actions designed to address particular material impacts or risks or to pursue particular relevant opportunities, please refer to the 'Actions and metrics' section of this chapter.

POLICIES

Snam does not adopt a specific policy for managing relations with authorities and quality of services, but complies with the resolutions and provisions of the Regulatory Authority for Energy, Networks and the Environment (ARERA), which regulate and supervise corporate activities in the energy sector and which apply to regulated business activities in Italy, subject to the supervision of ARERA.

Confirming Snam's commitment to monitoring the issue of relations with the authorities and quality of services, as well as to the adequate management of the related impacts and the prevention of the related risks (for more information see the paragraph 'Topics, impacts, risks and opportunities' in the chapter 'Relations with the authorities and quality of services'), Snam ensures the continuous monitoring of the resolutions and other provisions of ARERA and the correct monitoring of the issues of interest, in order to guarantee the quality of the service offered to customer.

The highest management level responsible for implementing ARERA regulations and measures is the Board of Directors of Snam and the Chief Executive Officer, as well as the functions responsible for the activities of the regulated sector and with the direct supervision of the legal and regulatory function that manage relations with the authorities and ensure the implementation of the ARERA resolutions.
Although Snam does not have a specific formal policy, stakeholders' interests are considered in accordance with the regulatory decisions adopted by ARERA, which reflect the objectives of sustainability, efficiency and quality of service. Furthermore, Snam engages the regulatory authority through institutional dialogue, in order to ensure compliance with regulations, address emerging issues and promote the adoption of solutions that optimise service quality and sustainability of operations.
Snam communicates and shares its actions through official channels, making public its compliance with regulations and the quality of the service offered.

TARGETS

LOCAL COMMUNITIES

KPI		Baseline and base year	Performance 2022	Performance 2023	Performance 2024	Target		Performance 2024 vs. target
Average annual customer satisfaction with service quality (calculated as an average of the last three year) [1]	SCORECARD	7.6 in 2019	8.4 (2)	8.1	7.9	>= 8.1	by 2024	⊘
						>=8	by 2025	⚙
						>=8	by 2029	

SCORECARD KPIs included on the Sustainability Scorecard
CARBON NEUTRALITY KPI included in the Carbon Neutrality Strategy
✓ Target reached
⚙ Target in progress
⊘ Target not reached

Notes:
- the targets shown refer to the entire Snam Group, unless otherwise indicated. For more information on the scope, please refer to the chapter 'Introduction and guide to reading the document, General basis for the preparation of the Consolidated Sustainability Statement';
- the underlying methodologies, applied in the calculation of the targets, are the result of the internal development of the functions responsible for the control and monitoring of the targets themselves.

[1] Quality perceived by customers measured through an online Customer Satisfaction survey involving shippers and traders working with Snam (1-10). Assessment: (i) the quality of services offered in transport, storage and regasification activities; (ii) customer engagement activities and (iii) additional services introduced during the year. The KPI is calculated as the average of the responses over the last 3 years.
[2] The figure presents the one-off impacts of the implementation of customer service improvement initiatives.

The Sustainability Scorecard also contains this target, the definition and pursuit of which enable Snam to ensure quality service over time. It also contributes to the management of the material impacts, risks and opportunities relating to relations with the authorities and quality of services listed in the 'Material topics, impacts, risks and opportunities' section of this chapter.

The annual customer satisfaction outcome for 2024 is positive and is on the rise compared to that of 2023 (7.7 in 2024 versus 7.6 in 2023).
The result of this year's KPI (7.9) is a consequence of the methodology that envisages the consideration of the average annual customer satisfaction levels over the last three years (the value of 8.4 for 2022 is added to the values cited above).
This value is 0.2 points lower than the value of 8.1, a KPI determined in previous years on the basis of the financial statements available at the time. In fact, very positive scores were recorded in the years 2021 to 2022, leading to an overestimation of the KPI.
These scores were achieved thanks to the resilience shown by Snam in managing commercial operations in times of pandemic, adapting to remote working and maintaining interaction and attention towards customers who expressed their thanks and appreciation.

For more information on the targets of the Sustainability Scorecard, please refer to the paragraph 'The Sustainability Scorecard' in the chapter 'Strategy and business model'.

ACTIONS & METRICS

ACTIONS IMPLEMENTED AND PLANNED AND RELATIVE RESOURCES ALLOCATED REGARDING RELATIONS WITH AUTHORITIES AND QUALITY OF SERVICES

	2024	
KPI	CapEx	OpEx
Total current financial resources allocated to actions regarding relations with authorities and quality of services (millions of €)	0.6	2
Amount of future financial resources earmarked for actions regarding relations with authorities and quality of services (millions of €) [1]	0.7	9

Notes:
- the data refer to the entire Snam Group, unless otherwise indicated. For more information on the scope, please refer to the chapter 'Introduction and guide to reading the document, General basis for the preparation of the Consolidated Sustainability Statement';
- with reference to Bioenerys and Renovit, CapEx and OpEx are included in the topic 'Climate Change';
- financial resources may give rise to operating costs (see Note 29 Operating costs and charges in the Notes to the Consolidated Financial Statements) or, if the conditions apply and if strictly related to an investment, may give rise to CapEx (see Note 8 Property, plant and equipment and Note 9 Intangible assets in the Notes to the Consolidated Financial Statements);
- for more information, please refer to the chapter 'Actions and resources in relation to material sustainability matters'.

[1] Future financial resources consider the Plan period.

To finance the action plans relating to the theme of 'Relations with authorities and quality of services', Snam uses many financial instruments defined as **'general corporate purposes'**, the proceeds of which are used to finance corporate initiatives and projects in line with the corporate objectives and the Strategic Plan.

Regulation and quality of services

Gas infrastructures in Italy are subject to regulation by the **Regulatory Authority for Energy Networks and the Environment (ARERA)**, an independent administrative body with regulatory and control powers in the electricity, natural gas, water services, waste cycle and district heat sectors.

ARERA operates in three main areas of regulation:

Revenues and tariffs	Third-party access to infrastructure	Quality of service
through the definition of criteria and approval of tariff proposals	following the approval of the contractual provisions contained in the Network and Service Codes	through the formulation of standards and the implementation of controls

Every four years and on the basis of each regulated business, the Authority defines the criteria for tariff regulation that guarantee coverage of operating costs, depreciation and a fair return on net invested capital. To this end, regulation provides specific incentives for gas infrastructure operators, differentiated according to the type of investments made during each regulatory period and the outputs generated for the system.

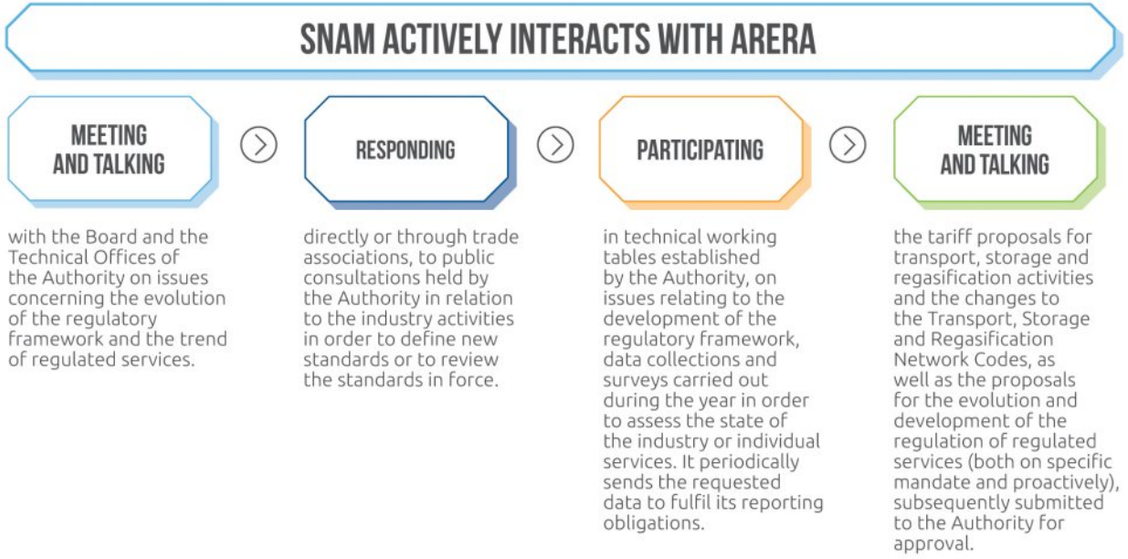
Each regulated company annually submits a tariff proposal for approval by the Authority, which monitors service quality in relation to safety and continuity aspects. Therefore, Snam's actions relating to the topic of 'Relations with authorities and quality of services' concern the monitoring and implementation of the provisions of the resolutions and measures issued by ARERA, which mainly concern the regulated services of natural gas transportation, storage and regasification offered by Snam and its subsidiaries in the countries in which they operate.

To date, about 90% of Snam's revenues are regulated, making tariff regulation an essential element of the Group's business, capable of enhancing the value of its infrastructure capital, as well as supporting its investments.

The context of regulated businesses in which Snam operates is constantly evolving and for this reason the company is committed to adopting initiatives aimed at contributing to the updating of the reference legislative and regulatory framework, ensuring compliance with the provisions defined by the competent institutions.

Snam carries out continuous monitoring actions of the regulatory context and actively interacts with the Authority, implementing the provisions contained in the resolutions and measures issued by ARERA. The actions undertaken mainly concern the regulated services of natural gas transportation, storage and regasification, offered both directly by Snam and by its subsidiaries in the various countries in which they operate.

As part of its interaction with the Authority, Snam participates in meetings with the Board and the Technical Offices, taking part in the established working groups and responding to public consultations. Furthermore, Snam actively contributes to the evolution of the regulatory framework, paying particular attention to the safety and continuity of the services offered.
Similar activities are also carried out at European level, both directly and through industry associations, which deal with transport, storage and regasification infrastructures.



During the year, Snam contributed to the implementation of the Regulation for Expenditure and Service Objectives (R.O.S.S.) criteria, the evolution of tariff regulation criteria for the 6th regulatory period for natural gas storage activities, the updating of parameters for the weighted average cost of capital (WACC), and the definition of criteria for the revaluation of the regulatory asset base (RAB). In 2024, the activities regarding the reorganisation of the measurement activity for gas transportation and the implementation of the directives for the connections of biomethane production plants to natural gas networks were completed with the approval by the Authority of the mapping and optimisation procedures. Furthermore, proposals for the evolution of the regulation were formulated, aimed at promoting customer satisfaction, the resilience of the infrastructures to climate change and the ESG dimensions of sustainability of the gas infrastructure.

Snam welcomes and promotes the reorganisation of metering activities defined by **ARERA**, which also considers the plurality of players involved and the different technical and commercial management methods of metering plants. This reorganisation will have numerous benefits, including:

- making consumers more efficient in their use of energy and more aware of the economic and environmental impacts of their consumption;
- favouring the energy transition process, by covering daily needs with energy generated from renewable sources and green gases, including hydrogen, with positive effects on the environment and simultaneously reducing energy costs;
- make **the functioning of business processes and market-based balancing mechanisms more efficient** (due to the timeliness and reliability of data);
- facilitating the **proper management of settlement activities** and more **effective monitoring of the quantities of Unaccounted-for Gas** on the transmission network;
- supporting digitisation for carrying out activities remotely.

Services for customers

Network Codes regulate the activities of the regulated market, governing the procedures for transport, storage, regasification, management, planning, development and maintenance of the national gas network, as well as dispatching and metering activities.
In 2024, the quality of the service provided was confirmed to be high-performing, recording 345 shippers belonging to the transportation sector.
As regards the regasification business, the number of shippers active at the LNG terminals of Panigaglia and FSRU Piombino was 12, while for storage the shippers were 75.
As regards new connection contracts relating to the injection of biomethane, significant growth has been witnessed, from a total of 104 in 2023 to 215 in 2024.

CUSTOMERS IN NUMBERS

2003	2024	Contracts signed in 2024
30 operators	**450 operators** (between shippers and traders, including SRG and GSE) of which **345 shippers** (12 active on regasification)	**254 connection contracts** for the construction of new delivery/redelivery points or the expansion of existing points, of which • **215** for the **release of biomethane** • **6** related to the service of **CNG Refuelling Areas**

In relation to the services offered, Snam has:
- completed the procedures for managing the transportation capacity allocation process at the interconnections with distribution;
- integrated the methods of procurement of the quantities for the default service and the related neutrality mechanisms in order to reduce the company's financial exposure;
- confirmed the offer of a counter-flow injection service in storage with a view to ensuring the maintenance of a high level of storage filling at the end of the delivery campaign;
- integrated the offer of flexibility services at the Panigaglia LNG Terminal, and introduced more flexible methods of allocating regasification capacity;
- prepared the Regasification Code of the new FSRU Terminal in Ravenna, in view of the start of the first assignment of the Terminal's regasification capacity.

In particular, users of the regulated services were able to benefit from the following services:

SERVICES

TRANSPORTATION	**Flexibility Services** In addition to the possibility for shippers to book transportation capacity, not only on an annual basis, but also on a monthly, daily and hourly basis at all end customers directly connected to the Snam Rete Gas network (industrial users, methane distribution plants for motor vehicles, thermoelectric power plants), in the 2023-2024 thermal year, the reform of the transportation capacity assignment process at city-gates came into force, providing for the assignment of capacity to shippers on the basis of the withdrawal data at the redelivery points made available by the Integrated Information System (SII), managed by Acquirente Unico.
	Default services Since 1 October 2015, Snam Rete Gas has been acting, pursuant to the provisions of Resolution 249/2012/R/gas of the Regulatory Authority for Energy, Networks, and Environment (and subsequent amendments and additions), as the Provider of the Default Transport Service for Sales Companies and End Customers connected to its network, for whom the balancing user responsible for the related withdrawals cannot be identified. This service was also provided to numerous sales companies and end customers in the financial year 2024. For Thermal Year 2024/2025, pursuant to Resolution 409/2021/R/gas, Snam Rete Gas has expressed its willingness to carry out, on an exceptional and transitory basis, the Service in relation to gas withdrawals on the regional networks of other transporters as well, if the Balancing User responsible for the same withdrawals cannot be identified.
STORAGE	**Flexibility Services** In continuity with previous years, a counterflow storage service was also offered in the period November-December with delivery of the stored quantities to be carried out in the next quarter January-March 2025. The service was awarded for approximately 90 MSmc. This service was offered as part of the usual short-term (daily) capacity allocation procedures via the PRISMA platform. Participation in the auctions was open to any customer already holding a Storage Contract for the Thermal Year 2024-2025 within the limits of the financial coverage submitted.
REGASIFICATION	**Flexibility Services** As a result of the first regasification capacity allocation procedure at the FSRU terminal in Piombino, held in 2023, over 86% of the available capacity has been allocated for the next 20 years (with an allocation of 95% for the first three years of operation). In 2024, the residual regasification capacity available at the Piombino FSRU terminal was allocated 100% to shippers. As regards the LNG terminal located in Panigaglia, 2024 saw the update of the flexibility services offered, including the provision of temporary LNG storage services, virtual liquefaction and flexibility in redelivery of regasified LNG. The procedures for the assignment of these services are regulated in the regasification code and are carried out through the portal made available by GME. In addition, a new method of allocating regasification capacity has been launched on an experimental basis, in order to guarantee shippers greater flexibility in purchasing capacity during the thermal year.

Gas market monitoring

As part of its evaluations of the gas market and services, the Authority mandated Snam as the largest company, for structural aspects and phenomena relating to the functioning of the Gas System, and the Gestore dei Mercati Energetici, for the competitive aspects of the gas market, to support the Regulator's monitoring activities through: (i) the setting up of an integrated database of key data relating to transmission and balancing, storage and regasification services, made available by Snam to the Regulator and fed daily; ii) the provision of indices and reports on a regular basis as part of the operation of balancing and the balance of the system; iii) further specific analyses at the Authority's request. For the management of these activities, conventions, manuals and dedicated technical specifications are shared with the GME and approved by the Authority.

In this context, around **21,400 data flows and periodic reports** were transmitted by Snam to the Authority in 2024, following its instructions, and analyses were conducted in relation to regulated services (transportation, storage and regasification) to support the activities of the Regulator.
For the management of these activities, conventions, manuals and dedicated technical specifications are shared with the GME and approved by the Authority.

RELATIONS WITH THE REGULATORY AUTHORITY IN THE FRAMEWORK OF THE GAS MARKET MONITORING IN 2024 (NO.)

ESRS / Other entity-specific disclosures	Transportation	Storage	Regasification
Reports/analysis (with reference to all businesses) [1]	4	5	2
Monitoring conventions, manuals and specifications (with reference to all businesses) [1]	4	5	2
Reports and data flows [2]	15,223	3,359	2,860

Notes: the data refer to the entire Snam Group, unless otherwise indicated. For more information on the scope, please refer to the chapter 'Introduction and guide to reading the document, General basis for the preparation of the Consolidated Sustainability Statement'.
[1] Number of communications transmitted by Snam to the Authority pursuant to Resolution 631/2018/R/gas and the 2024 Monitoring Activity Plan approved by Resolution 587/2023/R/gas.
[2] Count of data flows and reports, with their relative frequency, as provided for in Annex A to Resolution 631/2018/R/gas (TIMMIG) and the 2024 Monitoring Activity Plan approved by Resolution 587/2023/R/gas.

Customer care & engagement

To ensure a high quality of service and consequently a high level of customer satisfaction, activities are implemented for the continuous improvement of the IT platforms used for business processes and to ensure greater responsiveness in the management of support requests.
In 2024, activities continued on **Jarvis**, Snam's commercial platform, which was enriched with a new user experience defined in co-design together with market operators and aimed at establishing a new service model that the company offers its customers, with integrated business processes. The project, created according to the 'Agile' development methodology, foresees a progressive and continuous development of the platform.

The following key features were released during 2024:
- upgrading of registry management processes;
- management of security deposits and gas guarantees;
- completion of billing processes;
- start of the development of LNG processes, also aimed at managing the Ravenna terminal;
- management of customer support requests, made both in writing and by telephone.

The suggestions and opportunities for improvement of the Jarvis commercial portal, which emerged from the discussion with customers, led to the introduction of the new customer assistance model through a CRM system and the release of the third version of the mobile application **'Jarvis by Snam'**. With this release, the functions relating to the Storage Programming, Naming and Renaming processes have been introduced into the app, thanks to which Customers can communicate and monitor information on the quantities of gas expected to be injected/delivered for each storage warehouse, as well as manage gas exchanges at the Virtual Exchange Point or between storage warehouses via smartphone and tablet.

With a view to improving the quality of the services offered and the relationship with customers, in order to achieve a high level of 'Customer Centric' service that places the customer increasingly at the centre of company strategies, the integration of a **Customer Relationship Management (CRM)** system able to intercept both written and telephone requests from customers, track them and direct them to the relevant sales teams, with the aim of making relations between Snam and its customers increasingly simple and effective and consolidating the relationship of trust built up over the years.

Between the end of 2024 and the beginning of 2025, a new Snam commercial assistance model was launched, which included the introduction of a **Level I support service**, which manages customer requests received via telephone contact, email and by opening requests on the Jarvis platform. A webinar was held in October to introduce customers to the new sales support model.

Among Snam's **customer engagement activities** in 2024 **, 4 commercial workshops stand out,** of which 2 were organised in person in the months of April and November, always guaranteeing the possibility of remote connection, and 2 were held digitally in the months of February and July. Furthermore, in June and December, **2 thematic in-depth tables** were organised in digital mode, which saw significant participation from customers. During these, support was offered to customers in view of the new Thermal Year and Resolution 386/2022/R/Gas was analysed. Finally, in October, a **webinar was held to introduce the new sales assistance model.**

To measure the appreciation of the initiatives, specific questionnaires were administered at the end of each workshop. For 2024, an average satisfaction level of 8.3 out of 10 was recorded.

As regards the thematic tables, the surveys administered to customers at the end of the events collected an average satisfaction of 8.8 out of 10.

The annual customer satisfaction survey

Through appropriate analyses, the Company detects and monitors the degree of customer satisfaction with respect to the service offered. To this end, customers are asked to rate the ability to satisfy requests, the availability of contact persons, the timeliness and comprehensiveness of the answers provided, and the customer engagement activities undertaken.

The survey involved all shippers and traders with whom Snam cooperated during the year, and involved sending 381 questionnaires. The results showed a high level of satisfaction, with an average score of 7.7 on a scale of 0 to 10, and 7.9 as the average over the last three years.

In addition, **one-to-one meetings** with customers were held online in 2024, as in 2023, with the aim of quickly intercepting needs and critical issues, consolidating the relationship and gathering ideas for improvement, always with a view to offering an excellent service. Customers have greatly appreciated these initiatives dedicated to them.

Energy security and accessibility

MATERIAL TOPICS, IMPACTS, RISKS AND, OPPORTUNITIES

IMPACT MATERIALITY

POSITIVE IMPACTS

- Availability of infrastructures that guarantee the security of supply and the diversification of sources, satisfying the needs of the country system and the requests of the Authority
- Service continuity and reliability through proper maintenance and constant monitoring of the integrity of Snam's infrastructure

FINANCIAL MATERIALITY

RISKS

Interruption of services due to exogenous causes, including possible criminal and terrorist, geopolitical and/or natural activities

OPPORTUNITIES

Greater penetration of technologies enabling a multi-molecule infrastructure to support a sustainable energy system, including storage

For more information, please refer to the chapter 'Managing Impacts, Risks and Opportunities, Material topics for Snam'.

The positive impacts related to the topic of energy security and energy accessibility are closely linked to Snam's strategy and business model, which aim to make the gas infrastructure reliable, safe, resilient and multi-molecule, in order to guarantee the security of supply, the diversification of sources and the continuity and reliability of the service.

The effects of the risk associated with the topic of energy security and energy accessibility concern business continuity and any damage to assets due to exogenous causes that may have negative effects not only on Snam's activities, but also its value chain could suffer repercussions.
Furthermore, Snam recognises that the increasing penetration of technologies enabled by a multi-molecular infrastructure is a crucial opportunity to support a sustainable energy system and develop an infrastructure capable of managing a plurality of energy vectors.

To pursue positive impacts and mitigate risk, Snam has implemented effective asset management measures, including the Asset Health Methodology, which assesses the 'state of health' of its infrastructure, as well as tools and procedures to monitor the network, also with a view to preventing exogenous causes that could compromise business continuity. At the same time, to pursue the opportunity, through its Strategic Plan Snam directs investments towards the development of a large-scale, flexible and resilient infrastructure, capable of supporting energy security and the energy transition. In addition, there is the Dispatching structure, which ensures and continuously guarantees the reliability of the infrastructure 24 hours a day, 7 days a week.

For more information on actions designed to address particular material impacts or risks or to pursue particular relevant opportunities, please refer to the 'Actions and metrics' section of this chapter.

POLICIES

The **HSEEQ Policy**, the **Global Security Guideline** and the **Asset Management Policy** cover the topic of energy security and energy accessibility, including the related impacts, risks and opportunities. All policies are approved by the Board of Directors and the Chief Executive Officer, who is responsible for signing the policies, and are part of the formal regulatory tools that the functions responsible for the topic use during their activities.

HEALTH AND SAFETY, ENVIRONMENT, ENERGY AND QUALITY POLICY (HSEEQ POLICY)

Contents, objectives and monitoring process

The policy aims to illustrate with aspects related to the promotion of energy security and accessibility, defining Snam's commitments to:

- ensure the provision of services, implementing, to this end, all necessary organisational and procedural solutions, also with a view to preventing emergency situations;
- optimise business processes with a view to achieving the highest level of effectiveness and efficiency in the quality of services and guarantee the full right of customers to access and use the services;
- ensure the transparency of information, the training and the building of staff and stakeholder awareness of the principles expressed in the policies, implementing consultation and communication processes with internal and external stakeholders;
- carry out environmental performance monitoring and control activities to assess the results and effectiveness of the Policy, review objectives and programmes;
- act in compliance with laws and administrative requirements and in line with the Code of Ethics and Model 231 and with national and international best practices.
- The effectiveness of the policy, its objectives and programmes, are subjected to periodic review through the involvement of the competent corporate functions and units.

Scope of application

Snam's HSEEQ policy extends to all activities, personnel, contractors and all persons subject to supervision by the Snam Group; all Snam companies adopt this Policy and – through the Employers and all persons responsible for health, safety, the environment, energy efficiency and quality – implement its principles.

References to third-party standards or initiatives

- Sustainable Development Goals (SDGs) defined by the UN.
- OECD guidelines for multinational enterprises.

GLOBAL SECURITY GUIDELINES

Contents, objectives and monitoring process

The Guideline aims to illustrate the principles adopted by Snam to prevent security risks, promote conduct consistent with internal procedures and best practices in security matters and reduce the impact of events potentially capable of generating negative effects for the company.
The main areas covered are:

- Protection of people and company assets;
- Defence of information assets against cyber threats;
- Strategies to ensure operability even in critical situations;
- Due diligence to prevent corruption and criminal infiltration;
- Investigations into internal and external threats.

In order to ensure the constant evaluation of security events, the protection of personnel and compliance with international regulations and standards, the Guideline defines the following activities:

- Monthly meetings to analyse risks and strategies, with the participation of company experts;
- Forum to discuss the most critical issues related to security;
- Educational programmes to promote safety culture.

Furthermore, the Global Security & Cyber Defence function periodically reviews this Guideline to ensure its effectiveness over time and its adherence to best practices.

Scope of application

The Guideline applies to Snam and its subsidiaries subject to management and coordination activities and is also brought to the attention of other associates for the purpose of promoting principles and conduct consistent with those expressed by Snam, compliant with the relevant internal procedures (Guideline on Privacy, Integrated Risk Assurance Compliance Guideline, Enterprise Risk Management Guideline, Policy on the ethical use of artificial intelligence).

References to third party standards or initiatives

- Standard ISO 31000 - Risk Management.
- Standard ISO 22301.
- Standard ISO/IEC 27001.
- UNI 10459 Standard.

ASSET MANAGEMENT POLICY

Contents, objectives and monitoring process

The policy ensures the effective, efficient and sustainable management of assets throughout their lifecycle, from design, construction, testing, operation and supervision of natural gas transportation works and facilities.
Specifically, the policy aims to implement and improve procedures to manage risks related to its business and undertakes to develop, maintain and improve a management system that ensures continuity in the exercise of its activities, guaranteeing the minimum service limits of critical processes also following events or emergency situations that could compromise its regular operations.
The policy is regularly reviewed with a view to continuous improvement, with the aim of keeping it updated and consistent with the evolution of the production, commercial and corporate context.

Scope of application

The Policy applies to all assets used by Snam for the transportation of natural gas such as pipelines, booster stations, regulation, reduction, interception, mixing and measurement plants, as well as other ancillary plants necessary for the transportation and dispatching of gas.

References to third party standards or initiatives

ISO 55001 Standard

For more information on Energy Security and Energy Accessibility policies, please refer to the chapter 'Internal Regulatory System'.

Snam, as the main operator of natural gas transportation, storage and regasification in Italy orients its policies to the contents of the main Regulations, ministerial guidelines and resolutions applicable to the sector, in order to guarantee energy security and energy accessibility also in relation to the challenges posed by the energy transition.
In particular, the regulatory framework is represented by Regulation (EU) 2017/1938, which defines the measures aimed at ensuring the security of gas supplies, integrated by decrees, ministerial directives and ARERA resolutions, with which Snam is strictly committed to comply.
In this context, all the main stakeholders are considered, including the Ministry of the Environment and Energy Security (MASE), the Regulatory Authority for Energy, Networks and the Environment (ARERA), the institutions, local communities, shippers, end users and other operators and industrial associations. Furthermore, Snam pays particular attention to the interests of the main stakeholders, ensuring a constant and transparent dialogue that allows it to understand their needs and respond adequately to their expectations.

This approach allows Snam to:

- ensure the availability of the necessary infrastructure through operation, maintenance and targeted interventions, thus guaranteeing a secure, flexible and competitive supply;
- actively manage impacts, risks and opportunities, through a continuous monitoring process developed in collaboration with the social and industrial partners, with which relationships based on trust, skills and technological innovation have been consolidated.

In addition to the policies described above, Snam guarantees the monitoring of the issue with an approach based on a framework certified in accordance with the ISO 22301 safety and resilience standard (Business Continuity Management Systems) and the ISO 55001 certification. It also contributes to maximising the value of assets, defining the requirements of an efficient, effective and sustainable Asset Management System of the Company's assets throughout their life cycle, creating shared value with all stakeholders and ensuring constant compliance with legal, regulatory and legislative requirements. The ISO 55001 applies to the Technical Functions of Snam and the Network Management of Snam Rete Gas (head office functions and the Northwestern and Northeastern Districts, along with their respective Centres), and will subsequently and progressively be extended to other Functions that manage assets.
Moreover, from the perspective of a holistic and integrated security risk management model, the Global Security & Cyber Defence department identifies the reference standards and establishes the technical guidelines and methodologies, as well as ensures the design, implementation and management, of the activities relating to Business Continuity & Crisis Management, which define the actions and initiatives that the various corporate entities involved are required to implement to guarantee the company's operations also in the face of emergencies and crises.

TARGETS

MULTI-MOLECULE INFRASTRUCTURE

KPI	Baseline and base year	Performance 2022	Performance 2023	Performance 2024	Target	Performance 2024 vs. target
Gas Transportation operational availability (%) [1] (SCORECARD)	99.9 in 2020	99.9	99.9	99.9	>99 by 2024	✓
					>99 by 2025	⚙
					>99 by 2029	

SCORECARD KPIs included on the Sustainability Scorecard | CARBON NEUTRALITY KPI included in the Carbon Neutrality Strategy | ✓ Target reached | ⚙ Target in progress | ⊘ Target not reached

Notes:
- the targets shown refer to the entire Snam Group, unless otherwise indicated. For more information on the scope, please refer to the chapter 'Introduction and guide to reading the document, General basis for the preparation of the Consolidated Sustainability Statement';
- the underlying methodologies, applied in the calculation of objectives and performances, are the result of internal development by the functions responsible for the control and monitoring of the objectives themselves.

[1] The target perimeter refers to Snam Rete Gas. The target is calculated as: (volume of gas injected into the transportation network - Allocated transportation capacity made unavailable) / Volume of gas injected into the transportation network. With 'volume of gas fed into the transportation network' we mean the actual volume of gas that is fed into the transportation network. 'Assigned transportation capacity made unavailable' means assigned capacity that has become unavailable as a result of unplanned interruptions in the transportation service.

The target that monitors the percentage of gas supply reliability levels supports Snam in achieving the objectives set out in all the Policies aimed at ensuring adequate management of aspects related to energy security and accessibility (HSEEQ Policy, Business Continuity Management Policy and Asset Management Policy). In addition, this target contributes to managing the relevant impacts, risks, and opportunities related to innovation and digitalization, as listed in the 'Material topics, impacts, risks, and opportunities' section of the same chapter.

The number of events that caused unplanned disruptions to the transportation service remained within expected levels, ensuring operational availability for gas transportation in line with the planned objectives and with the results of previous years.

For more information on the targets of the Sustainability Scorecard, please refer to the paragraph 'The Sustainability Scorecard' in the chapter 'Strategy and business model'.

ACTIONS & METRICS

IMPLEMENTED AND PLANNED ACTIONS AND RELATED RESOURCES ALLOCATED IN RELATION TO ENERGY SECURITY AND ENERGY ACCESSIBILITY

KPI	2024 CapEx	2024 OpEx
Total current financial resources allocated to actions related to energy security and energy accessibility (million €)	791	43
Amount of future financial resources earmarked for actions related to energy security and energy accessibility (€ million) [1]	3,049	448

Notes:
- the data refer to the entire Snam Group, unless otherwise indicated. For more information on the scope, please refer to the chapter 'Introduction and guide to reading the document, General basis for the preparation of the Consolidated Sustainability Statement';
- with reference to Bioenerys and Renovit, CapEx and OpEx are included in the topic 'Climate Change';
- financial resources may give rise to operating costs (see Note 29 Operating costs and charges in the Notes to the Consolidated Financial Statements) or, if the conditions apply and if strictly related to an investment, may give rise to CapEx (see Note 8 Property, plant and equipment and Note 9 Intangible assets in the Notes to the Consolidated Financial Statements);
- for more information, please refer to the chapter 'Actions and resources in relation to material sustainability matters'.

[1] Future financial resources consider the Plan period.

With the aim of supporting energy security, Snam - through the company Snam Rete Gas - obtained in 2024 the concession of public funding for the construction of the Adriatic Line Phase 1 and Cross-border Infrastructure for Gas Export projects, whose contributions were added to those already obtained from REPowerEU and the NRP. The projects play a strategic role for the security and resilience of the national energy system and for increasing the competitiveness of the Italian gas market; objectives that today take on even greater relevance in light of the changed geopolitical scenarios, which require the construction of new works capable of increasing imports with a view to diversifying supply sources.

In addition, part of the financial resources allocated to the action plan on energy security and energy accessibility are based on financial instruments defined as '**general corporate purpose**', the proceeds of which are used to finance corporate initiatives and projects in line with the corporate objectives and the Strategic Plan.

The contribution of regulated sectors to energy security

Snam is engaged in a series of strategic interventions aimed at strengthening the transportation, storage and regasification infrastructures, as well as developing new solutions for the management of other gases, such as hydrogen and CO_2.
These initiatives, which contribute to the achievement of the target and objectives in terms of energy security and energy accessibility (for more information, please refer to the paragraphs 'Policies' and 'Targets' of this chapter), aim to implement security and improve the energy accessibility for the Italian and European system, involving institutions, direct customers and consumers who use the national infrastructure system.

The main ongoing initiatives related to energy security and energy accessibility are presented below:

ADRIATIC LINE PROJECT	**Description of the initiative** Increase in transportation capacity from entry points in Southern Italy, aimed at reaching an overall capacity of 150 MSm³/d, through the construction of strategic gas pipelines. **Time horizons** The line will enter into operation in two phases: the first planned for 2026 with completion in the first half of 2028. **Progress and action plan** During 2024, activities related to the start of construction sites were opened, in particular for the Sulmona-Foligno and Foligno-Sestino gas pipelines, marking the beginning of the construction
CONNECTION AND RELOCATION OF FSRU TERMINALS	**Description of the initiative** Projects aimed at integrating the Ravenna FSRU terminal into the transportation network and, if necessary, relocating the Piombino FSRU terminal to optimise the management of gas arrivals and supplies. **Time horizons** The commissioning of the FSRU terminal in Ravenna is scheduled for the first half of 2025, while the possible relocation of the Piombino terminal is planned by the end of 2026. **Progress and action plan** 2024 saw the completion of the connection of the Ravenna FSRU terminal to the transportation network, representing a key milestone for infrastructure integration.
INCREASED CAPACITY OF THE TARVISIO EXIT POINT	**Description of the initiative** Projects for the enhancement of gas exports, aiming to increase the capacity of the Tarvisio exit point up to 40 MSm³/d, contributing to the energy security of interconnected EU countries, in particular Austria. **Time horizons** The increase is expected for 2026. **Progress and action plan** The first step (24 MSm³/d) was put into operation in October 2024 and work has already started on the second step, which will complete the upgrade in 2026.
STORAGE SYSTEM DEVELOPMENT AND MAINTENANCE	**Description of the initiative** Projects aimed at increasing and maintaining the performance of storage fields (in terms of volumes and delivery peak), also through the operation of some fields in overpressure. **Time horizons** The first overpressure operations were exercised in 2024, while further development and maintenance projects are planned in the period 2029-2035. **Progress and action plan** In 2024, the Sergnano and Ripalta fields were subjected to overpressure exercises, ensuring additional performance. Tenders have also been awarded for the supply of materials for the ELCO projects on Fiume Treste, Settala and Sergnano, with continued analysis and engineering on the remaining projects.
REPLACEMENT OF GAS PIPELINES AND MAINTENANCE OF THE TRANSPORTATION SYSTEM	**Description of the initiative** Pipeline replacement and maintenance operations, with the aim of ensuring the safety and operational continuity of the gas transportation system. **Time horizons** The interventions are scheduled for the period 2026-2035.
METHANE GASIFICATION OF NEW AREAS - VIRTUAL PIPELINE PROJECT FOR SARDINIA	**Description of the initiative** Projects related to the methane gasification of new areas, in particular the virtual Pipeline project for the methane gasification of Sardinia which is composed of the infrastructures for transportation by ship and the regasification of liquefied natural gas necessary to transport gas from Italian terminals to Sardinia. **Time horizons** The time horizons for the Virtual Pipeline can only be defined after the conclusion of the procedure initiated with resolution 279/2022/R/COM for the definition of the final configuration of the project.

The contribution of FSRUs to energy security

With a view to promoting greater security and diversification of energy supplies, Snam has invested in FSRUs (Floating Storage and Regasification Units) since 2022.

FSRUs are vessels located close to a port area, either at the quayside or offshore, which receive liquefied natural gas (LNG) in order to store, regasify and then feed it into the national gas transportation network.

Snam purchased and installed, within the port of Piombino, the FSRU called Italis LNG (ex Golar Tundra), which entered into commercial operation in July 2023. Furthermore, in December 2023, the Company finalised agreements for the acquisition of a second FSRU vessel, named BW Singapore, which will be installed at an offshore platform off Ravenna by the end of Q2-2025.

Thanks also to the contribution of the new regasification units acquired by Snam in Italy, liquefied natural gas will cover about one third of Italy's annual gas demand.

The projects of the two FSRUs are presented below, including the authorisation procedures and environmental studies completed in order to carry out the activities while safeguarding the territory and biodiversity, so avoiding and minimising the environmental impacts. Both projects are part of the initiatives related to the construction of new regasification capacity regulated by Article 5 of Decree-Law No. 50 of 17 May 2022 and aimed at diversifying gas supply sources, with a view to ensuring national energy security.

	FSRU ITALIS LNG	FSRU BW SINGAPORE
Installation location and timing	The FSRU officially entered into operation in July 2023 with the arrival of the first LNG carrier and the first commercial LNG cargo. Located in the east quay of the port's north dock, it will receive LNG from LNG carriers once a week. The docking, mooring and unmooring operations - carried out in cooperation with the maritime authorities - last about two hours and take place at night in order to minimise any possible interference with other economic activities, including ferry and cruise ship traffic. With the Commissioner's Order 140 of 25 October 2022, the terminal obtained the Single Authorisation (pursuant to Legislative Decree 50/2022) for construction and operation for a period of three years from the start of operations. Furthermore, the terminal operates with an Integrated Environmental Authorisation (AIA), issued by MASE through Ministerial Decree 145 of 3 May 2023. Within the scope of the authorisations received, a detailed Environmental Monitoring Plan was defined following a comparison with bodies such as ISPRA, ARPAT and MASE, aimed at monitoring the environment surrounding the FSRU terminal in Piombino in the pre- and post-operation phases.	In December 2023, Snam acquired ownership of FSRU BW Singapore. Built in 2015, this FSRU will be able to store liquefied gas, regasify it and transfer it to a new pipeline connected to the connection point with the National Gas Pipeline Network located about 42 km from the mooring point, in turn located about 8.5 km off the coast of Ravenna, off Punta Marina, at the Petra offshore platform, which will be suitably adapted, modernised and expanded. The completion date of the works is expected by April 2025, following which the subsequent entry into service is expected with the arrival of the first commercial cargo of LNG. With the Commissioner's Order 3 of 7 November 2022, the terminal obtained the Single Authorisation (pursuant to Legislative Decree 50/2022 and art. 46 of Legislative Decree 159/2007) for the construction and operation for a period of 25 years from the date of commissioning of the plant and related works. Furthermore, the Integrated Environmental Authorisation (AIA) is being obtained with a request filed on 30 August 2024.
Dimensions	293 metres long and 49 metres wide	293 metres long and 49 metres wide
Maximum storage capacity	170,000 cubic metres	170,000 cubic metres
Annual regasification capacity	5 billion cubic metres	5 billion cubic metres
Environmental Impacts	In the documentation produced in support of the application for authorisation of the works, Snam considered all the environmental effects of the projects on the territory by means of detailed studies and reports, faithfully completing the documentary dossier of a normal authorisation procedure, despite the fact that, as established by Article 5, paragraph 3 of Legislative Decree 50/2022, both projects were excluded from the Environmental Impact Assessment Procedure. In addition, the interaction of the works with national, regional and local protection and planning instruments was evaluated, analysing the state of the territory for all the environmental and landscape-cultural components present, both marine and terrestrial, and assessing their impact during construction and when completed**. The results showed that the impact of the work is entirely transitory and limited to the construction phases: once in operation, the impacts can be considered negligible.** In any case, with regard to the FSRU Piombino Terminal, an **Environmental Monitoring Plan** has been adopted, as agreed with the relevant Authorities, which provides for constant post-operam checks and controls to ascertain and confirm the absence of impacts on the territory and the environment. Similarly, with regard to the Ravenna FSRU Terminal, an *ad-hoc* **Environmental Monitoring Plan** has been adopted and is currently being carried out for the current phase. Both FSRU projects are subject to the **Integrated Environmental Authorisation (AIA)** procedure in order to regulate their emissions and discharges and to ensure the compatibility of the activity with the territory. With particular reference to the FSRU project offshore Ravenna, Snam also obtained the Single Environmental Authorisation (AUA) for the Wobbe Index[1] regulation plant located in the Punta Marina area, about 2 km from the landfall of the gas pipeline coming from the sea. With regard to the relocation of the Italis LNG, the authorisation procedures for the Environmental Impact Assessment (EIA) and the Integrated Environmental Authorisation (IEA) are underway, pursuant to Legislative Decree 152/2006 and the Single Authorisation for construction and operation pursuant to Article 5, paragraphs 5 and 14-bis of Legislative Decree 50/2022 and Article 46 of Law Decree 159/2007 offshore Vado Ligure.	

Notes:
1. The Wobbe index is a measure of the relationship between the calorific value of gas in the presence of a given volume and the square root of its relative density, under the same conditions as the sample considered.

Regarding the relocation of the FSRU Italis LNG to Vado Ligure, constant discussions are currently underway with the relevant bodies for the evaluation of the issuance of the authorization requested for the relocation.

Aware of the importance of involving its stakeholders and local communities with respect to the installation and commissioning of the new regasification vessel, Snam ran a series of roadshows and conferences aimed at communicating and conveying the main positive effects related to FSRUs in terms of security of supply.

In particular, Snam organised a press conference in Ravenna, following the works for the arrival and docking event of the first methane tanker in Ravenna, scheduled for 2025.

In addition, the Group participated in numerous national and international events, including:

MAIN EVENTS IN 2024	World LNG Summit Award - Berlin	'Green Shoring Global Initiative' GSGI - Navigating Manufacturing Supply Chain Challenges Through Resiliency, Milan	Anci - Association of Italian Municipalities Turin

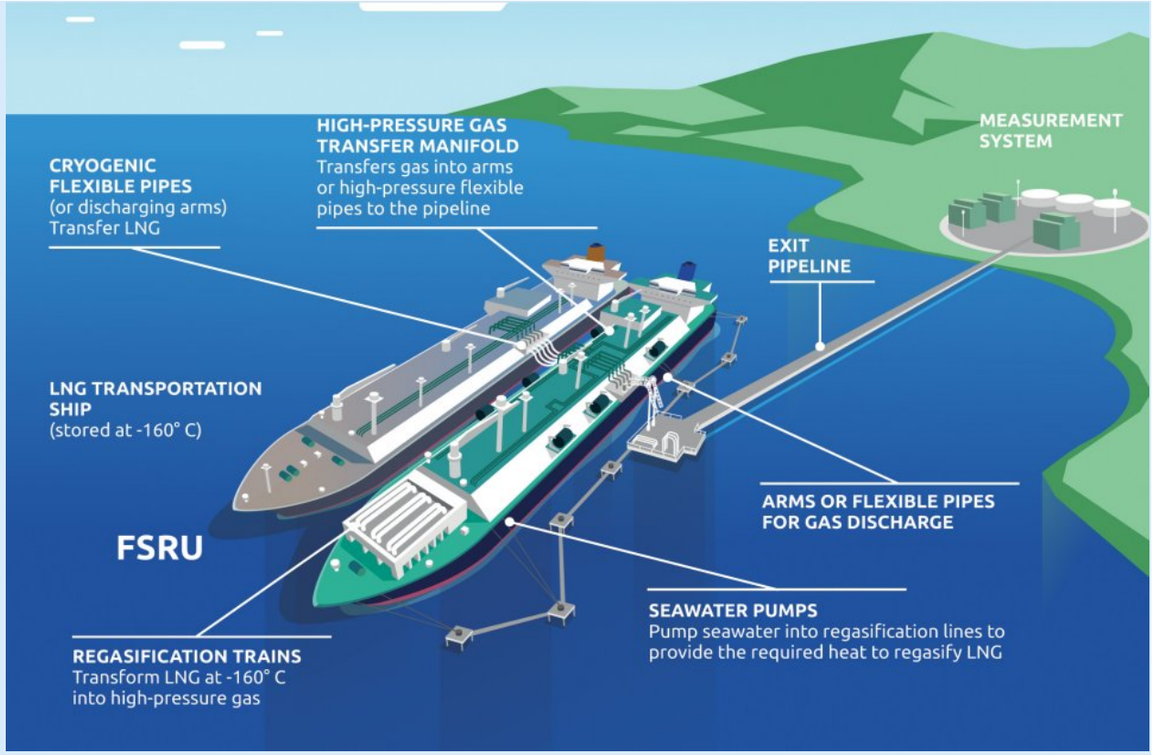
LNG AND FSRUS: DRIVING ENERGY INDEPENDENCE

LNG is a flexible and effective alternative with which to contribute to energy independence and energy security, because it has a volume about 600 times smaller in its gaseous state and can be transported by LNG carriers, even from distant fields, and, after being returned to its gaseous form, can be fed into the gas transportation network.

Regasification plants can be located on land or on regasification vessels, FSRUs, which are much more flexible than fixed terminals, which take a long time to install, as well as being easily moved as needed.

In the current global context dictated by the energy crisis, FRSUs are the most appropriate and effective response to the urgent need to increase import capacity in the shortest possible time, offering significant benefits and opportunities:

BENEFITS	Thanks to the operation of the new regasifiers, liquefied natural gas (LNG) will be able to cover about one third of Italy's annual needs. The use of LNG and the new regasifiers will in fact contribute to the increase and diversification of supply sources, the management of variable flows with the needs of households and businesses, and the reduction of energy costs.
OPPORTUNITIES	Snam prepares and adopts all necessary measures to protect and enhance the territory in which it operates. In accordance with the requirements of the authorities in the authorisation process, environmental monitoring activities are planned on an ongoing basis. In fact, although FSRUs have relatively simple characteristics, functional to the regasification operation of a liquid gas, without having specific combustions or reactions, they are subject to the most stringent prevention and safety measures, as a further guarantee of the people and territories concerned, in accordance with the relevant national regulations.



HOW DOES THE REGASIFICATION PROCESS WORK WITH FSRUS?

Once in the vicinity of the FSRU, the LNG carrier transfers the liquid gas into the terminal's tanks. The transfer takes place via steel discharge arms installed on the FSRU. The arms extend and engage with the flanges of the LNG carrier. The liquid gas is then decanted into tanks and stored.

Subsequently, depending on market needs, the LNG is regasified by introducing the liquid methane into a heat exchanger through which a warmer liquid flows, usually seawater, whose natural temperature is sufficient to return the gas to its gaseous state. So LNG and seawater exchange energy (LNG gives off cold, seawater gives off heat), although they never come into contact with each other.
The ambient-temperature gas obtained from the regasification process is then compressed and fed into a pipeline from the FSRU to the National Distribution Network.

As part of the actions implemented and planned in relation to energy security and energy accessibility, during 2024 Snam continued to invest in activities aimed at managing energy resources and protecting FSRU infrastructure, seeking to increase energy efficiency. Among these in particular, Snam has continued its activities to improve the available technology, as well as the study of better operational configurations. In this regard, in 2024, Snam FSRU Italia obtained the **energy management system compliant with the ISO 50001 standard**. The actions implemented will be carried out for the entire period of operation of the terminal, i.e. until July 2026, but will also be pursued in the future in the event of an extension of the commissioner's authorization for the entire period of permanence granted.

Greenture's contribution

In order to facilitate access to energy in the national territory, Greenture has invested in the construction of a micro-liquefier from the grid in Pignataro (Caserta) which will guarantee the security of supplies of LNG and Bio-LNG also to the regions of Southern Italy, shortening the supply chain between supply and end users and serving a rapidly developing market. The Pignataro liquefier, managed by Snam and expected to enter into operation in 2026 with a capacity of 50 ktpa, will collect gaseous methane from the transportation network, which will then be liquefied and made available to cryogenic tankers, which, in turn, will distribute the product throughout the territory.

In order to ensure energy accessibility, Greenture's action plan also includes the construction, maintenance and management of compressed natural gas (CNG) and liquefied natural gas (LNG) filling stations, managed by third-party operators distributed throughout the territory.
In 2024, the deployment of the C-LNG road refuelling station network and the development of small-scale LNG services continued and, to date, there are 96 operating refuelling stations (+12 compared to 2023), including CNG, LNG, and biomethane, with the goal of reaching up to 137 stations by 2027 and 135 stations in 2029[74].

Among future activities, Greenture also plans to build a hydrogen station. In this regard, in 2024 the construction site was opened for the development of the first compressed hydrogen station, for which it was awarded the dedicated tenders of the NRP, and which is expected to enter into operation by 2026.

During the year, work also continued on the upgrading of the Panigaglia terminal for the loading of tankers for the distribution of Bio-LNG and LNG on Italian territory.

Greenture is part of the Eurogas association and Snam is part of the European Biogas Association, both associations aim to promote the use of natural and renewable gas as a transportation fuel. Greenture is also part of the Renewable and Low Carbon Fuels Alliance, focusing on decarbonisation policies for maritime transport, under the patronage of the European Commission.

In addition, during the year, Greenture participated in:

- **Automotive Forum, the event on mobility and the Country System and Ecofuturo, the festival of innovation, ecotechnology, eco-training and sustainable lifestyles.**
- **LetEXPO 2024, the fair on sustainable logistics, transportation and 360° services where Greenture intervened on Bio-LNG, a sustainable and economic solution for the development of the sector.**

KEY PERFORMANCE INDICATORS

KEY PERFORMANCE INDICATORS

ESRS / Other entity-specific disclosures	UNITS OF MEASUREMENT	2022	2023	2024
Regasification of Liquefied Natural Gas				
Active shippers customers (FSRU Italy)	no.	-	7	9
Meeting the maximum period of interruption/ reduction of Terminal capacity for maintenance work (FSRU Italia)	%	-	100	100

Notes: the data refer to the entire Snam Group, unless otherwise indicated. For more information on the perimeter, please refer to the chapter 'Introduction and guide to reading the document, General basis for the preparation of the Consolidated Sustainability Statement'.
The data on active shipper customers and compliance with the maximum period of interruption/reduction of Terminal capacity for FSRU Italia's maintenance operations have not been reported because the FSRU plant in Piombino came into operation in 2023.

[74] The number of refuelling stations expected in 2029 is lower than in 2027 due to the lack of expected development of the LNG automotive market.

10.2 ENVIRONMENTAL INFORMATION

European Taxonomy for Environmentally Sustainable Activities

The focus on environmental and social sustainability issues has grown significantly in recent years, and with it the role of private investment in supporting sustainable development. The European Commission has defined specific objectives for **sustainable finance,** which it is implementing through various initiatives.

One of these is the **European Regulation 2020/852** (known as the EU Taxonomy), a measure that provides a classification system for economic activities by defining what is and is not environmentally sustainable on the basis of objective criteria, based on alignment with EU environmental objectives and compliance with certain social clauses. The Taxonomy thus provides a common language for investors and companies for directing investments towards more sustainable technologies and activities.

The Taxonomy classifies activities into:

- **Eligible: an economic activity described in the Delegated Acts relating to the environmental objectives of the Taxonomy, regardless of whether the respective technical screening criteria are met.**
- **Aligned: an eligible economic activity that substantially contributes to at least one of the following environmental goals without causing significant harm to other environmental objectives (Do No Significant Harm – DNSH) and carried out in accordance with the minimum social safeguard guarantees set out in the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.**

Below are the six objectives of the EU Taxonomy:

1 Climate change mitigation

2 Adaptation to climate change

3 Sustainable use and protection of water and marine resources

4 Transition to a circular economy

5 Pollution prevention and control

6 Protection and restoration of ecosystems and biodiversity

Specifically, in 2021 the European Commission published the **Climate Act** (Delegated EU Regulation of the European Commission 2021/2139 of 4 June 2021) to identify the economic activities that contribute to the first two environmental objectives (**climate change mitigation and climate change adaptation)**. Within the framework of the aforementioned two environmental objectives, the framing of natural gas-related activities for **electricity generation,** together with **nuclear**, was referred to a dedicated Delegated Act (European Commission EU Delegated Regulation 2022/1214 of 9 March 2022), which came into force on 1 January 2023.

To complete the regulatory framework on Taxonomy, in 2023 the European Commission finally published the **Environment Act** (EU Commission Delegated Regulation 2023/2486 of 27 June 2023) to identify activities that contribute to the **four remaining objectives** (sustainable use and protection of water and marine resources, transition to a circular economy, prevention and control of pollution, protection of ecosystems and biodiversity) and amendments to the Climate Act (EU Commission Delegated Regulation 2023/2485 of 27 June 2023). These amend Delegated Regulation (EU) no. 2021/2139 with the aim of including more economic activities (e.g. related to manufacturing, water supply, sewerage, waste management and remediation, construction, civil engineering, disaster risk management, information and communication, environmental protection and restoration, and accommodation activities) in the Taxonomy.

These Regulations therefore make it possible to identify environmentally sustainable activities for the Taxonomy and define the relevant technical screening criteria established by the European Commission.
In June 2023, the European Commission formally adopted further Delegated Acts supplementing the previous ones, introducing additional activities on mitigation and adaptation objectives, and defining the list of economic sectors and activities, with related technical screening criteria, on the environmental objectives for the sustainable use and protection of water and marine resources, the transition to a circular economy, the prevention and reduction of pollution, and the protection and restoration of biodiversity and ecosystems.

Furthermore, in June 2024, the Commission adopted Delegated Regulation (EU) 2024/3215 correcting certain linguistic versions of Delegated Regulation (EU) 2021/2139.

In addition to the disclosure requirements for non-financial companies that are required to publish a Non-Financial Statement, from 2025 onwards, on FY 2024, the information to be reported extends to the share of the same KPIs aligned with the Environment Act and the amendments to the Climate Act.

THE EUROPEAN TAXONOMY APPLIED TO SNAM

Since the first developments of the European Taxonomy, Snam has welcomed the direction defined by the European Commission, in line with the strategy and investment choices of the Company, aimed at decarbonisation and the creation of a low-carbon economy.

Methodology

Regulation (EU) 2020/852, in Article 10.1, describes activities that contribute substantially to climate change mitigation, and specifically in point g) it mentions among these activities the creation of **energy infrastructure required for enabling the decarbonisation of energy systems.**

The interpretation of this regulation, and the subsequent delegated acts published by the European Commission, allowed Snam to assess the share of eligible activities (**Taxonomy-Eligible** activities) out of those pursued by the Group. All activities associated with the maintenance, development and reconversion of gas transportation networks, activities related to the production and transportation of biomethane and hydrogen, emissions reduction, and energy efficiency are mapped by the Climate Act and therefore considered eligible.

There are no substantial changes in the approach used to interpret taxonomy-aligned activities compared to last year's exercise. In line with previous years, only a proportion of the revenues proportional to the share of green gas (Biomethane and Hydrogen) transported in the year is considered eligible.

Within the Climate Act, gas storage is not addressed: it represents a pillar of the future energy system based on hydrogen and green gases and is one of the activities that make a substantial contribution to the achievement of Net Zero objectives. Snam has completed the preliminary tests for the injection of hydrogen in the storage fields with favourable results, is working for H_2 readiness, and is preparing for the conversion to hydrogen of some fields now used for the storage of methane.
Following the issuance of the Q&A of December 2024, some preliminary assessments were made which allowed some storage activities to be considered eligible.

The process of analysing business activities against the EU Taxonomy, including methodology, interpretation criteria and related KPIs, was audited by an internationally recognised consulting firm.
The audit conducted confirmed the appropriateness of the approach adopted, as well as the consistency and accuracy of the data with respect to the expected requirements.

The Group's economic indicators, necessary for the calculation of KPIs relating to the Taxonomy-Eligible portion of assets for FY2024, were calculated using the following methodology and on the basis of Snam's individual economic eligible and aligned activities according to the Taxonomy, indicated in Annex 4 of this document:

- **Revenues**: the share of Snam's eligible and aligned activities is calculated by comparing, respectively, the sum of the turnover relating to eligible activities and aligned activities (described in the sub-paragraph 'List of Snam's eligible and aligned activities' of this paragraph) to the total turnover of the Group. The Group's total turnover (denominator) corresponds to the revenues from regulated and non-regulated activities, excluding the fees to cover pass-through costs (see note no. 28 'Operating revenues and income' in the Notes to the Consolidated Financial Statements).
- **CapEx**: the share of Snam's eligible and aligned activities is calculated by comparing, respectively, the sum of the capital expenditure relating to the eligible activities and the aligned activities (described in the sub-paragraph 'List of Snam's eligible and aligned activities' of this paragraph) to the total capital expenditure of the Group. The Group's total CapEx expenditure (denominator) correspond to the investments in PPE and intangible assets, including tangible assets recognised under IFRS 16, in addition to financial investments resulting from business combinations (under IFRS 3, 'business combinations' are corporate transactions, such as mergers/acquisitions/share increases, which result in the acquisition of control of a company or business). See note 8 'Property, plant and equipment' and note 9 'Intangible assets and goodwill' of the Notes to the Consolidated Financial Statements.
- **OpEx**: the share of Snam's eligible and aligned activities is calculated by comparing, respectively, the sum of the operating expenses of the eligible activities and the aligned activities (described in the sub-paragraph 'List of Snam's eligible and aligned activities' of this paragraph) to the total operating expenses of the Group. The numerator of the indicator is composed of: expenses related to R&D (decarbonisation), expenses related to photovoltaics, heat pumps and professional services connected to the energy performance of buildings (energy efficiency), maintenance expenses of the Bioenerys Ambiente and Bioenerys Agri (biomethane) plants. The Group's total OpEx expenses (denominator) correspond to non-capitalized direct costs related to research and development, building restructuring measures, short-term leasing, maintenance and repairs, as well as any other direct expenses associated with the daily upkeep of buildings, plants, and machinery. These activities may be carried out by the company itself or outsourced to third parties and are necessary to ensure the continuous and efficient operation of these assets.

The determination of turnover, capital expenditure and operating expenditure aligned with the Taxonomy is based on a structured analysis, conducted in accordance with the technical screening criteria and the Do No Significant Harm (DNSH) principle, as established by the Taxonomy Regulation and the related Delegated Act.

CAPEX DETERMINATION	REVENUE AND OPEX DETERMINATION
To determine the capital expenditure, the investments of eligible economic activities (described in the sub-paragraph 'List of eligible and aligned activities of Snam' of this paragraph) are analysed and for each of them compliance with the technical screening criteria and the DNSH is verified in order to determine the overall value of aligned CapEx.	To determine the revenues and operating expenses, the analysis is carried out by macro business areas and for each segment the alignment with the objectives of the Taxonomy is assessed. The shares of revenues and operating expenses attributable to compliant activities are then aggregated to determine the consolidated indicator at Group level.

Double accounting in the calculation of revenues, CapEx and OpEx is excluded as Snam uses financial data at the activity level and associates each Taxonomy-Eligible and Taxonomy-Aligned activity with the reference article of the Climate Act. For reporting purposes, aggregation is done on the basis of the individual items under which eligible activities fall.

As mentioned above, for the purposes of identifying Taxonomy-Eligible activities, Snam considered gas transportation activities eligible, but not storage activities. It should be noted that unlike Taxonomy-Eligible activities, Taxonomy- Aligned activities are activities that contribute to at least one of the environmental objectives contained in the Climate Act, meet the technical screening criteria of the delegated acts, do not significantly harm any of the other objectives and activities are carried out in compliance with minimum measures of social safeguards.

Snam has carried out an analysis with respect to the alignment of its Strategic Plan with the Taxonomy, highlighting that around 5.6 billion euros of investments for the 2025-2029 period will be aligned.

Snam will continue to monitor the publication of any further guidelines by the European Commission to ensure consistency of interpretation of the measures contained in the Climate Act.

Minimum Safeguards

Snam operates within the framework of the United Nations Universal Declaration of Human Rights, the fundamental Conventions of the ILO - International Labour Organization - and the OECD Guidelines for Multinational Enterprises, supporting and promoting these principles in its relations with internal and external stakeholders.

Furthermore, Snam is a member of the United Nations Global Compact (UNGC) and is among the founders of the UNGC CFO Task Force.

Under the Taxonomy, in order to assess the alignment of economic activities, Companies must ensure that their operations are in line with the principles and guidelines contained within the 'OECD Guidelines for Multinational Enterprises and the 'UN Guiding Principles on business and human rights'.
The Company has conducted an analysis of the company procedures and processes to assess compliance with the principles and guidelines contained in the frameworks reported above.

**With regard to the minimum social safeguard requirements, the principles and guidelines contained in the above frameworks were assessed, as well as the gender pay gap and Gender Diversity in the Board in accordance with Commission Communication 2023/C 211/01.
Snam has adopted solid policies and procedures with the aim of identifying, preventing and monitoring risks and managing the negative impacts relating to the areas described above. In addition, during 2024 Snam was not involved nor was it convicted in this regard.**

AREA	DESCRIPTION
Human Rights	Snam strives to comply with all applicable laws and operates in compliance with internationally recognised human rights. Snam's commitment to human rights is embodied in the Code of Ethics, the Supplier Code of Ethics, the Human Rights Policy and the Human Rights Guideline. These, together with the Whistleblowing Guideline and the Supplier Compliance Monitoring Rule, are the main regulatory tools that ensure that human rights issues are adequately addressed. Having standard contractual clauses with suppliers is a further measure to prevent or implement potential and actual impacts on human rights. Despite the low risk level for Italy, Snam carries out supplier risk assessment analyses through reputational and compliance audits, administrative checks on documentation produced by suppliers and subcontractors during qualification/work assignment, with supporting procedures and guidelines such as the Anticorruption Guideline, the Global Security Guideline, the Supplier Compliance Monitoring Rule and the Technical Working Instruction (ITL) Counterpart Risk Management. In addition to the aforementioned tools, the double materiality analysis is also a useful tool for assessing human rights risks, the results of which are taken into account and integrated into internal processes, and appropriate measures are taken.
Employment and Industrial Relations	Snam, in its Code of Ethics, Human Rights Policy, Human Rights Guideline, HSEEQ Policy and Diversity Policy, declares respect for all the fundamental principles and rights contained in the 'ILO Declaration on Fundamental Principles and Rights at Work'. Through the establishment of the 'Industrial Relations Protocol', trade union agreements and compliance with the CCNL, Snam ensures its workers and their representatives, respect for labour rights and standards on employment and industrial relations, including giving reasonable notice to workers' representatives and relevant government authorities of changes that could have a significant impact on workers. Snam also encourages the hiring of local workers, considering local practices with reference to the company's need for resource availability, and invests in numerous training initiatives, both technical and managerial.
Environment	Snam carries out Diligence activities on construction sites by performing: 1) the environmental analysis activity (which is carried out on an entity-by-entity basis) with reference to ISO 14001 which is carried out with a risk-based approach and subject to external periodic verification audits; 2) both internal and contractor audits (both HSEQ and third party); 3) Environmental Impact Assessments (EIA) and Verifications of Subjection (VA) are carried out in the cases provided for by law, which serve to assess the environmental impacts of projects. The latter are also a consultation tool for the interested public, when projects and their VAs and EIAs are made public on the MASE website. In addition, the company directly involves the authorities and affected communities, ensuring environmental restoration and compensation. Snam ensures that its GHG emissions are in line with international targets by participating in Moody's Net Zero Assessment (NZA), an initiative aimed at assessing the ambition of defined targets, the consistency of action plans to achieve them and the degree of alignment with the objectives of the 2015 Paris Agreement on climate change, and by adhering to the generic SBTi methodology when defining its targets. Considering Snam's business, the company is required to maintain emergency plans for the prevention, mitigation and control of serious environmental and health damage resulting from its activities and mechanisms for immediate reporting to the competent authorities. In this regard, Snam acts in accordance with Legislative Decree 105/2015 and implements Directive 2012/18/EU on the control of major-accident hazards involving dangerous substances through the definition of adequate tools to control such accidents, including Emergency Plans, Major Accident Prevention Policies, Notifications, Improvement Objectives, Training, Internal Audits and Inspections by control bodies. Finally, in order to improve environmental performance, Snam has signed contracts to recycle steel and ensures the signing of disposal letters for WEEE and other company assets. In addition, the 'sustainable building site' project was activated, in which fuel of organic origin was used, and Arbolia is in charge of executive projects for planting new green areas. Snam adopts trenchless and microtunnel technologies to ensure the protection of biodiversity and has included specific plastic-free clauses in contracts for the supply of goods. Finally, HP's circular economy report on PC refurbishment was compiled.
Environment	Snam offers the following environmental, health and safety training activities, which include its own workers and extend, in some cases, to suppliers and the communities in which Snam operates: • HSEEQ training and prevention of major incidents; • HSEEQ and Sustainability training for Suppliers through the Supplier Portal; • capacity building activities with suppliers (Open-es, Supplier Advisory Council, CDP Programme, Salesforce Sustainability Portal); • activities with schools and communities ('Donate to Learn' project - module 'Learning about energy transition and environmental care'; Energy Poverty Zero project). Thanks to the work of the Snam Foundation, the company has launched several partnerships and initiatives, including: • Energy Poverty Zero project, which supports people to optimise their energy consumption and tackle the challenges of energy poverty, in partnership with the Municipality of Milan • collaboration with Milano Food Policy in which Snam Foundation participates in the co-programming table set up by the Municipality of Milan and co-finances a series of actions. With Arbolia, several technical sponsorship contracts were signed with public administrations. In addition, Snam has a Transition Plan and regulatory instruments that strengthen environmental awareness and protection: Transition Plan, Stakeholder Engagement Policy, Public Administration Relations Management Policy, Snam's Climate commitment and advocacy position, Code of Ethics, Anti-Corruption Policy and Anti-Corruption Guidelines.

AREA	DESCRIPTION
Fight against corruption	In the area of anti-corruption, Snam has policies and guidelines to guard against corruption, such as the Code of Ethics, the Anti-Corruption Policy, the Anti-Corruption Guidelines, the 'Management of Relations with Public Administration' Policy, and has obtained ISO 37001 certification. The RACI Guidelines are an additional tool to support preventing, detecting and dealing with corruption using a risk-based approach. Snam ensures the dissemination, knowledge and awareness of these issues through transparent communication, specific anti-corruption training initiatives and the publication of the Compliance Report.
Consumer interest	Snam works in the interest of consumers by sharing project documentation and providing contract centres, ticketing tools and an operations centre, guaranteeing access to timely and effective resolution and redress mechanisms. The company acts in a transparent manner, equipping itself with adequate supporting regulatory tools, including the Model 231and the Antitrust Guidelines, as well as communication channels (internal mail for antitrust complaints) and specific training in antitrust matters. Snam promotes consumer education through Energy Performance Contracts, carbon footprint consulting activities and technical training activities after plant installation. In addition, Snam protects consumer privacy and takes all measures to ensure the security of personal data through its Privacy Compliance Programme.
Science, Technology and Innovation	For third party technologies: N/A For European projects (Biogas in H_2 and H_2 separation membranes from CH_4 - test platform): a DNSH (Do No Significant Harm) declaration is completed to assess any risks and negative impacts. In addition, a dissemination plan is prepared for each project by the consortium in which Snam participates, which consists of participation in a certain number of events and the publication of scientific articles in 'open access' mode for a certain period of time Snam also structures clean teams with related documentation in case commercially sensitive or antitrust relevant information is handled. In the tender for the allocation of the land owned by the Legnano municipality for the construction of the plant, as part of the H_2Shift project (project for H_2 biogas/biomethane testline), Snam plans to carry out specific dissemination activities and to favour local SMEs between 2026 and 2027. In order to improve the transparency of data access and sharing, Snam annually publishes the Management Report, the Consolidated Sustainability Statement, commercial publications of general interest and/or relating to operational data and procedures concerning regulated businesses both on the institutional website and on the Jarvis commercial portal dedicated to shippers.
Competition	In the area of competition, Snam has adopted the Antitrust Guidelines and the relevant whistleblowing email, in order to carry out its activities in a manner consistent with all applicable competition laws and regulations, cooperating with the authorities, refraining from concluding or carrying out anti-competitive agreements and promoting the principles of non-competition among all employees.
Taxation	On the subject of taxation, Snam has adopted the Tax Strategy Guidelines - Tax Control Framework and the Tax Compliance Model, which covers tax risk management and the related responsibilities of the Board of Directors on the model, as well as specific internal documentation on Transfer Pricing, which was prepared in accordance with the instructions of the Italian Revenue Agency.
Diversity and inclusion	Snam believes that diversity is a value which contributes positively to the effectiveness of the actions of its corporate bodies. In this regard, the company has been monitoring the gender pay gap and gender diversity in the Board of Directors for years, publishing the relevant data in the Consolidated Sustainability Statement and, with regard to diversity also in the Report on Corporate Governance and Ownership Structure. In addition, under Article 13 of the Articles of Association - as amended on 2 February 2021 - at least two-fifths of the members of the Board of Directors, or a different quota - if higher - provided for pro tempore provisions in force on the matter, must be of the less represented gender.

List of eligible and aligned activities of Snam

With respect to the activities of the Snam group considered Taxonomy-Eligible in 2023, the list has been updated for 2024 through the following changes:

- activity 4.8 Production of electricity through bioenergy, present in 2023, has been excluded because in the immediate future the biomethane business will have all its activities aligned under Article 4.13 Production of biogas and biofuels for transportation and bioliquids, as it is no longer expected to produce electricity through bioenergy;
- activity 5.9 Recovery of materials from non-hazardous waste, present in 2023, has been excluded because the waste-related activities of the biomethane business have been allocated under Article 5.7 Anaerobic digestion of organic waste;
- activity 5.12 Permanent underground geological storage of CO_2, present in 2023, has been excluded in preference to the use of Article 5.11 Transportation of CO_2;
- activity 14.2 Infrastructure for prevention and protection against flood risks, not present in 2023, has been included considering the investments related to the Ravenna dam, aligned with the objective 'Adaptation to climate change'.

in 2024, the **Taxonomy-Eligible activities** of the Snam group fall within the following articles of the Climate Act:

- **Activity 3.2** Manufacture of equipment for the production and use of hydrogen
- **Activity 4.1** Electricity production. This activity includes the production of electricity through photovoltaic panels.
- **Activity 4.13** Manufacture of biogas and biofuels for use in transportation and of bioliquids;
- **Activity 4.14** Renewable and low-emission gas transmission and distribution networks This activity includes:
  - Substitutions considered aligned for increased blending;
  - Biomethane connections aligned as they are dedicated exclusively to the transportation of Biogas/Biomethane and not fossil fuels;
  - Hybrid power plants that increase the blending percentage and reduce CO_2 emissions.
- **Activity 4.15** Distribution of district heating/cooling.
- **Activity 4.16** Installation and operation of electric heat pumps.
- **Activity 4.19** Cogeneration of heat/cool and power from renewable non-fossil gaseous and liquid fuels.
- **Activity 4.30** High-efficiency cogeneration of heat/cool and electricity from gaseous fossil fuels.
- **Activity 5.7** Anaerobic digestion of bio-waste.
- **Activity 5.11** Transportation of CO_2.
- **Activity 6.5** Transportation by motorbikes, cars and light commercial vehicles.
- **Activity 7.1** Construction of new buildings. This activity includes the construction of the new Snam Symbiosis headquarters.
- **Activity 7.2** Renovation of existing buildings.
- **Activity 7.3** Installation, maintenance and repair of energy efficiency equipment.
- **Activity 8.1** Data processing, hosting and related activities.
- **Activity 8.2** Data-driven solutions for GHG emissions reductions.
- **Activity 9.1** Research, development and innovation close to the market.
- **Activity 9.3** Professional services related to the energy performance of buildings.
- **Activity 14.2** Infrastructures for prevention and protection against flood risks. This activity includes the construction of the Ravenna dam.

Assessment of conformity with Regulation (EU) 2020/852

Snam has assessed the eco-sustainability of the activities eligible for the 'Climate change mitigation' objective in accordance with Article 3 of Regulation (EU) 2020/852 as integrated by Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021, which establishes the technical screening criteria for the substantial contribution to the objective, as well as for compliance with the principle of not causing significant harm to the other objectives of the Taxonomy.

Alignment of Snam's activities:

1. **Replacements**: The activity is considered compliant with the substantial contribution criterion because it respects the following criterion relating to the mitigation objective: Redevelopment of gas transportation and distribution networks for the integration of hydrogen and other low-carbon gases, including operations to retrofit the gas transmission and distribution network to increase the presence of hydrogen and other low-carbon gases in the system.

   The entire project of replacements / variants / reconstructions of a gas pipeline is considered in line with the requirement of Substantial Contribution to Climate Change Mitigation foreseen for activity 4.14. if the condition is verified that between the two ends of the pipeline it is possible to transport hydrogen in blending in a quantity greater than the situation prior to the / variant / reconstruction.
   Furthermore, it must be demonstrated that, during the transmission/distribution activity, methane leaks are detected and, if necessary, the gas pipelines are repaired to reduce the leaks.

2. **Biomethane connections**: The activity is considered compliant with the substantial contribution criterion because it respects the following criterion relating to the mitigation objective: Development or operation of new transmission and distribution infrastructure for the transportation of hydrogen or other low-carbon gases.

   Since the biomethane connections are dedicated exclusively to the transportation of Biogas/Biomethane and not to the transportation of fossil fuels, the related investments are considered in line with the Substantial Contribution to Climate Change Mitigation requirement envisaged for activity 4.14.

   Furthermore, it must be demonstrated that, during the transmission/distribution activity, methane leaks are detected and, if necessary, the gas pipelines are repaired to reduce the leaks.

3. **Hybrid Power Plants**: The activity is considered compliant with the substantial contribution criterion because it respects the following criterion relating to the mitigation objective: Refurbishment of gas transportation and distribution networks allowing the integration of hydrogen and other low-carbon gases into the network, including any activity in the gas transmission or distribution network allowing the increase of the blend of hydrogen or other low-carbon gases in the gas system.

   The replacement of turbochargers with electrocompressors leads to an increase in the blending percentage and a reduction in CO_2 emissions, therefore, the activity is considered in line with the requirement of Substantial

Contribution to Climate Change Mitigation foreseen for activity 4.14.

4. **Building construction and renovation**: the activity is considered compliant as all DNSH criteria have been verified also through the use of an external consultant who verified the alignment of the new Snam Headquarters.

Biomethane:

1. **Anaerobic digestion of organic waste** meets the criteria for substantial contribution as per points below:

- Point 1 (a monitoring and emergency plan is in place to minimise methane leaks in the plant) is respected as a monitoring and plant sealing plan is provided in order to minimise methane leaks from the plant into the atmosphere.
- Point 2 (the biogas produced is used directly for the production of electricity or heat, it is transformed into biomethane to be injected into the natural gas network or is used as fuel for vehicles or as raw material in the chemical industry) it is respected as the biogas produced is used in its entirety (1) for the generation of electricity and fed into the network, (2) transformed into biomethane and fed into the transport/distribution network.
- Point 3 (organic waste used for anaerobic digestion is separated at source and collected separately) is respected as the waste authorised and delivered to the plant originates from separate collection.
- Point 4 (the digestate produced is used as a fertiliser or soil improver, directly or after composting or other treatment) is respected as the digestate produced is used, after composting, as a mixed soil improver (end of waste).
- Point 5 (in plants dedicated to the treatment of organic waste, the percentage of food and fodder crops used as incoming raw material, measured by weight, as an annual average, is equal to or less than 10% of the incoming raw material) is respected as the authorised deliveries do not include food and/or fodder crops.

All DNSH (do no significant harm) are respected; In particular:

- The CC (climate change) requirement is met through specific climate risk analyses carried out by ERM units.
- The WTR (water) requirement is met as the systems are authorised to discharge according to the legal limits set by Legislative Decree 152 of 3 April 2006 in compliance with Directive 2000/60/EC.
- The PPC (pollution) requirement is met through the drafting of specific BAT application reports and the carrying out of chemical/physical analyses of the compost in compliance with Legislative Decree 75 of 29 April 2010 regarding the reorganisation and revision of the regulations on fertilisers.
- The BIO (biodiversity) requirement is respected since the plants located in protected areas are subject to the Landscape authorisation provided for by Legislative Decree 42 of 22 January 2004. The landscape authorisation evaluates the landscape insertion of the proposed installations and/or modifications, providing for visual/environmental mitigation measures.

2. **Production of biogas and biofuels for transportation and bioliquids** meets the substantial contribution criteria as per points below:

- Point 1 (agricultural biomass used for the production of biogas or biofuels for transportation and for the production of bioliquids) meets the criteria set out in Article 29, paragraphs 2 to 5, of Directive (EU) 2018/2001. Forest biomass used for the production of biogas or biofuels for transportation and for the production of bioliquids shall meet the criteria set out in Article 29(6) and (7) of that Directive. Food and feed crops shall not be used for the production of biofuels for transportation and for the production of bioliquids) and 2 (The greenhouse gas emission saving from the production of biofuels and biogas for transportation and from the production of bioliquids shall be at least 65 % in relation to the greenhouse gas emission saving methodology and the relevant fossil fuel reference set out in Annex V to Directive (EU) 2018/2001) of the substantial contribution criteria are governed by Directive (EU) 2018/2001. All agricultural biomethane plants (included in this economic activity) are incentivised according to the MASE decree 340 of 15 September 2022 which in turn was drafted in compliance with the sustainability requirements set out in EU Directive 2018/2001. These are consequently considered to be respected at the time of obtaining the aforementioned incentive regime.
- Point 3 (if the biogas production is based on the anaerobic digestion of organic material, the production of the digestate satisfies the criteria in section 5.6 and criteria 1 and 2 of section 5.7 of this Annex, as applicable) is respected from the moment the plants enter into operation as a monitoring and maintenance plan for the plant is foreseen in order to reduce to a minimum the losses of methane from the plant into the atmosphere. Furthermore, the biomethane produced is delivered directly to the injection points.
- Point 4 (if captured for underground storage, CO_2 that would otherwise be emitted during the manufacturing process is transported and stored underground in accordance with the technical screening criteria set out in sections 5.11 and 5.12 of this Annex) is not applicable to Snam.

All DNSH are respected, as in this case too there is an explicit reference within the application rules of the MASE decree 340 of 15 September 2022. In particular, it is established that the individual national NRPs must satisfy the DNSH principles, and consequently what is incentivised by means of the aforementioned decree as financed with the Next Generation EU funds. To certify compliance with the DNSH requirements, specific documentation (established by the GSE) must be sent in order to be able to access the incentive system/capital contribution.

Energy efficiency:

1. **Electricity production using photovoltaic technology:**
   Substantial contribution, must respect the fact that the activity produces electricity using solar photovoltaic technology.
   The operational checks carried out are aimed at verifying the actual commissioning of the systems.

   All DNSH are respected; In particular:

- CC (Climate change): a mapping of all physical climate risk mitigation measures has been carried out. Mapping can be applied to all interventions, planned during the design and construction phase of the system.
  Furthermore, Renovit sources panels certified to withstand thermal and mechanical stress (e.g. compliant with IEC 61215 standards).
- CE (circular economy): verification performed with the following methodology: Photovoltaic panels, as electrical and electronic equipment, comply with the following requirements:
  - The Registration in the WEEE Producer Register ensures that producers take responsibility for the proper disposal and recycling of products placed on the market (Directive 2012/19/EU, transposed into Italian law by Legislative Decree 49/2014);

- Presence of CE marking and compliance with the RoHS Directive (2011/65/EU and subsequent amendments);
- Any environmental certifications (e.g. EPD) that take into account end-of-life aspects of the product (e.g. recyclability percentage).

- BIO (Biodiversity): verification performed with the following methodology: During the preliminary investigation phase, Renovit verifies the subjection to an environmental impact assessment (EIA) process and the need for environmental impact studies (e.g. VINCA pursuant to Art. 5, c.1, lett. b-ter), Legislative Decree 152/06) or biodiversity impact assessments. If you do not present such assessments in the EIA, it is possible to assume that the constraint is not relevant or that the work does not have significant impacts on biodiversity. If the work is not subject to EIA, the requirement is not considered applicable.

2. **Installation and operation of heat pumps**:
   Substantial Contribution, must meet the following criteria: a) refrigerant threshold: the global warming potential does not exceed 675 GWP; (b) the energy efficiency requirements set out in the implementing regulations pursuant to Directive 2009/125/EC are met.
   The verification of compliance with the substantial contribution is done according to this methodology: use of equipment using refrigerant gases with a GWP lower than 675 and declaration of conformity of the product to the applicable energy efficiency directives (e.g. Directive 2009/125/EC and implementing Regulations).
   All DNSH are respected; In particular

- CC (Climate change): all physical climate risk mitigation measures were mapped. Mapping can be applied to all interventions, planned during the design and construction phase of the system.
- WTR (water): verification carried out with this methodology: if the plant is part of a work subject to an environmental impact assessment (EIA) process, the results of the impact analysis on the water resource are verified.
  If groundwater withdrawals are planned, the presence of hydrogeological studies for the request for groundwater diversion, certifying the good quality of the groundwater body, is verified. In any case, Renovit operates in compliance with the provisions set out in Part III of Legislative Decree 152/06 and local regulations regarding water protection.
- CE (circular economy): verification carried out with the following methodology: as electrical and electronic equipment it has been verified:
  - The Registration in the WEEE Producer Register ensures that producers take responsibility for the proper disposal and recycling of products placed on the market (Directive 2012/19/EU, transposed into Italian law by Legislative Decree 49/2014);
  - Presence of CE marking and compliance with the RoHS Directive (2011/65/EU and subsequent amendments).
- PPC (pollution): verification carried out with the following methodology:
  - Product Declaration of Conformity accompanying the CE marking certifying compliance with the requirements of EU Reg. 206/2012, i.e.
  - Technical data sheet;
  - Certification of conformity with Regulation (EU) 206/2012;
  - Sound power data measured under standardised conditions (Internal sound power for indoor unit and External sound power for outdoor unit must comply with the limits set for the specific product category/configuration).

3. **Renovation of existing buildings**:
   Substantial Contribution: the renovation of the buildings complies with the applicable requirements for major renovations. Alternatively, it results in a reduction in the primary energy demand of at least 30%.
   The substantial contribution is respected as all the renovation interventions carried out by Renovit on existing buildings are aimed at energy efficiency, demonstrated through the presence of ex-ante and/or ex-post Energy Performance Certificates (EPC) certifying the reduction of at least 30% of the primary energy requirement achieved with the renovation intervention.

   All DNSH are respected; In particular:

- CA (Climate change): all physical climate risk mitigation measures were mapped through
  - Mapping file of mitigation measures by type of physical climate risk and technology;
  - Product Technical Data Sheets;
  - Specific project documentation (e.g. descriptive report of the interventions, floor plans, etc.).
- WTR (water): verification carried out with the following methodology: as part of the renovation services of existing buildings carried out by Renovit, no interventions are carried out on the water systems, that is, no installations are carried out of i) sink and washbasin taps, ii) showers, iii) toilets and/or iv) urinals.
- CE (circular economy): verification carried out via loading/unloading registers and/or construction site FIR certifying that at least 70% of the waste has been sent for recovery activities.
- PPC (pollution): verification carried out using the following methodology:
  In case of construction sites in the planning phase (ex ante):
  - When purchasing building materials, the absence of the hazardous characteristics provided for in Annex XVII of Regulation (EC) 1907/2006 is verified, as well as compliance with the requirements for the release of harmful substances according to CEN/EN 16516 or ISO 16000-3:201 standards through the acquisition and archiving of the Safety Data Sheets of the chemical products (MSD or SDS) to be used on the construction site;
  In case of construction sites completed or in the process of being finalised (ex post):
  - When entrusting the work to third-party executing companies, presence of documentation certifying the evaluation and mitigation of the 'noise' and 'dust' risk (e.g. Safety Operations Plans or POS).
  - ETA Technical Suitability Certification, obtained following the European Technical Assessments issued by ITC-CNR, certifies that the composite thermal insulation systems offered by Renovit meet the European standards for the thermal insulation of buildings. Through this certification, the technical suitability of thermal insulation composite systems is certified in terms of i) Transport, packaging and storage; ii) Maintenance; iii) Technical product performance, iv) Hygiene, health and environment; v) Security (including fire safety); vi) Protection against noise; vii) Energy saving and heat retention; viii) Sustainable use of natural resources; ix) Durability.

4. **Professional services related to the energy performance of buildings**

Substantial Contribution: respected as all activities classified in this category fall into one of the following cases:
(a) technical consultancy (in energy matters, energy simulations, project management, implementation of energy performance contracts, ad hoc training courses) related to the improvement of the energy performance of buildings;
(b) accredited energy diagnoses and assessments of the energy performance of buildings;
(c) energy management services;
(d) energy performance contracts;
(e) energy services provided by Energy Service Companies (ESCOs).

All DNSH are respected; In particular:

- CA (Climate change): all physical climate risk mitigation measures were mapped for the technologies covered by the projects implemented and/or managed in accordance with the methods set out in the substantial contribution criteria.
- (other DNSH areas are not relevant).

KPIs related to Taxonomy-aligned activities and related variations

KPIS RELATED TO TAXONOMY-ELIGIBLE ECONOMIC ACTIVITIES

		Turnover	CapEx	OpEx
Taxonomy-Eligible total	mln €	298	2,121	174
Total Snam	mln €	3,568	2,944	177
Taxonomy-eligible proportion	%	8	72	98

Notes: the data refer to the entire Snam Group, unless otherwise indicated. For more information on the scope, please refer to the chapter 'Introduction and guide to reading the document, General basis for the preparation of the Consolidated Sustainability Statement'.
The detailed tables refer to the eligibility and alignment of activities with the climate change mitigation and adaptation objectives of the Taxonomy.

KPIS RELATED TO TAXONOMY-ALIGNED ECONOMIC ACTIVITIES

		Turnover	CapEx	OpEx
Total Taxonomy-Aligned	mln €	212	918	62
Total Snam	mln €	3,568	2,944	177
Portion Taxonomy-Aligned	%	6	31	35

Notes: the data refer to the entire Snam Group, unless otherwise indicated. For more information on the scope, please refer to the chapter 'Introduction and guide to reading the document, General basis for the preparation of the Consolidated Sustainability Statement'.
The detailed tables refer to the eligibility and alignment of activities with the climate change mitigation and adaptation objectives of the Taxonomy.

The CapEx was 6% aligned to the EU taxonomy and 8% eligible (compared to 26% and 28% respectively in 2023). The main source of reduction is the energy efficiency sector which brought total revenues to €200 million (compared to a 2023 of almost €950 million) including approximately €125 million aligned (compared to a 2023 of approximately €890 million) broken down into: transportation - €7 million, energy efficiency - €125 million, biomethane - €79 million and decarbonisation - €1 million. In calculating the total aligned revenues, the value of the intercompany taxonomy aligned was considered negligible.

CapEx was 31% aligned to the EU taxonomy and 72% eligible (compared to 29% and 55% respectively in 2023). This alignment increase in 2024 is mainly related to the acquisition of the FSRU vessel in 2023 (non-Taxonomy aligned investment).
The €918 million of Taxonomy-aligned CapEx in 2024 is broken down as follows: buildings - €107 million, tangible fixed assets - €56 million and plant and machinery (including the land on which they are built) - €755 million. No acquisitions were made through business combinations during 2024, which therefore do not contribute to the quantification of the total aligned CapEx.
In 2024, of the €918 million Taxonomy-Aligned CapEx, approximately €824 million of Group CapEx was financed with sustainable 'Use of proceeds' finance instruments. Excluding CapEx financed by UoP instruments from the numerator, the KPI relating to CapEx aligned to the Taxonomy goes to approximately 2.5%.

The OpEx is 35% aligned with the EU Taxonomy and 98% eligible (compared to 47% and 89%, respectively, in 2023). Eligible OpEx increased from 2023 due to the inclusion of maintenance OpEx for storage (included through the European Commission FAQ of December 2024). Conversely, the alignment decreased due to the energy efficiency activity which, following the DNSH analyses, aligned only a part of the OpEx referring to Article 9.3 (while in 2023 all the OpEx eligible for 9.3 were also aligned).
For the 'Models for key performance indicators (KPIs) of non-financial companies' referred to in Annex II of Delegated Regulation (EU) 2021/2178, please refer to Annex 4.

Key performance indicators

KEY PERFORMANCE INDICATORS

ESRS / Other entity-specific disclosures	UNITS OF MEASUREMENT	2022	2023	2024
CapEx aligned with SDGs [1]	%	62	61	65

Notes: the data refer to the entire Snam Group, unless otherwise indicated. For more information on the boundary, see the chapter 'Introduction and guide to reading the document, General basis for the preparation of the Consolidated Sustainability Statement".
[1] The figure is quantified by mapping the investments mapped as sustainable against the UN Sustainable Development Goals (SDGs).

Climate change

MATERIAL TOPICS, IMPACTS, RISKS AND, OPPORTUNITIES

Climate change

IMPACT MATERIALITY

POSITIVE IMPACTS

- Support for the energy transition of the country system by promoting the use and development of hydrogen transport and storage infrastructures
- Support for the energy transition of the country system through the diffusion of the use and production of biomethane
- Increase in the production of biomethane from agricultural waste with a consequent reduction in natural gas consumption and emissions from fossil fuels
- Enabling the transportation and storage of climate-changing emissions that cannot be avoided through carbon capture and storage (CCS) technologies that contribute to the reduction of emissions release into the atmosphere
- Energy efficiency of customer-owned infrastructure elements aimed at reducing energy consumption and installation of energy production systems from renewable sources with consequent reduction of emissions produced

NEGATIVE IMPACTS

- Greenhouse gas emissions generated by Snam in carrying out its activities (Scope 1, Scope 2) which contribute to the effects of climate change
- Greenhouse gas emissions generated by Snam's value chain (Scope 3) that contribute to the effects of climate change

FINANCIAL MATERIALITY

RISKS

- **Physical risk** - Increased severity of extreme weather events, with impacts on service continuity and quality and asset integrity
- **Physical risk** - Intensification of chronic climatic phenomena in the medium and long term (temperatures, precipitation, winds), with possible impacts on the continuity and quality of service and on the integrity of assets
- **Regulatory transition risk -** Reduction in gas demand due to changes in the regulatory/legislative environment on emissions, rising temperatures, increased demand for alternative low-carbon technologies
- Disappointing economic results due to failure to develop markets for the energy transition businesses
- **Technological transition risk -** Lack of skills necessary for the proper conduct of business and the achievement of strategic business and sustainability objectives due to an inadequate workforce development plan, also in response to the know-how needed for the energy transition
- **Reputational transition risk -** Deterioration of external perception due to climate change mitigation objectives and/or initiatives to achieve them not being in line with stakeholder expectations

OPPORTUNITIES

- Development of carbon capture and storage (CCS) projects as a result of a favourable legislative, political and regulatory environment
- Development of the biogas and biomethane market as a result of a favourable regulatory framework
- Market expansion for long-range hydrogen business development following a favourable regulatory, policy and regulatory environment, as well as available partnerships and financing
- Improved external perception as a result of the Company's commitment to climate change mitigation, including developments in decarbonisation projects also due to increased customer demand

For more information, please refer to the chapter 'Managing Impacts, Risks and Opportunities, Material topics for Snam'.

The positive impacts related to the topic of climate change are directly linked to the strategy and business model of Snam, which aims to be a protagonist of the energy transition at national and European level. Through the investments of the Strategic Plan, Snam focuses part of its efforts on the development of energy transition businesses with the aim of promoting a more sustainable and resilient energy system. These investments also aim to mitigate the risks associated with the reduction in demand for natural gas, as well as the lack of skills necessary to properly conduct the business. This strategy also aims to pursue opportunities related to energy transition businesses with potentially significant effects on the expansion and development of such businesses.
The negative impacts related to the topic of climate change are linked to Snam's business model and the performance of its activities and those in the value chain and derive from the worsening effects of climate change: on the one hand they are linked to the expected risk of reduction in gas demand and on the other they are linked to the risks related to extreme and chronic climate events, and to the worsening of the external perception of companies operating in infrastructure elements that transport non-decarbonised energy.
Snam aims to mitigate the effect of the negative impacts and risks associated with climate change through its Carbon Neutrality and Net Zero strategy (for more information see the paragraph 'Carbon Neutrality and Net Zero strategy' in the chapter 'Strategy and business model', designed to progressively reduce its direct and indirect emissions. A further key tool is the Climate Change Risk Management (CCRM) model, designed to identify key climate change risk hotspots and guide adaptation strategies (for more information see the paragraph 'The ERM model for managing risks and opportunities' in the chapter 'Managing impacts, risks and opportunities'.

With reference to physical and transition risks related to climate change, Snam has carried out a vertical analysis within the activities of the ERM function, applying a dedicated and consolidated Climate Change Risk Management methodology that has assessed the chronic and acute physical, and transition risks that concern it at a political, legal, technological and market level related to the mitigation and adaptation processes to climate change.

The methodology used in Climate Change Risk Management is aligned with the main international references, including TCFD, European Taxonomy, CSRD, IPCC, integrated with other complementary references (e.g. International Energy Agency) for climate and socio-economic scenarios and forecast climate data for the long-term risk assessment.

Regarding the assessment of physical risks of climate change on infrastructure, Snam takes into account territorial differences and the specificities that distinguish the company's various activities (context-specific). Compared to these, the physical risks identified by the Climate Change Risk Management process starting from the EU Taxonomy table 'Classification of climate-related hazards' are assessed taking into account the expected lifespan of the assets or activities and the short, medium and long-term[75] time horizons and with different approaches and tools depending on the analysis time horizon.

The short, medium and long-term analysis of the physical risks to which the **49 sites in the perimeter and the pipeline** are exposed first considered all the acute and chronic dangers linked to physical risks, which were subsequently selected through the '**applicability analysis**' phase and assessed in the '**potential climatic exposure**' and '**risk assessment**' phases.

During the 'potential climate exposure' phase, a scenario analysis was carried out to assess a possible increase or decrease in potential exposure to each physical risk by 2050 through specific data sources, based on three alternative scenarios proposed by the IPCC, **RCP 1.9, RCP 2.6 and RCP 8.5**. Climatic exposure was assessed in terms of likelihood generally understood as remote in coherence with the nature of the acute and chronic phenomena under examination, then detailed starting from the probability/return period data, and corresponding maximum magnitude (in line with the quality of the available data). Subsequently, the variation of the associated economic impacts was assessed, concerning[76] and residues resulting from identified physical risks. The results obtained showed a more pronounced impact in the **high-emission climate scenario RCP 8.5**, corresponding to an increase in global temperatures >2°C by 2040 ≤4°C by 2100.

With reference to **transition risks and opportunities**, the risk analysis perimeter first included all of the assets and corporate activities of the Snam group, identifying the issues of interest for each activity or area through direct involvement of the same. These issues were assessed in terms of likelihood and economic and reputational impact in the short, medium and long term in a qualitative-quantitative manner through a dedicated analysis, aligned with the ERM Model, and with the involvement of the interested company areas and by examining in depth the issues that emerged as most material.

The main risks and opportunities linked to climate change that may have an impact on industrial, economic and sustainability objectives also in the long term have been identified through the analysis of **three alternative scenarios up to 2050**, including the **RCP 1.9 - SSP1 - IEA NZE scenario**, the same one considered by Snam's Strategic Plan, characterised by the following assumptions:

- global temperatures <1.5°C by 2050 and 2100, limited climate change and stabilisation of exposure to physical risks compared to current levels;
- implementation of the 2030 and 2050 climate targets, reduction in the use of fossil fuels, strong growth of renewables, growth of low-emission materials, lower energy intensity.

The scenarios used to guide the identification and assessment of physical and transition opportunities and risks in the short, medium and long term are selected annually from public and internal data sources and specialised reports, taking into account data quality and accessibility, time references and geographical coverage, ensuring that they are the most up-to-date, consistent and that they are consistent with the scenarios used for the analysis and analysis frameworks in the climate change field.

[75] The short-term time horizon corresponds to the first year (2025); the medium term has been defined as the period 2026-2029 in line with the most recent strategic plan published by Snam; the long-term horizon considers the period 2030-2050.
[76] The 'inherent' or 'gross' impact of a physical risk means the estimate of the impact that the site would suffer considering only the preventive measures required by law or regulation (e.g. structural characteristics to comply with the mandatory resilience level) present, excluding the mitigation effect guaranteed by any additional preventive or reactive measures adopted by Snam voluntarily. The latter are instead considered in the calculation of the net impact.

With regard to physical risks for the short and medium term, the scenario is defined starting from point source and geolocalised information with respect to the coordinates of the assets under examination.
With regard to the risks and opportunities of transition, the scenario considered is the same as that of Snam's Strategic Plan.
The time horizon considered for the long term exceeds Snam's planning horizon considered in its Strategic Plan.

The analysis of the selected scenarios ranges from the scenario with lower emissions and rapid transition to the one with maximum emissions and limited transition, plus an intermediate scenario that represents an evolution hypothesis closer to the current expected evolution of the energy and regulatory context, also aligning with the main international frameworks in the field of Climate Change Risk Management. As a result, the exercise allowed the analysis of a wide range of situations covering both the 'worst case' of climatic conditions causing the intensification of physical risks, and the rapid transition scenario that puts the transition risk and opportunity issues under greater stress.

For further details on Climate Change Risk Management, the scenarios analysed and the results obtained, please refer to the paragraph 'Actions and metrics, Expected financial effects from material physical and transition risks and potential climate-related opportunities' of this chapter.

Snam also carries out a qualitative assessment of locked-in GHG emissions from its key activities, assessing how these emissions may impact the achievement of decarbonisation targets and may generate transition risks. For more information, please refer to the 'Transition plans for climate change mitigation' paragraph of this chapter.

POLICIES

The topic of climate change, and in particular the related impacts, risks and opportunities are taken into great consideration by Snam, which has equipped itself with specific Policies to address the various implications not only on the environment, economy and society, but also on the company's business. The highest management level in the company's organisation responsible for implementing the policy is represented by the Board of Directors, which includes the Chief Executive Officer and the main executive managers. This body is responsible for defining corporate strategies, ensuring regulatory compliance and overseeing the implementation of corporate policies. The Board of Directors and the CEO work closely with the various functions to ensure that the provisions, principles and commitments set out in the Policies, in particular the **Health, Safety, Environment, Energy and Quality Policy (HSEEQ Policy),** are implemented effectively and that the company's objectives are achieved.

HEALTH AND SAFETY, ENVIRONMENT, ENERGY AND QUALITY POLICY (HSEEQ POLICY)

Contents, objectives and monitoring process

The policy intends to explore in depth the aspects related to climate change mitigation and adaptation, energy efficiency, and the diffusion of renewable energy including the methods of managing physical and transition risks related to climate change, defining Snam's commitments aimed at:

- supporting the fight against climate change by implementing operational and management-level actions to continuously reduce emissions generated, promote energy efficiency, use and produce energy from renewable sources and plan further activities that improve environmental performance;
- ensuring the transparency of information, training and building staff and stakeholder awareness of the principles expressed in the policies, implementing consultation and communication processes with internal and external stakeholders;
- ensuring cooperation with selected suppliers, promoting their development according to the principles of the HSEEQ Policy and purchasing energy-efficient services and products;
- ensure integrated, efficient and sustainable management of the life cycle of assets, taking into account performance, risks and associated costs, with the aim of ensuring quality of service and asset integrity, minimising risks throughout their life cycle, with particular attention to the safety of people, infrastructure and environmental protection;
- carry out environmental performance monitoring and control activities to assess the results and effectiveness of the Policy, review objectives and programmes;
- act in compliance with laws and administrative requirements and in line with the Code of Ethics and Model 231 and with national and international best practices.

The effectiveness of the Policy, its objectives and its programmes are periodically reviewed and monitored with the involvement of the appropriate Group functions and units in line with the recommendations of the OECD Guidelines for Multinational Enterprises.

Scope of application

Snam's HSEEQ policy applies to all its activities, staff, contractors and all persons supervised by the Snam Group; all Snam companies adopt this Policy and – through the Employers and all persons responsible for health, safety, the environment, energy efficiency and quality – implement its principles. The Policy applies to all assets used by Snam for the transportation of natural gas such as pipelines, booster stations, regulation, reduction, interception, mixing and measurement plants, as well as other ancillary plants necessary for the transportation and dispatching of gas.

References to third party standards or initiatives

- ISO 14001.
- ISO 50001.
- Sustainable Development Goals (SDGs) defined by the UN.
- OECD Guidelines for Multinational Enterprises.

ASSET MANAGEMENT POLICY

Contents, objectives and monitoring process

The policy ensures that assets are managed effectively, efficiently and sustainably throughout their lifecycle, from their design, construction and testing through to the operation and supervision of natural gas transportation works and facilities. In particular, the policy aims to:

- ensure the network is upgraded using flexible, resilient, state-of-the-art infrastructure to develop solutions that support the energy transition and enable its assets for the transportation of renewable (or green) gases;
- promote initiatives for the protection of natural resources by planning, building, operating and decommissioning infrastructure and facilities in an environmentally sensitive manner.

The policy is regularly reviewed with a view to continuous improvement, with the aim of keeping it updated and consistent with the evolution of the production, commercial and corporate context.

Scope of application

The Policy applies to all assets used by Snam for the transportation of natural gas such as pipelines, booster stations, regulation, reduction, interception, mixing and measurement plants, as well as other ancillary plants necessary for the transportation and dispatching of gas.

References to third party standards or initiatives

ISO 55001 Standard.

For more information on the policies on Climate change, please refer to the chapter 'Internal regulatory system'.

In addition to the policies described, Snam uses specific **environmental management systems** as a further safeguard to ensure adequate management of the issue. These management systems are integrated into the broader corporate certification framework, based on compliance with legislative obligations and the improvement of the company's environmental aspects and compliant with **ISO 14001, ISO 9001 and ISO 50001**standards.

ISO 14001 and ISO 9001 are certifications also required in the supplier selection and qualification processes, which, consequently, must necessarily have management systems compliant with these standards. ISO 50001 represents a strategic tool for creating and maintaining an **Energy Management System (EMS)**, while **ISO 55001** defines the requirements for an efficient, effective and sustainable **corporate Asset Management System** throughout the entire life cycle, starting from the design phases, to the construction, testing, operation and surveillance of gas pipelines and plants. This allows to maximise the value of the assets, through which Snam creates shared value with all stakeholders, to continuously improve its energy performance and guarantees constant compliance with legal, regulatory and legislative requirements. Currently, ISO 55001 applies to the Snam Technical and Network Management Functions of Snam Rete Gas (head office Functions and North-Western and North-Eastern Districts and their Centres), and will be progressively extended to other asset-managing Functions. For more information on Snam's management systems, see the chapter 'Internal regulatory system'.

In order to verify the effectiveness of the management systems, an internal team of 8 auditors carries out audits in matters of health, safety and environment: In 2024, 296 audits were carried out, down compared to the previous year (-150), of which 160 at the various Group companies (of which 36 conducted by an external team) and 136 at third parties.
Furthermore, in the last four years, Snam has not paid any significant (>$10,000) HSE-related (environmental or ecological) fines.

TRANSITION PLAN FOR CLIMATE CHANGE MITIGATION

In October 2024, Snam presented its first **Transition Plan**, a clear and transparent roadmap towards Net Zero by 2050, to support the decarbonisation of the energy system.

The Transition Plan, approved by Snam's Board of Directors and developed on the basis of the Transition Plan Taskforce (TPT) Disclosure Framework, outlines the objectives, actions and resources that the company will implement towards a **low-carbon economy**, supported by **clear governance**, with actionable initiatives on emissions containment and biodiversity and the growing role of sustainable finance.

The Transition Plan is an integral part of the corporate strategy and aligned with financial planning, in fact:

- **includes a concrete commitment to decarbonisation and a focus on biodiversity, with clear and concrete steps to reach Net Zero by 2050 and a positive impact on Nature by 2027. This commitment is supported by a robust governance system and careful oversight of climate issues, accompanied by a robust remuneration framework;**
- **it is supported by the company's Governance and Engagement strategies, which include long-term energy transition scenarios consistent with the Strategic Plan and sustainable finance initiatives (e.g. green bonds);**
- **provides, among other things, Consolidated Sustainability Statement in accordance with the provisions of the CSRD and with coordination overseen by the Supervisory Bodies;**
- **provides for the management of the company's main risks and opportunities, including those on climate change, within the Enterprise Risk Management (ERM) model, ensuring that the company's financial planning is aligned with sustainability objectives and that periodic financial and non-financial reporting accurately represents the company's business model, strategies and impacts;**
- **includes specific KPIs and targets (linked to incentivising the Leadership Team) aligned with the company's sustainable finance framework, ensuring that the company's financial planning supports its strategic sustainability goals.**

The document is based on **long-term energy scenarios** which represent the most up-to-date evolution of Italian energy demand, in line with those developed jointly with the Italian electricity transportation operator, the National Integrated Plan for Energy and Climate (NECP) 2024 and the European scenarios of the sector, such as those developed by the continental electricity and gas network operators (ENTSOs). These references establish the context in which Snam will operate by 2040, extending the time frame, for the first time, to 2050, to complete the transition path to Net Zero. For more information on the reference scenarios, please refer the chapter 'Strategy and business model, Snam's scenarios'.

A thorough risk assessment across all scenarios confirms the **Multi-molecule business model resilience** of Snam, based mainly on the use and physical risk exposure of assets along the entire journey to 2050 and beyond. The analyses have shown that Snam's assets are extremely resilient on the path to Net Zero and beyond, and are essential for the transition to carbon neutrality, especially for the energy and hard-to-abate sectors.

All investments in network development are subject to cost-benefit analyses required by the regulator and, in many cases, public consultation to ensure they are necessary and in the best interests of the system.

The Transition Plan outlines Snam's path towards Net Zero based on two main pillars: the **reduction of emissions and the minimisation of the impact on biodiversity**.

As part of its climate strategy, Snam is firmly committed to achieving **carbon neutrality** by 2040 (for Scope 1 and 2 emissions) and **Net Zero** for all emissions, including Scope 3, by 2050. The emission reduction targets, defined according to the SBTi (Science-Based Targets initiative) generic methodology pending the publication of the sectoral reference methodology, are in line with the objective of containing global warming to within 1.5°C (with reference to the Scope 1 and Scope 2 GHG emission reduction targets) and with reference to the Scope 3 GHG emission reduction target, with the objective of containing global warming between 1.5°C and well below 2°C for the medium-term targets - to 2032 - and within 1.5°C for the long-term targets - to 2050 - set out in the Paris Agreement.

For more information on the decarbonisation and biodiversity strategy, please refer to the chapters 'Strategy and business model, Sustainability strategy' and 'Climate change, Objectives'.

To reduce its Scope 1 and Scope 2 GHG emissions, the main decarbonisation levers are (i) methane leakage reduction activities (-16%/17%); (ii) the consumption of biomethane; (iii) installation of electric compressors (ELCO); (iv) the increase of renewable energy and energy efficiency activities; part of the reduction is then attributable to (v) changes in the context[77] and to the optimisation of dispatching activities. By 2040, the contribution of the last three levers is closely interconnected, with the commissioning of 19 dual-fuel plants and the replacement of gas compressors with ELCO expected to lead to a 62% reduction in the use of natural gas for transportation and storage activities, in favour of electricity from renewable sources.
Thanks to the effective implementation of all levers, emissions are expected to be reduced by 86% from 2022 (base year) to 2040. Starting in 2040, residual emissions will be offset through the purchase of high-quality carbon credits to achieve Carbon Neutrality. In order to achieve the Net Zero target, between 2040 and 2050, emissions will achieve a reduction of at least 90% compared to 2022, and only residual emissions will be offset with carbon credits generated by projects that permanently remove CO_2.

The 2030 Scope 3 GHG emissions targets will be achieved in particular as a result of the reduction of emissions related to the associates (-13/15%) and the supply chain (-10/12%). Reduction activities in other emission categories will also contribute to achieving the targets.
For more information on the contribution of decarbonisation levers, please refer to the chapters 'Strategy and business model, Sustainability strategy, Carbon Neutrality and Net Zero strategy'.

With regard to biodiversity, Snam already operates under a Zero Net Conversion regime and intends to generate a positive impact on nature by 2027, which includes the complete restoration of vegetation and landscape *ex ante* the construction of the works combined with defined policies on land, water and waste management.

For more information on the biodiversity strategy, please refer to the chapters 'Strategy and business model, Sustainability strategy' and 'Biodiversity and ecosystems, Objectives'.

The quantity of greenhouse gases emitted by Snam is carefully monitored and managed to ensure that they do not compromise the company's emissions reduction targets. Snam carries out a qualitative assessment of the locked-in GHG emissions[78] arising from its key activities, assessing how these emissions may impact the achievement of decarbonisation targets[79].
The decarbonisation trajectory envisaged by Snam and the investments in the Plan will contribute to a significant reduction in GHG emissions, however some of Snam's key products and assets will be responsible for locked-in emissions that could compromise the achievement of the reduction targets set. These emissions depend on:

- point source methane emissions typically related to maintenance (i.e. venting);
- pneumatic emissions, related to gas-operated actuators;
- fugitive emissions, linked to the network's holdings and functional to its complexity;

[77] Differences in demand for gas, stored and regasified gas, including the direction of flows compared to 2022.
[78] In the next few years, locked-in natural gas emissions expressed in tCO_2e are expected to be equal to: 369,613 in 2025; 348,587 in 2026; 325,717 in 2027; 302,662 in 2028; 289,014 in 2029; 275,181 in 2030; 229,256 in 2050. The values of locked-in natural gas emissions were estimated assuming a percentage of CH_4 in natural gas equal to 91% and a GWP of methane equal to 29.8 a in accordance with the indications of the scientific study of the Intergovernmental Panel on Climate Change (IPCC) 'Sixth Assessment Report IPCC'.
[79] From the analyses carried out, Snam does not appear to be exposed to material transition risks relating to the quantity of GHGs.

- indirect emissions resulting from the share of fossil electricity supplied for the Group's electricity consumption;
- indirect emissions from the value chain (Scope 3 GHG emissions).

Unlike emissions from burning fossil fuels for energy production, which can be avoided by using energy produced from renewable energy sources, including biomethane, methane emissions cannot be eliminated but only reduced to an incompressible minimum.

The company has made significant progress in implementing the plan, with investments aimed at reducing greenhouse gas emissions and increasing energy efficiency through the implementation of an Energy System gradually extended to the entire company and the implementation of energy efficiency interventions.
In particular, the EU Taxonomy-aligned CapEx resources identified in this area refer to an actual value of €882 million for 2024. Within this category, CapEx aligned to the EU Taxonomy incurred for the following activities:

- construction of infrastructure for connecting biomethane production plants to Snam's transport infrastructure;
- construction of hybrid power plants that involve the replacement of turbochargers with electric compressors;
- replacements, variations and/or reconstructions of methane pipelines aimed at increasing hydrogen blending;
- initiatives related to the monitoring and reduction of methane emissions and Leak Detection and Repair (LDAR);
- construction of new buildings;
- Decarbonisation Projects relating to the construction and repurposing of CO_2pipelines;
- biomethane production by Bioenerys;
- energy efficiency activities by Renovit.

With particular reference to methane emissions, Snam has joined the UN OGMP protocol and has launched several initiatives to reduce them and, consequently, reduce locked-in emissions, including LDAR, the replacement of valves and pneumatic instrumentation, the use of recompression during interventions on the network and in the pumping stations, the lowering of the gas discharge pressure during interventions on the network and the use of the hot-tapping technique to make derivations or connections on operating pipelines.

Furthermore, Snam has developed detailed plans to manage, transform, decommission or gradually abandon its greenhouse gas intensive and energy intensive assets and products, in line with its decarbonisation strategy and sustainability objectives. In particular, the methane emission reduction plans include replacement activities or monitoring and repair of the most emitting components.
The activities described, already started in previous years, were carried out during 2024 and some of them will be completed between 2025 and 2026, while the installation of new thermal power plants is expected to be completed in 2036. In particular:

- of the 8 storage plants affected by the replacement of plug pressurising valves with ball valves, between 2023 and 2024, the activity has already been concluded in 6 of these;
- 7 skids with high-efficiency boilers were installed in the pressure reduction plants of Snam Rete Gas, as part of the installation of new thermal power plants;
- 16 recompression interventions were carried out (for the network) with a recovered gas volume of 5.7 Mmc;
- 6 interventions were carried out to replace the system vent valve or install a double valve at SRG's PIG launch/reception plants;
- the activity of replacement/elimination of high emission control and command devices on the control valves with a regulating function is being completed;
- the initiatives to install a reserve compressor to compress the boil-off in the network and to replace the tank vent valves at the Panigaglia LNG plant are nearing completion and will be concluded in 2025;
- the periodic Leak Detection & Repair activity continued and at the same time the first monitoring required by the European Regulation on methane emissions began. To this end, 10,055 network points and facilities were monitored, in line with the forecast to complete the first Type 2 LDAR by August 2025 as required by the EU Regulation.

In addition, Snam has for years dedicated several investments to the development of infrastructure elements for biomethane and hydrogen.

For more information on the progress made by Snam in implementing the Transition Plan, please refer to the chapter 'Climate Change, Actions and metrics'.

The commitments in the **decarbonisation of the energy system**, described above, which leverage the key role in the development of transition activities: biomethane, hydrogen, carbon capture and storage and energy efficiency are supported by a solid investment programme of €27 billion for the period 2025-2034. The first part from 2025 to 2029, with €12.4 billion (net of public funding), focuses on maintaining the reliability and resilience of assets worldwide, combined with the simultaneous reduction of their carbon footprint. In the long term (2030-2034), overall investment opportunities will come to €14.7 billion (net of public funding) for supporting the evolution of the energy system, including the repurposing of existing infrastructure elements towards a multi-molecule system. In particular, the scale-up of the H_2 backbone and the Ravenna CCS project, together with the acceleration of the development of dual-fuel compressor stations, will lead to a significant increase of the EU Taxonomy-aligned CapEx from 41% (2025-2029) to 48% (2030-2034). For more information, please refer to the 'European Taxonomy for Environmentally Sustainable Activities' chapter and Annex 4.

Sustainable finance will support Snam's broader strategy and transition efforts, in line with the Group's sustainability goals, the share of which will further increase to 90% by 2029. Snam's sustainability-linked instruments adjust their financial characteristics depending on whether certain Sustainability KPIs are achieved or not by a set date, thus strengthening the company's commitment to achieving its decarbonisation targets: over 50% of sustainable financing today is linked to emissions reduction indicators, further confirming Snam's broader commitment to sustainability.

The plan is also supported by active third-party engagement and ongoing dialogue with all stakeholders, underpinned by robust oversight of climate commitments and a robust governance system, which since 2021 incorporates the energy transition into the company statute and establishes, among other things, a remuneration policy consistent with sustainability objectives.

In accordance with the exclusion criteria of the European Commission Delegated Regulation on rules for climate benchmarks (Regulation 2020/1818), the company is excluded from the EU Paris-aligned benchmarks, as more than 50% of Snam's revenues derive from the distribution of fuel gases.

Please note that Snam does not have objectives or plans (CapEx, CapEx plans, OpEx) aimed at aligning its economic activities with the criteria set out in the Delegated Regulation (EU) 2021/2039 of the European Commission. However, the new Strategic Plan is expected to further improve the investment mix, dedicating a significant portion of it to projects, which will contribute to increasing the percentage of alignment of Snam's activities with the Delegated Regulation (EU) 2021/2039.
For more information on the Taxonomy, please refer to the chapter 'Climate Change, European Taxonomy for Environmentally Sustainable Activities'.

TARGETS

KPI		Baseline and base year		Performance 2022	Performance 2023	Performance 2024	Target		Performance 2024 vs. target
GREEN TRANSITION									
Avoided & Captured CO_2 emissions ($ktCO_2e$) [1]	SCORECARD	70	in 2022	70	103	107	105	by 2024	✓
							147	by 2025	⚙
							875	by 2029	
H_2 readiness length of network certified (km) [2]	SCORECARD	750	in 2022	750	1,513	2,068	1,900	by 2024	✓
							2,400	by 2025	⚙
							3,200	by 2029	
MULTI-MOLECULE INFRASTRUCTURE									
Production of biomethane (Mscm) [3]	SCORECARD	0	in 2020	19.1	24.4	18.5	20	by 2024	⊘
							30	by 2025	⚙
							0	by 2029	
Invest. related to the CCS Ravenna Project Phase 1+2 (€M) [4]	SCORECARD	20	in 2022	20.3	65.1	111	120	by 2024	⊘
							178	by 2025	⚙
							626	by 2029	
CARBON NEUTRALITY									
Reduction of total natural gas emissions (% compared to 2015) [5]	SCORECARD	49.7	in 2015	(45)	(57)	(63)	(58)	by 2024	✓
							(60)	by 2025	⚙
							(65)	by 2027	
							(69)	by 2029	
							(70)	by 2030	
							(72)	by 2032	
RES on total electricity purchased (%) [6]	SCORECARD	44	in 2021	59	63	61	60-65	by 2024	✓
							70-75	by 2025	⚙
							100	by 2029	
Spending on total procured with decarb. plan from suppliers (%) [7]	SCORECARD	23	in 2023	-	23	41	25	by 2024	✓
							35	by 2025	⚙
							50	by 2029	

KPI		Baseline and base year	Performance 2022	Performance 2023	Performance 2024	Target		Performance 2024 vs. target
Scope 1 and 2 CO_2 emissions reduction (% compared to 2022) [8]	SCORECARD, CARBON NEUTRALITY	1,530 $ktCO_2e$ in 2022	—	(10)	(29)	(25)	by 2027	⚙
						(40)	by 2030	
						(50)	by 2032	
						(86)	by 2040	
						(90)	by 2050	
Scope 3 CO_2 emissions reduction (% compared to 2022) [9	SCORECARD, CARBON NEUTRALITY	1,631 $ktCO_2e$ in 2022	—	(4)	(15)	(30)	by 2030	⚙
						(35)	by 2032	
						(90)	by 2050	

SCORECARD KPIs included on the Sustainability Scorecard | CARBON NEUTRALITY KPI included in the Carbon Neutrality Strategy | Target reached | ⚙ Target in progress | Target not reached

Notes:
- the targets shown refer to the entire Snam Group, unless otherwise indicated. For more information on the scope, please refer to the chapter 'Introduction and guide to reading the document, General basis for the preparation of the Consolidated Sustainability Statement';
- the underlying methodologies, applied in the calculation of the objectives, are the result of the internal development of the functions responsible for the supervision and monitoring of the objectives themselves, unless otherwise indicated.

[1] The target was renamed. In previous years it was 'CO_2 emissions avoided'. The target is calculated as the sum of emissions avoided through biomethane and energy efficiency business activities and captured emissions (the latter being 0 $ktCO_2e$ in 2024). It calculates the CO_2e emissions avoided by Renovit's energy saving measures on residential, industrial, tertiary and public administration buildings and the CO_2e emissions avoided by using biomethane produced by Bioenerys instead of fossil gas. Renovit's avoided emissions are calculated based on the energy saving, determined based on the type of intervention. For 110% condominiums, the reduction is calculated as the difference between the APE before and after the intervention; for photovoltaic, energy service and CHP, the difference between the monitored data (production or consumption) and the contractual baseline is considered. For non-monitored efficiency interventions (tertiary/industrial), the estimated energy savings for TEE or thermal account are used. Bioenerys' avoided emissions are calculated by multiplying the biomethane volumes (Msc) by its lower heating value (LHV or PCI, GJ/1000 Smc) and the emission factor of natural fossil gas (from Ispra, t CO_2/TJ), indicating the emissions that would have occurred with the use of fossil gas (compared to the use of biomethane). Although the use of biomethane would result in lower CO_2 emissions than the use of methane gas, this consumption would also result in the production of biogenic emissions. For more details on biogenic emissions and the method of calculating such emissions, please refer to the information provided in the section "Key performance indicators" of this chapter.
The value of the target for 2029 consists of the contribution of two business areas: i) the Ravenna Carbon Capture and Storage (CCS) project, developed in a 50% joint venture with Eni; ii) Energy Efficiency, which contributes to avoid 150 $ktCO_2e$ (order of magnitude in line with the 2025 target). The estimate of the impact of the Ravenna CCS project was built considering an injection capacity of 1,600 kton for 2029, from which GHG produced during the construction of the Hub, emissions due to storage and losses were subtracted for a total of 149 kton of CO_2e produced. Consequently, we land on a total of 1,451 kton of GHG avoided by the project for which, being a joint venture with Eni, we considered an impact on the Snam side of approx. 725$ktCO_2e$ (1,451*50%). The sum, therefore, of the impacts of the two business lines (Energy Efficiency and Snam S.p.a. – CCS Ravenna) is 875 $ktCO_2e$.
[2] Certification of the suitability of existing network materials for the transportation of H_2, in accordance with the applicable requirements given in report P0027355-1-H2, defined according to the methodology described in RINA document GUI.16 'Guide for Technology Qualification Processes' of 15 December 2016 and based on ASME standard B31.12 'Hydrogen Piping and Pipelines' (2019 edition). The target applies to a statistically significant subset of the existing transportation network and therefore refers to activity on the national territory.
[3] Biomethane production by Bioenerys. The figure corresponds to gross biomethane production. The scope of the indicator for 2023 refers to Bioenerys Ambiente S.r.l. and Bioenerys Agri S.r.l.. The 2024 performance, equal to 18.5 Mscm, refers to the biomethane fed into the network in millions of standard cubic metres (Mscm) and certified by Snam Rete Gas. The 2023 final performance includes 7.9 Mscm related to Biomethane plants that left the Snam perimeter in October 2023 (therefore they no longer contributed in 2024), therefore with the same perimeter, in 2023 the result would be 16.5 Mscm.
[4] Cumulative figure for the period 2022-2029 net of contributions, dilution and goodwill due to Eni. CapEx invested according to i) the business plan agreed between Snam and Eni, referring to the development of the storage facilities of the Ravenna CCS Project during phases 1+2 (experimental phase and industrial phase), and ii) the business plan developed solely by Snam, referring to the development of the onshore transportation system of Ravenna CCS via pipeline.
[5] The target 'Reduction of natural gas emissions vs. 2015 (%)' is calculated as the percentage of the ratio between: as the numerator the difference between total natural gas emissions in the base year and total natural gas emissions in 2015, and as the denominator the total natural gas emissions in 2015.
[6] The target has been renamed and the methodology updated to allow for the scope to be extended to FSRU. In previous years it was 'RES on total energy consumed'. The following is a list of performances for 2019 and the three-year period 2022-2024: 2019 (base year) - 44%, 2022 - 59%, 2023 - 65%, 2024 - 31%. The updated target refers to the perimeter of the regulated sector and is calculated as the percentage of the ratio between the total consumption of electricity purchased from renewable sources and the total consumption of electricity purchased.
[7] The target 'Expenditure on total procured with decarbonisation plans received from suppliers (%)' refers to the product groups relating to the 'Top Emitters' (year by year) for which the decarbonisation plan has been received. The perimeter of the target corresponds to: Snam S.P.A., Snam Rete Gas, GNL Italia, Stogit, Enura, FSRU Italia, Greenture and Cubogas. The figure has been calculated starting from 2023 as the percentage of the ratio between the amount procured from contracts for which a compliant decarbonisation plan has been received and the total amount procured.
[8] The Scope 1 and Scope 2 GHG emission reduction targets are defined on the basis of emission projections, estimated in line with the gas demand scenarios defined by Snam. The benefits of decarbonisation levers are taken into account in the process and their impact is also estimated. For more information on the emission reduction targets, please refer to the paragraph 'The Carbon Neutrality and Net Zero strategy' in the chapter 'Strategy and business model'.
[9] The Scope 3 GHG emission reduction targets are defined by integrating the results of multiple estimates relating to the GHG Protocol categories concerning the perimeter of Snam's regulated business. For further information on the emissions reduction targets, please refer to the paragraph 'The Carbon Neutrality and Net Zero strategy' in the chapter 'Strategy and business model'.

The objectives of the Sustainability Scorecard contribute to the achievement of the objectives of the sustainability strategy and the HSEEQ Policy, with particular reference to those relating to the reduction of emissions, the use of energy from renewable sources, the diffusion of green gases and CCS technologies. Furthermore, the targets contribute to managing the material impacts, risks and opportunities related to climate change listed in the paragraph 'Material topics, impacts, risks and opportunities' of this chapter.

All the objectives set for 2024 have been achieved and are in line with those set for 2025 and 2029, with the exception of those relating to biomethane production and investments in the Ravenna CCS project.

Net of a slight delay in reaching the estimated production due to the start-up of a new plant, the 2024 biomethane production is in line with the planned targets.

For the target 'Investments related to the Ravenna CCS project', the Final Investment Decision (FID) has been postponed from Q2 2025 to Q4 2026, causing a delay in the capital expenditure (CapEx) plans. This delay is due to the longer than expected time needed to meet the required conditions, including regulatory and legislative framework, emitter availability and storage approval, due to the high degree of innovation and complexity of the new technology.

A brief description of the performances recorded in 2024 of the targets achieved follows:

- CO_2 emissions avoided and captured: the contributions of the Renovit and Bioenerys businesses allowed, in 2024, the achievement of results in line with the set target;
- Certified 'H_2-ready' network: the results achieved during 2024 are in line with the performances expected by the target;
- Reduction of total natural gas emissions vs. 2015: in 2024, a significant reduction in network fugitive and pneumatic emissions was achieved due to reduction initiatives implemented by Snam;
- RES out of total energy purchased: the KPI trend has been constantly increasing in recent years, the slight reduction recorded in 2024 is due to the lower use of green electricity from the Panigaglia site due to the marked lower operations compared to 2023;
- Spending on total procured with decarb. plan from suppliers: total procurement spend in line with the supplier decarbonisation plan is growing steadily, contributing to the reduction of Scope 3 emissions through the progressive integration of ESG criteria in tenders and the strengthening of partner engagement and data accuracy. However, 41% of procurement comes from SMEs, which often have limited resources to manage sustainability in a structured way, while 81% of purchases are made through public auctions, with more stringent constraints on supplier selection. Progress is in line with the expected objectives, while taking into account the challenges related to the specificities of the sector.

For more information on the targets of the Sustainability Scorecard, please refer to the paragraph 'Strategy and business model, The Sustainability Scorecard'.

Progress on emission reduction targets

Scope 1 and Scope 2

In its Carbon Neutrality and Net Zero strategy, Snam has outlined a clear decarbonisation pathway for Scope 1 and Scope 2 GHG emissions from the regulated business' activities[80], setting itself intermediate targets for 2027, 2030 and 2032 compared to 2022 levels. The ultimate goal is to achieve carbon neutrality by 2040 across the entire Snam group perimeter, and to reach net zero emissions in 2050.

In 2024, for the target perimeter alone (adjusted), including FSRUs, Scope 1 and 2 emissions amounted to 1.095 million tonnes CO_2eq, marking a reduction of 25% compared to the absolute value in 2022, net of FSRUs. The reduction in emissions increases to 29% when also considering the share of FSRU.
This reduction was achieved due to various factors, including a 3.5% reduction in gas transported and a 12% reduction in gas input on the southern backbones, which are the most energy-intensive backbones for gas transport compared to the consumption points, also affected by the shutdown of the OLT regasifier in 2024. Finally, there is also positive feedback from the optimisation of network flows.

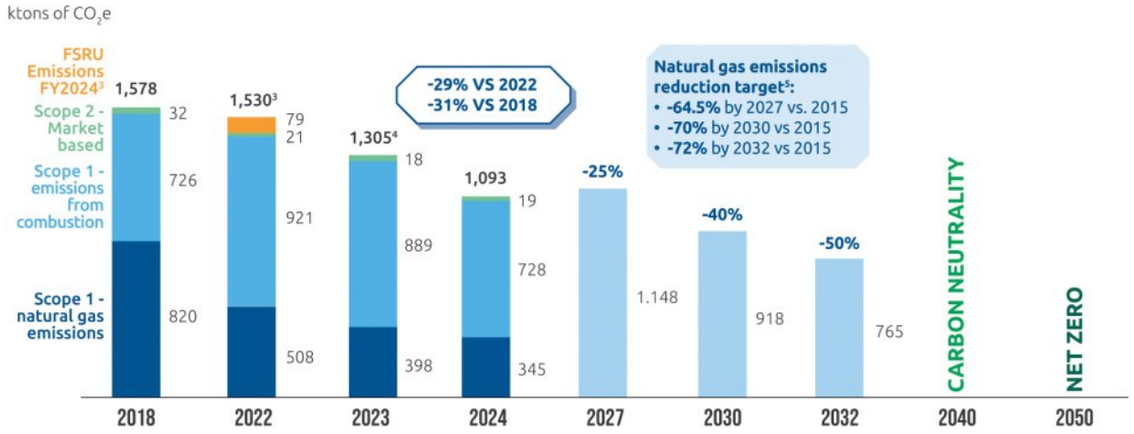
Snam recorded significant progress in reducing emissions, in line with the communicated objectives. Scope 1 and 2 emissions for the regulated perimeter, including FSRUs, amounted to 1,093 million tonnes of CO_2, a reduction of 29% compared to 2022. This result was achieved thanks to targeted interventions, including the optimisation of network flows, the reduction of gas transported and entering the most energy-intensive backbones and the shutdown of the Offshore LNG Toscana regasification plant.

For more information, please refer to the section 'Strategy, Carbon Neutrality Strategy and Net Zero'.

See below for progress on the reduction targets, with reference to Scope 1 and market-based Scope 2 GHG emissions and related targets up to 2050. Natural gas emission targets will contribute to achieving these goals.

[80] Since 2000, under European regulations on the liberalisation of the energy sector in Europe (main regulations: Directive 2009/73/EC of the European Parliament and the European Council and the preceding 2003/55/EC and 98/30/EC) and Italian regulation (mainly Legislative Decree 164/2000 and subsequent amendments) regulated activities in the gas sector have referred to activities related to transport, storage, regasification and distribution infrastructure elements and related services. According to national legislation, these activities in Italy are subject to regulation by the Regulatory Authority for Energy Networks and the Environment (established by Law 481/1995 as amended).

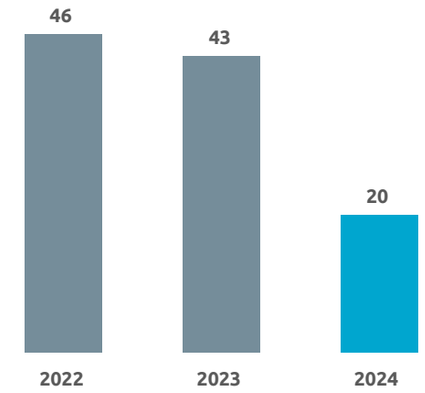
SCOPE 1 AND SCOPE 2 EMISSIONS[1] REDUCTION VS. 2022 - TARGET PERIMETER[2]



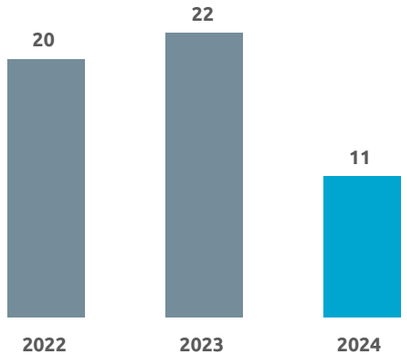
1. The total values of Scope 1 and 2 Market based GHG emissions also considering HFC emissions (2018 = 0; 2022 = 1; 2023 = 0.6; 2024 = 0.9).
2. The 2027, 2030 and 2032 Scope 1 and 2 emission reduction targets refer to the regulated business perimeter, while the 2040 Carbon Neutrality target and the 2050 Net Zero target refer to the Snam Group perimeter.
3. Baseline 2022 recalculated by including the full 2024 emissions of FSRUs, in line with Snam's *Recalculation Policy*.
4. FSRU emissions were not included in the 2023 target, but are included in the 2024 target as the company's first year of full operation.
5. On the perimeter of the Snam Group.

Snam has been monitoring three intensity indices for some years; their performance is illustrated below:

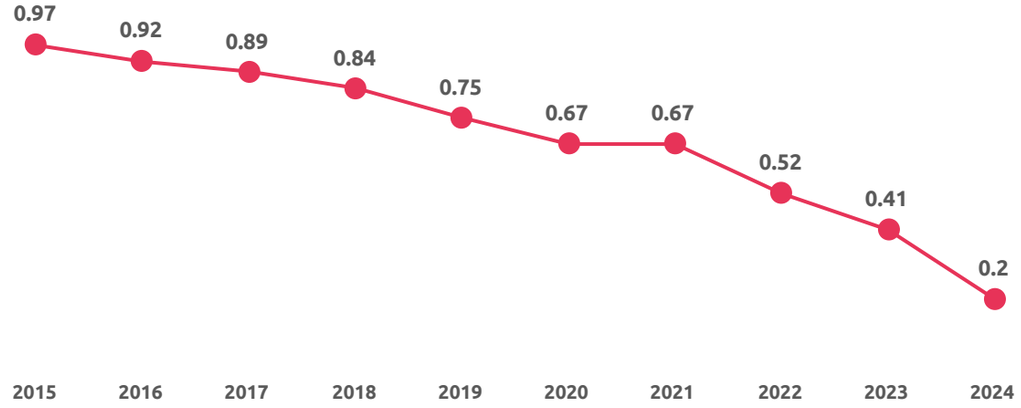
SCOPE 1 AND 2 GHG EMISSIONS PER KM OF NETWORK 2022-2024, TON CO_2E/KM



SCOPE 1 AND 2 MB GHG EMISSIONS VS. TRANSPORTED GAS 2022-2024, TON CO_2E/MLN SM^3



METHANE EMISSIONS PER KM OF NETWORK 2015-2024, TON CH_4/KM



Scope 3

In its Carbon Neutrality and Net Zero strategy, Snam has outlined a clear decarbonisation pathway for Scope 3 GHG (greenhouse gas) emissions from regulated business activities, setting intermediate targets for 2030 and 2032 compared to 2022 levels, to subsequently achieve carbon neutrality by 2040 across the entire Snam group, until the achievement of zero net emissions by 2050.

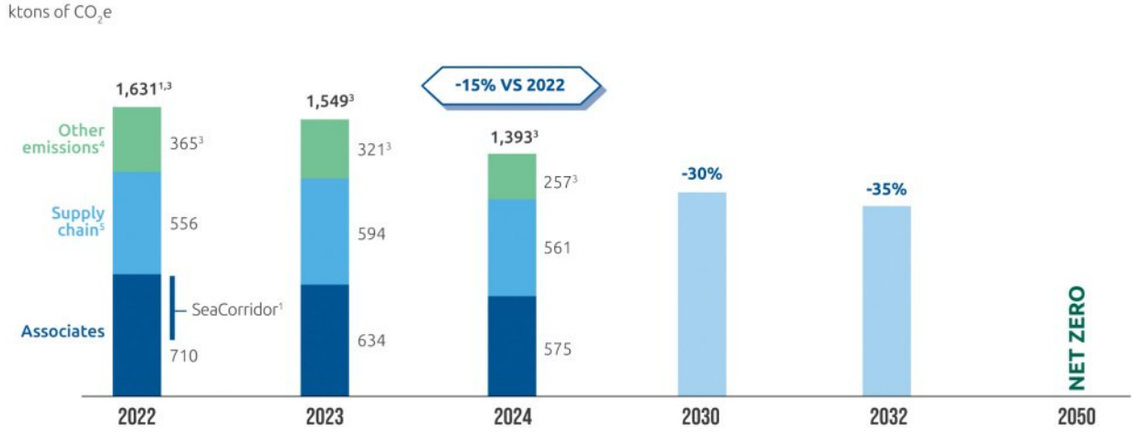
Considering the target perimeter, there is a -15% decrease in emissions compared to 2022.

In 2024, supply chain emissions increased by 0.9% vs 2022 while they decreased by 5.6% vs 2023. This result is in line with expectations as it was achieved despite the value of orders increasing by 36% compared to 2022, corresponding to a 27% decrease in emission intensity.
This result was achieved thanks to numerous engagement and awareness initiatives in the supply chain, which meant that in 2024 emissions from primary data covered 83% of total emissions.

Emissions from participating companies, on the other hand, decreased by 19% vs 2022 and by 9% vs 2023. In particular, the most impactful changes compared to 2023 are linked to the reduction in flows transported by SeaCorridor. The reduction also affected Interconnector, TAG and OLT - the latter due to extraordinary maintenance that led to the asset being stopped for several months during the year - while there was an increase in DESFA emissions.

Among the other Scope 3 emissions, the Fuel & energy category is the most material and compared to 2022 this category has decreased by 30% following the decrease in consumption.

SCOPE 3 EMISSIONS[1] REDUCTION VS. 2022 - TARGET PERIMETER[2]



1. The SeaCorridor acquisition closed in 2023, but was included in the 2022 baseline.
2. The 2030 and 2032 Scope 3 emission reduction targets refer to the regulated business perimeter, while the 2050 Net Zero target refers to the Snam Group perimeter.
3. Emissions from the production and transmission of fuels and electricity have been restated following the change in the emission factor database in line with Snam's *Recalculation Policy*.
4. Includes these categories: 3. Fuel-and-energy-related activities (not included in Scope 1 or 2), 6. Business travel, 7. Employee commuting.
5. Includes these categories: 1. Purchase of goods and services, 2. Capital goods, 4. Upstream transport and distribution, 5. Waste generated in operations, 8. Upstream leased assets.

ACTIONS & METRICS

ACTIONS IMPLEMENTED AND PLANNED AND RELATED RESOURCES ALLOCATED IN RELATION TO CLIMATE CHANGE

	2024	
KPI	CapEx	OpEx
Amount of current financial resources allocated to climate change actions (€ million)	906	259
Amount of future financial resources earmarked for climate change actions (€ million) [1]	5,860	2,210

Notes:
- the data refer to the entire Snam Group, unless otherwise indicated. For more information on the scope, please refer to the chapter 'Introduction and guide to reading the document, General basis for the preparation of the Consolidated Sustainability Statement';
- with reference to Bioenerys and Renovit, CapEx and OpEx are included in the topic 'Climate Change';
- financial resources may give rise to operating costs (see Note 29 Operating costs and charges in the Notes to the Consolidated Financial Statements) or, if the conditions apply and if strictly related to an investment, may give rise to CapEx (see Note 8 Property, plant and equipment and Note 9 Intangible assets in the Notes to the Consolidated Financial Statements);
- for more information, please refer to the chapter 'Actions and resources in relation to material sustainability matters' in the 'General information' section.

[1] Future financial resources consider the Plan period.

The main significant amounts of CapEx and OpEx are associated with activities aligned to the EU Taxonomy, current and future, and concern in particular:
- construction of infrastructure for connecting biomethane production plants to Snam's transport infrastructure;
- construction of hybrid power plants: replacement of turbochargers with electric compressors;
- replacements/variants/remakes of gas pipelines aimed at increasing hydrogen blending;
- initiatives relating to the monitoring and reduction of methane emissions and leak detection;
- construction of new buildings (Symbiosis project);
- Decarbonisation projects: construction and repurposing of CO_2 pipelines;
- Biomethane production by the Bioenerys company;
- Energy efficiency activities of the Renovit company.

The main discrepancies between the reported significant amounts of CapEx and OpEx and the key performance indicators referred to in Delegated Regulation (EU) 2021/2178 arise from the presence of activities that are not eligible under the taxonomy, including: emission reduction interventions not directly aligned with the taxonomy (for example, the installation of electric compressor stations for gas storage activities) and energy efficiency interventions of buildings not attributable to the eligible activities defined by the regulation.

A CapEx plan specifically aligned with Delegated Regulation (EU) 2021/2178 has not been prepared, therefore there is no formal correlation between the planned actions and the CapEx plan required by the Regulation.
With the aim of supporting the energy transition and the decarbonisation process, Snam - during 2024 - obtained the concession of public funding:

- for Research and Development projects in the field of Hydrogen and CCS, under the European funding programmes Horizon Europe and Clean Hydrogen Partnership;
- for the construction of the Gigafactory project - in joint venture with De Nora, of which Snam holds a 10% share. The initiative, authorised by the European Commission under IPCEI H_2 Technology in 2022 for a total amount of public contribution of approximately €63 million, had already obtained the concession of the first tranche of financing in 2023 for an amount of approximately €32 million under the NRRP.

Furthermore, as part of the NRRP measure aimed at supporting biomethane production, Snam, through its subsidiaries of the Bioenerys group, was awarded nine projects in the first four auction sessions announced by GSE between 2023 and 2024.

For the financing component, Snam uses many financial instruments defined as '**general corporate purpose**', the proceeds of which are used to finance corporate initiatives and projects in line with the corporate objectives and the Strategic Plan. In addition to these tools, Snam also adopts '**use of proceeds**' tools to finance some coherent transition projects aligned with the corporate strategic plan, as well as with the Snam's**Sustainable Finance Framework** and detailed in the Sustainable Finance Annual Report 2024, theallocation report drawn up in line with the International Capital Market Association (ICMA) standards for the issuance of Use of Proceeds instruments.

With reference to 2024, approximately 89% of the CapEx related to the theme 'Climate Change' was financed with 'use of proceeds' sustainable finance instruments.

The actions implemented by Snam to improve energy efficiency and reduce emissions, described in the following paragraphs, involved gas transportation, storage and regasification activities and energy transition businesses, extending across the entire national territory, with specific interventions at compression and storage plants, as well as the Panigaglia regasification terminal and biomethane production plants and energy efficiency interventions in the private and public sectors of an industrial and civil nature.
Stakeholder groups involved include regulators, local communities, suppliers and customers, with a particular focus on collaborating with government bodies and environmental organisations to ensure regulatory compliance and promote sustainable practices.

National and international activities: Snam and climate change

Snam has been involved in several major national and international initiatives on climate change for a number of years. A brief account of the activities developed during 2024 is given here.

MARCOGAZ – GIE

The European technical association of the gas industry (Marcogaz) and Gas Infrastructure Europe are two associations that are particularly active on issues related to climate change and methane emissions. In recent years, several documents have been developed that have become international industry benchmarks. Snam has actively participated in establishing these. During 2024, activities included the drafting of an interpretative document on the European regulation on methane emissions, published during 2024, and the completion of the document on Best Available Technologies (BAT) applicable in the gas industry for the containment of methane emissions.

The programme of activities to be carried out in the period 2025-27 has also been defined, which will focus on a number of issues of particular importance for the European gas industry. Some of the topics that will be covered are:

- Elaborating European reduction target for the midstream and downstream methane emissions (TSO / DSO);
- Emission related reporting Scope 1, 2, 3;
- Supportive subjects for methane and hydrogen legislation / standardisation;
- Industrial emission directive;
- EU BAT Reference documents (BREF): Large combustion plants;
- Developments of CEN documents related to emissions;
- H_2 emissions;
- Invoke Research activities CH_4;
- Follow up OGMP 2.0 activities.

GERG

The European Association for Gas Research in which there is active international cooperation on methane emissions. By adhering to the UNEP OGMP 2.0 framework, European gas companies, including Snam, decided to develop a research project to correlate methane emissions with the top-down and bottom-up methods provided for in international protocols, following the various phases. During 2024, the research activity continued in which the following were compared: different emission data reconciliation methods developed with top-down and bottom-up approaches.

CEN

Snam is following the implementation of several industry standards on methane emissions at CEN, the European standards body. During 2024, the work of the three working groups established at European level with the task of producing fundamental regulations for the gas industry relating to the quantification of methane emissions, LDAR (Leak Detection and Repair) and venting and flaring continued.

ITALIAN GAS COMMITTEE (CIG)

Snam is the representative of the Italian Gas Committee (CIG) at CEN for the initiative aimed at implementing sector legislation on methane emissions. Among the various activities, Snam also coordinates a specific working group relating to the supervision of technical activities of a regulatory nature on the topic of 'methane emissions' and has informed, again within the CIG, the Italian gas industry on the various activities that are being carried out at an international level on the topic of Climate Change and methane emissions in particular.

IGU

Set up by the International Gas Union, Snam participates in the Group of Experts on Methane Emissions (GEME), which is responsible for keeping the various players in the gas chain up to date with the latest news from around the world. During 2024, another working group was established, again within the IGU, relating to the review of the GHG Protocol.

METHANE GUIDING PRINCIPLES (MGP)

Snam has signed up to the Methane Guiding Principles (MGP), a partnership between oil and gas operators, across the entire value chain, and non-industrial organisations/research bodies/NGOs. Currently, the companies in the sector participating in MGP are committed to the following guiding principles:

- continuously reducing methane emissions;
- promoting high performance along the value chain;
- improving the accuracy of methane emission data;
- promoting appropriate policies and regulations on methane emissions;
- increasing transparency. As part of this, a specific group dedicated to midstream operators continued in 2024. Snam actively contributed to the group, sharing best-practices and experiences on the quantification and reduction of methane emissions.

AIMING FOR ZERO METHANE EMISSIONS INITIATIVE

This initiative, which Snam signed up to in 2023 (the only TSO), aims to achieve 'near zero' methane emissions for directly managed assets by 2030.

SNAM'S PARTICIPATION IN THE UN OGMP 2.0 PROTOCOL

In 2020, Snam joined the Oil & Gas Methane Partnership Protocol OGMP 2.0, a voluntary initiative launched by UNEP (United Nations Environment Programme) to support energy companies in reducing methane emissions. Several leading international oil & gas companies have joined the initiative.
Snam participates directly in the working tables with UNEP where work is being done to implement the application of the protocol; some of the actions carried out concerned the updating of the reporting activity as the reporting method was revised and the finalisation of some sector TGD - Technical Guidance Documents.
In 2024, Snam drew up its emission accounting in accordance with the reporting models provided for by the protocol, assessing all the different types of methane emissions and the various assets, including compressor stations for gas transportation, the storage concessions and the LNG regasification terminal in Panigaglia, including the plants in the transportation network and, as a new asset, the FSRU gas carrier. Implementation plans were also updated, describing the activities to be developed in the coming years. A particular aspect concerned the advocacy role of Snam, which involved all the associated companies including the new Sea Corridor company included for the first time in the reporting scope, with the aim of finalising the drafting of a specific action plan, which was subsequently transmitted to the UN within the established deadlines.

All these activities have allowed Snam to obtain and maintain the Gold Standard also in 2024, the maximum level envisaged by the UN protocol on methane emissions certified in the 2024 report published by the International Methane Observatory published by UNEP, an objective already achieved in all the years from 2021 to 2023. This recognition provides governments and the public with the assurance that Snam manages its emissions responsibly, tracks and monitors its progress with a structured and reliable methodology, and declares emission reduction and containment targets.
Snam has also voluntarily set a target to reduce natural gas emissions by 55% by 2025 compared to 2015 values, a target it already achieved in 2023, two years ahead of schedule. This target is more ambitious than those recommended for methane by both the Oil & Gas Methane Partnership OGMP 2.0 Protocol (-45% as at 2015) and the Global Methane Pledge (-30% as at 2030 compared to 2020 levels).

During 2023, Snam has set a new methane emissions reduction target for 2030 compared to 2015 equal to -70% in relation to the operational business, a target aligned with that recommended by OGMP 2.0.
In 2024, this target was equal to -63% vs. 2015, in line with the reduction trajectory planned by Snam, which also set two further reduction targets, equal to -64.5% in 2027 and -72% in 2032.

Energy consumption and mix

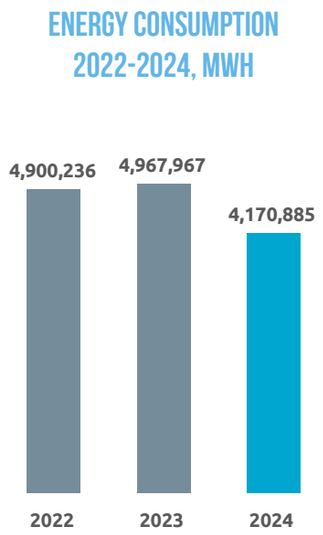
Energy efficiency is one of the main tools for decarbonisation, including to support economic, social and technological development at country level with lower costs and more competitive companies.

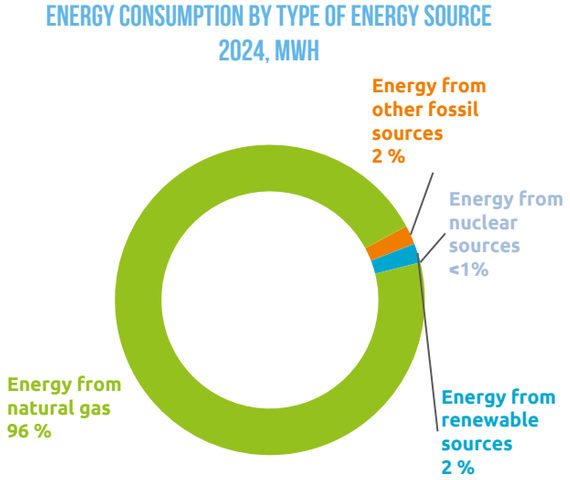
The actions implemented by Snam, described in the following paragraphs, demonstrate the Group's commitment to mitigating climate change and promoting a more sustainable energy future. The main energy management initiatives implemented are listed below:

- the installation of photovoltaic plants at the main premises for the production of green electricity;
- the installation of co-generators fuelled by biogas from the anaerobic digestion of agricultural waste or waste for the production of electricity;
- the acquisition of electricity from certified renewable sources through specific supply contracts;
- the installation of high-efficiency heat generators, in particular at gas reduction and regulation plants;
- the operation of trigeneration plants;
- investments in improving the energy efficiency of buildings;
- implementation of the ISO 50001-certified Energy Management System.

Energy consumed divided by type of energy source

In 2024, Snam's total energy consumption was equal to 4,170,885 MWh (-16% vs. 2023), almost entirely attributable to natural gas (96%, equal to 4,003,296 MWh) used mainly for the operation of the transport, storage and regasification plants and for Renovit's activities. 2% of energy consumption (94,451 MWh) comes from renewable sources, while the remaining part of the energy mix includes fuel from crude oil and petroleum products (diesel, petrol and LPG), electricity, heat, steam and cooling from fossil fuels, purchased or acquired and energy from nuclear sources which together equal 2% of total energy consumption.





The most significant proportion of Snam's energy consumption is related to the operation of gas turbines used by compression and storage plants. The energy consumed to allow the turbines to provide the necessary pressure to transport the gas along the national grid and its storage in the reservoirs depends on the amount of gas transported and stored and the distance between the entry point into the grid and the downstream redelivery point. The route that the gas must follow to reach the consumption areas (the barycentre point being currently just below the Po Valley) and, consequently, the necessary thrust and the number of compression plants involved, have a significant impact on energy requirements.

In particular, total gas transportation consumption decreased significantly (-29% vs. 2023), accounting for 54% of Snam's overall consumption. Storage consumption, which represents 24% of the total in 2024 compared to 16% in 2023, increases slightly compared to 2023 (+5%) while the quantity of stored gas decreases by -2%. As regards the Panigaglia gas regasification plant, which in 2024 represents 3% of Snam's global consumption (7% in 2023), there was a significant reduction in consumption (-62% compared to 2023), absolutely in line with the decrease in regasified gas (-63% compared to 2023). The FSRU plant, with a consumption that represents, in 2024, 7% of Snam's global consumption compared to 2% in 2023, recorded an increase of 173% vs. 2023, a value however lower than the quantity of regasified gas increased by +215% compared to 2023
Finally, energy transition businesses continued their activities, increasing their consumption by five percentage points, reaching 13% of the total.

	REGULATED BUSINESSES	NON-REGULATED BUSINESSES
Energy consumption by individual business segment	Gas transportation: 2,253,587 MWh (54% of total consumption)	Energy transition: 530,766 MWh (13% of total consumption)
	Gas storage: 1,001,371 MWh (24% of total consumption)	
	Regasification (considering the Panigaglia plant and the new FSRU): 377,156 MWh (9% of total consumption)	

For more information on consumption by individual business sectors, see 'Annex 2 - Data and performance indicators'.

In order to contain the energy consumption of the power plants, Snam has implemented an integrated management system of the power plant fleet based on the acquisition of real-time data and starting a programme to replace the valves and pneumatic actuators with low-emission or zero-emission models which is gradually being implemented and the existing turbocompressors with electrocompressors (ELCO), which will progressively affect all the compression plants. In this regard, the installation of the first ELCO is underway in the Malborghetto power plant, with the aim of further reducing emissions and improving energy efficiency.

Furthermore, to improve energy efficiency, the Group has launched various activities along the entire value chain, which will be completed in the coming years, fundamental for Snam's contribution to the objectives of sustainability and decarbonisation policies. In particular, Snam's action plan includes the replacement of pneumatic actuators powered by natural gas with air/electric actuators, the installation of LED lamps, the launch of gas recompression projects in the transportation network and in compression plants, and the replacement of heat generators with more efficient models on network plants, which will be completed by 2030.

The expected results of the climate change mitigation action plan include a significant reduction in natural gas emissions and improved energy efficiency, thus contributing to the achievement of the targets of reducing natural gas emissions by 70% by 2030 compared to 2015 levels and by 50% of global Scope 1 and 2 greenhouse gas emissions by 2032 compared to 2022.

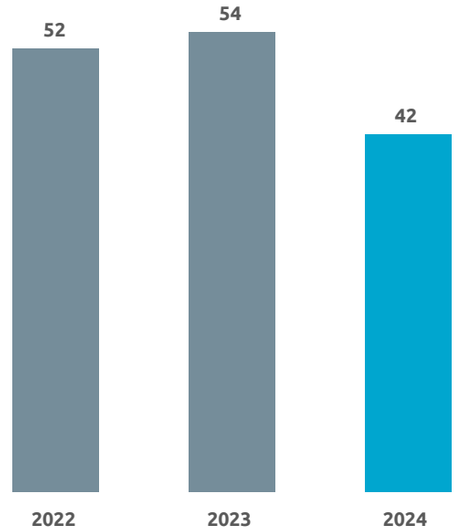
During the year, Snam confirmed its commitment to pursuing a path of progressive decarbonisation by also consuming energy from renewable energy sources. In particular, in 2024, Snam strengthened its commitment to the acquisition of electricity from certified renewable sources, consuming 94,451 MWh of energy from renewable sources, slightly lower than in 2023, the reduction attributable to the lower operation of the Panigaglia site.
Snam uses Guarantees of Origin as a contractual instrument for the purchase of certified green electricity. Guarantees of Origin are certificates that attest to the renewable origin of the electricity purchased, allowing Snam to declare the use of electricity produced from renewable sources. This tool is essential to support Snam's goal of reducing Scope 2 emissions and achieving 100% green energy purchasing by 2027. The adoption of Guarantees of Origin guarantees the transparency and traceability of renewable energy, contributing to the company's sustainability strategy and energy transition.

Furthermore, the proportion of green electricity purchased by Snam out of the total went from 54% in 2023 to 42% in 2024, due to the increase in the use of electricity of fossil origin due to FSRU and the reduction in (green) electricity absorbed by GNL Italia due to the lower operation of the site in relation to the decrease in regasified gas (-63% vs. 2023). While the proportion of electricity purchased, relating to the regulated business and on which Snam has set a target included in the Sustainability Scorecard, went from 64% in 2023 to 61% in 2024 due to the reduction in consumption of some energy-intensive sites that are powered by green electricity such as, for example, the Panigaglia LNG terminal.

42% **green electricity consumed / total electricity for the entire Snam Group**

61% **green electricity purchased / total electricity for regulated business**

GREEN ELECTRICITY CONSUMED / TOTAL ELECTRICITY 2022-2024,%

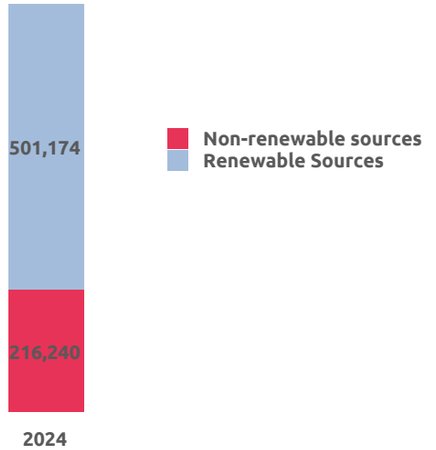


Energy produced divided into energy from non-renewable sources and energy from renewable sources

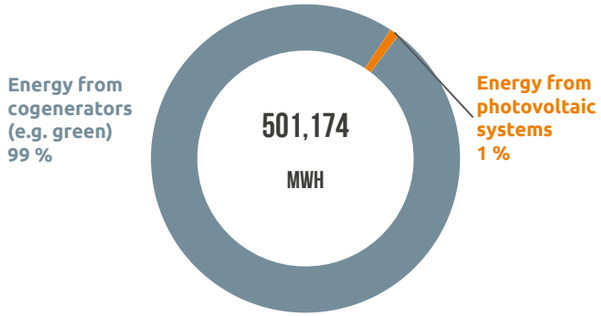
Energy production from non-renewable sources stands at 216,240 MWh, while the conversion activities of plants for the production of energy from renewable sources continued. In 2024, the new sites that will switch to electricity from renewable sources are the plants in Masera, Sergnano, Minerbio and Fiume Treste.

Energy production from renewable sources increased from 186,893 MWh to 501,174 MWh, with an increase due to production at the new sites managed by Renovit (metallurgy, food, paper mills).

ENERGY PRODUCTION BY SOURCE 2024, MWH



RENEWABLE ENERGY PRODUCTION BY PLANT TYPE 2024, MWH



Note: The energy produced by cogenerators also includes thermal energy.

The energy efficiency metrics defined to monitor the effectiveness of actions and which contribute to the advancement of the Sustainability Scorecard objectives recorded the following performances:

- No. of MWh of electricity production by photovoltaic plants[81]: 860 MWh;
- Trigeneration plants[82]: 16,657 MWh;
- High-efficiency heat generators[83]: 108 MW;
- Improving the energy efficiency of buildings[84]: 60,000 m^3 of gas saved and 225 MWh of energy saved.

Energy intensity based on net revenue

Energy intensity, calculated as the ratio between total energy consumption[85] and total revenues and other income[86], is equal to 1,169 MWh/€ million.

ENERGY EFFICIENCY: EXTENSION OF ENERGY CERTIFICATION 50001

In 2024, the Energy Management System certification according to ISO 50001 was extended to the company Snam FSRU Italia for the site relating to the FSRU located in Piombino. This certification is a strategic tool to continuously improve energy performance through a more efficient and effective use of energy. ISO 50001 provides a useful framework for managing energy performance, while helping to reduce environmental impact and meet emission reduction targets.

The certification has already involved several companies, including Snam corporate and GNL Italia for the entire process, as well as Bioenerys, Greenture and the Renovit group (which includes Renovit Business Solution, Renovit Public Solutions and Renovit Building Solution) for the part relating to buildings. As a result, technical documentation was developed and a new Energy Analysis was drawn up for the extension of the perimeter in addition to updating the websites of the already certified companies. These activities allowed us to evaluate in detail the energy aspects of the company.
With the acquisition of energy data for each functional area, the related energy models and performance indicators, as well as improvement plans, were prepared. In 2024, significant energy savings were achieved thanks to the implementation of the SGE, thus demonstrating the effectiveness of the adopted system.

[81] The metric refers to the regulated sector perimeter.
[82] The metric refers to the transportation perimeter.
[83] The metric refers to the transportation perimeter.
[84] The metric refers to the regulated sector perimeter.
[85] All the sectors in which Snam operates are considered to have a high climate impact. Energy consumption of Snam's activities not attributable to sectors with a high climate impact are residual.
[86] Total revenues and other income, amounting to €3,568 million, correspond to the sum of total Oil & Gas revenues (€3,240 million), total revenues of the Energy Transition businesses (€310 million) and total revenues of corporate activities (€18 million).

Company fleet

In 2024, the number of methane-powered cars registered was 765, or 57% of the entire company fleet.

Furthermore, a tender has been concluded which will allow us to gradually move towards Long Term Rental (NLT) management of the vehicle fleet.

With particular reference to sustainability aspects, the call for proposals includes the following requirements:

- environmental class: ≥ EURO 6;
- permitted fuels: petrol, hybrid (PHEV)[87]. No diesel-powered vehicles are planned. trucks (such as vans), if diesel-powered, must have engines compatible with diesel biofuels according to specification EN 15940 (XTL);
- electric vehicles: a full electric vehicle segment is planned both for HQ and for territorial offices.

With regard to the management of the executive car fleet, the possibility of choosing between PHEV, PHEV plug-in and BEV[88] engines has been c-onfirmed removing the possibility of ordering diesel engines.

GHG emissions

Snam's commitment to mitigating climate change is embodied in its Carbon Neutrality and Net Zero strategy, aimed at achieving carbon neutrality by 2040 across the entire Snam group perimeter for Scope 1 and Scope 2 emissions, and net zero emissions by 2050 for all direct and indirect Group emissions.

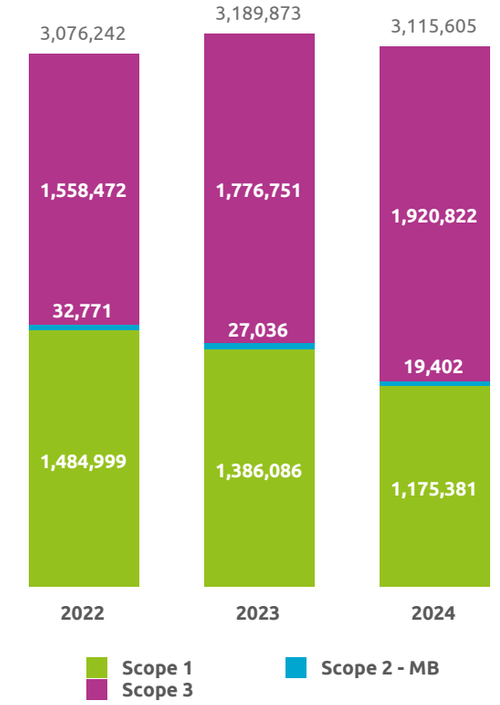
In order to achieve these goals, Snam has an extensive range of industrial initiatives to contain and reduce its greenhouse gas emissions.

Snam analyses its emissions in line with the GHG Protocol, dividing them into: direct emissions (Scope 1), indirect energy emissions (Scope 2) and other indirect emissions (Scope 3). To monitor them, it has defined specific objectives with intermediate targets; In addition, ad hoc targets for methane emissions have been added. These are in line with the UNEP (United Nations Environment Programme) recommendations issued by the Oil & Gas Methane Partnership – OGMP 2.0.

Snam's Scope 1 and 2 emissions amounted to approximately 1,196,602 tonnes of CO_2e, recording a significant reduction of 15% compared to 2023, while methane emissions decreased by 63% compared to 2015 (and by 14% compared to 2023), thanks to a combination of climate change mitigation actions, including the implementation of specific initiatives aimed at reducing methane emissions (e.g. Leak Detection and Repair), improving energy efficiency, expanding the ISO 50001 certification for the Energy Management System and participating in international initiatives such as the UNEP OGMP 2.0 protocol, which encouraged systematic and significant actions to reduce methane emissions.

Other exogenous factors contributed to the reduction of Scope 1 and Scope 2 GHG emissions, in particular those linked to the reduced transportation of natural gas and the reduced use of the most energy-intensive backbones.
To these are added Scope 3 emissions of 1,920,822 tonnes(+8% vs. 2023) including 660,745 tonnes related to the Supply Chain[89], 581,585 tonnes related to Associates and 678,493 tonnes related to the remaining emission categories: The Group's total Scope 1, market-based Scope 2 and Scope 3 GHG emissions are therefore 3,115,605 tonnes of CO_2e (-2% compared to 2023).

TOTAL GHG EMISSIONS (SCOPE 1 + SCOPE 2 MB + SCOPE 3) 2022-2024, TONNE CO_2E



Notes:

- the CO_2e assessment of CH_4 emissions considera the Global Warming Potential (GWP) of 29.8, in accordance with the Sixth Assessment Report' of the Intergovernmental Panel on Climate Change (IPCC) ';
- 2022 and 2023 data for Scope 3 GHG emissions have been restated.

[87] PHEV = Plug-in Hybrid Electric Vehicle.
[88] BEV = Battery Electric Vehicle.
[89] Includes these categories: (1) Purchase of goods and services, (2) Capital goods, (3) Upstream transport and distribution, (4) Waste generated in operations, (5) Upstream leased assets.

With reference solely to the adjusted perimeter[90] net of FSRUs, in line with the decarbonisation commitment, Scope 1 and market-based Scope 2 emissions were 1,092,991 tonnes CO_2e. This was a reduction of 16% compared to 2023 and 25% compared to the 2022 absolute value, net of Snam FSRU, the base year used in the Scope 1 and 2 emission reduction target in the Group's decarbonisation strategy. Considering that the KPI set by the company provides that the reference value in the base year is updated to take into account the non-operation of FSRU, the reduction in 2024 referred to the adjusted base year is equal to -29%.
The emission intensity, calculated as the ratio between total GHG emissions and net revenues[91], is equal to 878 tCO_2e/€ million - considering location-based Scope 2 GHG emissions, and equal to 873 tCO_2e/€ million, considering market-based Scope 2 GHG emissions.

The overall Group figure is affected by various factors with uneven trends:

- the significant reduction in the share of Scope 1 emissions related to natural gas (and therefore methane) due to the activities implemented, which resulted in a -63% reduction emissions compared to 2015, in line with decarbonisation targets and ahead of the 2025 UNEP Protocol target, which has already been achieved two years early;
- the clear reduction in the share of Scope 1 emissions linked to the combustion of natural gas for transportation activities, which in 2024 amounted to 0.46 million tonnes of CO_2e compared to 0.64 million tonnes of CO_2e in 2023 (-28%) due to both exogenous factors linked to the lower transportation of natural gas (-3.5% vs. 2023) and the lower use of the most energy-intensive backbones but also thanks to energy efficiency and network optimisation interventions;
- the less than proportional reduction in overall Snam Scope 1 and market-based Scope 2 emissions (-29% vs. 2022) compared to energy consumption, which decreased slightly (-16%), is due to measures to recover natural gas emissions, energy efficiency and the increasing use of green electricity. Together, these activities avoided the emission of more than 330,000 tonnes of CO_2e.

Taken together, the actions aimed at mitigating climate change will allow for a reduction in emissions of 25% by 2027, 40% by 2030 and 50% by 2032 (vs. 2022) with reference to the regulated business, until reaching carbon neutrality by 2040 and Net Zero by 2050 across the entire perimeter of the Snam Group for Scope 1 and Scope 2 GHG emissions. With reference to Scope 3 GHG emissions, Snam, as a result of the initiatives, including those already launched, expects that they will be reduced by 30% and 35%, respectively by 2030 and 2032 compared to 2022 considering the regulated business perimeter, to reach zero net emissions by 2050 across the entire perimeter of the Snam Group.

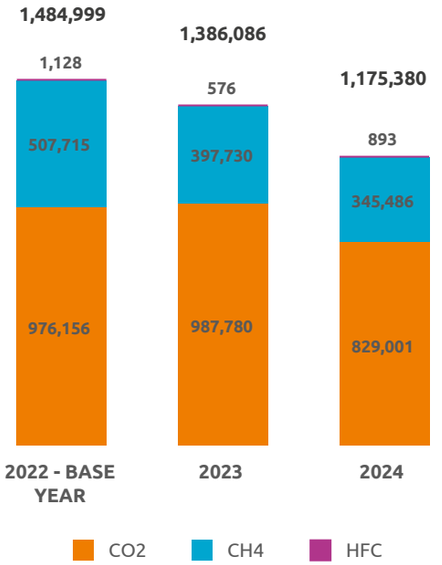
To achieve these objectives, Snam has planned significant investments of up to €27 billion, net of financing, by 2034 to promote system safety and flexibility, support the energy transition, develop the SouthH_2 Corridor and launch the Ravenna CCS project.

For more information on Snam's decarbonisation strategy, please refer to the chapter 'Strategy and business model, Sustainability strategy, Carbon Neutrality and Net Zero strategy' and the chapters 'Climate change, Transition plan for climate change mitigation; Targets'.

Scope 1 GHG emissions

Almost all of Snam's direct Scope 1 GHG emissions relate to methane (CH_4) and carbon dioxide (CO_2), while a small part is attributable to emissions of hydrofluorocarbons (HFCs), the refrigerant gases used in refrigeration plants. Methane emissions result from the release of natural gas into the atmosphere and are generated by the normal operation of the plants, by the connection of new pipelines and their maintenance, or by accidental events occurring with the infrastructure, while CO_2 production is directly related to fuel consumption.
In 2024, direct emissions amounted to 1,175,381 tonnes CO_2e, a reduction of 15% compared to 2023. Compared to the previous year, Snam's global CO_2 emissions from combustion decreased by 16% compared to 2023, reaching 829,001 tonnes of CO_2e, in line with the decrease in energy consumption (16%) mainly due to a lower use of the more energy-intensive North African backbone compared to the Russian one. HFC emissions stand at 893 tonnes of CO_2e, with a slight increase between 2023 and 2024 due to the annual consolidation of the FSRU, which will be operational for only six months in 2023. Despite this change, their overall impact remains limited.

DIRECT GHG EMISSIONS (SCOPE 1) 2022-2024, TONNE CO_2E



Notes: the CO_2e assessment of CH_4 emissions considera the Global Warming Potential (GWP) of 29.8, in accordance with the Sixth Assessment Report' of the Intergovernmental Panel on Climate Change (IPCC) '.

[90] The regulated perimeter includes the parent company, Snam S.p.A., companies in the transportation sector (Snam Rete Gas S.p.A., Infrastrutture Trasporto Gas S.p.A., Asset Company 2 S.r.l.), companies in the liquefied natural gas regasification sector (GNL Italia S.p.A., Snam FSRU Italia S.r.l.) and companies in the natural gas storage sector (Stogit S.p.A.).
[91] The net revenues reported in the denominator in the calculation of GHG emissions intensity coincide with the item 'Total Revenues and Operating Income' of the 2024 Consolidated Financial Statements, drawn up in accordance with IAS/IFRS international accounting principles.

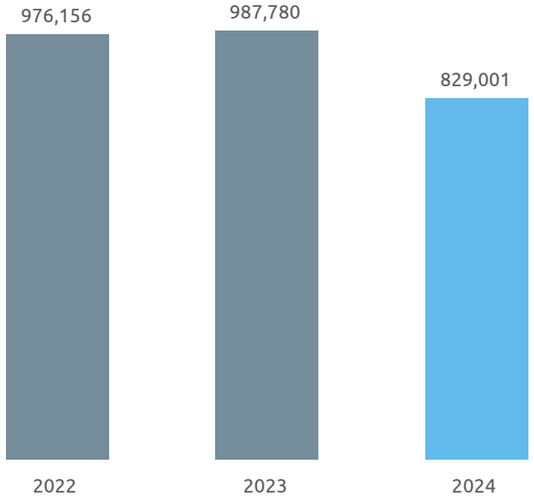
Snam continued its ongoing emissions reduction activities, including:

- the reduction of emissions of natural gas and thus methane, through gas recompression, hot tapping, LDAR, etc.;
- production and/or purchase of electricity from renewable sources;
- installation of higher-efficiency heat generators;
- savings from the renovation and efficiency-upgrading of buildings;
- maintaining smartworking among employees.

Scope 1 – Emissions from the combustion process

The majority of direct combustion emissions are produced by the Company's plants that fall under the European Union Emission Trading Scheme (EU ETS).

COMBUSTION EMISSIONS 2022-2024, TON CO_2



The EU ETS is a European system created to incentivise emission reductions by setting a cap on the total amount of certain greenhouse gases that can be emitted by plants with specific characteristics. If a company emits more than the cap, it is obliged to buy emission allowances from the market. 2022 was the first year of application of the new rules established in Italian Legislative Decree 47/20 for the fourth period 2021-2030 of application of Directive 2003/87/EC.

Snam owns 24 plants subject to the EU ETS, which have produced emissions equal to 733,000 tonnes of carbon dioxide, equal to 62% of the total Scope 1 GHG emissions, of which 195,206 assigned free of charge and the remaining 538,342 purchased on the market.

ASSETS	NUMBER OF PLANTS	NAME OF PLANTS
TRANSPORTATION	13	Gas compression plants in Enna, Gallese, Istrana, Malborghetto, Masera, Melizzano, Messina, Montesano, Poggio Renatico, Tarsia, Terranuova Bracciolini, Minerbio, Sergnano
STORAGE	8	Storage gas compression plants in Cortemaggiore, Fiume Treste, Minerbio, Ripalta, Sabbioncello, Sergnano, Settala, Bordolano
REGASIFICATION	2	Panigaglia and Piombino liquefied natural gas regasification plant
RENOVIT	1	Sappi cogeneration plant

Scope 1 – Natural gas and methane emissions

Snam's commitment to reducing natural gas and methane emissions applies to all businesses, such as gas transportation, storage and regasification, where emissions play a significant role. Signing up to UNEP's OGMP 2.0 protocol has encouraged a series of systematic, lasting and significant actions at Snam's affiliated companies too, given that the reference framework provides for the involvement of both operated and non-operated businesses, starting from a shareholding of more than 5%.

In terms of accounting for methane emissions, Snam has been using an international methodology for around 30 years that was developed in collaboration with GRI - US EPA (Gas Research Institute - US Environmental Protection Agency), supplemented by a series of field measurements carried out by various external companies from the 1990s. Over the past few years, the emission accounting method has been updated by employing an external company to carry out a series of on-site measurement campaigns in accordance with UNI EN 15446 on representative plants and network portions[92].

In 2024, in accordance with the UN OGMP 2.0 protocol, measurements were carried out to reconcile emission data obtained with traditional bottom-up methods with top-down methods at site level carried out with drones at appropriate facilities in the Italian gas infrastructure.

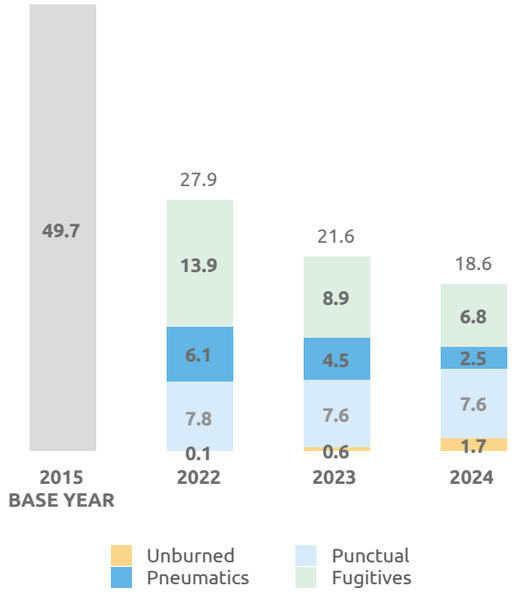
Snam's natural gas emissions are:

- **fugitive emissions from equipment leakage, processes;**
- **point, traceable to atmospheric discharges resulting from 'intentional' releases such as those for planned maintenance, operational venting or emergency depressurisation, including pneumatic venting, in accordance with the UN protocol;**
- **unburned methane in exhaust gases from turbines, engines, boilers or flares.**

[92] Fugitive and diffuse emissions from industrial sectors - Measurement of fugitive emissions of gaseous compounds from leaking equipment and pipelines.

In 2024, natural gas emissions amounted to 18.7 million m³, a reduction of 14% compared to 2023 and 63% compared to 2015, in line with the new methane emission reduction targets of -64.5% by 2027, -70% by 2030 and -72% by 2032 and exceeding those of the UNEP Protocol for 2025. In particular, point source emissions, equal to 7.6 million m^3, remained substantially in line with last year. Unburned emissions increased significantly from 0.6 million m^3 to 1.7 million m^3, while pneumatic and fugitive emissions were reduced by 44% and 25% respectively.

NATURAL GAS EMISSIONS 2022-2024, MILLIONS OF M^3



The activities carried out by Snam in the context of reducing natural gas emissions and therefore methane, the main component of natural gas, have led to a clear improvement in the indicator that relates methane emissions to the length of the gas transportation network (CH_4 emissions / km network) of -52% compared to 2023, highlighting the significant efforts undertaken by the company to contain GHG emissions. With regard to the target for the recovery of natural gas emissions during maintenance activities[93], expressed as the average of the last five years, the 2024 value was 64%, up from the 2023 figure of 60%.

Thanks to the implementation of multiple best practices that included in-line gas recompression interventions, interventions with tapping machines (a technology that makes it possible to disconnect methane pipelines in operation for new connections without interrupting service), the implementation of Leak Detection and Repair, and other initiatives to replace emissive components, **in 2024 Snam avoided the emission of more than 230,000 tonnes of CO_2e into the atmosphere.**

BEST PRACTICES FOR REDUCING METHANE EMISSIONS

Snam has already been implementing best practices for several years to reduce natural gas – and consequently methane – emissions, in accordance with its Carbon Neutrality and Net Zero strategy. As part of this, in 2024, Snam reduced:

- **point source emissions through the use of mobile gas recompression systems (which, during major works on the transportation network, make it possible to reintroduce gas into the network, avoiding its release into the atmosphere); the use at some compressor stations of a similar fixed gas recovery system; the lowering of discharge pressure during work on the network; and the use of tapping machine technology (which makes it possible to disconnect pipelines in operation for new connections without interrupting service). During 2024, 23 new connections were created with tapping machines and 16 recompression interventions were carried out. The more intensive use of all these technologies combined avoided the emission of about 12 million m³ of gas into the atmosphere in 2024, recovering about 80% of the amount of gas that would have been emitted without mitigation measures. Snam has also almost completed the initiative at the LNG terminal – to be completed in 2025 – involving the modification of the existing compressor to allow the gas to be re-compressed into the network even when the plant is in operation, and installing a back-up compressor;**
- **pneumatic emissions, by replacing existing actuators, operated by pressurised gas, with new low-emission equipment and, in many cases, with actuation systems powered by compressed air instead of gas. In 2024, these emissions were reduced by approximately 1.8 million m³ thanks to:**
  - **the installation of new high-efficiency thermal power plants to replace existing heaters (around 300), with the elimination of the associated pneumatic equipment (7 heaters replaced in 2024 and 94 since 2018). This activity is expected to be completed by 2036;**
  - **the campaign to replace/remove high-emission control and command devices on regulating valves in network pressure reduction systems, to be completed within a time frame of five years (approximately 400 components subject to intervention in the period 2020-2024);**
- **fugitive emissions, which consist of monitoring campaigns of plant components to detect methane leaks and schedule maintenance work. In particular, in 2024 Snam continued:**
  - **LDAR activities[94] with its own personnel on all its transportation, storage and regasification infrastructure elements. During 2024, the activities required by the new EU Regulation on methane emissions were started and over 10,000 plants and line points of the transportation network were monitored using the LDAR technique. In addition, approximately 10,860 km of network were checked with helicopter-mounted equipment;**
  - **the activity of replacing the plant vent valves or installing double valves in the PIG (Pipeline Inspection Gauges) launch and reception plants, with the adaptation of 33 plant areas by 2025 (6 areas completed in 2024);**
  - **the project for the replacement of pressuriser valves and vent valves of turbochargers in booster and storage plants. During 2024, the project involved the Sergnano, Sabbioncello and Fiume Treste power plants, with the replacement of the pressurising valves. The replacement activities have already been completed in the booster stations;**
  - **the project to replace the vent valves of the tanks at the LNG terminal, which will be completed in 2025.**

[93] Data refers to transportation sector
[94] LDAR activities will continue in the coming years and will be completed by 2030.

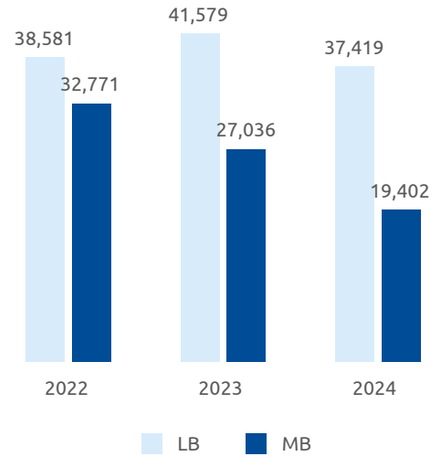
Snam also adopts the most advanced emission estimation methodologies, supported by precise measurements in the field, to obtain more reliable and accurate information on the causes and extent of emissions in order to establish more appropriate operational actions. In order to improve the emission accounting system, a measurement campaign of methane emissions at site level was carried out using top-down technology via drone-mounted instrumentation to reconcile quantified emissions at individual emission source level with this technique. This activity was conducted in some compression and storage plants, also by changing the operational settings of the plant, in some plants and line points of the transportation network and the LNG terminal. The first monitoring using this technique of the remaining major infrastructure elements is expected to be completed in 2025.

Scope 2 GHG emissions

Scope 2 GHG emissions generated by the supply of electricity and heat produced by third parties and which the Company uses for its own activities are calculated using two approaches: the market-based (MB) approach attributes a zero CO_2e emission factor to energy consumption from certified renewable sources (e.g. guarantees of origin); the location-based (LB) approach considers an average CO_2e emission factor based on the national energy mix.
The company pursued its commitment to increase its use of electricity from renewable sources. The result of this activity was to decrease market-based emissions from 27,036 tonnes of CO_2e in 2023 to 19,402 tonnes in 2024. In particular, a significant portion of this reduction depends on the significant reduction in market-based emissions from energy transition businesses, which have significantly increased the use of green electricity from 8,559 tonnes of CO_2in 2023 to 349 tonnes of CO_2in 2024.

The share of electricity purchased in combination with energy production attributes or for declarations on stand-alone energy attributes (Guarantees of Origin, RECs, PPAs, etc.) recorded for 2024 is 62%[95].

INDIRECT ENERGY GHG EMISSIONS (SCOPE 2) 2022-2024, TON CO_2E



REAL ESTATE PROJECTS TO REDUCE EMISSIONS

Among the main initiatives aimed at reducing emissions, Snam has developed two real estate projects of particular impact:

SYMBIOSIS

Symbiosis, the building that from 2025 will house all the company's personnel now in the San Donato Milanese and Milan sites. The cutting-edge project will be built to meet the requirements for sustainability certification according to the 360-degree building assessment system, the protocol for verifying and certifying the level of health and wellbeing of the built environment, and the specific sustainability certification for the service sector, in which specific criteria are assessed in relation to energy efficiency, intelligent use of resources, indoor comfort, acoustics, natural light and air quality. The height of the building was designed to minimise the impact on the ground.

MASSA MAINTENANCE CENTRE

In 2024, the Massa Maintenance Centre was completed, consisting of a two-story office building including a warehouse and garage and an external yard that allows for circular circulation. The prefabricated building was supplied with only the rough structure, then it was completed with all the architectural components including the high-performance windows in terms of energy saving, the plant engineering part and the furnishings.

As far as the architectural part is concerned, the layout was designed by calibrating the spaces according to current needs.
The building finishes have been designed and built to achieve the LEED 'Certified' certification level.
Mechanical systems employ innovative technologies for improved comfort and reduced consumption for facilities such as air conditioning and air exchange, both of which use heat recovery.
To monitor consumption in general, a BMS (Building Management System) is used, plus LED luminaires and a 20 kW photovoltaic system on the roof.
Finally, charging stations for electric vehicles have been installed.
Thanks to the special features adopted, it was possible to achieve energy class 'A2'.

[95] Snam uses Guarantees of Origin as a contractual instrument for the purchase of certified green electricity. Guarantees of Origin are certificates that attest to the renewable origin of the electricity purchased, allowing Snam to declare the use of electricity produced from renewable sources. This tool is essential to support Snam's goal of reducing Scope 2 emissions and achieving 100% green energy purchasing by 2027. The adoption of Guarantees of Origin guarantees the transparency and traceability of renewable energy, contributing to the company's sustainability strategy and energy transition.

Scope 3 GHG emissions

Indirect Scope 3 emissions are those emissions that originate from the value chain and are therefore not directly attributable to the scope of the Company.

Snam's value chain emissions are divided between Supply Chain, Associate and Other emissions. The significant GHG Protocol categories reported by Snam are as follows:

Supply chain
- **Category 1. Purchased goods and services;**
- **Category 2. Capital goods;**
- **Category 4. Upstream transportation and distribution;**
- **Category 5. Waste generated during operations;**
- **Category 8. Upstream leasing activities;**

Associates
- **Category 15. Investments, including SeaCorridor;**

Other emissions
- **Category 3. Fuel- and energy- related activities (not included in Scope 1 and 2);**
- **Category 6. Business travel;**
- **Category 7. Employee commuting.**

Starting from 2024, with the aim of refining the assessment of the categories material to Snam, two new material categories have been introduced:
- **Category 11. Use of sold products;**
- **Category 13. Downstream leasing activities.**

Snam's Scope 3 emissions are calculated according to the GHG Protocol and have been reported for years in the CDP Climate Change Questionnaire (formerly the Carbon Disclosure Project).

During 2024, Scope 3 GHG emissions amounted to approximately 1,920,822 tonnes of $CO_2$and an increase of 8% compared to 2023. This increase is mainly attributable to the inclusion of the two new applicable categories, all referring to non-regulated businesses, without which emissions would have recorded a 14% reduction compared to the previous year.

The value recorded for orders in 2024 increased by 16.3% compared to 2023, reaching €3.22 billion. Despite this, emissions from the supply chain decreased by 15%, indicating that the emission intensity has significantly improved compared to previous years.

Emissions from the participating companies decreased from 641,660 to 581,585 tonnes of CO_2e.

With reference to the regulated perimeter alone, in line with the decarbonisation commitment, Scope 3 GHG emissions amounted to 1,393,078 tonnes CO_2e, a 15% reduction from the 2022 baseline.

EMISSIONS FROM THE USE OF TRANSPORTED GAS

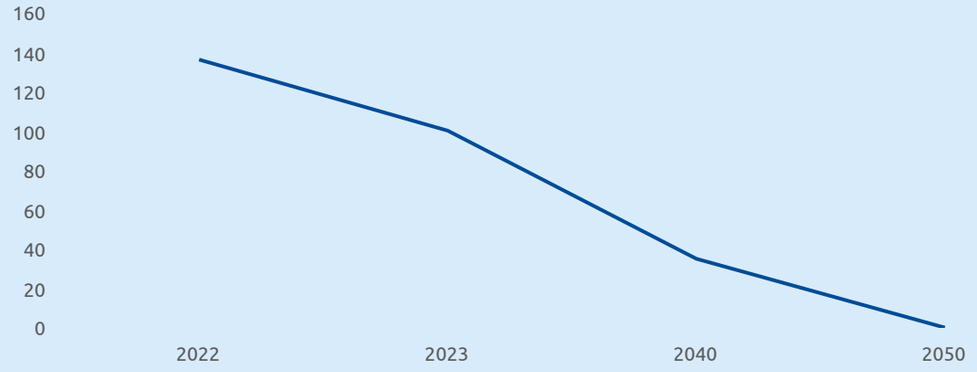
Emissions related to the use of transported gas are outside the direct control of Snam. It is important to underline that the company does not own the transported gas, nor is it involved in its sale. These circumstances support the exclusion of this type of emission from Snam's emission inventory, as it cannot be included in the GHG Protocol's Scope 3 Category 11 GHG '*Use of Sold Product*'.

Although these emissions are not included in Snam's inventory, with the aim of providing maximum transparency in sustainability reporting, some estimates of emissions deriving from the use of natural gas transported in Italy, through the Snam infrastructure, are reported below.

According to the IEA[96] these emissions amounted to approximately 131 $MtCO_2$ in 2022 and 117 $MtCO_2$ in 2023. To these, in order to quantify the emissions deriving from the use of all the gas transported by Snam, we must add the emissions deriving from the use of the exported gas, which in 2022 were equal to approximately 9 $MtCO_2$ and approximately 5 $MtCO_2$ in 2023.

Looking ahead, with the expected changes in natural gas volumes and the increase in green gas supply forecasted by the Snam-Terna 2024 scenarios[97], these emissions will decrease in line with the Italian Net Zero target by 2050. The extent of the reduction will depend on export volumes, as Italy plays a key role in supplying neighbouring countries.

ESTIMATED EVOLUTION OF NET EMISSIONS FROM NATURAL GAS CONSUMED IN ITALY [$MtCO_2E$]



Regarding these emissions, which are about 100 times higher than Snam's Scope 1 & 2 emissions, the company cannot exercise any direct reduction leverage. Moreover, Snam, in operating a regulated business, acts within a regulatory framework that affects its entire business – from tariffs to service quality requirements. Its main function is to ensure the safety and efficiency of the natural gas transportation system. Snam customers have the right to request transportation through its energy infrastructure, regardless of the type of gas, whether fossil or green, as long as it meets well-defined requirements, as set out in the Network Code[98]. Consequently, the company cannot refuse its transportation service and is obliged to provide it in an impartial manner and in accordance with the regulations in force.

Snam, in fact, operates a strategic infrastructure that provides a critical service. As a TSO, it has the task of transporting the necessary energy nationally or regionally. According to EU Directive 72/2009 Snam must ensure:

- **the long-term capacity of the system availability requests;**
- **security of supply through adequate capacity and reliability;**
- **non-discriminatory access to all users.**

Although emissions from the use of gas transported by Snam are not directly attributable to it, the company is committed to reducing them through a series of far-reaching initiatives, acting as an enabler of the energy transition, through, for example, investments in hydrogen-ready infrastructure and in energy transition businesses, as described above. These targets relating to the ability to incentivise, promote and act as a catalyst for the multi-molecular infrastructure and green transition can be found in the Sustainability Scorecard:

- **Avoided and captured CO_2 emissions ($ktCO_2e$)**
- **Certified 'H2-ready' network (km)**
- **Gas transportation operational availability (%)**
- **Production of biomethane (Mscm)**
- **Investments related to the CCS Ravenna Project phases 1+2 (€ million)**

In recent years, the company has launched a series of initiatives in the biomethane sector, in line with its strategy aimed at supporting and promoting the decarbonisation of the system. In this regard, with the 2023 re-certification resolution of SRG and ITG, ARERA required Snam to convert its shareholdings in biomethane operating companies into passive financial investments and/or adopt regulated access models to its biomethane production plants by 30 June 2027.

[96] Greenhouse Gas Emissions from Energy Data Explorer – Data Tools - IEA.
[97] 2024 Scenario Description Document is online.
[98] Network Code.

KEY PERFORMANCE INDICATORS

ESRS / Other entity-specific disclosures	INDICATOR	UNITS OF MEASUREMENT	2022	2023	2024 FINANCIAL CONTROL	% N/N-1 FINANCIAL CONTROL	2024 OPERATIONAL CONTROL [1]
Scope 1 GHG emissions [2]							
E1-6	Gross Scope 1 GHG emissions [3]	tCO_2e	1,484,999	1,386,086	1,175,381	(15)	0
	Percentage of Scope 1 GHG emissions from regulated emission trading schemes	%	63	66	62	-	—
Scope 2 GHG emissions [4]							
E1-6	Gross location-based Scope 2 GHG emissions [5]	tCO_2e	38,581	41,579	37,419	(10)	0
	Gross market-based Scope 2 GHG emissions [6]	tCO_2e	32,771	27,036	19,402	(28)	0
Significant Scope 3 GHG emissions [7]							
E1-6	Total Gross indirect (Scope 3) GHG emissions [8]	tCO_2e	1,558,472	1,776,751	1,920,822	8	-
	Percentage of Scope 3 GHG emissions calculated from primary data	%	-	-	54	-	-
	Purchased goods and services [9]	tCO_2e	102,729	124,311	90,477	(27)	-
	Capital goods [10]	tCO_2e	739,795	644,761	567,508	(12)	-
	Fuel- and energy-related activities (not included in Scope 1 or 2) [8][11]	tCO_2e	388,073	352,109	288,168	(18)	-
	Upstream transportation and distribution [10]	tCO_2e	4,106	4,845	745	(85)	-
	Waste generated in operations [10]	tCO_2e	3,321	2,687	1,175	(56)	-
	Business travel [12]	tCO_2e	1,161	1,538	2,182	42	-
	Employee commuting [13]	tCO_2e	1,685	3,931	2,450	(38)	-
	Upstream leased assets [10]	tCO_2e	1,232	909	839	(8)	-
	Downstream transportation and distribution [14]	tCO_2e	0	0	0	-	-
	Processing of sold products [14]	tCO_2e	0	0	0	-	-
	Use of sold products [15]	tCO_2e	0	0	385,560	-	-
	End-of-life treatment of sold products [14]	tCO_2e	0	0	0	-	-
	Downstream leased assets [16]	tCO_2e	0	0	133	-	-
	Franchises [14]	tCO_2e	0	0	0	-	-
	Investments [17]	tCO_2e	316,370	641,660	581,585	(9)	-
Total GHG emissions							
E1-6	Total GHG emissions (location-based) [8]	tCO_2e	3,082,052	3,204,416	3,133,622	(2)	0
	Total GHG emissions (market-based) [8]	tCO_2e	3,076,242	3,189,873	3,115,605	(2)	0

Notes:
- the data refer to the entire Snam Group, unless otherwise indicated. For more information on the scope, please refer to the chapter 'Introduction and guide to reading the document, General criteria for the preparation of the Consolidated Sustainability Statement';
- the data relating to 2022 and 2023 refer only to the Group companies consolidated according to financial control;
- the CO_2e assessment of CH_4 emissions considera the Global Warming Potential (GWP) of 29.8, in accordance with the Sixth Assessment Report' of the Intergovernmental Panel on Climate Change (IPCC) '.

[1] With reference to companies that are not fully consolidated but over which Snam has operational control:
- although Snam appears to have operational control of the Albanian Gas Service Company SH.A. (AGSco), the data relating to Scope 1 and 2 GHG emissions foreseen by the ESRS were not found to be significant given the type of activities carried out (offices and maintenance) and are therefore not included in this document;
- although Snam appears to have operational control of the company Terminale LNG Adriatico Srl, following the finalisation of the increase in Snam's shareholding (from 7.3% to 30%) recorded in December 2024, given the proximity of the operation to the end of the financial year, the reporting of data for this company will take place starting from the 2025 financial year;
- for Zena Project S.p.A., the execution of modernization works at the IRCCS Gaslini hospital facility are scheduled for the start of the facility operation phase to be in February 2027. There are no significant impacts in 2024, to be reassessed in 2025.

[2] Table of UNFCC 2024 national standard parameters from source ISPRA 2024. It is specified that the emission factor considered is the most recent one, relating to the year 2022.
[3] The calculation of Scope 1 GHG emissions is based on international standards such as the GHG Protocol, the UNEP OGMP 2.0 protocol and Defra for the reporting of HFC gases. CO_2 emissions are calculated based on fossil fuel consumption, while methane emissions are estimated through direct measurements and engineering calculations, including Leak Detection and Repair (LDAR) systems and the use of drones for emission data reconciliation. Significant assumptions include the adoption of specific emission factors for natural gas. The calculation tools used include the use of corporate applications for emissions reporting that allow for obtaining accurate and up-to-date emissions data.
[4] Snam uses Guarantees of Origin as a contractual instrument for the purchase of certified green electricity. Guarantees of Origin are certificates that attest to the renewable origin of the electricity purchased, allowing Snam to declare the use of electricity produced from renewable sources. This tool is essential to support Snam's goal of reducing Scope 2 emissions and achieving 100% green energy purchasing by 2027. The adoption of Guarantees of Origin guarantees the transparency and traceability of renewable energy, contributing to the company's sustainability strategy and energy transition.
[5] The Location-Based (LB) approach considers an average CO2eq emission factor based on the national energy mix. Significant assumptions include accurate traceability of energy sources and the adoption of calculation tools compliant with international standards, such as the GHG Protocol. The choice of these methodologies is motivated by the need to ensure transparent and comparable reporting of emissions, supporting Snam's objective of reducing Scope 2 emissions by increasing the use of electricity from renewable sources. Table of UNFCC 2024 national standard parameters from ISPRA 2024 source. It is specified that the emission factor considered is the most recent one, relating to the year 2022.
[6] The Market Based approach assigns a zero CO_2 emission factor for energy consumption from certified renewable sources, such as guarantees of origin, and a Residual Mix factor representing the average composition of the electricity fed into the grid, cleared of energy quotas already allocated to specific renewable energy contracts. Significant assumptions include accurate traceability of energy sources and the adoption of calculation tools compliant with international standards, such as the GHG Protocol. The choice of these methodologies is motivated by the need to ensure transparent and comparable reporting of emissions, supporting Snam's objective of reducing Scope 2 emissions by increasing the use of electricity from renewable sources. Source of emission factors: European Residual mix 2023 (source AIB - Association of Issuing Bodies 2023). It is specified that the emission factor considered is that relating to the year 2023.
[7] For more information on the emission factors used and the estimation methodologies applied, please refer to the chapter 'Introduction and guide to reading the document, Disclosures in relation to specific circumstances, Causes of uncertainty in the estimates and results'
[8] The 2022 and 2023 figures have been restated.
[9] The 2022 figure has been restated. Emissions are calculated using primary data, where available, integrated with information from the Open-es and CDP Supply Chain questionnaires. In the absence of primary data, the calculation is based on the ordinate and the application of TRUCOST emission coefficients.
[10] Emissions are calculated using primary data, where available, integrated with information from the Open-es and CDP Supply Chain questionnaires. In the absence of primary data, the calculation is based on the ordinate and the application of TRUCOST emission coefficients.
[11] Fuel and energy data are derived from Snam's internal reporting and converted using the latest DEFRA 2024 emission factors (WTT - fuels + WTT heat & steam), Ecoinvent 3.11.
[12] Emissions related to business travel are calculated on the basis of data provided directly by the travel agency, relating to plane and train journeys.
[13] Emissions from home-work trips are estimated from the employee mobility survey, considering the different means of transport used and the percentage of hours worked in smart working, and using the latest DEFRA 2024 (Business travel-land) emission factors.
[14] This category does not currently apply to Snam.
[15] Emissions are calculated through a hybrid approach that combines the fuel-based method, based on the actual energy consumption during the use of the products sold, supported by the emission factors defined by the Product Environmental Footprint (PEF) method of the Joint Research Centre (JRC) for the release of N_2O, with the average data method to estimate emissions in the absence of specific data. Source of emission factors: Table of UNFCC 2024 national standard parameters from source ISPRA 2024. It is specified that the emission factor considered is the most recent one for the year 2022, Ecoinvent 3.11, BEIS DEFRA 2024 - Bioenergy - Biomethane (compressed).
GWP of N_2O: 273 $kgCO_2e$/ kg N_2O (IPCC 6th Assessment Report).
[16] Emissions are calculated using a hybrid approach that combines activity data provided by the lessor, including consumption of fuels, electricity, steam, heating and cooling specific to the facility, as well as non-combustion emissions, such as fugitive gases from industrial processes, with estimates based on the average data method for activities without direct data.
[17] The 2023 figure has been restated, following an update in the value of emissions by the subsidiaries.

As of 2024, the amount of CO_2 absorbed as a result of GHG emissions absorption and storage projects is not significant. Furthermore, during the year, Snam offset the share of emissions produced by the events held with carbon credits[99], for an insignificant amount.

[99] Offsetting activity is not included in the calculation of total GHG emissions.

Internal carbon pricing

Snam applies an internal carbon pricing system based on the social cost of carbon, defined according to the thresholds established by the Investment Committee and applied during the evaluation of infrastructure projects.

The applied price is equal to €177.90/tCO_2e, determined on the basis of the shadow costs indicated in the EIB Group Climate Bank Roadmap 2021-2025, updated through the ISTAT revaluation coefficient.

The scope of the system concerns the emissions estimated in the construction phase of the works approved by the Investment Committee, with particular reference to Scope 3 emissions. The volumes of gross emissions involved in the current year are estimated at 975,000 tCO_2e, while there are no significant emissions for Scope 1 and Scope 2.[100].
The internal carbon price is a tool to support corporate decisions and is not currently applied for accounting purposes or in the equity valuation of assets.

KEY PERFORMANCE INDICATORS

ESRS / Other entity-specific disclosures	INDICATOR	UNITS OF MEASUREMENT	2024
E1-8	**Carbon prices applied**	€ / tCO_2e	**178**
	Approximate volumes of gross Scope 1 GHG emissions affected by such systems in the current year	tCO_2e	0
	Approximate volumes of gross Scope 2 GHG emissions (location-based) affected by such systems in the current year	tCO_2e	0
	Approximate volumes of gross Scope 2 GHG emissions (market-based) affected by such schemes in the current year	tCO_2e	0
	Approximate volumes of gross Scope 3 GHG emissions affected by such systems in the current year	tCO_2e	975,000
	Approximate total volumes of gross GHG emissions (location-based) affected by these systems in the current year	**tCO_2e**	**975,000**
	Approximate total volumes of gross GHG emissions (market-based) affected by such systems in the current year	**tCO_2e**	**975,000**

Notes: the data refer to the entire Snam Group, unless otherwise indicated. For more information on the scope, please refer to the chapter 'Introduction and guide to reading the document, General basis for the preparation of the Consolidated Sustainability Statement'.

Anticipated financial effects from material physical and transition risks and potential climate-related opportunities

Climate change is an increasingly material topic with impacts not only on the environment but also on the business of companies whose assets may, for example, be more or less exposed to the intensification of climatic events and the transition of the environment in which they operate to lower-impact business models.

International and national regulatory demands and stakeholder expectations fuel the need for companies to continuously improve in terms of managing and disclosing risks and opportunities that may arise from climate change.

In 2023, Snam introduced a specific Climate Change Risk Management (CCRM) framework in the ERM Model to integrate and identify in more detail the risks and opportunities related to climate change and, consequently, to improve the management of the uncertainty that characterises them, as well as to strengthen the Group's resilience. The framework allows for the systematisation of climate risk analyses through a structured and integrated approach with ERM analyses.

During 2024, an activity was carried out to update the risk analyses dedicated to climate change and to integrate the view dedicated to biodiversity risk within the CCRM, with the consequent evolution of the 'vertical' in Climate Change & Biodiversity Risk Management (hereinafter 'CBRM'), i.e. a vertical of analysis with integrated and specific methodologies for the identification, measurement and management of risks connected to climate change and the evolution of biodiversity (physical & transition), in alignment with the main international references and standards in the field of climate risk & biodiversity risk and thus determining a progressive compliance with the logic of the Planetary Boundaries. For more information, please refer to the chapter 'Managing impacts, risks and opportunities, The ERM model for managing risks and opportunities'.

The methodology used in the definition of Climate Change & Biodiversity Risk Management is aligned with the main international references, including:
- TCFD and TNFD;
- European taxonomy;
- CSRD;
- IPCC, supplemented with other complementary references (e.g. International Energy Agency), for climate and socio-economic scenarios and forecast climate data for long-term risk assessment.

The CCRM framework considers two categories of risks:
- **physical risks**, which concern company assets exposed to climatic hazards such as: floods, fires, landslides, hailstorms, heat waves, cold waves, etc; and
- **transition risks**, which concern political, legal, technological and market risks related to climate change mitigation and adaptation processes.

[100] The share of emissions covered by the carbon pricing system is quantified on the basis of authorised projects, which may not be realised in the current year, making the volumes not directly comparable with overall Scope 3 emissions.

It is also appropriate, with reference to short/medium-term risk objectives, to develop different methodologies for the management of physical risks and transition risks as they have distinct peculiarities, both in terms of risk causes and reference sources for identification and in terms of monitoring and mitigation strategies.

In order not to define an independent model, but to create a link between CCRM and the broader ERM methodology, the CCRM framework was integrated into the ERM risk assessment process:
- by relating the outcomes of the analyses to the ERM rating scales (i.e., likelihood and impact);
- taking into account both downstream and upstream activities;
- incorporating physical and transitional risks into the ERM mapping through the integration of the description and/or causes of the risks in the ERM portfolio.

BENEFITS

The CCRM makes it possible to **identify, measure and manage climate change and biodiversity risks** that could potentially affect:
- the pursuit of industrial, economic and sustainability objectives (transition risks);
- the integrity of the company's assets, tangible (physical risks) and otherwise.

TIME HORIZONS

- **Short term (2025)**, in line with the annual budget;
- **Medium term (2026-2029)**, in line with the most recent Strategic Plan published by Snam;
- **Long term (2030-2050)**, in line with the company's strategic planning horizons and the decarbonisation objectives set at European level. For the analysis of physical risks, where the data source did not offer data for the specific long-term horizon of 2050, those relating to the closest time horizon analysed (e.g. 2040) were considered applicable.

METHODOLOGICAL APPROACH

PERIMETER. In line with the ERM Model approach, the perimeter was defined considering all risk events that could potentially impact the Plan's risks and, more specifically, economic, industrial and sustainability issues.

With regard to physical risks, the assets in the perimeter were selected on the basis of three selection criteria:
- business coverage and strategic level of the asset;
- ownership of the plant;
- historical and geographical context.

Based on these, 100% of the regulated business was included in the analysis scope, while for the energy transition activity the most material ones in terms of impact on the business were selected, for a total of 49 sites plus the pipeline which represent approximately 99% of Snam's EBITDA.

METHODOLOGY. With regard to the assets in the perimeter, the analyses start from an assessment of climate exposure on the basis of which the analysis of the impacts of potential risks is carried out. For each of the 49 selected sites, the following activities were carried out:
- **applicability analysis** of each acute and chronic physical risk starting from the specific geospatial coordinates of each one considering the climatic zone, the morphological characteristics and the technical peculiarities of the single site under analysis;
- **selection of the specialised data source**[1] for climate assessment purposes, taking into consideration the quality and accessibility of the data, time references and geographical coverage;
- **determination of the potential exposure of assets in the short-medium term to each adverse climate event,** selected from the list indicated in the EU taxonomy, using the above-mentioned sources that allow the use of climate indicators selected in order to consider the peculiarities of the places where the plants are geolocated;
- **potential climate exposure** with uniform assessment on a 4-level scale preparatory to the assessment of economic impacts;
- **risk assessment** in terms of inherent economic impacts, in case of *property* damage, *business* interruption and other indirect costs, and residual economic impacts, i.e. considering the mitigation actions adopted, including insurance coverage, structural characteristics of the site and other physical mitigating elements (e.g. flood barriers);
- **scenario analysis** to assess a possible increase or decrease in potential exposure to each physical risk by 2050, based on the scenarios proposed by the IPCC (RCP 1.9, RCP 2.6 and RCP 8.5), and assessment of the consequent variation in associated economic impacts, starting from short-medium term assessments. This long-term exercise was carried out assuming an effectiveness of the existing safeguards comparable to that assessed for the short-medium term and maintaining the value of each asset in line with the data used for the short-medium term to ensure consistency in the comparison of these values.

METHODOLOGICAL APPROACH

As '**assets at significant physical risk**', assets exposed to physical risk calculated according to the methodology described above were selected, which were found to have an inherent economic impact that exceeds the relevance thresholds of the economic-financial impact scale of the ERM model, or which falls at least within the 'low' economic impact threshold of that scale.
The '**inherent economic impact**' of a physical risk is understood to mean the estimate of the impact that the site would suffer considering only the preventive measures required by law or regulation (e.g. structural characteristics to comply with the mandatory resilience level) present, excluding the mitigation effect guaranteed by any additional preventive or reactive measures adopted by Snam on a voluntary basis).

[1] These specialised sources are identified from among the most appropriate public sources (i.e. 'open source' climate/meteorological specific, e.g. Aqueduct, European Severe Weather Database, S&P Global Trucost, ISPRA, etc.) to maximise, in particular: consistency with the peculiarities of the assets, resolution of the data according to the geographical area of interest, transparency and robustness of the valuation process used by the individual source, consistency with the analyses already in place for the assets' O&M activities.

The data and assumptions used in the CBRM are consistent with those in the financial statements and, given the results of the analyses carried out, it was not deemed necessary to review the corresponding assumptions in the financial statements.

With regard to the disclosure on net revenues deriving from corporate activities related to gas, please refer to the disclosure presented in the chapter 'Strategy and corporate model, Snam's business model'.

Anticipated financial effect from physical climate risks

When assessing the physical impacts of climate change on infrastructure, Snam takes into account territorial differences and the specificities that distinguish the company's different activities (**context-specific**). With respect to these, both physical risks and transition risks, identified by the Climate Change Risk Management process, are

assessed taking into account the expected lifetime of the assets and time horizons (short, medium and long term) and using different approaches and tools depending on the time horizon of analysis.
This distinction is appropriate because, depending on the time horizon considered, there are different corporate objectives and the level of declination of the strategy, and thus the associated risks and the relative degree of uncertainty.

Anticipated financial effects from climate transition risks

With reference to the assessment of **transition risks**, in line with the ERM Model approach, in the update of the Climate Change Risk Management analysis, the perimeter was defined by considering all the risk events that could potentially impact the Plan risks concerning all the corporate areas and businesses of Snam and, more specifically, the economic, industrial and sustainability issues. In particular, the scope of analysis of transition risks included in the first instance the entirety of the assets and corporate activities of the Snam group, identifying the issues of interest for each activity or area and evaluating them in a qualitatively and quantitatively through a dedicated analysis, aligned with the ERM Model, which involved all the main internal entities of the Group.

The **medium-term time horizon** has been defined as the period 2026-2029, in line with the most recent Strategic Plan published by Snam. In line with this choice, with the corporate strategic planning horizons and with the time horizon of the decarbonisation objectives set at European level, the long-term horizon considers the period 2030-2050.

Furthermore, in the analysis, in line with that adopted for physical risks, the expected lifetime of the assets was taken into account and with different approaches and tools depending on the analysis time horizon.

The results of this assessment led to a detailed analysis of two risk issues of particular interest to Snam:

- the **devaluation or reduced materiality of investments in gas infrastructure**[101], whose impact on the monetary value of the Group's assets was considered **non-material in the short and medium term** as it was protected by regulation **and in the long term** thanks to the strategy of reconverting assets to multi-molecule transport and the centrality of natural gas, biomethane and hydrogen as a '*back-up solution*' in the European energy transition. Furthermore, the analysis found that **the value of the assets of the Energy Transition businesses is not exposed to significant risks arising from the energy transition**.
- the **reduction in overall revenues and lower profitability due to regulatory changes**, the impact of which on Group revenues has been considered **non-material in the short and medium term** as it is protected by regulation (with appropriate exemptions) **and in the long term**, since in the event of regulatory logics in line with the current ones the expected impacts are limited. Even for this risk, **Energy Transition Businesses are not exposed to significant risks deriving from the energy transition**.

Scenario analysis on physical and transition risks

For the analysis of physical and transition risks the following were considered: for the short and medium term horizon the Strategic Plan scenario 2025-2029, for the long term three alternative scenarios up to 2050, in alignment with the references of the International Energy Agency and the Intergovernmental Panel on Climate Change (RCP 1.9 - SSP1 - IEA NZE; RCP 2.6 - SSP2 - IEA APS; RCP 8.5 - SSP5 - IEA STEPS).

The long-term scenarios used were selected on the basis of criteria relating to global temperatures, the development of the European and global socio-economic and energy context. The inputs from **IPCC, IEA and other public or internal sources** have been combined to ensure the most coherent and complete view possible, although there is not always a canonical combination in the literature to refer to. The uncertainty about the future realisation of such scenarios, which will depend on the global political and economic evolution of the coming years, remains intrinsic in the scenario analysis exercise and has been made explicit and taken into account during the risk and opportunity assessment phase and the representation of the results.

[101] The risk was assessed in line with the methodology described and explored through scenario analysis combining data from public reports and internal analyses.

Physical risks

For the scenario analysis of long-term physical risks, a specific methodology was applied that assessed the applicability of the risk and the climatic exposure on the basis of the specific geospatial coordinates of each site in the perimeter, selecting specialised data sources based on the quality and accessibility of the data, privileging specific geospatial information where possible.

For the three selected scenarios (RCP1.9, RCP 2.6, RCP 8.5) climate and emission forecast data and other detailed information were collected, based on the RCP scenarios and applied to the individual geolocations in the perimeter.

The IPCC forecast scenarios which were considered, starting from the increase in global average temperature, describe the long-term effects of climate change on **chronic climatic phenomena** (including intensification of extreme precipitation, sea level rise, increase in temperatures, etc.) and **acute climatic events** (including hail, landslides, water shortages, etc.).

Below are the IPCC scenarios used for the physical risk analyses:

	BEST	MID	WORST
	RCP[1] 1.9 - SSP1 [2] - IEA NZE [3]	RCP 2.6 - SSP2 - IEA APS [4]	RCP 8.5 - SSP5 - IEA STEPS [5]
GLOBAL TEMPERATURES	<1.5°C at 2050 and 2100	Peak of global emissions by 2040 Temperatures peaking at up to 1.5 °C by 2050, stabilising within 2°C by 2100	> 2°C by 2050 and > 5°C by 2100
FORECASTS	• Limited climatic evolution • Stabilisation of exposure to physical hazards compared to current levels	• Limited climatic evolution • Stabilisation of exposure to physical hazards close to current levels	• Significant intensification of natural phenomena

[1] RCP = Representative Concentration Pathway. [2] SSP = Shared Socioeconomic Pathways. [3] NZE = Net Zero Emissions. [4] APS = Announced Pledges Scenario. [5] STEPS = Stated Policies Scenario.

The analysis of long-term scenarios showed that some of the physical risk events will become more significant as chronic climate phenomena intensify over the long term. Awareness of what might happen in the future enables Snam to plan its response to the risk, ensuring adequate and effective action, even in the event of a worst-case scenario.

Transition risks

For transition risks, the analysis considered the 2025-2029 Strategic Plan scenario for the short and medium term horizon, and three alternative scenarios up to 2050 for the long term, in alignment with the references of the International Energy Agency and the Intergovernmental Panel on Climate Change (RCP 1.9 - SSP1 - IEA NZE; RCP 2.6 - SSP2 - IEA APS; RCP 8.5 - SSP5 - IEA STEPS). As part of the evaluations, data sources and reports at national and international level regarding the gas market and the energy context were selected in line with the data available in the literature; for the long-term scenario analysis, the data for the 2030 and 2040 time horizons present in the most up-to-date scenarios developed by Snam in collaboration with Terna were also considered.

Below are the IPCC scenarios used for transition risk analyses:

	BEST	MID	WORST
	RCP[1] 1.9 - SSP1 [2] - IEA NZE [3]	RCP 2.6 - SSP2 - IEA APS [4]	RCP 8.5 - SSP5 - IEA STEPS [5]
GLOBAL TEMPERATURES	<1.5°C at 2050 and 2100	Peak of global emissions by 2040 Temperatures peaking at up to 1.5 °C by 2050, stabilising within 2°C by 2100	> 2°C by 2050 and > 5°C by 2100
FORECASTS	• Implementation of the 2030 and 2050 climate targets (Net Zero) • Decreased use of fossil fuels • Strong growth in renewables • Growth of low-emission materials • Lower energy intensity	• Current economic growth trend without major variations, existing and planned policies and regulations relatively unchanged	• Extensive use of fossil fuels • Low regulatory pressure • High energy intensity

With particular reference to the RCP 1.9 - SSP1 - IEA NZE scenario, Snam's investments and business model are not only resilient to climate change, but are also fundamental for the Net Zero transition. As a result of the analyses, the main themes concern, on the one hand, technological aspects for the development of infrastructure elements in a long-term multi-molecule perspective and, on the other hand, reputational aspects mainly connected to the achievement of long-term sustainability objectives. In the same scenario, opportunities are highlighted related to the achievement of Snam's ambition in the long term both in the industrial and business fields and for the potential reputational advantages and recognition of stakeholders in the event of achievement of the sustainability objectives defined by the Group.

The resilience of Snam's strategy

Starting from the analysis carried out in the context of Climate Change Risk Management, taking into account the same time horizons and scenarios, and of the expected financial effects of the material physical and transition risks that emerged, Snam has also examined in depth the resilience of its strategy and business model with regard to its ability to address the material impacts and risks and exploit the associated opportunities relating to climate change. These scenarios envisage different developments over the next few years, influencing the Group's development strategy and have been considered to assess the main risks and opportunities related to climate change that may impact industrial, economic and sustainability objectives (transition risks), as well as the integrity of the Group's tangible (physical risks) and intangible assets (e.g. gas demand reduction, policies and regulatory changes that may favour the development of green gas, the need to reconvert assets to favour transition).

The analysis highlighted that Snam's degree of resilience to climate change is overall high thanks to the adaptation and mitigation measures already implemented during the asset construction phase and definition of its transition strategy; This is supported by the fact that the estimated expected financial effects of the material physical and transition risks, assessed through the Climate Change Risk Management process carried out annually by Snam, were found to be limited or minimal.

The results obtained, in fact, suggest that Snam's assets, investments and business model are not only resilient in the face of climate change, but are also fundamental for the transition to *Net Zero*. In particular, molecules are a fundamental component of the Italian energy system and currently represent ~40% of the energy mix; In the medium term, electricity generation from gas will play a key role as a backup solution for the electricity system and in the long term, bio-decarbonised molecules and hydrogen will become a significant part of the mix by 2050. Additionally, daily peak demand will remain relatively high.

The above considerations, combined with a recent analysis on the capacity utilisation rate of the transmission network over a long-term horizon (2040 and 2050), focusing on the associated peak consumption conditions, highlight that, even in this conservative scenario, only 1% of the gas pipeline infrastructure will see a capacity utilisation factor below 25%. Although the areas of uncertainty in the analysis are linked to the assumptions made[102], it emerged that transition risks have minimal impact and that physical risks to assets have negligible impact in the short and medium term, thanks to the effectiveness of physical controls (direct and indirect) as well as intangible controls.

The ability to adjust and adapt the corporate strategy to climate change is constantly updated through the analysis of the external context, considering any changes in regulatory policies, legislative constraints, country and European objectives, development of new scenarios, and the related impacts on the long-term value creation path. Snam's business is for approximately 90% of revenues a regulated business of national interest and public utility and the actions implemented to manage the impacts, risks and opportunities related to climate change - described in the previous sections - take place in agreement with numerous external stakeholders with whom the Group interacts.

[102] 1) Peak daily demand of 370 Mscm in 2040 and 275 Mscm in 2050; 2) three distinct supply scenarios; 3) hydraulic simulations to evaluate the utilisation rate of these assets under peak consumption conditions for each scenario, as defined by the European Regulation on Security of Supply.

KEY PERFORMANCE INDICATORS

ESRS / Other entity-specific disclosures	INDICATOR	UNITS OF MEASUREMENT	Short Term	Medium term	Long Term
Anticipated financial effects from physical climate risks					
E1-9	Total monetary value of assets at significant physical risk [1] [2][3]	€ million	534	534	1,433
	of which acute risk [1] [2][3]	€ million	534	534	1,433
	of which chronic risk [1] [2][3]	€ million	534	534	1,433
	Proportion of the monetary value of assets at significant physical risk [4]	%	2	2	4
	Proportion of assets at material physical risk addressed by the climate change adaptation actions [5]	%	100	100	100
	Monetary value of net revenues from business activities with significant physical risk [6]	€ million	30	30	21
	Proportion of the monetary value of net revenues from business activities with significant physical risk [7]	%	1	1	1
Anticipated financial effects from climate transition risks					
E1-9	Monetary value of assets at significant transition risk [8]	€ million	minimali	minimali	minimali
	Share of the monetary value of assets at significant transition risk [9]	%	—	—	—
	Proportion of assets at material transition risk addressed by the climate change mitigation actions [10]	%	N/A	N/A	N/A
	Monetary value of liabilities arising from material transition risks [11]	€ million	0	0	0
	Monetary value of net revenues from business activities subject to significant transition risks [12]	€ million	Non-material value, in view of the current regulatory logic	Non-material value, in view of the current regulatory logic	Non-material value, in view of the current regulatory logic
	Proportion of the monetary value of net revenues arising from business activities subject to significant transition risks [13]	%	0	0	0

Notes:

- The values associated with each site within the scope of analysis were constructed using the replacement value (historical cost) and revenues generated by the activity with reference to 31 December 2024, respectively, used as a starting point for calculating the economic impacts in terms of Property Damage and Business Interruption. No reductions in the useful life of assets and assumptions of asset impairments or other estimates have been taken into account in calculating the financial effects arising from physical risks.
- the positions of significant assets at significant physical risk aggregated by NUTS code are: TUSCANY - LIVORNO - ITI16; LOMBARDY - MILAN - ITC4C; EMILIA-ROMAGNA - RAVENNA - ITH57; VENETO - PADUA - ITH36.
- the analyses resulted in the following monetary values relating to (i) physically risky assets:
  - €534,644,000 of assets at significant inherent risk in the short and medium term, €1,433,132,000 in the long term;
  - €17,307,858 of assets with non-zero residual risk, of which €0 with significant residual risk in the short, medium and long term;

  and (ii) revenues from physical risk activities:
- €30,276,000 from activities with significant inherent risk in the short and medium term, €21,648,000 in the long term;
- €39,057,000 from activities with non-zero residual risk, of which €0 with significant residual risk in the short, medium and long term.

[1] The total monetary value of assets at material physical risk is equal to the monetary amount of assets at material inherent physical risk in the short, medium and long term. 'Assets with material inherent physical risk' means assets exposed to physical risk with inherent economic impact that exceeds the ERM relevance thresholds, or falls at least within the 'low' level on the economic-financial impact scale.

[2] For the short term - the economic impact assessment is expressed in terms of (i) estimated percentage of damage to the asset (property damage) and (ii) number of days of business interruption. These values are multiplied by the financial and economic data provided by the competent PAFC functions (replacement values and daily revenue values of the assets/sites in the perimeter). The assessment is then shared with the relevant business areas/companies for validation and integration of information relating to mitigants/protections at the individual site level as well as the identification of any other indirect costs at the aggregate business level to be considered for analysis purposes.
For the long term - the economic impact assessment is expressed in terms of (i) estimated percentage of damage to assets (property damage) and (ii) number of days of business interruption. These values are multiplied by the financial and economic data provided by the competent PAFC functions. The assessment is then shared with the relevant business areas/companies for validation and integration of information relating to mitigants/protections at the individual site and business aggregate level as well as the identification of any other indirect costs at the business aggregate level to be considered for analysis purposes.
[3] For the monetary amounts reported, please refer to Note no. 28 Revenues and Operating Income, to be considered in the context of analysis for each individual asset
[4] The figure is calculated as the ratio between the monetary amount of assets at significant inherent physical risk in the short, medium and long term and the total monetary amount of assets. 'Assets with material inherent physical risk' means assets exposed to physical risk with inherent economic impact that exceeds the ERM relevance thresholds, or falls at least within the 'low' level on the economic-financial impact scale.
[5] The figure is calculated as the ratio between the monetary amount of assets at significant physical risk affected by climate change adaptation actions and the monetary amount of assets at significant physical risk. 'Assets with material inherent physical risk' means assets exposed to physical risk with inherent economic impact that exceeds the ERM relevance thresholds, or falls at least within the 'low' level on the economic-financial impact scale. The calculation takes into account existing mitigants and safeguards, as well as insurance coverage applied to assets within the perimeter. Based on the collected data, the residual economic impact of each physical risk for each site is estimated.
[6] For the amounts reported, please refer to Note no. 28 Revenues and Operating Income, to be considered with a view to analysis for each individual asset.
[7] The figure is calculated as the ratio between the monetary amount of net revenues deriving from business activities at significant physical risk affected by climate change adaptation actions and the monetary amount of net revenues deriving from business activities at significant physical risk. 'Assets with material inherent physical risk' means assets exposed to physical risk with inherent economic impact that exceeds the ERM relevance thresholds, or falls at least within the 'low' level on the economic-financial impact scale. For the assets included in the scope and under construction at the time of the analysis, the revenue value indicated/used for reporting purposes is the result of estimates provided by the competent business areas/companies.
[8] The total monetary value of assets at material transition risk is equal to the monetary amount of assets at material inherent transition risk in the short, medium and long term. 'Business assets or activities at material inherent transition risk' means assets or activities exposed to transition risk with inherent economic impact that exceeds the ERM materiality thresholds.
[9] The figure is calculated as the ratio between the monetary amount of assets at material transition risk and the total monetary amount of assets. 'Business assets or activities at material inherent transition risk' means assets or activities exposed to transition risk with inherent economic impact that exceeds the ERM materiality thresholds.
[10] The figure is calculated as the ratio between the monetary amount of assets at material transition risk affected by climate change adaptation actions and the monetary amount of assets at significant transition risk. 'Business assets or activities at material inherent transition risk' means assets or activities exposed to transition risk with inherent economic impact that exceeds the ERM materiality thresholds.
[11] See Note 5.13 'Accounting for environmental certificates - Emission trading systems'. However, Snam is not exposed to any significant transition risk linked to carbon trading systems. 'Business assets or activities at material inherent transition risk' means assets or activities exposed to transition risk with inherent economic impact that exceeds the ERM materiality thresholds.
[12] The monetary value of net revenues from business activities subject to material transition risks is equal to the monetary amount of net revenues from business activities at material inherent transition risk in the short, medium and long term. 'Business assets or activities at material inherent transition risk' means assets or activities exposed to transition risk with inherent economic impact that exceeds the ERM materiality thresholds. As of 2024, the value is not material, given the current regulatory logic.
[13] The figure is calculated as the ratio between the monetary amount of net revenues deriving from business activities at risk of material inherent transition in the short, medium and long term and the monetary amount of adjusted net revenues. 'Business assets or activities at material inherent transition risk' means assets or activities exposed to transition risk with inherent economic impact that exceeds the ERM materiality thresholds.

Potential opportunities related to climate change

The update of the Climate Change Risk Management analyses also included the analysis of opportunities, which were identified and assessed in a qualitative-quantitative manner in the short (2025) and medium (2026-2029) term and in three different long-term scenarios (2030-2050) through a dedicated analysis, aligned with the ERM Model, which involved all the internal entities of the Group at the same time as the analysis of transition risks.

The results of this assessment highlighted in particular some opportunities rated with 'high' or 'excellent' severity on the Group severity scale, in particular the following opportunities for possible savings on the expected costs were identified:

- expected cost savings due to reduced dependence on external supplies;
- regulatory support for decarbonisation and energy efficiency projects;
- Reputational benefits due to the achievement of stated sustainability goals.

Furthermore, further opportunities were identified and evaluated with less relevance, such as the competitive advantage achievable thanks to the strengthening and expansion of the supplier base and the benefits of the construction of works/building sites oriented towards safety, physical resilience and protection of the territory.

Further opportunities and related economic impacts arising from low-carbon products and services or adaptation solutions to which the company has or could have access are related to the following topics:

- relevance for the energy system of multi-molecule infrastructure and transition businesses;
- Competitive and image benefits from early development of transition technologies.

With reference to the changes in market size and value of net revenues from low-emission products, the results of the opportunity assessment highlighted:

- the potential growth in regulated revenues through the transition plan to multi-molecule transportation;
- Reputational benefits due to the achievement of stated sustainability goals.

On the contrary, the opportunities for advantages in terms of positioning and market attractiveness emerged as less material.

For more information on transition opportunities and their impacts, please refer to the next paragraph.

Climate change risks and opportunities

Below are the main risks and opportunities mapped by Snam, prioritised according to the likelihood and impact dimensions mapped at the inherent level and residual severity.

LIKELIHOOD AND IMPACT LEGEND				
LIKELIHOOD (L)	**Short- and medium-term time horizon**			
	Low	Medium	High	Very High
ECONOMIC / FINANCIAL IMPACT (EFI)	**Materiality threshold equal to 1.5% of Net Profit over the budget year or cumulative if evaluated under Arc Plan**			
	Low	Moderate	High	Material
REPUTATIONAL IMPACT (RI)	**Image damage and/or number of stakeholder categories and their impacted expectation factors in connection with the materiality analysis**			
	Low	Moderate	High	Material
RESIDUAL SEVERITY (RS) [1]	**The residual severity is obtained from the probability assessments (for the short/ medium term) and the maximum impact between economic and reputational and residual, i.e. taking into account the evaluation of the effectiveness and adequacy of the measures adopted to mitigate the risk.**			
	Low	Medium	High	Critical
SEVERITY OPPORTUNITIES	**Severity results from the combination of the likelihood level and the impact level with the highest rating among those measured.**			
	Low	Medium	High	Excellent

[1] The reported severity was determined by considering the highest impact assessed in the analysis. Where there were two associated risks, the arithmetic mean of the two assessments was taken, rounded up.

Transition risks and opportunities

MARKET RISKS

CONTEXT OF REFERENCE
How markets could be affected by climate change, considering key trends and changes in consumer behaviour and demand for certain commodities, products and services

RELATED MATERIAL TOPICS

Climate change, energy security and energy accessibility

DESCRIPTION

• Reduction of gas volumes due to climate change • Lower relevance of **gas investments** for the energy system	• Unreliability/disruption of gas supplies • Increase in supply prices for gas technologies	• Worsening of **insurance terms and conditions**

IMPACTS IN THE VALUE CHAIN

Lower energy/gas use by the end consumer (downstream), Products and services	Products and services, Operation	Operations, Products and Services

SEVERITY - SHORT-MEDIUM TERM HORIZON (2025-2029) LIKELIHOOD (P) - ECONOMIC-FINANCIAL IMPACT (EFI) - REPUTATIONAL IMPACT (RI) - RESIDUAL SEVERITY (SR)

L	Medium			**L**	Low			**L**	Medium		
EFI	Low	**RI**	Low	**EFI**	Moderate	**RI**	Moderate	**EFI**	Low	**RI**	/
RS	Low			**RS**	Low			**RS**	Low		

SEVERITY - LONG-TERM HORIZON (2050)

RCP 1.9 – SSP1 – IEA NZE											
EFI	Low	**RI**	Low	**EFI**	Moderate	**RI**	Moderate	**EFI**	Low	**RI**	/
RS	Low			**RS**	Medium			**RS**	Low		
RCP 2.6 - SSP2 - IEA APS											
EFI	Moderate	**RI**	Moderate	**EFI**	Moderate	**RI**	Moderate	**EFI**	Low	**RI**	/
RS	Medium			**RS**	Medium			**RS**	Low		
RCP 8.5 - SSP5 - IEA STEPS											
EFI	Moderate	**RI**	Moderate	**EFI**	Moderate	**RI**	Low	**EFI**	Moderate	**RI**	/
RS	Medium			**RS**	Medium			**RS**	Medium		

MAIN MITIGATION ACTIONS

- Definition of a long-term transition strategy through the Snam *Transition Plan*;
- Consolidation of new business related to green and decarbonised gases;
- Strengthening the energy transition platform (biomethane, hydrogen, energy efficiency and carbon capture and storage technologies CCS);
- Promotion of innovation development and management activities;
- Awareness-raising activities on public opinion on natural gas as a key source to ensure energy security and enable the phasing out of coal in electricity generation;
- Taking part in Italian, European and international round table discussions, including association ones, as part of energy transition and climate neutrality;
- Investment in multi-molecule and European infrastructure projects (e.g: hydrogen backbone, H_2 storage, CCS projects);
- Positioning activities and taking part in industry studies;
- Participation in international projects of community interest for the development of H_2 and CCS.
- Consolidation of new business related to green and decarbonised gases;
- Strengthening the energy transition platform (biomethane, hydrogen, energy efficiency and carbon capture and storage technologies CCS);
- Promotion of innovation development and management activities;
- Supporting the technological development of a multi-molecule infrastructure;
- Taking part in Italian, European and international round table discussions, including association ones, as part of energy transition and climate neutrality;
- Investment in multi-molecule and European infrastructure projects (e.g: hydrogen backbone, H_2 storage, CCS projects);
- Positioning activities and taking part in industry studies;
- Participation in international projects of community interest for the development of H_2 and CCS;
- Supporting the deployment of green gas technologies as a viable alternative to electric technologies;
- Monitoring developments in the geopolitical context, European and national legislative initiatives in the field of natural gas, and representing the company's interests vis-à-vis the various institutional stakeholders.
- Monitoring of international, European and national public financing programmes in the infrastructure, energy and sustainable transportation fields;
- Positioning activities and taking part in industry studies;
- Investments to monitor and improve the infrastructural resilience of the transmission network and Snam's assets.

MARKET OPPORTUNITIES

CONTEXT OF REFERENCE
How markets could be affected by climate change, considering key trends and changes in consumer behaviour and demand for certain commodities, products and services

RELATED MATERIAL TOPICS

Climate change, Energy security and energy accessibility, Workers in the value chain, Business conduct

DESCRIPTION

relevance for the energy system of **multi-molecule infrastructure** and **transition businesses**	Less dependence on external gas supplies	Competitive advantage achievable through the strengthening and expansion of the supplier base

IMPACTS IN THE VALUE CHAIN

Products and services, Operation,	Operation	Operations, Products and Services

SEVERITY - SHORT-MEDIUM TERM HORIZON (2025-2029) LIKELIHOOD (P) - ECONOMIC-FINANCIAL IMPACT (EFI) - REPUTATIONAL IMPACT (RI) - RESIDUAL SEVERITY (SR)

L	Low			**L**	Low			**L**	Medium		
EFI	Low	**RI**	Moderate	**EFI**	Moderate	**RI**	High	**EFI**	Low	**RI**	Moderate
RS	Low			**RS**	Medium			**RS**	Medium		

SEVERITY - LONG-TERM HORIZON (2050)

RCP 1.9 – SSP1 – IEA NZE											
EFI	Material	**RI**	Material	**EFI**	High	**RI**	Moderate	**EFI**	Low	**RI**	Low
RS	Excellent			**RS**	High			**RS**	Low		
RCP 2.6 - SSP2 - IEA APS											
EFI	Good	**RI**	Moderate	**EFI**	Moderate	**RI**	Moderate	**EFI**	Low	**RI**	Low
RS	Medium			**RS**	Medium			**RS**	Low		
RCP 8.5 - SSP5 - IEA STEPS											
EFI	Low	**RI**	Low	**EFI**	Low	**RI**	Low	**EFI**	Low	**RI**	Low
RS	Low			**RS**	Low			**RS**	Low		

MAIN ACTIONS AND STRATEGIES TO REALISE THE OPPORTUNITY

• Definition of a long-term transition strategy through the Snam *Transition Plan*; • Infrastructure adaptation and development also with a view to greater integration between the gas and electricity systems; • Monitoring the European and national legislative initiatives on natural gas and representing corporate interests with regard to various institutional stakeholders; • Taking part in Italian, European and international round table discussions, including association ones, as part of energy transition and climate neutrality; • Consolidation of new businesses related to green gases (biomethane and hydrogen), the implementation of gas use to support the energy transition, the development of carbon capture and storage (CCS) technologies and the efficient use of energy (energy efficiency); • Multi-molecule infrastructure investments (e.g. hydrogen backbone, storage and CCS projects).	• Increased investment in favour of a policy of diversification and expansion of domestic production; • Infrastructure adaptation and development also with a view to greater integration between the gas and electricity systems; • Monitoring the European and national legislative initiatives on natural gas and representing corporate interests with regard to various institutional stakeholders; • Taking part in Italian, European and international round table discussions, including association ones, as part of energy transition and climate neutrality; • Consolidation of new businesses related to green gases (biomethane and hydrogen), the implementation of gas use to support the energy transition, the development of carbon capture and storage (CCS) technologies and the efficient use of energy (energy efficiency); • Support for LNG (e.g. Small-Scale LNG plants); • Signing strategic agreements with important sector operators within the main continental energy corridors.	• Taking part in Italian, European and international round table discussions, including association ones, as part of energy transition and climate neutrality; • Monitoring of the supply chain and continuous dialogue with critical suppliers in order to align with regulatory requirements and market needs; • Positioning activities and taking part in industry studies; • Promotion of innovation development and management activities.

REGULATORY RISKS

CONTEXT OF REFERENCE
How policies and regulations seek to counteract the negative effects of climate change or promote adaptation through new systems aimed at reducing emissions

RELATED MATERIAL TOPICS

Climate change, Relations with authorities and quality of services, Workers in the value chain, Business conduct

DESCRIPTION

Reduction in **regulated revenues**	Emergence of **new regulations** concerning pollutant emissions	Impacts of **supplier misalignment**

IMPACTS IN THE VALUE CHAIN

Products & Services, Capital, R&D Investments	Operation	Operation

SEVERITY - SHORT-MEDIUM TERM HORIZON (2025-2029) LIKELIHOOD (L) - ECONOMIC-FINANCIAL IMPACT (EFI) - REPUTATIONAL IMPACT (RI) - RESIDUAL SEVERITY (SR)

L	Low			**L**	Low			**L**	Low		
EFI	Low	**RI**	/	**EFI**	Moderate	**RI**	Moderate	**EFI**	Low	**RI**	Low
RS	Low			**RS**	Low			**RS**	Low		

SEVERITY - LONG-TERM HORIZON (2050)

RCP 1.9 – SSP1 – IEA NZE											
EFI	Low	**RI**	Low	**EFI**	Moderate	**RI**	Moderate	**EFI**	Low	**RI**	Low
RS	Low			**RS**	Medium			**RS**	Low		
RCP 2.6 - SSP2 - IEA APS											
EFI	Moderate	**RI**	Moderate	**EFI**	Moderate	**RI**	Moderate	**EFI**	Low	**RI**	Low
RS	Medium			**RS**	Medium			**RS**	Low		
RCP 8.5 - SSP5 - IEA STEPS											
EFI	Moderate	**RI**	Moderate	**EFI**	Low	**RI**	Low	**EFI**	Low	**RI**	Low
RS	Medium			**RS**	Low			**RS**	Low		

MAIN MITIGATION ACTIONS

- Definition of a long-term transition strategy through the Snam *Transition Plan*;
- Taking part in Italian, European and international round table discussions, including association ones, as part of energy transition and climate neutrality;
- Multi-molecule infrastructure investments (e.g. hydrogen backbone, H_2 testing in depleted gas fields, development of *storage and CCS expertise*);
- Maintaining a continuous and constructive dialogue with the regulator that contributes to the definition of a clear, transparent and stable framework to encourage the sustainable development of the gas system;
- Monitoring consultation processes in a direct and/or indirect manner;
- Preparation and transmission of documents containing company positions and/or proposals regarding the definition of the regulatory framework;
- Continuous regulatory oversight with monitoring of the evolution of laws and rulings, analysis of new developments, and the dissemination of information and insights to business and commercial departments;
- Investments to monitor and improve the infrastructural resilience of the transmission network and Snam's assets.
- Periodic monitoring of energy consumption and updating of consumption forecasts relating to plants subject to ETS, in order to correctly monitor and estimate quota needs;
- SnamTEC Project to reduce the environmental impact of Snam's activities by promoting innovation and contributing to decarbonisation;
- Continuous monitoring of regulatory developments and best practices related to reporting, also through participation in European and international working groups;
- Conversion programme for gas turbines in dual fuel compression and storage plants;
- Update of the sustainability strategy with identification of ambitious emission reduction targets (-50% by 2032 vs. 2022 for Scope 1 and Scope 2 GHG emissions related to regulated business, -30% by 2030 and -35% by 2032 vs. 2022 for Scope 3 GHG emissions and -64.5% by 2027, -70% by 2030 and -72% by 2032 vs. 2015 for natural gas) and aimed at achieving carbon neutrality to 2040 on Scope 1 and 2 emissions across the board and culminating in achieving Net Zero by 2050 on all Scope 1, 2, 3 emissions.
- Participation in internationally integrated projects on green and low carbon gases (biomethane and green and blue hydrogen) along the entire value chain to foster their further development;
- Continuous monitoring of regulatory developments, including through participation in European and international working tables;
- Monitoring of the supply chain and continuous dialogue with critical suppliers in order to align with regulatory requirements and market needs.

REGULATORY OPPORTUNITIES

CONTEXT OF REFERENCE
How policies and regulations seek to counteract the negative effects of climate change or promote adaptation through new systems aimed at reducing emissions

RELATED MATERIAL TOPICS

Climate Change, Relations with Authorities and Quality of Services

DESCRIPTION

Regulated revenue **growth**	Regulatory support for decarbonisation and energy efficiency projects

IMPACTS IN THE VALUE CHAIN

Products and services, Capital	R&D Investments, Products and Services

SEVERITY - SHORT-MEDIUM TERM HORIZON (2025-2029) LIKELIHOOD (L) - ECONOMIC-FINANCIAL IMPACT (EFI) - REPUTATIONAL IMPACT (RI) - RESIDUAL SEVERITY (SR)

L	Medium			**L**	Medium		
EFI	Low	**RI**	Moderate	**EFI**	Moderate	**RI**	High
RS	Medium			**RS**	Medium		

SEVERITY - LONG-TERM HORIZON (2050)

RCP 1.9 – SSP1 – IEA NZE							
EFI	Material	**RI**	Material	**EFI**	High	**RI**	Moderate
RS	Excellent			**RS**	Medium		
RCP 2.6 - SSP2 - IEA APS							
EFI	High	**RI**	Moderate	**EFI**	Moderate	**RI**	Low
RS	High			**RS**	Medium		
RCP 8.5 - SSP5 - IEA STEPS							
EFI	Low	**RI**	/	**EFI**	Low	**RI**	Low
RS	Low			**RS**	Low		

MAIN ACTIONS AND STRATEGIES TO REALISE THE OPPORTUNITY

- Definition of a long-term transition strategy through the Snam *Transition Plan*;
- Taking part in Italian, European and international round table discussions, including association ones, as part of energy transition and climate neutrality;
- Investments in multi-purpose infrastructure (e.g. hydrogen backbone, H_2 testing in depleted gas fields, development of storage and CCS expertise);
- Maintaining a continuous and constructive dialogue with the regulator that contributes to the definition of a clear, transparent and stable framework to encourage the sustainable development of the gas system;
- Monitoring consultation processes in a direct and/or indirect manner.
- SnamTEC Project to reduce the environmental impact of Snam's activities by promoting innovation and contributing to decarbonisation;
- Identification of objectives for increasing the production of renewable energy (e.g. installation photovoltaic systems), for purchasing green electricity and for installing low-emission technologies (e.g. new high-efficiency heat generators, trigeneration plants, etc.);
- Taking part in Italian, European and international round table discussions, including association ones, as part of energy transition and climate neutrality;
- Continuous regulatory oversight with monitoring of the evolution of laws and rulings, analysis of new developments, and the dissemination of information and insights to business and commercial departments.

TECHNOLOGICAL RISKS

CONTEXT OF REFERENCE
How climate change could trigger a technological breakthrough through the development of new low footprint processes or new circular economy systems

RELATED MATERIAL TOPICS

Climate change, Innovation, Relations with Authorities and quality of services, Own workforce (sub-topic: Health and safety)

DESCRIPTION

Delays/higher costs for development/ purchase of **transition technologies**	Difficulties in **carrying out works/ construction sites** for physical and authorisation reasons	Attraction, retention and development of transition-related skills

IMPACTS IN THE VALUE CHAIN

Operation	Operations, Products and Services	Operation

SEVERITY - SHORT-MEDIUM TERM HORIZON (2025-2029) LIKELIHOOD (L) - ECONOMIC-FINANCIAL IMPACT (EFI) - REPUTATIONAL IMPACT (RI) - RESIDUAL SEVERITY (SR)

L	High			**L**	Medium			**L**	High		
EFI	Moderate	**RI**	Low	**EFI**	Low	**RI**	Low	**EFI**	Moderate	**RI**	Low
RS	Medium			**RS**	Low			**RS**	Medium		

SEVERITY - LONG-TERM HORIZON (2050)

RCP 1.9 – SSP1 – IEA NZE											
EFI	High	**RI**	Moderate	**EFI**	Low	**RI**	Low	**EFI**	Moderate	**RI**	Moderate
RS	High			**RS**	Low			**RS**	Medium		
RCP 2.6 - SSP2 - IEA APS											
EFI	Moderate	**RI**	Moderate	**EFI**	Low	**RI**	Low	**EFI**	High	**RI**	Moderate
RS	Medium			**RS**	Low			**RS**	High		
RCP 8.5 - SSP5 - IEA STEPS											
EFI	/	**RI**	Low	**EFI**	High	**RI**	High	**EFI**	Low	**RI**	Low
RS	Low			**RS**	High			**RS**	Low		

MAIN MITIGATION ACTIONS

• Promotion of innovation development and management activities; • Supporting the technological development of a multi-molecule infrastructure; • Taking part in Italian, European and international round table discussions, including association ones, as part of energy transition and climate neutrality; • Monitoring and studying decarbonisation technologies that can be complementary to Snam's core business; • Partnership agreements to foster the development of decarbonisation and hydrogen value chain sectors, also through advocacy and awareness raising activities both at home and abroad; • Development of competencies in green and low carbon technologies to gas, through acquisitions also; • Enabling hybrid technologies (e.g. dual-fuel power plants) to favour the transportation of green gas mixes (biomethane + hydrogen).	• Investments to monitor and improve the infrastructural resilience of the transmission network and Snam's assets; • Technologically advanced tools for monitoring/controlling the state of infrastructure elements, also in view of their useful life, and the environmental context in which they are located; • Promotion of innovation development and management activities; • Supporting technology development for a multi-molecule infrastructure.	• Development of competencies in green and low carbon technologies to gas, through acquisitions also; • Taking part in Italian, European and international round table discussions, including association ones, as part of energy transition and climate neutrality; • Monitoring and studying decarbonisation technologies that can be complementary to Snam's core business; • Promotion of innovation development and management activities.

TECHNOLOGICAL OPPORTUNITIES

CONTEXT OF REFERENCE
How climate change could trigger a technological breakthrough through the development of new low footprint processes or new circular economy systems

RELATED MATERIAL TOPICS

Energy security and energy accessibility, Innovation, Climate change, Relations with authorities and quality of services

DESCRIPTION

Competitive and image benefits from early development of transition technologies	Benefits of a **construction site/works project** oriented towards safety, physical resilience and protection of the territory

IMPACTS IN THE VALUE CHAIN

Products and Services, R&D Investments	Investment R&D, Operations

SEVERITY - SHORT-MEDIUM TERM HORIZON (2025-2029) LIKELIHOOD (L) - ECONOMIC-FINANCIAL IMPACT (EFI) - REPUTATIONAL IMPACT (RI) - RESIDUAL SEVERITY (SR)

L	Medium			**L**	Very High		
EFI	Low	**RI**	Material	**EFI**	/	**RI**	Low
RS	High			**RS**	Medium		

SEVERITY - LONG-TERM HORIZON (2050)

RCP 1.9 – SSP1 – IEA NZE							
EFI	Material	**RI**	Material	**EFI**	/	**RI**	Low
RS	Excellent			**RS**	Low		
RCP 2.6 - SSP2 - IEA APS							
EFI	Moderate	**RI**	Moderate	**EFI**	/	**RI**	Low
RS	Medium			**RS**	Low		
RCP 8.5 - SSP5 - IEA STEPS							
EFI	Low	**RI**	Low	**EFI**	/	**RI**	Low
RS	Low			**RS**	Low		

MAIN ACTIONS AND STRATEGIES TO REALISE THE OPPORTUNITY

- Investment in infrastructure from a multi-molecule and European perspective (e.g: hydrogen backbone, H_2 storage and CCS);
- Promotion of innovation development and management activities;
- Participation in international projects of community interest for H_2 and CCS development.
- Development of new businesses related to green gases (biomethane and hydrogen), the implementation of the use of gas to support the energy transition, the development of carbon capture and storage (CCS) technologies and the efficient use of energy (energy efficiency), in Italy and abroad;
- Actions and investments aimed at developing hydrogen as an additional source to support the energy transition (e.g. insertion of a 10% hydrogen mixture in a section of the national network, testing of a 30% hydrogen mixture, position papers, dedicated studies and strategic placements);
- Modernisation of infrastructure in an H_2-ready perspective, already 99% ready, and the definition of standards for the acquisition of only H_2-ready components for the grid;
- Participation in working groups in order to take a leading role in advocacy and awareness-raising activities to promote the use of hydrogen and Carbon Capture Transport and Storage systems at national and international level;
- Monitoring and studying decarbonisation technologies that can be complementary to Snam's core business;
- Development of competencies in green and low carbon technologies to gas, also through acquisitions.
- Investments to monitor and improve the infrastructural resilience of the transmission network and Snam's assets;
- Representative actions with institutional stakeholders in order to promote the centrality of gas infrastructure as a tool for transporting green gases (e.g. biomethane and hydrogen) to support the fight against climate change;
- Technologically advanced tools for monitoring/controlling the state of infrastructure elements, also in view of their useful life, and the environmental context in which they are located;
- Systematic and continuous maintenance and control actions, with implementation of the pipeline replacement plan based on analyses of specific technical parameters.

REPUTATIONAL RISKS

CONTEXT OF REFERENCE
How initiatives and outreach activities on climate-related issues and relations with key stakeholders could impact the Group's reputation

RELATED MATERIAL TOPICS

Climate change, Relations with authorities and quality of services, Business conduct

DESCRIPTION

Reputational and competitive disadvantage due to delays/lack of achievement of **sustainability targets**	Penalties by Stakeholders

IMPACTS IN THE VALUE CHAIN

Products and services, Capital	Products and services, Capital

SEVERITY - SHORT-MEDIUM TERM HORIZON (2025-2029) LIKELIHOOD (L) - ECONOMIC-FINANCIAL IMPACT (EFI) - REPUTATIONAL IMPACT (RI) - RESIDUAL SEVERITY (SR)

L	Medium			**L**	Medium		
EFI	Low	**RI**	High	**EFI**	Low	**RI**	Moderate
RS	Medium			**RS**	Medium		

SEVERITY - LONG-TERM HORIZON (2050)

RCP 1.9 – SSP1 – IEA NZE							
EFI	High	**RI**	Moderate	**EFI**	High	**RI**	Moderate
RS	High			**RS**	High		
RCP 2.6 - SSP2 - IEA APS							
EFI	Moderate	**RI**	Moderate	**EFI**	Moderate	**RI**	High
RS	Medium			**RS**	High		
RCP 8.5 - SSP5 - IEA STEPS							
EFI	Low	**RI**	Low	**EFI**	Low	**RI**	Low
RS	Low			**RS**	Low		

MAIN MITIGATION ACTIONS

- Representation actions with institutional stakeholders in order to promote the centralisation of the gas infrastructure as a tool for the transportation of green gases (for example, biomethane and green hydrogen) supporting the fight against climate change;
- Update of the sustainability strategy with identification of ambitious emission reduction targets (-50% by 2032 vs. 2022 for Scope 1 and Scope 2 GHG emissions related to regulated business, -30% by 2030 and -35% by 2032 vs. 2022 for Scope 3 GHG emissions and -64.5% by 2027, -70% by 2030 and -72% by 2032 vs. 2015 for natural gas) and aimed at achieving carbon neutrality to 2040 on Scope 1 and 2 emissions across the board and culminating in achieving Net Zero by 2050 on all Scope 1, 2, 3 emissions;
- Disclosure of CSRD and climate change performance through the publication of information on these topics in the Consolidated Sustainability Statement;
- Adequate recognition and dissemination of awards and/or certifications that attest to and reinforce the Group's commitment to achieving certain sustainability goals.
- Definition of a long-term transition strategy through the Snam Transition Plan;
- Taking part in Italian, European and international round table discussions, including association ones, as part of energy transition and climate neutrality;
- Dialogue and promotion/advocacy with reference stakeholders, institutional world and financial world, also in conjunction with associations and other gas chain operators;
- Representation actions with institutional stakeholders in order to promote the centralisation of the gas infrastructure as a tool for the transportation of green gases (for example, biomethane and green hydrogen) supporting the fight against climate change;
- Adherence to national, European and international initiatives aimed at strengthening the commitment to reduce methane emissions, such as the UNEP Oil & Gas Methane Partnership OGMP 2.0 Protocol.

REPUTATIONAL OPPORTUNITIES

CONTEXT OF REFERENCE
How initiatives and outreach activities on climate-related issues and relations with key stakeholders could impact the Group's reputation

RELATED MATERIAL TOPICS

Business conduct

DESCRIPTION

Reputational benefits due to the achievement of stated sustainability goals	Advantages in terms of market positioning and attractiveness (sustainable finance)

IMPACTS IN THE VALUE CHAIN

Operations, Products and Services	Capital, Operations

SEVERITY - SHORT-MEDIUM TERM HORIZON (2025-2029) LIKELIHOOD (L) - ECONOMIC-FINANCIAL IMPACT (EFI) - REPUTATIONAL IMPACT (RI) - RESIDUAL SEVERITY (SR)

L	Very High			**L**	Low		
EFI	Low	**RI**	Material	**EFI**	Low	**RI**	Moderate
RS	Excellent			**RS**	Low		

SEVERITY - LONG-TERM HORIZON (2050)

RCP 1.9 – SSP1 – IEA NZE							
EFI	/	**RI**	Material	**EFI**	Low	**RI**	Moderate
RS	Excellent			**RS**	Medium		
RCP 2.6 - SSP2 - IEA APS							
EFI	/	**RI**	High	**EFI**	Moderate	**RI**	Moderate
RS	High			**RS**	Medium		
RCP 8.5 - SSP5 - IEA STEPS							
EFI	/	**RI**	Moderate	**EFI**	Moderate	**RI**	Low
RS	Medium			**RS**	Medium		

MAIN ACTIONS AND STRATEGIES TO REALISE THE OPPORTUNITY

- Dialogue and promotion/advocacy with reference stakeholders, institutional world and financial world, also in conjunction with associations and other operators;
- Update of the sustainability strategy with identification of ambitious emission reduction targets (-50% by 2032 vs. 2022 for Scope 1 and Scope 2 GHG emissions related to regulated business, -30% by 2030 and -35% by 2032 vs. 2022 for Scope 3 GHG emissions and -64.5% by 2027, -70% by 2030 and -72% by 2032 vs. 2015 for natural gas) and aimed at achieving carbon neutrality to 2040 on Scope 1 and 2 emissions across the board and culminating in achieving Net Zero by 2050 on all Scope 1, 2, 3 emissions;
- Issuance of bonds linked to emission reduction and climate resilience projects (Green Bonds, Taxonomy Linked Bonds, Transition Bonds and Sustainable-Linked Bonds);
- Narrative on sustainability integrated in every activity of the company (infrastructure, environmental and biodiversity protection, social, innovation), as an enabling factor of a just transition.
- Definition of a long-term transition strategy through the Snam *Transition Plan*;
- Representation actions with institutional stakeholders in order to promote the centralisation of the gas infrastructure as a tool for the transportation of green gases (for example, biomethane and green hydrogen) supporting the fight against climate change;
- Participation in the assessment of the main international sustainability rating agencies (CDP, Sustainalytics and ISS ESG), in the assessments of the main ESG indices (DJSI, MSCI, FTSE4good) and in Moody's *Net Zero Assessment*, thus increasing the company's visibility with SRI investors and, more generally, with the entire financial community;
- Snam's regular participation in roadshows/seminars, with the aim of meeting institutional investors around the world, including SR investors;
- Definition of a target in the *Sustainability Scorecard* related to sustainable finance to increase the weight of sustainable finance in total funding to 90% by 2029;
- Publication of a *Sustainable Finance Framework* for the issuance of instruments to finance projects aligned with the Delegated Acts of the European Taxonomy and corporate activity in general;
- Alignment of activities related to European Taxonomy.

PHYSICAL RISKS

CONTEXT OF REFERENCE
How the occurrence of climate or biodiversity-related events and their intensification due to climate change and the evolution of the natural context could have an impact on the continuity of the Group's business and the integrity of its assets

RELATED MATERIAL TOPICS

Climate Change, Business Conduct, Energy Security and Accessibility

DESCRIPTION

Acute risks - Increased severity of extreme weather events, with impacts on service continuity and quality and asset integrity	**Chronic risks** - Intensification of chronic climatic and biodiversity-related phenomena in the medium and long term (temperatures, precipitation, winds, soil or water alteration) which can also lead to the heightening of acute risks

IMPACTS IN THE VALUE CHAIN

Operation	Operation

SEVERITY - SHORT-MEDIUM TERM HORIZON (2025-2029) LIKELIHOOD (L) - ECONOMIC-FINANCIAL IMPACT (EFI) - REPUTATIONAL IMPACT (RI) - RESIDUAL SEVERITY (SR)

Low	Low

SEVERITY - LONG-TERM HORIZON (2050)

RCP 1.9 – SSP1 – IEA NZE and RCP 2.6 – SSP2 – IEA APS

No appreciable changes in 'theoretical' exposure to 2050 are expected compared to what has already been shown in the short- to medium-term analysis, the results of which are the starting point for planning a long-term response.

RCP 8.5 - SSP5 - IEA STEPS

RCP scenario 8.5 shows a more pronounced evolution of physical climatic phenomena than the other two scenarios, with potentially appreciable consequences as early as 2050 in terms of intensifying impacts. Such a representation may suggest possible priorities to the company in terms of risk response planning under the assumption of a worst-case scenario in the coming decades.

MAIN MITIGATION ACTIONS

- *Application of the recovery plan and business continuity management system to international best practices;*
- Technologically advanced tools for monitoring/controlling the state of infrastructure elements, also in view of their useful life, and the environmental context in which they are located;
- Systematic and continuous maintenance and control actions, with implementation of the pipeline replacement plan based on analyses of specific technical parameters;
- Timely implementation of Emergency Response Procedures;
- Continuity of investments in gas storage to provide additional flexibility in case of supply disruptions or more aggressive gas demand peaks;
- Continued technology scouting in areas critical to the energy transition and decarbonisation of our infrastructure;
- Design and construction of transportation infrastructure based on the most recent technical and safety regulations, the carrying out of dedicated studies (geomorphological, hydraulic, environmental risk, etc.) during the design phase.

Book value of real estate investments divided by energy efficiency classes

The carrying amount of real estate by energy efficiency class is shown below, where by 'carrying amount of the company's real estate assets', Snam refers to the carrying amount recorded in the 'Buildings' category of the 'Property, plant and equipment' item of the consolidated balance sheet at the closing date of each reporting period, including the carrying amount of real estate assets reported as rights of use according to IFRS 16.

To calculate the indicator, Snam applied the following hypotheses:
- for properties with APE being perfected, the energy class was deduced considering the works in progress for the improvement of energy efficiency (expected class);
- for properties with APE for which an update plan will be provided, the energy class was deduced from the expired document;
- for properties still without an APE, the lowest energy class (G) is assigned.

BOOK VALUE OF REAL ESTATE INVESTMENTS DIVIDED BY ENERGY EFFICIENCY CLASS

ESRS / Other entity-specific disclosures	INDICATOR	UNITS OF MEASUREMENT	2024
E1-9	APE Class - A4	€ million	13
	APE Class - A3	€ million	0
	APE Class - A2	€ million	10
	APE Class - A1	€ million	50
	APE Class - B	€ million	21
	APE Class - C	€ million	8
	APE Class - D	€ million	4
	APE Class - E	€ million	5
	APE Class - F	€ million	12
	APE Class - G	€ million	282
	Energy efficiency classes estimated through internal assessments	€ million	249

Notes: the data refer to the entire Snam Group, unless otherwise indicated. For more information on the scope, please refer to the chapter 'Introduction and guide to reading the document, General basis for the preparation of the Consolidated Sustainability Statement'.

Energy transition businesses (SOSTENIBILITÀ A 360°)

Snam intends to consolidate its position in the energy transition business year on year through the presence of dedicated business units and subsidiaries. Through its biomethane, hydrogen, CCS and energy efficiency businesses, the company plays a leading role in the ecological transition and the achievement of carbon neutrality and zero net emissions, not only at Group level but also at a national level. The company intends to leverage its know-how and the acquisition of new skills through partnerships and collaborations with leaders in the energy transition sectors in order to contribute to the creation of a low-carbon and circular economy.

Biomethane

Snam, through the work of Bioenerys and leveraging the technical know-how of its subsidiaries IES Biogas and Renerwaste, is responsible for promoting the development of biomethane infrastructure elements, as well as the take-up of biomethane throughout the country, thereby fostering value creation and driving the energy transition. The actions implemented by Bioenerys, which concern the entire perimeter of the Company, contribute to the achievement of the objectives set out in Snam's HSEEQ Policy, with particular reference to those relating to the production of biomethane, and the consequent avoided emissions, and the diffusion of green gases.
Biogas and biomethane represent models of circular economy, which contribute to the mitigation of climate change, since they derive from the transformation of FORSU (organic fraction of solid urban waste), agricultural biomass and zootechnical effluents, agro-industrial waste through anaerobic digestion, reintegrating them into the production cycle.

Biogas is created by anaerobic digestion, a fermentation process in which bacteria decompose organic substances (of animal or plant origin) in the absence of oxygen and at a controlled temperature. Through a refining and purification process of upgrading, biogas can be transformed into biomethane. This cycle is completed with the production of digestate (a biofertiliser that replaces fertilisers from fossil sources and returns to the soil) and compost (mixed soil improver).

Thanks to its characteristics, biomethane is therefore a strategic business for Snam, which is looking to build infrastructure and plants with an installed capacity of about 78 MW by 2027, a platform for growth in the circular economy and the industrialisation of agricultural production.

Currently, Snam owns, through its subsidiary Bioenerys Srl, a portfolio of 35 operating plants - 8 biomethane production plants, 26 biogas plants[103] which produce electricity and 1 waste treatment plant. Furthermore, in the period 2024-2026, the conversion of 25 biogas plants to biomethane production is planned, taking advantage of the incentive system provided by the Ministerial Decree 2022. Bioenerys' activities and projects are financed and supported at cash level by the Snam group treasury agreement.
Excluding a slight delay in reaching the estimated production due to the start-up of a new plant, 2024 biomethane production reached 18.5 Mcm, which is in line with the planned targets. At the end of 2024, the first agricultural plant was converted and during 2025, 7 more will be converted, bringing the total number of biomethane plants to 15 and contributing to the increase of biomethane production to 30 Mscm.

78 MW installed capacity to 2027	18.5 Mscm biomethane production in 2024	35 operational plants, of which 9 in the waste sector, with a capacity of 14 MW, and 26 in the agricultural sector, with a capacity of 26 MW

With a view to promoting and disseminating knowledge, especially about biomethane, Bioenerys actively participates in events, round tables and meetings with national and international associations, organised to highlight the socio-economic and environmental advantages of using green gases, including on the part of the public.

To this end, during the year, Bioenerys took part in all the main events dedicated to both the agricultural and agro-industrial sector and the biomethane from the organic fraction of municipal solid waste (OFMSW) sector.
The Company was also engaged in a series of stakeholder engagement activities concentrated in the territories in which it operates with the dual objective of communicating the value of the Group's activities and, at the same time, improving acceptance of the plants by local communities and public opinion.

[103] Bioenerys plans to convert its electricity-producing biogas plants into biomethane production plants by 2026.

As part of its stakeholder engagement strategy, Bioenerys has implemented the 'decARTbonization' project, which won Snam's 2024 Ideas Centre. The activity consisted in the production of a 'green' mural (with absorbent paints) on the walls of our biomethane plant from FORSU (organic fraction of solid urban waste) in Foligno (PG). The work team then involved TVBoy, a leading representative of the Italian street art movement, in the creation of a 'monumental' work of about 400 square metres that was made using a special paint capable of absorbing CO_2 and other pollutants. This artistic mural aims not only to contribute to improving the aesthetics of the Foligno plant, but also represents a concrete symbol of Snam and Bioenerys' commitment to fighting air pollution and promoting sustainable practices, integrating aesthetics and functionality in a project with a strong social and environmental impact.

Bioenerys also continued its successful partnerships with leading industry associations, including:

- **European Biogas Association (EBA),** a non-profit organisation that promotes the development and sustainable use of biogas;
- **Consorzio Italiano Biogas (CIB),** the first voluntary grouping of the entire agricultural biogas and biomethane production chain to improve the management of the production process and guide the evolution of the regulatory framework to achieve the 2050 targets on renewable energy and combat climate change;
- **Consorzio Italiano Compostatori (CIC),** a non-profit organisation dedicated to promoting and enhancing the recycling of the organic fraction of waste in order to pursue the objectives set by the European Union within the Circular Economy Package.
- **European Biomethane Industrial Partnership (BIP),** to support the achievement of the European target of producing 35 bcm of biomethane by 2030 defined in the REPowerEU Plan.

The main activities carried out by Bioenerys in 2024 are:

- **'In class with Bioenerys', an activity dedicated to primary and secondary schools, in which the company offers a training course on the circular economy aimed at raising awareness among young people on the importance of carrying out correct separate waste collection. The activity involved 80 schools in the areas where Bioenerys operates and will continue for the 2024-2025 school year.**
- **Fiera Agricola Verona, the event to learn more about sustainability, agro-ecology, circular economy, protection of soil, resources, environment and nature. Bioenerys continues its commitment to combining the development of renewable gases and the digitalisation of stables, promoting synergies between breeders and managers of biomethane production plants and reducing environmental impact.**
- **Ecomondo, the leading trade fair in Europe for industrial and technological innovation in the circular economy, which for 2024 focused on the main technological, regulatory and market innovations in the various strategic sectors (industrial and city-related) of the circular economy, water resource management, environmental monitoring and regeneration and prevention of hydrogeological risk.**

The company also took part in CIB Farming Tour, Ecomed and Fiera di Cremona, as well as being present at the Renovit stand at the Key Energy event in Rimini.

Snam, as part of its commitment to energy transition and climate change mitigation, is carrying out a series of projects aimed at connecting biomethane production plants to the network. The planned interventions will develop over a broad time frame, from 2024 to 2040, with the aim of ensuring a progressive and widespread connection of biomethane plants to the transportation network. In 2024, 213 new connection projects were launched, demonstrating the initial progress on the connection plan.

Natural gas and biomethane can also be used as alternatives to traditional fossil fuels for cars, trucks and buses, bringing significant environmental benefits in terms of reducing greenhouse gas emissions, nitrogen oxides and particulate matter, especially in the case of Bio-UFG/LNG (or compressed/liquefied biomethane). In this regard, the LNG and Bio-GNL market is expected to grow significantly from about 150-200 thousand tonnes per year today to about 1-1.5 million tonnes in 2030.

Greenture's business has been repositioned within the gas infrastructure business in that it is no longer focused solely on the car refuelling station sector, but is now oriented towards the creation of mid-stream LNG infrastructure dedicated to heavy transport, shipping and rail, and off-grid utilities, i.e. small-scale LNG (SSLNG).

In addition, Cubogas S.r.l., a 100% owned subsidiary of Greenture S.p.A., and active internationally in the design, development and production of compression technology solutions for natural gas, biomethane and H_2, is committed to strengthening the Group's activities in support of the energy transition. To this end, different types of hydrogen compression (reciprocating piston compressor and hydraulic compressor) are being developed and tested in the test area at the Cherasco (CN) site. Specifically, the available equipment and know-how are strategic in that they enable Snam and the entire network of companies involved in the hydrogen chain to support the development of their products and technologies.

In addition, during the year, Greenture participated in:

- **Automotive Forum, the event on mobility and the country system and Ecofuturo, the festival of innovation, ecotechnology, eco-training and sustainable lifestyles.**
- **LetEXPO 2024, the fair on sustainable logistics, transportation and all-round services where Greenture intervened on Bio-LNG, a sustainable and economic solution for the development of the sector.**

For more information, please refer to the chapter 'Energy security and accessibility, Actions and metrics, Greenture's contribution to energy security'.

ARERA Resolution 140/2023/r/gas of 4 April 2023 stipulates that Snam shall use the biomethane produced by its subsidiary Bioenerys for self-consumption, without selling it to third parties, until 30 June 2027. After this date Snam shall maintain a passive financial investment in the company and/or access to the biomethane production plant on regulated terms.

Hydrogen and CCS

Snam, through the **Decarbonization Projects** function, created in 2022, is responsible for the development and implementation of all decarbonisation projects. In particular, the function oversees the definition of strategies, objectives, technological choices and the development of activities in the hydrogen, CCS and renewable energy fields in accordance with the guidelines and strategic directions defined by Snam and in support of decarbonising Italy's energy and production system. Numerous studies, including recent reports by the IPCC (Intergovernmental Panel on Climate Change) and the IEA (International Energy Agency), show that carbon capture and storage (CCS) technologies will also be key tools in ensuring emissions are cut to zero, thereby containing global warming.

Hydrogen and CCS events

Snam carries out advocacy activities to spread knowledge about green hydrogen and CCS applications worldwide, developing best practices and partnerships with various and diverse players.

The Group participated in a number of national and international events and forums in 2024 aimed at fostering the expansion of the entire hydrogen and carbon capture market value chain, including:

- **European Hydrogen Week**, an industry event organised by Hydrogen Europe held in Brussels and attended by all the major players in the hydrogen value chain. During the European Hydrogen Week, Snam participated in the 'European Hydrogen Backbone' side event;
- Presentation event of the **National Hydrogen Strategy**, held in Rome to accompany the publication of the document;
- **Hydrogen Expo**, the largest Italian exhibition-conference entirely dedicated to the technological sector for the development of the hydrogen supply chain;
- **Hydrogen Forum**, a leading event for operators and companies involved in products and services for the energy sector with a focus on issues related to the hydrogen supply chain, under the patronage of the European Commission;
- **European Gas & Hydrogen Conference**, summit on the latest projects, financing and investments, technologies and regulations needed to achieve the European Commission's 'zero emissions' target;
- **Italian Hydrogen Summit**, for an Italian hydrogen strategy, a discussion between institutions, companies, experts, industry operators and stakeholders on the topic of hydrogen, starting from an analysis of the state of the art of the sector to then set out a strategic and shared vision for the future;
- **World Hydrogen 2024 Summit & Exhibition** in Rotterdam, the leading global platform for the hydrogen business;
- **CHE - Connecting Green Hydrogen Europe** in Madrid, an exhibition and conference bringing together the entire hydrogen value chain to accelerate the renewable gas economy;
- **Carbon Capture Global Summit 2024**, the world's leading event on CCUS, which aims to create a global strategic alliance to promote its deployment. The event brought together over 800 industry leaders to discuss key markets and concrete progress in CCUS projects;
- **CCUS 2024 Conference: Springboard to Net Zero**, organised by CCSA to provide an overview of the evolution of the CCS market;
- **CCUS Forum** in France, promoted by the European Commission, with a focus on CO_2 capture and storage issues, in which Snam participated with a panel focusing on infrastructure;
- Presentation event of the strategic study '**Carbon Capture and Storage: a strategic lever for decarbonisation and industrial competitiveness**', produced by The European House - Ambrosetti in collaboration with Eni and Snam;
- **Industrial Carbon Management Forum - ICM** (formerly CCUS Forum), promoted by the European Commission with a focus on issues related to the capture, storage, transportation, use of CO_2 and related energy infrastructure elements.

In addition, the company participates in lectures on the role of hydrogen at universities and institutes. In this regard, during the year a lecture was given to students at the Asp Winter School for the Dynamics of Innovation course, as well as a talk at Bicocca University in Milan on the panel Beyond Gas: the Green Hydrogen Challenge.

From a regulatory and industry association perspective, Snam has actively participated in the main Italian, European and international industry forums to accelerate the implementation of hydrogen and CCUS solutions, including:

Italian Hydrogen and Fuel Cells Association (H_2IT)	Snam held the position of Vice-Chairman for the two-year period 2020-2022 and was re-elected to the Board for the 2024-2026 period
Hydrogen Europe (HE)	Since June 2024, Snam has been a member of the Board of Hydrogen Europe for the Energy & Infrastructure seat. Snam holds the position of Cross-Cutting Technical Committee leader and actively participates in working tables and drafting position papers on the main regulatory and normative aspects under development.
Gas for Climate (GFC)	A consortium set up to analyse and create awareness of the role of renewable and low-carbon gas in the future energy system. In this context, Snam is part of the European Hydrogen Backbone Initiative, which involves 29 European TSOs in the definition of the pan-European hydrogen transmission network via pipeline.
Hydrogen Council (HC)	An international initiative to accelerate the implementation of hydrogen solutions worldwide. It also acts as a business marketplace, resource for security standards and interlocutor for the investment community.
European Clean Hydrogen Alliance (ECHA)	Alliance established in 2020 to support the large-scale deployment of clean hydrogen technologies by 2030.
European Hydrogen Backbone (EHB) initiative	Initiative involving 33 energy infrastructure operators united by a shared vision of a climate-neutral Europe through a renewable and low-carbon hydrogen market.
Carbon Capture and Storage Association (CCSA)	Leading European association in accelerating the commercial development of carbon capture, utilisation and storage (CCUS). The association works with members, governments and other organisations to ensure that CCUS is developed and can be used as a tool to achieve European and UK net-zero targets.

During 2024, Snam actively participated in the roundtables for drafting the National Hydrogen Strategy and the CCUS Study - Analysis of the technical, economic and regulatory aspects functional to the development of the CCUS supply chain established by the Ministry of the Environment and Energy Security.

Furthermore, Snam participates in the European Commission's **PCI Days** dedicated to European cross-border and strategic infrastructure projects. Snam participated in the **PCI Garden** where the main projects of common interest included in the European Commission's list were presented.

Hydrogen

Published in 2022, the REPowerEU Plan emphasises the importance of hydrogen as a gas that enables decarbonisation by increasing European targets for local production and importing of renewable hydrogen, which can be achieved mainly through the development of transmission, distribution and storage infrastructure.

Hydrogen does not generate carbon dioxide emissions or other climate-changing gases, nor emissions that are harmful to humans and the environment, and promotes sector coupling. Its versatility allows it to be used in both industrial applications (thermal, feedstock and fuel cell) and in sustainable mobility (trains, light and heavy vehicle refuelling stations and airports).

During 2024, Europe confirmed the crucial role that hydrogen plays in the progressive decarbonisation process through the adoption of the revisions within the Fit-for-55, which see the definition of hydrogen **RFNBO (Renewable fuels of non-biological origins),** the introduction of specific targets linked to industry and transport, the conclusion of the first auction of the European Hydrogen Bank and the publication of the Gas & Hydrogen Package.

In 2024, the European Union made significant progress under the Fit for 55 package to promote the use of hydrogen in decarbonisation.
In May, the Council of the EU approved the 'Gas and Hydrogen Market Package', establishing a regulatory framework for the gas and hydrogen markets. This package requires gas and hydrogen network operators to develop a ten-year network development plan at European level, facilitating the creation of a stable market for hydrogen.

In parallel, the process of establishing the European Network of Network Operators for Hydrogen (ENNOH), a European non-profit organisation, has been initiated. The 'Pre-ENNOH' phase started in September 2024, during which network operators coordinated their efforts and defined the operational modalities in view of the official establishment of ENNOH, planned for 2025 and in line with the EU package on hydrogen and decarbonised gas markets. The main objective of ENNOH is to ensure a safe, efficient and sustainable hydrogen transmission network, supporting the development and proper functioning of the internal market and cross-border trade. The organisation will focus on optimal management, operational coordination and technical evolution of the network, working with stakeholders such as ENTSO-E and ENTSO-G to develop technical recommendations and define common standards, thus contributing to the EU's ambitious climate and energy goals.
In Italy, the public consultation on the decree on incentives for the production of renewable hydrogen and biohydrogen has concluded, the final text of which is still being drafted. The National Hydrogen Strategy has been published, outlining the Italian demand for hydrogen in the short and medium term, analysing production costs and the necessary infrastructure elements and identifying the key actions for the development of the hydrogen market in Italy.

In order to test the market's readiness towards hydrogen, Snam has launched a market survey 'Survey on the potential of the hydrogen market' in recent months. The survey, aimed at Italian and foreign operators and active from February to May 2024, found broad participation from the hard-to-abate sectors not only in Italy but also in Austria and Germany. The results that emerged allow us to estimate a demand for hydrogen that, in line with the objectives of the REPowerEU plan, could be partly satisfied by resorting to national production and partly by leveraging imports. In particular, in the period 2031-2040 it is expected:

- **an annual consumption of 19.8 TWh and a production of 10.8 TWh, in Italy;**
- **an estimated volume of 52.5 TWh/year of potential green gas export to Austria and Germany;**
- **a volume equal to 29.5 TWh/year of potential import from North Africa.**

These data confirm the strategic role of hydrogen in the energy transition and decarbonisation path. Leveraging these results, Snam has opened a working table with MASE in order to create a national regulatory and legislative framework on hydrogen outlined.

In the light of a prospective increase in hydrogen volumes at an Italian and EU level, the Group intends to contribute to the achievement of European and national targets through repurposing hydrogen-ready assets, creating the hydrogen backbone to support Italian market demand and exports and developing centralised hydrogen sites, leveraging blends with electrolysers in southern Italy and the repurposing of the hydrogen-ready assets (H_2-ready).

In this regard, the construction of new CO_2 pipelines and the repurposing of existing pipelines[104] represents a decarbonisation lever with which to contribute to the mitigation of climate change. In 2024, Snam completed the Front End Engineering related to the creation of the onshore CO_2 pipeline, started, in July, the Environmental Impact Assessment (EIA) authorisation process, which is expected to be obtained by 2026, and the detailed engineering activities have been planned.

The onshore pipeline development project is supported by a financing plan through a mix of equity, grants, project financing and the entry of a third investor. Furthermore, the project is supported through the membership of the Connecting Europe Facility (CEF) programme for which a proposal for CEF Works for the development of the pipeline was submitted in December.

Viewed in this context, the partnership with De Nora, a leading Italian company in water treatment and alkaline electrolysis technologies, is highly strategic: it will allow Snam to position itself better in technological terms and be more competitive in new hydrogen development projects.
An example of this is the Italian Gigafactory, a collaboration between Snam and De Nora to manufacture components for complete electrolysers. The European Commission has included the venture under the IPCEI Hy2Tech programme, a project of common interest approved by the Commission to support hydrogen technology research and innovation. In 2024, the partnership between Snam and De Nora saw significant progress in the Italian Gigafactory project for the production of electrolysers for green hydrogen. In June 2024, De Nora started construction of the Gigafactory in Cernusco sul Naviglio, near Milan, which will become the largest electrolyser production hub in Italy, with a planned capacity of 2 GW by 2030.

In 2024, Snam also participated in the development of decentralised production systems to facilitate the local decarbonisation of industrial processes, public and private mobility and freight transport. In addition, the Group continued its commitment to creating hydrogen valleys, which consist of the development of hydrogen production and distribution projects within industrial districts.

Underlining the Group's efforts to play an overseeing role on the issue, Snam has qualified for the IPCEI (Important Projects of Common European Interest) with a project to set up a network of hydrogen fuelling stations in Italy by 2030 as part of the Regional Hubs And Their Links – RHATL wave. With a view to creating the first hydrogen valleys in Europe, this initiative is aimed at contributing to the development of infrastructure projects through integrating initiatives by different players along the entire value chain.

To this end, through the Hydrogen Valley Puglia project proposal, Snam undertakes to create a true renewable hydrogen ecosystem in the region, as well as building a pure hydrogen transportation infrastructure. The only one of its kind in Italy, it will consist of more than 100 km of gas pipelines largely reconverted from the current gas transportation network. The infrastructure, which will connect the Brindisi area with the Taranto area, will enable renewable hydrogen produced by electrolysis plants distributed throughout the region and already presented by the other partners to be fed into the grid.

SNAM'S PROJECT FOR THE HYDROGEN VALLEY IN PUGLIA ENTERS THE LIST OF IPCEI HY2INFRA APPROVED BY THE EUROPEAN COMMISSION

In February 2024, the planned infrastructure of the Hydrogen Valley in Puglia was included by the European Commission among the IPCEI (Important Projects of Common European Interest) on hydrogen approved on 15 February 2023 as part of the Hy2Infra wave.
This third IPCEI wave, which comes after Hy2Tech, dedicated to the development of hydrogen technologies for end users, and Hy2Use, focused on hydrogen applications in the industrial sector, considers 32 companies involved for a total of 33 projects in Europe. The framework was jointly conceived and notified by seven Member States: France, Germany, Italy, Netherlands, Poland, Portugal and Slovakia. Under this programme, Member States will provide up to €6.9 billion in public funding, which should in turn trigger private investment of an additional €5.4 billion dedicated to innovative projects in strategic sectors for European industry.
Overall, the IPCEI Hy2Infra will support at European level the deployment of 3.2 GW of electrolysers, the construction and reconversion of pipelines for the transportation and distribution of hydrogen for approximately 2,700 km, the development of hydrogen storage facilities for at least 370 GWh and the construction of handling terminals and related port infrastructure for liquid organic hydrogen carriers to handle 6,000 tonnes of hydrogen per year.

Snam also continued its activities to promote the development of the hydrogen market in Italy and Europe in the following projects:

[104] The activity of building new pipelines and repurposing existing ones is still in the development phase, consequently the results of these actions, in terms of reduction of GHG emissions achieved, are not yet available.

PROJECT	DESCRIPTION
SouthH$_2$ Corridor and Italian Hydrogen Backbone (PCI)	The SouthH$_2$ Corridor project is a 3,300 km hydrogen pipeline connecting North Africa, Italy, Austria and Germany. Led by Snam, TAG, GCA and bayernets – all included in the EC's sixth PCI list in April 2024 – the initiative aims to supply competitive renewable hydrogen from North Africa and Southern Italy to Central European demand clusters. The Italian Hydrogen Backbone is the 2,300 km gas pipeline developed by Snam that will connect North Africa to Austria and Germany. The project received CEF funding for feasibility engineering studies. The first section of the network is expected to be operational starting from 2030, in line with the PCI timetable.
Hy2Infra IT21 H$_2$ Valley Puglia (IPCEI)	As part of the IT21 package, Snam will enable the transportation of hydrogen from production sites to consumption sites, thanks to a 100 km transportation infrastructure that has been 90% converted in the Puglia region. The project, which is scheduled for completion in 2028, aims to develop an integrated infrastructure for the transportation and distribution of hydrogen in the Puglia region, which will be integrated into the wider Italian H$_2$backbone. In 2024, the project was awarded IPCEI funds and the request for funds was sent to the competent Ministry.
HydrogeMO (NRRP)	A joint Snam and Hera project for the construction of a green hydrogen production hub in the municipality of Modena has secured €19.5 million in funding from the Emilia-Romagna Regional Government, allocated within the Hydrogen Valley framework of the National Recovery and Resilience Plan (NRRP). The construction of this hub, scheduled for 2026, will take place in a disused industrial area that will host a 6 MW photovoltaic park connected to an electrolyser that will produce up to 400 tonnes of hydrogen per year.
hOListic & Green Airports (OLGA) (Horizon 2020)	Developing an initial decarbonisation concept for airports, with a specific focus on the Malpensa airport. Spearheaded by Aéroport de Paris and carried out in collaboration with SEA and Rina, the project involves the installation of an electrolysis machine at the airport in order to produce renewable hydrogen to be used within the airport as a low-emission energy carrier

Strong in the belief that the development of the hydrogen value chain is fundamental to the Group's strategic positioning, in 2024 Snam launched the third edition of Hyaccelerator, the corporate start-up accelerator dedicated to innovative entrepreneurial realities, with particular attention to technologies related to hydrogen and decarbonisation, called the 'Decarbonization Nexus'. The initiative is open globally and aims to identify the most promising new technologies along the entire hydrogen value chain and related sectors for decarbonisation, such as alternative fuels produced from carbon dioxide and hydrogen.

Snam is also committed from a technological, research and innovation point of view along the entire hydrogen value chain, through the following initiatives:

PROJECT	DESCRIPTION
Decarbonization Research Center	The project involved setting up research projects at universities and research centres in Italy and abroad through Snam funding. Below are the first hubs affiliated with the Decarbonization Research Center, divided by geographical area: • Lombardy: Milan Polytechnic Institute • Piedmont: Turin Polytechnic Institute, Italian Institute of Technology, Envipark • Friuli-Venezia Giulia: University of Trieste, University of Udine, National Institute of Oceanography and Experimental Geophysics, Elettra Sincrotrone Trieste, National Research Centre - Materials Workshop Institute (CNR-IOM), SISSA International School for Advanced Studies • Emilia-Romagna: University of Modena and Reggio-Emilia, University of Bologna • United States: University of California Irvine
Hyaccelerator	The start-up business accelerator dedicated to innovative entrepreneurship, with a focus on hydrogen and decarbonisation technologies, launched its fourth edition, named 'Net Zero Revolution', in February 2025. The initiative, open globally, aims to identify the most promising new technologies along the entire hydrogen value chain, CCUS and Long Duration Energy Storage.
Prometeo	Producing green hydrogen from renewable heat and power sources by means of high-temperature electrolysis.
MultHyFuel	Disseminating hydrogen as an alternative fuel for mobility, developing a common strategy for the implementation of hydrogen refuelling stations (HRS) in multi-fuel contexts.
E2P2	Creating a proof-of-concept (POC) alternative primary power source using fuel cell technologies for on-site power supply to ensure the secure and reliable power supply of the digital infrastructure of the future.
HyUsPRe	Assessing the technical feasibility and implementation potential of large-scale storage of renewable H$_2$ in porous geological reservoirs.
GreenSkills4H2	Contributing to EU targets for renewable hydrogen deployment through an accelerated pathway for upgrading and retraining students and workers across Europe, developing the skills required by the hydrogen supply chain in the medium and long term.
Hy2Market	Bringing together regions across Europe working on different innovations to enhance the production, transportation and use of green hydrogen, to achieve a more mature hydrogen value chain across Europe.
THOTH2	It aims to develop and validate new methodologies and protocols to test the metrological performance of existing measuring instruments installed in gas transmission and distribution networks, when used with H$_2$NG mixtures of up to 30% vol and pure hydrogen.
HyP3D	Providing innovative ultra-compact and lightweight SOEL stacks capable of operating at high pressure by converting electricity into compressed hydrogen, facilitating injection into the gas grid (P2G) and on-site generation at Hydrogen Refuelling Stations (HRS).

PROJECT	DESCRIPTION
SHIMMER	Promoting greater integration and safer management of H_2 injection into multi-gas networks by contributing to increased knowledge and better management of H_2NG mixtures in gas transmission and distribution infrastructure elements at EU level, the risks associated with them and the opportunities they offer.
HyTecHeat	Assessing the possibility of exploiting hybrid technologies for high-temperature heat production (methane/hydrogen burners) in the steel industry, as well as analysing the effects on steel products, refractories and combustion systems.
XSEED	Developing an innovative membrane-free alkaline electrolyser that operates at supercritical water conditions (>374°C; >220 bar) producing high quality hydrogen at pressures above 200 bar.
PilgrHYm	The project has the aim of verifying the compatibility of metallic materials used in European gas transportation infrastructure elements considering pure hydrogen.
H2PowerGT	Development and demonstration of a turbomachine capable of flexibly handling up to 100% H_2 content.
NHyRA	Pre-regulatory research aimed at developing and validating methodologies and protocols for the measurement and quantification of hydrogen emissions from the entire H_2 chain. The project will produce an inventory of 'H_2 emissions' to serve as a reference for the scientific and industrial community, as well as potential emission scenarios considering the various elements of the H_2 chain.
Hydrogen-as-a-service	Project aimed at promoting the use of hydrogen in hard-to-abate sectors, through SNAM's leasing of containerised electrolysis systems to industrial customers for pilot testing in production plants. An initial demonstration application of the service will be conducted for a test (0.5MW) at a steel plant.
H2 separation membranes	Developing a pilot plant to test Palladium membranes in an industrial environment for the separation of hydrogen from a blend of natural gas and hydrogen, with a purity of 99.9%.

Carbon Capture Utilisation and Storage (CCUS)

In order to reach the Net Zero emissions target by 2050, the adoption of carbon capture, utilisation and storage technologies will play a key role, in line with the European Union's target of 50 million tonnes of emissions capture by 2030 for CCS through the Industrial Carbon Management Strategy and the Net Zero Industry Act (NZIA).

In Italy, the Group intends to develop the domestic CCS market by leveraging its know-how acquired in CO_2 transportation and storage, as well as by building on its established experience in gas storage through the development of multi-molecule storage solutions (such as natural gas, CO_2, hydrogen) at international level. To this end, Snam is benefiting from collaboration with its investees Storegga and dCarbonX, particularly in regards to the UK and Ireland.

Snam is in fact active in the construction of the transportation and storage infrastructure necessary for the development of the national CCS (Carbon Capture and Storage) market.

In order to also test the market's readiness for CCS technology, Eni and Snam launched in 2024 a 'Survey on the potential market for the transportation and storage of CO2 at the Ravenna CCS site' aimed at entities with emission sites on Italian territory and which remained active from 7 February to 5 May 2024. The non-binding expressions of interest collected correspond to a capture potential of approximately 30 Mton/year of CO_2 around 2030, confirming the importance attributed to CCS by the Italian industrial system, in particular by the Hard to Abate, Thermoelectric and Waste to Energy sectors. These preliminary market indications, which will be integrated with further in-depth studies underway within the CCS study referred to in Legislative Decree 181/23, represent a starting point for evaluating the technical-economic feasibility of the CCS supply chain, identifying optimal solutions and structures from a systemic and market perspective, and confirming the start-up and development times of the supply chain relating to the Ravenna project.
These data confirm the strategic role of CCS in the energy transition and decarbonisation process.

During 2024, Snam started activities related to the experimental storage campaign of the CCS project, created as part of the joint venture with Eni, for the first 25,000 tonnes of CO_2 from the Casalborsetti (RA) plant and destined for storage in the Porto Corsini Mare Ovest deposits. The experimental campaign is in preparation for the industrial phase, which is expected to start in 2028, and which will include the development of the Porto Garibaldi/Agostino field, achieving 4 million tonnes starting from 2030.

In particular, the injection was started in August 2024 and will end in 2025. The experimental campaign is aimed at confirming the performance of the Ravenna CCS project[105], born from the joint venture with Eni. In addition to representing one of the few projects on a global scale for permanent CO_2 burial for environmental purposes, the experimental phase of Ravenna CCS is also ensuring excellent results from the point of view of capture. The operational plant is operating with a CO_2 reduction rate of over 90%, placing Ravenna CCS as the first industrial-scale project in the world with this level of capture efficiency.
The injection phase is expected to end in 2025, following the obtaining of the storage authorisation, the Industrial Phase will be started by the end of 2026.

In this regard, the construction of new CO_2 pipelines and the repurposing of existing pipelines represents a decarbonisation lever with which to contribute to the mitigation of climate change. In 2024, Snam completed the Front End Engineering Design for the construction of the onshore CO_2 pipeline, and started the Environmental Impact Assessment (EIA) authorisation process in July 2024. The VIA Decree is expected to be obtained by 2025, and detailed engineering activities have been planned.

[105] The Ravenna CCS project is still in the development phase, therefore the results of these actions, in terms of reduction of GHG emissions achieved, are not yet available.

The Ravenna CCS project, in JV with Eni, is supported by a financing plan through a mix of equity, grants, project financing and the entry of a third investor. Furthermore, the Ravenna CCS project and the onshore pipelines, being classified as Project of Common Interest (PCI), can benefit from the support offered by the Connecting Europe Facility (CEF) programme for access to European funds.

To ensure the transportation service required for the development of the industrial phase, Snam will develop an adequate onshore infrastructure by re-using existing pipelines wherever possible. A part of this is the Callisto project, which includes the above-mentioned transportation and storage infrastructure. The project is one of the actions implemented by Snam to remedy the damage caused and collaborate to mitigate material impacts.

The **Callisto Mediterranean CO_2 Network project,** coordinated by Air Liquide and promoted by 18 companies including Snam and Eni, aims to develop the largest multimodal hub for the transportation and storage of CO_2 in the Mediterranean. This project was included in the list of Projects of Common Interest (PCI) of the European Union in November 2023, allowing access to funding and simplified authorisation procedures. Callisto envisages the collection and transportation of CO_2 both onshore, through existing pipelines or new gas pipelines, and by sea, through shipments from Italian and French emitters, with final storage in the CCS hub in Ravenna. The project, operational from 2027, will contribute to the decarbonisation of energy-intensive industrial sectors, while preserving production levels.

Energy efficiency

Energy efficiency measures are considered to be one of the major enabling initiatives in the energy transition and decarbonisation strategy, as they play a key role in combating climate change and promoting sustainable and competitive economies. In this way, efficiency measures optimise the use of energy sources, fostering a reduction in consumption and greater productivity of installations, as well as helping to reduce climate-changing emissions and improve the comfort and usability of spaces, with benefits for the environment and the quality of life as a result of more resilient and sustainable cities.

Consequently, such efficiency measures make it possible, on the one hand, to limit energy and environmental costs for companies, public authorities and citizens and, on the other hand, to create benefits in terms of economic and technological development for companies.

Snam, through its subsidiary Renovit, a certified B Corp, which became a Benefit Corporation in 2023, is now one of Italy's leading operators in energy efficiency services in the residential, industrial, tertiary and public administration sectors.

Created in 2021 by Snam and CDP Equity, Renovit is the primary operator in the energy efficiency market. Through its operating companies, it accompanies customers on an energy transition path by offering competitive and technologically advanced solutions to companies, condominiums, tertiary and public administration, investing directly in decarbonisation, digitalisation and distributed energy generation interventions with the aim of ensuring a fair energy transition.
In January 2022, Renovit obtained B Corp certification[106], recognition reserved for companies that operate according to the highest standards of social and environmental performance. This certification also attests to the transparency and correctness of the governance model and relationships with the main stakeholders. During the year, the B-Corp re-certification audit phases were initiated.

In April 2023, in order to protect the mission 'Promote a fair energy transition' and as a commitment to generate a positive impact, Renovit obtained the legal status of Benefit Corporation[107], by including in its Articles of Association the purposes of common benefit.

Renovit annually monitors the results achieved and the commitments it intends to undertake as a Benefit Corporation within an Impact Report that it attaches to the Financial Statement. Furthermore, to guarantee the commitments made, an Impact Manager has been appointed who assists the interested parties in pursuing the goals of common benefit, supporting the definition and application of policies, strategies, functions and tasks to allow the company to operate in the right balance between the interests of the members, the common benefit and the interests of the stakeholders.

In 2023, Renovit started a project aimed at calculating and evaluating its Carbon Footprint, starting from Scope 1 and Scope 2 GHG emissions. In 2024, the calculation of the Carbon Footprint was completed by also integrating Scope 3 GHG emissions. The project allowed for the parallel definition of a Decarbonisation Plan in order to achieve Net Zero by 2035 (Scope 1 and Scope 2).

In this regard, in order to reduce its emissions, and given the significant contributions of Scope 1 and Scope 2 GHG emissions attributable to energy plants entirely served by customers, Renovit intends to strategically:

- **review contractual formulas regulating the ownership of plants and, consequently, the allocation of emissions;**
- **maximise the installation of renewable technology plant solutions;**
- **where electrification solutions are not feasible, evaluate the increase in biomethane consumption for gas systems.**

[106] 'B Corporation Certification' is a trademark licensed by B Lab, a private non-profit organisation, to companies that, like ours, have successfully passed the B Impact Assessment ('BIA') and meet the requirements requested by B Lab in terms of social and environmental performance, responsibility and transparency. Please note that B Lab is not a conformity assessment body pursuant to Regulation (EU) No. 765/2008 or a national, European or international standardisation body pursuant to Regulation (EU) No. 1025/2012. The BIA criteria are distinct and autonomous from the harmonised standards resulting from ISO standards or other standardisation bodies and are not ratified by national or European public institutions.
[107] Benefit Corporations are companies that 'in the exercise of their economic activity, in addition to the purpose of dividing profits, pursue one or more purposes of common benefit and operate in a responsible, sustainable and transparent manner towards people, communities, territories and the environment, cultural and social assets and activities, bodies and associations and other stakeholders (Pursuant to Article 1, paragraphs 376 to 384, of Law 208/2015).

To complete the governance model, a Renovit Sustainability Committee has been established since 2023, with the aim of ensuring the monitoring of sustainability projects and guiding the B Corp evolution masterplan.
Since 2024, the committee has been extended to the areas of expertise relating to diversity and inclusion following the achievement of gender equality certification for all companies of the Renovit Group.

Renovit's sustainable evolution path, the B Corp certification, the change of statute to Benefit Corporation and governance, underline how sustainability is central to Renovit's strategy, positioning itself as a promoter of a fair energy transition.

This is therefore also reflected in the regenerative business model that involves the design and implementation of innovative and accessible solutions with the aim of reducing customers' energy consumption and promoting the decarbonisation of the country system and the use of renewable energy.

In this context, Renovit pursues the following objectives of common benefit that it intends to achieve in the exercise of its business activity:

PEOPLE	**Stimulate knowledge, experience and passion** Creating a fair and inclusive environment that values differences and continuous personal growth, while cultivating the passion and sense of belonging necessary to achieve the goals of the energy transition together.
ENVIRONMENT	**Promoting the energy transition** Promoting the energy transition of the system through the design and implementation of innovative and affordable solutions to ensure the efficient use of energy resources and supporting the impact reduction and decarbonisation processes of the businesses we work with. Progressively evolve the business and operational model towards a climate-neutral economy, in line with European climate neutrality targets and Italian ecological transition targets.
ECOSYSTEM	**Amplify the impact of our interventions** Involve the ecosystem in collaborative models and platforms to create a common culture and amplify the impact of interventions.
COMMUNITY	**Contributing to a fair energy transition** Making its experience and expertise available to local areas, communities and customers to foster a fair energy transition that leaves no one behind.

Renovit, in line with the objectives of Green Transition and Carbon Neutrality, the mission of being a promoter of the country's energy transition, as well as with the objectives set out in Snam's HSEEQ policy, with particular reference to energy efficiency interventions, supports its customers in the design and implementation of environmental impact assessment and reduction programmes and in the decarbonisation paths of corporate processes and activities. Thanks to the work of the subsidiaries **Renovit Business Solutions Srl, Renovit Building Solutions SpA and Renovit Public Solutions SpA**, whose interventions cover the entire national territory, while dealing with specific segments, they promote the transfer of energy efficiency skills and technologies between the different business areas:

2024 RENOVIT RESULTS

INDUSTRIAL AND TERTIARY

Renovit Business Solutions specialises in the development of projects for the industrial and tertiary segment, from the management of incentives to the construction of plants with the Energy Performance Contract formula up to accompanying the customer in reducing its Carbon Footprint.

31 plants entered into operation

22 plants under construction, with start-up planned for 2025

80 contracts signed

RESIDENTIAL

Renovit Building Solutions specialises in integrated energy services for residential buildings. It supports condominiums in the continuous improvement of their energy and environmental performance, from the redevelopment of buildings to the management of systems, with energy and energy plus services.

50 leads at national scale in its portfolio

165 deep renovation sites completed

PUBLIC ADMINISTRATION

Renovit Public Solutions is one of the main Italian operators of integrated energy and technological services for public bodies, healthcare facilities. It offers energy management services, facility management and general contractor skills in the construction of infrastructure works, district heating systems and networks and public lighting and water systems.

In the public sector, Renovit operates mainly through the Public Private Partnership Institute, which allows private companies to finance, build and manage infrastructure and provide services for public benefit without any increase in historical spending levels for the authority.

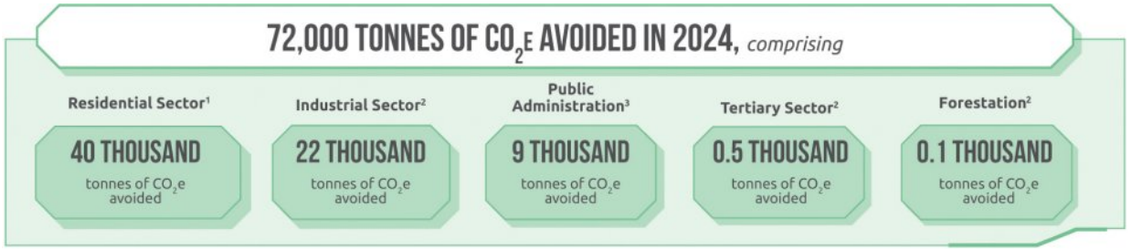
9 Public-private partnership (PPP) proposals submitted

20 tenders, aimed at municipalities, metropolitan cities, local authorities and social-health companies, for the management and efficiency of public and school buildings, hospital facilities, public lighting and infrastructure elements

CONSUMER PROTECTION

Renovit is committed to protecting consumers by ensuring high standards of health and safety at every stage of its activities and by providing clear information and qualified technical support in order to promote more responsible and sustainable consumption.
To ensure transparency and reliability, it provides certificates of conformity and DUVRI, making all project documentation available to customers. This allows consumers to have complete information and make informed decisions.
Renovit promotes the culture of sustainability by supporting consumers with carbon footprint analyses and assessments of CO_2 savings obtained thanks to its energy efficiency interventions and the use of renewable sources. Furthermore, it invests directly in these solutions through Energy Performance Contracts, contributing to the reduction of consumption and actively supporting the energy transition of customers.

The projects that could be configured as an Ecobonus were deemed to be of interest and financed by the EIB and through a term loan at a subsidised rate provided by the parent company Snam. The other energy efficiency projects are financed and supported at cash level by the Snam group treasury agreement.
Renovit's business model is based on a complete sharing of customers' strategic objectives for reducing the environmental impact of activities and processes. In this systemic vision, Renovit measures its contribution to the environment through the results achieved by the interventions developed at the customers' premises in terms of energy saving, reduction of CO_2emissions and contributing to the mitigation of climate change.
In 2024, Renovit's interventions at customers in various sectors have allowed the avoidance of the emission of approximately 72,000 tonnes of CO_2e (+26% compared to 2023), with a plan that will lead to a reduction of approximately 82 ktCO_2e in 2025 and 150 ktCO_2e in 2029.



1. The avoided emissions in the industrial and tertiary sectors are calculated using monitored data of the plants's effective performances. For the photovoltaic technology, all the produced electric energy is converted into avoided CO2 emissions, while for the other technologies, such as CHP, LED, heatpumps, the avoided CO2 emissions are calculated as the difference between the baselines of the historical/project consumption and the effective annual consumption. The achieved avoided emissions with the energy efficiency interventions in the industrial and tertiary sectors having access to incentive schemes, such as thermal account, energy efficiency certificates, CAR, are certified by the GSE in accordance with the reference legislation.
2. Emissions avoided in the condominium sector are calculated based on energy savings attested through pre- and post-intervention APE. For contracts involving energy service, the energy savings used for the purpose of calculating avoided CO2 emissions are those defined by the algorithms included in EPC contracts. Project documentation of Deep Renovation worksites on apartment buildings is subject to third-party verification by entities specified by the relevant regulations.
3. Avoided emissions from the Public Administration are calculated as the difference between the historical consumption baseline and actual annual consumption.
4. Emissions absorbed by tree planting are calculated by standard parameter set equal to 0.02 ton CO2eq/year per plant.

Among the numerous activities implemented by Renovit, the main decarbonisation levers concern energy efficiency interventions on buildings, systems and their management, as well as the development of renewable energy systems.

In particular, through Deep Renovation construction sites in the residential sector, which guarantee access to tax deductions permitted by the relevant legislation, such as the so-called Superbonus, 36 ktons of CO_2e were avoided in 2024. Thanks to the installation of photovoltaic technologies, for the industrial sector alone, savings of 16 ktons of CO_2e were achieved. Finally, thanks to energy services in the residential and public administration sectors, approximately 14 ktons of CO_2e were avoided.
With other interventions, such as, for example, LED installation, heat recovery, CHP and heat pumps, savings of approximately 6 kton CO_2e were achieved.

Renovit's choices are guided by the awareness of responsibility towards all stakeholders, with particular attention to the communities and territories in which it operates.

To translate this principle into concrete actions, Renovit collaborates with institutions, third sector entities and local entities to develop initiatives that create shared value and strengthen the resilience of communities.

Our support to the community is divided into the following areas:

SOCIAL INITIATIVES	VOLUNTEER INITIATIVES	INITIATIVES TO COMBAT ENERGY POVERTY

Among the initiatives carried out this year, the support of the Macallesi 1927 football school, committed to promoting women's football, the initiative of the charity Christmas markets and corporate volunteering.
Furthermore, as an energy services company, Renovit is deeply aware of the central role that energy plays in everyday life and of the responsibility that, as a company, it has in promoting a fair and inclusive transition, for this reason Renovit has formalised its commitment to combating this form of inequality, participating and developing concrete initiatives to address this social emergency.

Corporate Volunteering: Renovit takes the field to safeguard the sea	Every year, on 11 April, the **National Day of the Sea and Maritime Culture**is celebrated, with the aim of raising public awareness of **the value that the sea has** from an environmental, cultural, scientific, recreational and economic point of view. On this day, Renovit participated in the beach cleaning initiative organised by **Fondazione Snam** and **Costa Crociere Foundation** at La Marina Beach in Civitavecchia, near the historic Fortezza Michelangelo. The initiative is part of the 'Guardians of the Coast' project, which encourages primary and secondary school students to become citizens aware of coastal biodiversity and the energy transition. This activity highlighted the urgency of addressing the problem of marine pollution and protecting the coastal ecosystem. Every small daily gesture can significantly contribute to building a more sustainable future, underlining the importance of acting together to preserve our planet.	**25** volunteers actively participated, collecting a total of **105 KG** of waste
'Energia in Periferia' (Energy in the Suburbs)	Initiative promoted by Banco dell'Energia, through which, in collaboration with the Snam Foundation, vulnerable families in the Siena area in conditions of energy poverty were supported, through financial contributions for the payment of utilities and for the implementation of small energy efficiency interventions.	More than **60** families supported About **200** bills paid for families in difficulty **220** beneficiaries directly reached by the project's actions

During 2024, Renovit held the Partners meeting, a moment of discussion with suppliers to grasp challenges and opportunities for a more sustainable, efficient and safe production system, but also to strengthen listening and the exchange of opinions between the company and its suppliers with the aim of promoting the sustainable development of the production system.
During the event, the projects created to promote the sustainability of the supply chain were presented, with a focus on the Green Procurement Policy and the supplier portal, the Renovit4Safety model was illustrated and the issues of safety were explored both as a business lever and as a culture of accident prevention and how to strengthen it in collaboration with Renovit.

Furthermore, Renovit's sustainability roadmap was shared, which aimed to generate a positive impact on the environment, community, ecosystem and people.

Renovit also participated in the B Corp Month campaign 'Direzione Futuro', created to tell the story of the world of B Corps as a movement of companies that are committed to improving their impact, always looking to the future. B Corp Month aims to share the importance of doing business by creating a better future.

Furthermore, in order to strengthen its positioning as an active promoter of energy transition policies, Renovit has participated in numerous events and trade fairs, taking the opportunity to engage with key stakeholders for its business. Among the most significant events dedicated to sustainability, including but not limited to:

- Key Energy 2024, the international event dedicated to renewable energy, energy efficiency and sustainable mobility. During the event, the company presented its integrated energy efficiency and sustainable innovation solutions developed for the industrial, tertiary, residential and public administration sectors;
- Ecomondo, the benchmark international event in Europe dedicated to energy transition and circular economy
- Top Energy
- Richmond Energy Business Forum
- Richmond Sustainability Forum
- Ecomed
- National Assembly of Italian Municipalities (ANCI)
- Forum PA
- MIAC - International Exhibition of Paper Industry

Furthermore, in October, Renovit and Bioenerys held a workshop in Genoa on virtuous models between the public and private sectors for investments in energy transition.

Renovit has also strengthened its commitment to sustainability by collaborating with strategic partners and participating in Assoimmobiliare technical tables. In particular, it contributes to the energy transition in real estate, focusing on energy self-consumption and energy communities (CER). This partnership highlights the key role of the real estate sector in the country's decarbonisation and in the implementation of the Fit for 55, through energy efficiency, renewable sources and digitalisation.

Key performance indicators

KEY PERFORMANCE INDICATORS

ESRS / Other entity-specific disclosures	INDICATOR	UNITS OF MEASUREMENT	2022	2023	2024
Scope 1 GHG emissions (financial control) [1]					
E1-6	Gross Scope 1 GHG emissions [2]	tCO_2e	1,484,999	1,386,086	1,175,381
	of which gross GHG emissions from CO_2	tCO_2	976,156	987,780	829,001
	of which gross GHG emissions from CH_4	tCO_2e	507,715	397,730	345,486
GRI 305-1	of which CO_2e from vent methane	tCO_2e	144,500	139,200	142,040
	of which CO_2e from fugitive methane	tCO_2e	248,540	164,930	124,681
	of which CO_2e from pneumatic methane	tCO_2e	112,820	82,240	46,143
	of which CO_2e from unburnt methane	tCO_2e	1,850	11,360	32,622
E1-6	of which GHG emissions from HFCs	tCO_2e	1,128	576	893
	Total ETS emissions	tCO_2e	929,325	919,558	733,000
	ETS emissions out of total CO_2e emissions – Scope 1	%	63	66	62
	Biogenic CO_2 emissions from combustion or bio-degradation of biomass separately from Scope 1 GHG emissions [3]	tCO_2e	-	-	190,802
	Natural gas emissions	million m^3	27	22	19
	Percentage of natural gas recovered from maintenance activities [4]	%	57	60	64
Scope 1 GHG emissions (financial control) disaggregated by sector [1]					
E1-6	Gross Scope 1 GHG emissions - Gas Infrastructure	tCO_2e	1,429,390	1,314,611	1,073,556
	of which gross Scope 1 GHG emissions - Transportation	tCO_2e	946,743	904,807	650,776
	of which gross Scope 1 GHG emissions - Storage	tCO_2e	364,691	276,156	285,666
	of which gross Scope 1 GHG emissions - Regasification	tCO_2e	117,749	133,423	136,929
	of which gross Scope 1 GHG emissions - Other sectors - Sustainable mobility	tCO_2e	206	226	184
	Gross Scope 1 GHG emissions - Other	tCO_2e	55,609	71,475	101,825
	of which gross Scope 1 GHG emissions - Energy transition business	tCO_2e	54,861	70,604	101,207
	of which gross Scope 1 GHG emissions - Other amounts not allocated to sectors - Corporate activities	tCO_2e	748	871	618
Scope 2 GHG emissions (financial control) [1] [5]					
E1-6	Gross location-based Scope 2 GHG emissions [6]	tCO_2e	38,581	41,579	37,419
	Gross market-based Scope 2 GHG emissions [7]	tCO_2e	32,771	27,036	19,402
	Biogenic CO_2 emissions from combustion or bio-degradation of biomass separately from Scope 2 GHG emissions [8]	tCO_2e	-	-	3,048
Scope 2 GHG emissions (financial control) disaggregated by sector					
E1-6	Gross location-based Scope 2 GHG emissions - Gas Infrastructure [6]	tCO_2e	28,862	30,404	28,868
	of which gross location-based Scope 2 GHG emissions - Transportation	tCO_2e	10,327	11,364	11,723
	of which gross location-based Scope 2 GHG emissions - Storage	tCO_2e	10,158	8,604	10,597
	of which gross location-based Scope 2 GHG emissions - Regasification	tCO_2e	7,885	9,922	6,003
	of which gross location-based Scope 2 GHG emissions - Other sectors - Sustainable mobility	tCO_2e	491	514	545
	Gross location-based Scope 2 GHG emissions - Other [6]	tCO_2e	9,719	11,176	8,551
	of which gross location-based Scope 2 GHG emissions - Energy Transition Business	tCO_2e	8,763	10,282	7,769
	of which gross location-based Scope 2 GHG emissions - Other amounts not allocated to sectors - Corporate activities	tCO_2e	956	893	782
	Gross market-based Scope 2 GHG emissions - Gas Infrastructure [7]	tCO_2e	20,467	17,973	18,545
	of which gross market-based Scope 2 GHG emissions - Transportation	tCO_2e	9,284	7,702	7,613
	of which gross market-based Scope 2 GHG emissions - Storage	tCO_2e	11,071	10,085	10,869

ESRS / Other entity-specific disclosures	INDICATOR	UNITS OF MEASUREMENT	2022	2023	2024
E1-6	of which gross market-based Scope 2 GHG emissions - Regasification	tCO2e	9	10	11
	of which gross market-based Scope 2 GHG emissions - Other sectors - Sustainable mobility	tCO2e	104	175	52
	Gross market-based Scope 2 GHG emissions - Other [7]	tCO_2e	12,304	9,063	857
	of which gross market-based Scope 2 GHG emissions - Energy Transition Business	tCO_2e	11,674	8,559	349
	of which gross market-based Scope 2 GHG emissions - Other amounts not allocated to sectors - Corporate activities	tCO_2e	630	504	508
Significant GHG emissions Scope 3 [9]					
E1-6	Total gross indirect GHG emissions (Scope 3) [10]	tCO_2e	1,558,472	1,776,751	1,920,822
	Purchased goods and services [11]	tCO_2e	102,729	124,311	90,477
	Capital goods [12]	tCO_2e	739,795	644,761	567,508
	Fuel- and energy- related activities (not included in Scope 1 or 2) [10][13]	tCO_2e	388,073	352,109	288,168
	Upstream transportation and distribution [12]	tCO_2e	4,106	4,845	745
	Waste generated in operations [12]	tCO_2e	3,321	2,687	1,175
	Business travel [14]	tCO_2e	1,161	1,538	2,182
	Employee commuting [15]	tCO_2e	1,685	3,931	2,450
	Upstream leased assets [12]	tCO_2e	1,232	909	839
	Downstream transportation and distribution [16]	tCO_2e	0	0	0
	Processing of sold products [16]	tCO_2e	0	0	0
	Use of sold products [17]	tCO_2e	0	0	385,560
	End-of-life treatment of sold products [16]	tCO_2e	0	0	0
	Downstream leased assets [18]	tCO_2e	0	0	133
	Franchises [16]	tCO_2e	0	0	0
	Investments [19]	tCO_2e	316,370	641,660	581,585
	Biogenic CO_2 emissions from combustion or bio-degradation of biomass separately from Scope 3 GHG emissions [20]	tCO_2e	-	-	36,316.32

ESRS / Other entity-specific disclosures	INDICATOR	UNITS OF MEASUREMENT	2022	2023	2024
Scope 3 GHG emissions disaggregated by sector [9]					
E1-6	Total Gross indirect (Scope 3) GHG emissions - Infrastructure	tCO2e	-	-	1,594,267
	of which total Gross indirect (Scope 3) GHG emissions - Transportation	tCO2e	-	-	1,184,998
	of which total Gross indirect (Scope 3) GHG emissions - Storage	tCO2e	-	-	128,241
	of which total Gross indirect (Scope 3) GHG emissions - Regasification	tCO_2e	-	-	67,445
	of which total Gross indirect (Scope 3) GHG emissions - Other sectors - Sustainable mobility	tCO_2e	-	-	213,583
	Total Gross indirect (Scope 3) GHG emissions - Other	tCO_2e	-	-	326,556
	of which total Gross indirect (Scope 3) GHG emissions - Energy transition business	tCO_2e	-	-	314,161
	of which total Gross indirect (Scope 3) GHG emissions - Other amounts not allocated to sectors - Corporate activities	tCO_2e	-	-	12,395
Total GHG emissions					
E1-6	Market-based Scope 1 + Scope 2 GHG emissions [7]	tCO_2e	1,517,770	1,413,122	1,194,783
	Total GHG emissions (location-based) [6]	tCO_2e	3,082,052	3,204,416	3,133,622
	Total GHG emissions (market-based) [7]	tCO_2e	3,076,242	3,189,873	3,115,605
Total GHG emissions disaggregated by sector					
E1-6	Total GHG emissions (location-based) - Infrastructure [21]	tCO_2e	-	-	2,696,690
	of which total GHG emissions (location-based) - Transportation [21]	tCO_2e	-	-	1,847,497
	of which total GHG emissions (location-based) - Storage [21]	tCO_2e	-	-	424,504
	of which total GHG emissions (location-based) - Regasification [21]	tCO_2e	-	-	210,378
	of which total GHG emissions (location-based) - Other sectors - Sustainable mobility [21]	tCO_2e	-	-	214,312
	Total GHG emissions (location-based) - Other [21]	tCO_2e	-	-	436,932
	of which total GHG emissions (location-based) - Energy transition business [21]	tCO_2e	-	-	423,137

ESRS / Other entity-specific disclosures	INDICATOR	UNITS OF MEASUREMENT	2022	2023	2024
	of which total GHG emissions (location-based) - Other amounts not allocated to sectors - Corporate activities [21]	tCO2e	-	-	13,795
	Total GHG emissions (market-based) - Infrastructure [21]	tCO_2e	-	-	2,686,367
	of which total GHG emissions (market-based) - Transportation [21]	tCO_2e	-	-	1,843,387
	of which total GHG emissions (market-based) - Storage [21]	tCO_2e	-	-	424,776
E1-6	of which total GHG emissions (market-based) - Regasification [21]	tCO_2e	-	-	204,386
	of which total GHG emissions (market-based) - Other sectors - Sustainable mobility [21]	tCO_2e	-	-	213,819
	Total GHG emissions (market-based) - Other [21]	tCO_2e	-	-	429,238
	of which total GHG emissions (market-based) - Energy transition business [21]	tCO_2e	-	-	415,717
	of which total GHG emissions (market-based) - Other amounts not allocated to sectors - Corporate activities [21]	tCO_2e	-	-	13,521
GHG Emission Reduction Percentages					
	Percentage of Scope 1 and Scope 2 market-based GHG emissions reduction vs. 2022	%	-	(7)	(21)
E1-6	Reduction in total natural gas emissions vs. 2015	%	(45)	(57)	(63)
	Percentage of Scope 3 GHG emissions reduction vs. 2022	%	-	+18	+23
GHG emissions intensity					
E1-6	Total gross GHG emissions (location-based) vs. net revenues [6][22]	tCO_2e / € million	877	747	878
	Total gross GHG emissions (market-based) vs. net revenues [7][22]	tCO_2e / € million	875	744	873
GRI 305-4	Scope 1 and 2 GHG emissions (market-based) vs. network length	tCO_2e / km	46	43	20
	Scope 1 and 2 GHG emissions (market-based) vs. gas injected into the network	tCO_2e / million m^3	20	22	11
	Total methane emissions vs. network length	tCH_4 / km	0.52	0.41	0.2

ESRS / Other entity-specific disclosures	INDICATOR	UNITS OF MEASUREMENT	2022	2023	2024
Energy consumption					
E1-5	Fuel consumption from coal and coal products [23]	MWh	0	0	0
	Fuel consumption from crude oil and petroleum products	MWh	25,556	31,826	32,479
	of which diesel [24]	MWh	21,139	25,862	26,264
	of which petrol [25]	MWh	4,361	5,927	6,189
	of which LPG [26]	MWh	56	37	26
	Fuel consumption from natural gas [27]	MWh	4,725,083	4,763,805	4,003,296
	Fuel consumption from other fossil sources	MWh	0	0	0
	Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources [28]	MWh	73,972	60,965	40,659
	Total energy consumption from fossil sources	MWh	4,824,611	4,856,596	4,076,434
	Share of fossil sources in total energy consumption	%	98%	98%	98
	Consumption from nuclear sources [29]	MWh	-	-	1,292
	Share of consumption from nuclear sources in total energy consumption	%	-	-	0.0003
	Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) [30]	MWh	0	0	0
	Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources [31]	MWh	75,611	110,460	93,682
	Consumption of self-generated non-fuel renewable energy	MWh	14	911	769
	Total renewable energy consumption	MWh	75,625	111,371	94,451
	Share of renewable sources in total energy consumption	%	2	2	2
	Green electricity consumed on total electricity	%	52	54	42
	Total energy consumption [32]	MWh	4,900,236	4,967,967	4,170,885

ESRS / Other entity-specific disclosures	INDICATOR	UNITS OF MEASUREMENT	2022	2023	2024
Energy production [33]					
E1-5	Total energy production from non-renewable sources	MWh	-	-	216,240
	Total energy production from renewable sources	MWh	2,923	186,823	501,174
	of which wind generators	MWh	-	-	0
	of which photovoltaic systems	MWh	-	-	7,493
	of which solar power systems	MWh	-	-	0
	of which cogeneration plants powered by renewable sources [34]	MWh	-	-	493,681
Energy intensity					
E1-5	Energy consumption / net revenues [22]	MWh / € million	1,394	1,159	1,169

Notes:

- the data refer to the entire Snam Group, unless otherwise indicated. For more information on the scope, please refer to the chapter 'Introduction and guide to reading the document, General basis for the preparation of the Consolidated Sustainability Statement';
- the data relating to 2022 and 2023 refer only to the Group companies consolidated according to financial control;
- although Snam appears to have operational control of the Albanian Gas Service Company SH.A. (AGSco), the data relating to Scope 1 and 2 GHG emissions foreseen by the ESRS were not found to be significant given the type of activities carried out (offices and maintenance) and are therefore not included in this document
- although Snam appears to have operational control of the company Terminale LNG Adriatico Srl, following the finalisation of the increase in Snam's shareholding (from 7.3% to 30%) recorded in December 2024, given the proximity of the operation to the end of the financial year, the reporting of data for this company will take place starting from the 2025 financial year;
- for Zena Project S.p.A., the execution of modernization works at the IRCCS Gaslini hospital facility are scheduled for the start of the facility operation phase to be in February 2027. There are no significant impacts in 2024, to be reassessed in 2025;
- the CO_2e assessment of CH_4 emissions considera the Global Warming Potential (GWP) of 29.8, in accordance with the Sixth Assessment Report' of the Intergovernmental Panel on Climate Change (IPCC) '.

[1] Table of UNFCC 2024 national standard parameters from source ISPRA 2024. It is specified that the emission factor considered is the most recent one, relating to the year 2022.
[2] The calculation of Scope 1 GHG emissions is based on international standards such as the GHG Protocol, the UNEP OGMP 2.0 protocol and Defra for the reporting of HFC gases. CO^2 emissions are calculated based on fossil fuel consumption, while methane emissions are estimated through direct measurements and engineering calculations, including Leak Detection and Repair (LDAR) systems and the use of drones for emission data reconciliation. Significant assumptions include the adoption of specific emission factors for natural gas. The calculation tools used include the use of corporate applications for emissions reporting that allow for obtaining accurate and up-to-date emissions data.
[3] The figure for biogenic emissions was calculated with a boundary consistent with that of Scope 1 GHG emissions consolidation. The relevant sources of biogenic emissions derive from the activities of Bioenerys Agri and Bioenerys Ambiente (cogeneration, purification - only for Bioenerys Ambiente, and composting - only for Bioenerys Ambiente).
For more information on the methodologies for estimating these emissions, please refer to the chapter 'Foreword and Guide to Reading the Document, Disclosures in Relation to Specific Circumstances'.
[4] The data, referring to the transportation sector perimeter, is validated within the ETS audits (energy), in the communications to the UN OGMP (methane), for compliance with third-party audits dedicated to the reporting process (ISAE 3000).
[5] Snam uses Guarantees of Origin as a contractual instrument for the purchase of certified green electricity. Guarantees of Origin are certificates that attest to the renewable origin of the electricity purchased, allowing Snam to declare the use of electricity produced from renewable sources. This tool is essential to support Snam's goal of reducing Scope 2 emissions and achieving 100% green energy purchasing by 2027. The adoption of Guarantees of Origin guarantees the transparency and traceability of renewable energy, contributing to the company's sustainability strategy and energy transition.
[6] The Location-Based (LB) approach considers an average CO_2eq emission factor based on the national energy mix. Significant assumptions include accurate traceability of energy sources and the adoption of calculation tools compliant with international standards, such as the GHG Protocol. The choice of these methodologies is motivated by the need to ensure transparent and comparable reporting of emissions, supporting Snam's objective of reducing Scope 2 emissions by increasing the use of electricity from renewable sources. Source of emission factors: ISPRA 2024. It is specified that the emission factor considered is that relating to the year 2022.
[7] The Market Based approach assigns a CO_2e emission factor of zero for energy consumption from certified renewable energy sources, such as guarantees of origin, and a Residual Mix factor representing the average composition of electricity fed into the grid, cleared of energy quotas already allocated to specific renewable energy contracts. Significant assumptions include accurate traceability of energy sources and the adoption of calculation tools compliant with international standards, such as the GHG Protocol. The choice of these methodologies is motivated by the need to ensure transparent and comparable reporting of emissions, supporting Snam's objective of reducing Scope 2 emissions by increasing the use of electricity from renewable sources. Source of emission factors: European Residual mix 2023 (source AIB - Association of Issuing Bodies 2023). It is specified that the emission factor considered is that relating to the year 2023.
[8] The figure for biogenic emissions was calculated with a boundary consistent with that of Scope 2 GHG emissions consolidation.
For more information on the methodologies for estimating these emissions, please refer to the chapter 'Foreword and Guide to Reading the Document, Disclosures in Relation to Specific Circumstances'.
[9] For further information on the emission factors used and the estimation methodologies applied, please refer to the chapter 'Introduction and guide to reading the document, Disclosures in relation to specific circumstances, Causes of uncertainty in the estimates and results'
[10] The 2022 and 2023 figures have been restated.
[11] The 2022 figure has been restated. Emissions are calculated using primary data, where available, integrated with information from the Open-es and CDP Supply Chain questionnaires. In the absence of primary data, the calculation is based on the ordinate and the application of TRUCOST emission coefficients.
[12] Emissions are calculated using primary data, where available, integrated with information from the Open-es and CDP Supply Chain questionnaires. In the absence of primary data, the calculation is based on the ordinate and the application of TRUCOST emission coefficients.
[13] Fuel and energy data are derived from Snam internal reporting and converted using the DEFRA 2024 emission factors (WTT - fuels + WTT heat & steam), Ecoinvent 3.11.
[14] Emissions related to business travel are calculated on the basis of data provided directly by the travel agency, relating to plane and train journeys.
[15] Emissions from home-work trips are estimated from the employee mobility survey, considering the different means of transport used and the percentage of hours worked in smartworking, using the latest DEFRA 2024 (Business travel-land) emission factors.
[16] This category does not currently apply to Snam.
[17] Emissions are calculated through a hybrid approach that combines the fuel-based method, based on the actual energy consumption during the use of the products sold, supported by the emission factors defined by the Product Environmental Footprint (PEF) method of the Joint Research Centre (JRC) for the release of N_2O, with the average data method to estimate emissions in the absence of specific data.
Source of emission factors: : Table of UNFCC 2024 national standard parameters from source ISPRA 2024. It is specified that the emission factor considered is the most recent one for the year 2022, Ecoinvent 3.11, BEIS DEFRA 2024 - Bioenergy - Biomethane (compressed). GWP of N_2O: 273 $kgCO_2e$/ kg N_2O (IPCC 6^{th} Assessment Report)
[18] Emissions are calculated using a hybrid approach that combines activity data provided by the lessor, including consumption of fuels, electricity, steam, heating and cooling specific to the facility, as well as non-combustion emissions, such as fugitive gases from industrial processes, with estimates based on the average data method for activities without direct data.
Source of emission factors: : Table of UNFCC 2024 national standard parameters from source ISPRA 2024. It is specified that the emission factor considered is the most recent one, relating to the year 2022.
[19] The 2023 figure has been restated, following an update in the value of emissions by the subsidiaries.
[20] The figure for biogenic emissions was calculated with a boundary consistent with that for the consolidation of Scope 3 GHG emissions. Biogenic Scope 3 GHG missions derive from Bioenerys' biomethane sales activities. The reference emission factor + BEIS DEFRA 2024 - Bioenergy - Biomethane (compressed). For more information on the methodologies for estimating these emissions, please refer to the chapter 'Foreword and Guide to Reading the Document, Disclosures in Relation to Specific Circumstances'.
[21] The sector breakdown of Scope 3 GHG emissions for 2022 and 2023 is not available.
[22] For the calculation of intensity, the budget item 'Total revenues and other income' was used as the denominator. In 2022, the item amounted to €3,515 million, in 2023 to €4,288 million and in 2024 to €3,568 million.

[23] For Snam, the consumption of fuel from coal and coal products is not applicable.
[24] Coefficients used for the CO_2 emissions inventory in the UNFCCC ETS national inventory and for Energy Manager Fire reporting: Diesel - 1.024 Diesel in tep/t
[25] Coefficients used for the CO_2 emissions inventory in the UNFCCC ETS national inventory and for Energy Manager Fire reporting: Petrol - 1.03 Petrol in tep/t
[26] Coefficients used for the CO_2 emissions inventory in the UNFCCC National ETS Inventory and for the Energy Manager Fire reporting: LPG - 1.095 LPG in tep/t
[27] Coefficients used for the CO_2 emissions inventory in the UNFCCC ETS national inventory and for Energy Manager Fire reporting: natural gas - 8499 kCal Sm^3 x 10^6 / 10^7
[28] Coefficients used for the CO_2 emissions inventory in the UNFCCC ETS national inventory and for Energy Manager Fire reporting: Heat - 0.086 heat in thermal MWh; EE BT - 0.187 EE in MWh of electricity in BT; EE MT - 0.187 EE in electric MWh in MT
[29] The electricity consumed from nuclear sources is calculated on the basis of the composition of the energy mix used for the production of the electricity sold by Snam's main electricity provider, multiplied by the overall consumption of purchased electricity.
[30] Coefficients used for the CO_2 emissions inventory in the UNFCCC ETS national inventory and for Energy Manager Fire reporting: Biogas - 5200 kCal Sm^3 x 10^6 / 10^7
[31] Coefficients used for the CO_2 emissions inventory in the UNFCCC ETS national inventory and for Energy Manager Fire reporting: Heat - 0.086 heat in thermal MWh; EE BT - 0.187 EE in MWh of electricity in BT; EE MT - 0.187 EE in MWh of electricity in MT. The figure includes a share of electricity produced through the consumption of biogas and consumed by Bioenerys cogenerators; this share of electricity is considered 'green' on the basis of Legislative Decree 387/2003 (Article 2 paragraph 1 letter a) – Definitions of renewable source, Article 12 – Authorisation procedures) to which all authorisation titles for Bioenerys Agri plants involved in the production of electricity and biogas combustion are linked. The 2023 figure has been restated.
[32] The data on total energy consumption, share of fossil fuels in total energy consumption, share of renewable sources in total energy consumption, energy consumption / net revenues for 2022 and 2023 do not include the share of energy from nuclear sources, which is calculated starting from 2024; It follows that these data for 2022 and 2023 are not fully comparable with those for 2024 which instead include the share of energy from nuclear sources.
[33] The energy produced is subject to direct measurements.
[34] To calculate the energy produced by Bioenerys cogenerators, the thermal energy produced is estimated starting from the electrical energy generated by the cogenerators themselves. The calculation process involves the following steps: (i) measurement of the electrical energy produced, which is recorded during the operation of the cogenerators themselves; (ii) determination of engine efficiencies, which are determined based on the engines being analysed; (iii) calculation of the thermal energy produced by estimating it starting from the engine efficiencies.

Pollution

MATERIAL TOPICS, IMPACTS, RISKS AND, OPPORTUNITIES

Air pollution

IMPACT MATERIALITY

NEGATIVE IMPACTS
- Generation of polluting emissions (e.g. NO_X) in the performance of Snam's industrial activities which compromise air quality
- Generation of polluting emissions (e.g. NO_X) in the performance of Snam's value chain activities which compromise air quality

For more information, please refer to the chapter 'Managing Impacts, Risks and Opportunities'.

The negative impacts related to the topic of pollution, which originate from Snam's business model and from the performance of its activities and those in the value chain, contribute to the worsening of the air quality in the areas subject to the impacts. Snam's commitment to mitigating the effects of pollution, outlined in its policies (for more information see the 'Policies' section of this chapter), is necessary to avoid the negative impacts identified as material following the double materiality analysis conducted in 2024.

POLICIES

With a view to preventing, mitigating and correcting the impacts related to pollution, Snam has equipped itself with the Asset Management Policy, and the Health, Safety, Environment, Energy and Quality Policy (HSEEQ Policy), both approved by the Board of Directors and the Chief Executive Officer, who is the signatory. Policies are the tools that direct the activities of the functions responsible for managing the issue.

HEALTH AND SAFETY, ENVIRONMENT, ENERGY AND QUALITY POLICY (HSEEQ POLICY)

Contents, objectives and monitoring process

The policy aims to illustrate Snam's commitments in terms of mitigating the effects of pollution, in particular:
- mitigating the negative impacts associated with pollution by implementing operational and management interventions;
- ensuring the transparency of information, training and building staff and stakeholder awareness of the principles expressed in the policies, implementing consultation and communication processes with internal and external stakeholders;
- implementing the necessary organisational and procedural solutions, also with a view to preventing accidents, injuries and emergency situations,
- carry out environmental performance monitoring and control activities to assess the results and effectiveness of the Policy, review objectives and programmes;
- act in compliance with laws and administrative requirements and in line with the Code of Ethics and Model 231 and with national and international best practices.

The effectiveness of the policy, its objectives and programmes, are subject to periodic review and monitoring through the involvement of the competent corporate functions and units, in line with the recommendations of the OECD Guidelines for Multinational Enterprises.

Scope of application

Snam's HSEEQ policy applies to all its activities, staff, contractors and all persons supervised by the Snam Group; all Snam companies adopt this Policy and – through the Employers and all persons responsible for health, safety, the environment, energy efficiency and quality – implement its principles.

References to third party standards or initiatives

- Sustainable Development Goals (SDGs) defined by the UN.
- OECD Guidelines for Multinational Enterprises.

ASSET MANAGEMENT POLICY

Contents, objectives and monitoring process

The policy, in accordance with the requirements of UNI ISO 55001:2015, ensures the prevention of pollution by adopting technologies and systems throughout the life cycle of assets to promote their careful and timely management.
The policy is regularly reviewed with a view to continuous improvement, with the aim of keeping it updated and consistent with the evolution of the production, commercial and corporate context.

Scope of application

The Policy applies to all assets used by Snam for the transportation of natural gas such as pipelines, booster stations, regulation, reduction, interception, mixing and measurement plants, as well as other ancillary plants necessary for the transportation and dispatching of gas.

References to third party standards or initiatives

ISO 55001 Standard.

GNL ITALIA'S PREVENTION OF RELEVANT ACCIDENTS POLICY

STOGIT'S PREVENTION OF RELEVANT ACCIDENTS POLICY

SNAM FSRU ITALIA'S PREVENTION OF RELEVANT ACCIDENTS POLICY

Contents, objectives and monitoring process

The Prevention of Material Accidents (PIR) policies of Stogit, GNL and FSRU Italia define the commitments and approaches of each entity in the context of the responsible management of natural gas-related activities. The policies illustrate Snam's objectives in the area of prevention and control of material accidents for the protection of the environment, namely:

- ensure commitment to continuous improvement in the control of major-accident hazards;
- carry out the safe operation and maintenance of the installation in accordance with the operating rules and procedures contained in the operation and maintenance manuals;
- inform, train and educate all employees to operate competently by making them aware of the potential risks associated with the activities;
- train operational staff to handle emergency situations;
- identify major accident prevention aspects, carry out risk analysis related to the activities undertaken, and consequently implement corrective, preventive and management measures;
- operate with respect for and protection of the surrounding environment in accordance with current environmental legislation, giving priority to the prevention of major accidents where necessary;
- follow legislative and regulatory developments in the field of environmental protection by complying with the requirements.

The policies are reviewed and, if necessary, updated at least every two years, or in the event of changes resulting in an increase in risk, to proceed with any adjustments and to define related objectives and improvement programmes.

Scope of application

The policy applies to all activities related to the storage of natural gas (Stogit), activities carried out at liquefied natural gas (LNG) terminals, and activities of floating storage and regasification units (FSRU); applies to all directly employed personnel, contractors and suppliers.

References to third party standards or initiatives

- Occupational Health and Safety Management System (ISO 45001) - only for Stogit.
- Environmental Management System (ISO 14001) - only for Stogit and GNL Italia.
- Establishments with major-accident hazards - Safety management systems (ISO 10617) - only for Stogit.
- Legislative Decree 105/2015 'Implementation of Directive 2012/18/EU on the control of major-accident hazards involving dangerous substances.

For more information on Pollution policies, please refer to the chapter 'Internal regulatory system'.

In addition to the policies described above, as a further safeguard to ensure adequate management of the issue, Snam uses an Asset Management System in terms of sustainability that complies with the **ISO 55001** standard and an environmental management system, integrated into the broader corporate framework of certifications, that complies with the **ISO 14001** standard. This certification is also required when selecting and qualifying suppliers, who, consequently, must possess management systems that comply with these standards.

TARGETS

Despite not having set specific quantitative objectives, Snam is constantly committed to preserving water, air and soil quality. Through an approach focused on prevention and risk reduction, the company aims to minimise the impacts of pollutant emissions into water, air and soil.
Snam, through its environmental management system, applies rigorous and integrated monitoring procedures, aimed at preventing pollution of water, air and soil, and ensuring full regulatory compliance. These processes comply with the current regulations applicable to the sites of activity and are also based on the company's environmental management systems, in line with international environmental standards.
The progress made on the pollution issue has been measured since 2006, the year in which Snam began reporting polluting emissions of NO_x and CO into the air.

ACTIONS & METRICS

IMPLEMENTED AND PLANNED ACTIONS AND RELATED RESOURCES ALLOCATED IN RELATION TO POLLUTION

	2024	
KPI	CapEx	OpEx
Amount of current financial resources allocated to pollution-related actions (€ million)	13	0
Amount of future financial resources earmarked for pollution-related actions (€ million) [1]	17	0

Notes:
- the data refer to the entire Snam Group, unless otherwise indicated. For more information on the scope, plrese refer to the chapter 'Introduction and guide to reading the document, General basis for the preparation of the Consolidated Sustainability Statement';
- with reference to Bioenerys and Renovit, CapEx and OpEx are included in the topic 'Climate Change';
- financial resources may give rise to operating costs (see Note 29 Operating costs and charges in the Notes to the Consolidated Financial Statements) or, if the conditions apply and if strictly related to an investment, may give rise to CapEx (see Note 8 Property, plant and equipment and Note 9 Intangible assets in the Notes to the Consolidated Financial Statements);
- for more information, please refer to the chapter 'Actions and resources in relation to material sustainability matters' in the 'General information' section.

[1] Future financial resources consider the Plan period.

The results of the double materiality analysis revealed two significant impacts relating to polluting emissions into the air (e.g. NO_x) in the performance of Snam's industrial activities and in the performance of value chain activities. As regards the value chain, the Company uses the phase-in provided for this type of information, while as regards its operational activity, the methods with which the damage caused to local communities is remedied are environmental compensations pursuant to Law 239/2004 which provides that 'The regions and local authorities territorially affected by the location of new energy infrastructure elements or by the strengthening or transformation of existing infrastructure elements have the right to enter into agreements with the proposing entities that identify environmental compensation and rebalancing measures, consistent with the general objectives of national energy policy.

During 2024, Snam continued to strengthen its commitment to reducing air pollution through a series of initiatives aimed at reducing CO and NO_X emissions from its operations, in line with current regulations and corporate sustainability objectives, defined in its policies.

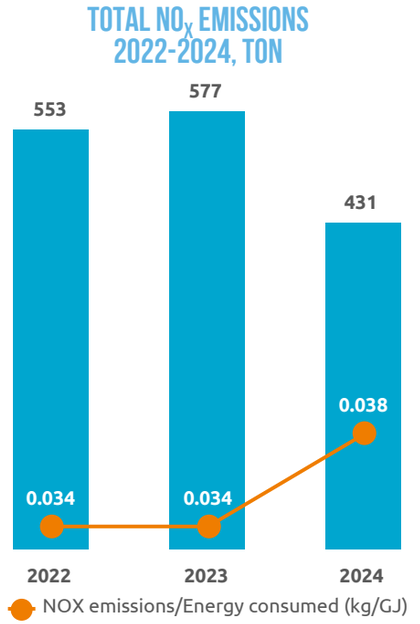
With reference to the topic of pollution, the main actions carried out and planned are:

INSTALLATION OF ELECTRIC COMPRESSORS	**Description of the initiative** Installation of electric compressors to reduce CO and NO_X emissions in gas compression activities. **Time horizons** 2024-2040 **Progress and action plan** During 2024, two electric compressors were installed in Malborghetto and work began on the installation of an electric compressor in Poggio Renatico. Work at Malborghetto is scheduled for completion in 2025 and permission for Gallese is planned for 2025. In addition, it is planned to install 3 more electric compressors by 2027, 5 by 2030, 3 by 2032 and 10 by 2040.
DLE TECHNOLOGY	**Description of the initiative** The TC1 unit in Sergnano with DLE (dry low emission) technology for the reduction of CO and NO_Xemissions has entered into operation. **Time horizons** 2023-2024 **Progress and action plan** In the first year of operation of the unit during 2024, the machine has an emission target of 50 mg/Nm^3 for NO_X and CO. Continuous monitoring of performance and evaluation of technological improvements is expected.
THERMAL EFFICIENCY	**Description of the initiative** Replacement of regenerators and incinerators to improve thermal efficiency and reduce emissions. **Time horizons** 2024-2026 **Progress and action plan** During 2024, some machines were replaced with more efficient and lower-emission models. Additionally, the replacement of 3 more waste incinerators is planned by 2026.

These initiatives are managed in compliance with the procedures set out in Legislative Decree 152/06 and subsequent amendments, in collaboration with the interested bodies.
Snam's commitment to reducing air pollution is embodied in a systematic and long-term approach that ensures continuous improvement of environmental performance.

Pollutant emissions into water, air and soil by type of pollutant

The only significant pollutant emissions for the Group are nitrogen oxides (NO_X), mainly from the combustion of natural gas in the turbines of the compressor and storage plants. In 2024, these emissions decreased (-25%) from 577 to 431 tonnes, mainly due to the reduction of SRG's power plant consumption and activities related to the sustainable mobility business. A reduction in emissions was highlighted despite the expansion of non-regulated business activities and the first full year of operation of the new Piombino regasification plant.



Notes: 2022 and 2023 data have been restated.

The data are partly processed directly by the continuous monitoring systems of atmospheric emissions produced by combustion equipment (turbines, engines) and partly calculated on the basis of fuel consumption and emission factors from literature and/or CO and NO_X concentrations measured periodically according to UNI EN ISO standards.

KEY PERFORMANCE INDICATORS

KEY PERFORMANCE INDICATORS

ESRS / Other entity-specific disclosures	INDICATOR	UNITS OF MEASUREMENT	2022	2023	2024
NO_x emissions					
E2-4	Total NO_x emissions	t	553	577	431
	NO_x emissions - Gas Infrastructure	t	536	524	414
	of which NO_x emissions - Transportation	t	366	352	243
	of which NO_x emissions - Storage	t	110	81	88
	of which NO_x emissions - Regasification	t	60	91	83
	of which NO_x emissions - Other sectors - Sustainable mobility	t	0.1	0.1	0.0
	NO_x Emissions - Other	t	17	53	17
	of which NO_x - emissions - Energy transition business	t	16	53	17
	of which NO_x emissions - Other amounts not allocated to sectors - Corporate activities	t	0.3	0.3	0.3
CO emissions					
E2-4	Total CO emissions	t	291	390	311
	CO Emissions - Gas Infrastructure	t	282	368	275
	of which CO emissions - Transportation	t	246	284	207
	of which CO emissions - Storage	t	28	19	21
	of which CO emissions - Regasification	t	7	64	46
	of which CO emissions - Other sectors - Sustainable mobility	t	0.1	0.3	0.3
	CO Emissions - Other	t	10	23	36
	of which CO emissions - Energy transition business	t	7	20	33
	of which CO emissions - Other amounts not allocated to sectors - Corporate activities	t	3	3	3

KEY PERFORMANCE INDICATORS

ESRS / Other entity-specific disclosures	INDICATOR	UNITS OF MEASUREMENT	2022	2023	2024
Other performance indicators					
	Total NO_x emissions/energy consumed [1][2]	t / GJ	0.031	0.032	0.028
	Total NO_x emissions / compressed gas [1][2]	kg / $10^6 m^3$	3.4	3.5	3.1
	Stored NO_x / gas emissions [1][2]	kg / $10^6 m^3$	11	12	12

Notes:
- the data refer to the entire Snam Group, unless otherwise indicated. For more information on the scope, please refer to the chapter 'Introduction and guide to reading the document, General basis for the preparation of the Consolidated Sustainability Statement'.

[1] Data are sourced from the relevant business functions, normalised (if necessary) according to the conversion factors provided for in current legislation (Fire, ETS, IPCC, OGMP). In addition, data are validated within the framework of ETS audits (energy), in communications to the UN OGMP (methane) and for compliance with third party audits dedicated to the Sustainability Reporting Process (ISAE 3000).
[2] Data for 2022 and 2023 have been restated

Biodiversity and ecosystems

MATERIAL TOPICS, IMPACTS, RISKS AND, OPPORTUNITIES

IMPACT MATERIALITY

POSITIVE IMPACTS
- Protection of the natural ecosystem through regeneration projects for the ecosystems and areas in which Snam operates
- Soil regeneration through the dispersion of nutrients in the form of digestate and compost

FINANCIAL MATERIALITY

RISKS
- Failure to obtain permits for the construction of works or interruption of company activities due to environmental constraints
- Increased biodiversity alterations with possible impacts on service continuity and asset integrity

OPPORTUNITIES
- Improving external perception through urban reforestation activities

For more information, please refer to the chapter 'Managing Impacts, Risks and Opportunities'.

The double materiality analysis on the theme 'Biodiversity and ecosystems' included the identification and evaluation[108] of actual and potential impacts on biodiversity and ecosystems at their sites and along the upstream and downstream value chain and of physical and transition opportunities and risks.

With particular reference to the impacts, risks and opportunities related to biodiversity and ecosystems, Snam has considered the location of its operating sites within or near sensitive areas in terms of biodiversity, including the two booster stations (Montesano and Messina) within Natura 2000 Network sites. For more information, please refer to the table at the end of this paragraph. In addition, activities related to the laying of new gas pipelines within or near sensitive areas in terms of biodiversity were also taken into account (for more information, please refer to the chapter 'Protecting the territory and biodiversity, Actions for 'Zero Net Conversion').

The positive impacts related to the topic of biodiversity and ecosystems are closely connected to the opportunity to improve the external perception of the company, strengthening the link with local communities and enhancing Snam's commitment to environmental sustainability.

The analysis highlighted a potential negative impact on biodiversity and ecosystems, associated with Snam's own activities, relating to the loss of biodiversity in the areas affected by the pipeline infrastructure and in the sites where Snam operates due to inadequate recovery plans, with consequent compromise of the ecological integrity of the affected areas (both in the terrestrial and aquatic environments). This impact is mainly generated in construction sites used for the laying of new gas pipelines and, overall, was found to be below the materiality threshold. The likelihood of such an impact was assessed, on average, as 2.5, or moderately probable (with a likelihood of occurrence between 25% and 50%).
The impacts generated in Snam's value chain were also explored and a potential negative impact on biodiversity and ecosystems was identified relating to the degradation of habitats due to the extraction of minerals by Snam's value chain activities which may contribute to habitat fragmentation. This impact is generated in Snam's upstream value chain, mainly in activities related to the production of infrastructure and, overall, was found to be below the materiality threshold. The likelihood of such an impact was assessed, on average, as 3, i.e., according to the applied evaluation model, an impact that can be considered moderately probable (with a likelihood of occurrence between 25% and 50%).
In the context of financial materiality, a physical risk has been identified and assessed, which has emerged as material, regarding the significant impact on the continuity of service and on the integrity of the assets due to the increase in alterations of biodiversity or environmental constraints that could influence the construction of the works and the operational activities.

The dual materiality analysis did not reveal any material negative impacts on soil degradation, while impacts related to desertification or soil sealing did not appear to be applicable to Snam's business. In addition, the Group's activities did not appear to have any effects on threatened species.

Furthermore, in the context of the dual materiality analysis, no dependencies on biodiversity, ecosystems and related services were identified at Snam's sites and along the value chain nor were any impacts on ecosystem services material to the communities affected by Snam's own activities identified and systemic risks connected to Snam's business model.

Through the biodiversity and ecosystem protection objectives defined in the Sustainability Scorecard and its own biodiversity strategy, Snam adopts a strategic approach to pursue positive impacts and seize opportunities, while implementing targeted measures to mitigate risks. These interventions include the assessment and monitoring of environmental risk hotspots, the development of infrastructure compatible with ecosystem protection and the strengthening of dialogue with stakeholders.
Snam's commitment translates into a net positive impact on biodiversity by 2027, promoting the regeneration of ecosystems in the areas in which it operates and consolidating a sustainable, resilient operating model oriented towards the creation of shared value (for more information see the paragraph 'Sustainability strategy' in the chapter 'Strategy and business model')
The table below lists material sites located within or near biodiversity sensitive areas, the activities carried out and their impacts, and the mitigation and monitoring activities implemented.

[108] For more information on the process of identifying and assessing impacts, risks and opportunities, see the paragraph 'Double materiality analysis and impact management', in the chapter 'Managing impacts, risks and opportunities'.

MATERIAL SITES LOCATED WITHIN OR NEAR BIODIVERSITY SENSITIVE AREAS

Material sites	Biodiversity areas affected (2)	Activities with negative impacts	Impacts and dependencies (3)	Mitigation and monitoring activities
Montesano booster station	SIC IT8050019 - 'Lake Cessata and surroundings'	Power Plant Operation	Emissions into the atmosphere Noise emissions	**MITIGATION ACTIVITIES** • Camouflaging of the perimeter with greenery • Soundproofing of cabins containing turbines **MONITORING ACTIVITIES** • Continuous monitoring of pollutants • Subjected to AIA monitoring
Messina booster station	ZPS ITA 030042 - 'Monti Peloritani, Dorsale Curcuraci, Antennamare and Marine Area of the Strait'	Power Plant Operation	Atmospheric emissions Noise emissions	**MITIGATION ACTIVITIES** • Camouflaging of the perimeter with greenery • Soundproofing of cabins containing turbines **MONITORING ACTIVITIES** • Continuous monitoring of pollutants • Subjected to AIA monitoring
Met. Sestino - Minerbio DN1200 (48') DP 75 bar	ZSC IT4090004 - Monte S. Silvestro, Monte Ercole and the Sapigno, Maiano and Ugrigno Gypsums	Construction of gas pipelines	Emissions into the atmosphere Noise emissions Vibrations Interaction with surface and groundwater Interaction with soil and subsoil Cutting of natural vegetation Disturbances on wildlife	**MITIGATION ACTIVITIES** • Location of the route as far away as possible from areas of naturalistic value; • Burying of the entire section of the pipeline; • Setting aside the superficial humic layer of the soil and redistributing it along the working strip; • Use of areas free from tree vegetation for pipe storage; • Use of a narrow track when crossing wooded areas; • Adoption of naturalistic engineering techniques in the implementation of restoration works; • Crossing of major waterways using Trenchless technology; • Scheduling work outside of wildlife breeding periods; • Vegetation restoration of all natural and semi-natural areas and of all areas with vegetation (hedges, rows, isolated trees, urban green areas) through the creation of reforestation and grassing, guaranteeing their cultivation care for the 5 years following restoration. **MONITORING ACTIVITIES** • Water environment: surface water, ground water; • Soil; • Biodiversity: vegetation, flora, fauna and ecosystems; • Noise; • Atmosphere.

MATERIAL SITES LOCATED WITHIN OR NEAR BIODIVERSITY SENSITIVE AREAS

Material sites	Biodiversity areas affected (2)	Activities with negative impacts	Impacts and dependencies (3)	Mitigation and monitoring activities
Met. Sestino - Minerbio DN1200 (48') DP 75 bar	ZSC IT4080014 - Rio Mattero and Rio Cuneo	Construction of gas pipelines	Emissions into the atmosphere Noise emissions Vibrations Interaction with surface and groundwater Interaction with soil and subsoil Cutting of natural vegetation Disturbances on wildlife	**MITIGATION ACTIVITIES** • Location of the route as far away as possible from areas of naturalistic value; • Burying of the entire section of the pipeline; • Setting aside the superficial humic layer of the soil and redistributing it along the working strip; • Use of areas free from tree vegetation for pipe storage; • Use of a narrow track when crossing wooded areas; • Adoption of naturalistic engineering techniques in the implementation of restoration works; • Crossing of major waterways using Trenchless technology; • Scheduling work outside of wildlife breeding periods; • Vegetation restoration of all natural and semi-natural areas and of all areas with vegetation (hedges, rows, isolated trees, urban green areas) through the creation of reforestation and grassing, guaranteeing their cultivation care for the 5 years following restoration. **MONITORING ACTIVITIES** • Water environment: surface water, ground water; • Soil; • Biodiversity: vegetation, flora, fauna and ecosystems; • Noise; • Atmosphere.
Met. Sestino - Minerbio DN1200 (48') DP 75 bar	ZSC/ZPS IT4050022 - Biotopes and Environmental Restorations of Medicina and Molinella	Construction of gas pipelines	Emissions into the atmosphere Noise emissions Vibrations Interaction with surface and groundwater Interaction with soil and subsoil Cutting of natural vegetation Disturbances on wildlife	**MITIGATION ACTIVITIES** • Location of the route as far away as possible from areas of naturalistic value; • Burying of the entire section of the pipeline; • Setting aside the superficial humic layer of the soil and redistributing it along the working strip; • Use of areas free from tree vegetation for pipe storage; • Use of a narrow track when crossing wooded areas; • Adoption of naturalistic engineering techniques in the implementation of restoration works; • Crossing of major waterways using Trenchless technology; • Scheduling work outside of wildlife breeding periods; • Vegetation restoration of all natural and semi-natural areas and of all areas with vegetation (hedges, rows, isolated trees, urban green areas) through the creation of reforestation and grassing, guaranteeing their cultivation care for the 5 years following restoration. **MONITORING ACTIVITIES** • Water environment: surface water, ground water; • Soil; • Biodiversity: vegetation, flora, fauna and ecosystems; • Noise; • Atmosphere.

MATERIAL SITES LOCATED WITHIN OR NEAR BIODIVERSITY SENSITIVE AREAS

Material sites	Biodiversity areas affected (2)	Activities with negative impacts	Impacts and dependencies (3)	Mitigation and monitoring activities
Met. Sestino - Minerbio DN1200 (48') DP 75 bar	ZSC/ZPS IT4050023 - Biotopes and Environmental Restorations of Budrio and Minerbio	Construction of gas pipelines	Emissions into the atmosphere Noise emissions Vibrations Interaction with surface and groundwater Interaction with soil and subsoil Cutting of natural vegetation Disturbances on wildlife	**MITIGATION ACTIVITIES** • Location of the route as far away as possible from areas of naturalistic value; • Burying of the entire section of the pipeline; • Setting aside the superficial humic layer of the soil and redistributing it along the working strip; • Use of areas free from tree vegetation for pipe storage; • Use of a narrow track when crossing wooded areas; • Adoption of naturalistic engineering techniques in the implementation of restoration works; • Crossing of major waterways using Trenchless technology; • Scheduling work outside of wildlife breeding periods; • Vegetation restoration of all natural and semi-natural areas and of all areas with vegetation (hedges, rows, isolated trees, urban green areas) through the creation of reforestation and grassing, guaranteeing their cultivation care for the 5 years following restoration. **MONITORING ACTIVITIES** • Water environment: surface water, ground water; • Soil; • Biodiversity: vegetation, flora, fauna and ecosystems; • Noise; • Atmosphere.
Met. Ref. Ravenna - Chieti Section Ravenna - Jesi DN 650 (26'), DP 75 bar (decommissioning)	SIC/ZPS IT4070007 - Cervia Salt Pan	Construction of gas pipelines	Emissions into the atmosphere Noise emissions Vibrations Interaction with surface and groundwater Interaction with soil and subsoil Cutting of natural vegetation Disturbances on wildlife	**MITIGATION ACTIVITIES** • Location of the route as far away as possible from areas of naturalistic value; • Burying of the entire section of the pipeline; • Setting aside the superficial humic layer of the soil and redistributing it along the working strip; • Use of areas free from tree vegetation for pipe storage; • Use of a narrow track when crossing wooded areas; • Adoption of naturalistic engineering techniques in the implementation of restoration works; • Crossing of major waterways using Trenchless technology; • Scheduling work outside of wildlife breeding periods; • Vegetation restoration of all natural and semi-natural areas and of all areas with vegetation (hedges, rows, isolated trees, urban green areas) through the creation of reforestation and grassing, guaranteeing their cultivation care for the 5 years following restoration. **MONITORING ACTIVITIES** • Water environment: surface water, ground water; • Soil; • Biodiversity: vegetation, flora, fauna and ecosystems; • Noise.

MATERIAL SITES LOCATED WITHIN OR NEAR BIODIVERSITY SENSITIVE AREAS

Material sites	Biodiversity areas affected (2)	Activities with negative impacts	Impacts and dependencies (3)	Mitigation and monitoring activities
ALESSANDRIA-CAIRO MONTENOTTE DN 300 (12') - DP 64 bar	SIC/ZPS IT1180010 - Langhe of Spigno Monferrato	Construction of gas pipelines	Emissions into the atmosphere Noise emissions Vibrations Interaction with surface and groundwater Interaction with soil and subsoil Cutting of natural vegetation Disturbances on wildlife	**MITIGATION ACTIVITIES** • Location of the route as far away as possible from areas of naturalistic value; • Burying of the entire section of the pipeline; • Setting aside the superficial humic layer of the soil and redistributing it along the working strip; • Use of areas free from tree vegetation for pipe storage; • Use of a narrow track when crossing wooded areas; • Adoption of naturalistic engineering techniques in the implementation of restoration works; • Crossing of major waterways using Trenchless technology; • Scheduling work outside of wildlife breeding periods; • Vegetation restoration of all natural and semi-natural areas and of all areas with vegetation (hedges, rows, isolated trees, urban green areas) through the creation of reforestation and grassing, guaranteeing their cultivation care for the 5 years following restoration. **MONITORING ACTIVITIES** • Water environment; • Soil and subsoil; • Vegetation and land use; • Landscape.
Downgrading of the Nonantola-Castelfranco DN 400 (16') gas pipeline, connection to the Municipality of Ravarino DN 150 (6') and connections connected to them' in the Municipalities of Nonantola, Castelfranco E. and Ravarino (Mo)	ZSC/ZPS IT4040010 - Torrazzuolo	Construction of gas pipelines	Emissions into the atmosphere Noise emissions Vibrations Interaction with surface and groundwater Interaction with soil and subsoil Cutting of natural vegetation Disturbances on wildlife	**MITIGATION ACTIVITIES** • Location of the route as far away as possible from areas of naturalistic value; • Burying of the entire section of the pipeline; • Setting aside the superficial humic layer of the soil and redistributing it along the working strip; • Use of areas free from tree vegetation for pipe storage; • Use of a narrow track when crossing wooded areas; • Adoption of naturalistic engineering techniques in the implementation of restoration works; • Crossing of major waterways using Trenchless technology; • Scheduling work outside of wildlife breeding periods; • Vegetation restoration of all natural and semi-natural areas and of all areas with vegetation (hedges, rows, isolated trees, urban green areas) through the creation of reforestation and grassing, guaranteeing their cultivation care for the 5 years following restoration. **MONITORING ACTIVITIES** • No significant impacts to monitor.

MATERIAL SITES LOCATED WITHIN OR NEAR BIODIVERSITY SENSITIVE AREAS

Material sites	Biodiversity areas affected (2)	Activities with negative impacts	Impacts and dependencies (3)	Mitigation and monitoring activities
FSRU Ravenna and Connection to the National Gas Pipeline Network	ZSC/ZPS IT4070006 - Pialassa of Piomboni of Punta Marina	Construction of gas pipelines	Emissions into the atmosphere Noise emissions Vibrations Interaction with surface and groundwater Interaction with soil and subsoil Cutting of natural vegetation Disturbances on wildlife	**MITIGATION ACTIVITIES** • Location of the route as far away as possible from areas of naturalistic value; • Burying of the entire section of the pipeline; • Setting aside the superficial humic layer of the soil and redistributing it along the working strip; • Use of areas free from tree vegetation for pipe storage; • Use of a narrow track when crossing wooded areas; • Adoption of naturalistic engineering techniques in the implementation of restoration works; • Crossing of major waterways using Trenchless technology; • Scheduling work outside of wildlife breeding periods; • Vegetation restoration of all natural and semi-natural areas and of all areas with vegetation (hedges, rows, isolated trees, urban green areas) through the creation of reforestation and grassing, guaranteeing their cultivation care for the 5 years following restoration. **MONITORING ACTIVITIES** On-Shore: • Atmosphere; • Surface waters; • Groundwater; • Soil and subsoil; • Noise; • Terrestrial biodiversity. Off-Shore: • Atmosphere; • Sediment matrix; • Water matrix; • Benthos; • Planktonic compartment; • Fish component; • Underwater noise; • Marine biodiversity; • Bathymetry and morphology of the seabed.

Notes:
1. The 'sites material to the activities of laying new gas pipelines within or in proximity to sensitive areas in terms of biodiversity' correspond to the set of sites within protected areas affected by excavation and pipeline laying activities carried out in the last year (the period of time in which the impact is considered most material).
2. For protected areas and main biodiversity areas, reference is made to the Natura 2000 Network Sites (SIC - Sites of Community Importance and SPA - Special Protection Areas, ZSC - Special Conservation Areas; as defined in Council Directive 92/43/EEC.
3. In the context of the double materiality analysis relating to the theme 'Biodiversity and ecosystems', no dependencies on biodiversity, ecosystems and related services were identified at Snam's sites and along the value chain.

POLICIES

The policies adopted by Snam on biodiversity and ecosystems, described below, support the Group in managing the related impacts, risks and opportunities. All policies are approved by the Board of Directors and the Chief Executive Officer, who is responsible for signing them, making them formal regulatory instruments. The functions that deal with the construction and management of infrastructure elements, as well as all the divisions that deal with issues relating to biodiversity, share the principles and commitments contained in the policies reported below.

BIODIVERSITY POLICY

Contents, objectives and monitoring process

Snam's Biodiversity Policy aims to define the commitments and actions adopted by the Group to protect biodiversity, as a fundamental pillar of sustainable development, essential for the health and well-being of people and to preserve life on Earth.
In this regard, Snam considers and manages its material impacts on biodiversity and ecosystems by identifying high-risk areas, implementing measures to reduce impacts, and pursuing specific objectives such as ecosystem regeneration and achieving a net positive impact on nature.
In fact, the Policy describes Snam's commitment to managing its infrastructure with an approach aimed at safeguarding ecosystems, ensuring the application of solutions to avoid and prevent as much as possible the occurrence of negative impacts, through the investigation of potential risks on biodiversity, with particular attention to natural ecosystems that fall within the Natura 2000 Network Sites, integrating international best practices and guidelines.
Furthermore, the Policy refers to the Zero Net Conversion regime, with which Snam has been operating for some time in the construction and maintenance activities of its linear gas transportation infrastructure elements, neutralising the impacts deriving from the change in land use caused by its activities through the restoration of occupied areas through reforestation (no net deforestation).

The Policy also mentions Snam's commitment to:

- generate a positive impact on biodiversity, especially in areas classified as high risk with projects for the regeneration of natural ecosystems (Nature Positive Impact) that contribute to mitigating the risk linked to the increase in biodiversity alterations.
- listen to and involve stakeholders, in particular, through consultation and collaboration with the Public Administration and through listening and collaboration with territorial associations, NGOs and local communities.

Dependencies are not included in the policy; with regard to physical and transition risks, within its ERM Framework, Snam is defining a dedicated approach for the analysis of inside-out risks caused by biodiversity loss, integrated with Climate Change Risk Management (CCRM) and in line with the main frameworks and standards such as the TNFD.

The Biodiversity Policy is subject to review and monitoring to follow the evolution of the regulatory framework and of the main frameworks in the field of biodiversity, in order to ensure constant alignment with international best practices.

Scope of application

Snam's Biodiversity matters policy applies to all its activities, staff, contractors and all persons supervised by the Snam Group. All Snam companies adopt this Policy and implement its principles.

References to third party standards or initiatives

- Convention on Biological Diversity (CBD)
- United Nations 2030 Agenda
- European Union Biodiversity Strategy 2020
- Kunming-Montreal Global biodiversity Framework
- National Biodiversity Strategy 2023
- Science-based targets for Nature (SBTs for Nature)

HEALTH AND SAFETY, ENVIRONMENT, ENERGY AND QUALITY POLICY (HSEEQ POLICY)

Contents, objectives and monitoring process

The policy aims to explore aspects related to the protection of biodiversity and ecosystem safeguarding aspects concerning operating sites owned, leased or managed in or near a biodiversity-sensitive area setting out Snam's commitments to:

- ensuring integrated, efficient and sustainable asset life-cycle management, with a focus on environmental protection;
- promoting the protection of biodiversity and ecosystems, through periodic assessments of the impacts of the activity on the local area and biodiversity, implementing preventive and corrective actions, aimed at achieving the company's objectives and preventing environmental accidents;
- ensuring environmental protection along the value chain by selecting suppliers and promoting their development according to the principles of this Policy;
- ensuring the transparency of information, training and building staff and stakeholder awareness of the principles expressed in the policies, implementing consultation and communication processes with internal and external stakeholders;

The effectiveness of the policy, its objectives and programmes, are subjected to periodic review through the involvement of the competent corporate functions and units.

Scope of application

Snam's HSEEQ policy applies to all its activities, staff, contractors and all persons supervised by the Snam Group; all Snam companies adopt this Policy and – through the Employers and all persons responsible for health, safety, the environment, energy efficiency and quality – implement its principles.

References to third party standards or initiatives

- Sustainable Development Goals (SDGs) defined by the UN
- OECD Guidelines for Multinational Enterprises

ASSET MANAGEMENT POLICY

Contents, objectives and monitoring process

The Asset Management Policy aims to ensure that natural gas transportation assets, including those owned, leased or operated within or near a biodiversity sensitive area, are managed effectively, efficiently and sustainably in order to protect the natural ecosystem through ecosystem and land regeneration projects in which Snam operates.
The Policy, specifically, lists Snam's commitments in these terms:

- promoting initiatives for the protection of natural resources by planning, building, operating and decommissioning infrastructure and facilities in an environmentally sensitive manner;
- ensuring the protection of biodiversity and ecosystems through the careful and timely management of assets throughout their life cycle;
- ensure the efficiency and quality of processes, in accordance with regulations and technical requirements.

The performance of the policy is monitored regularly with a view to continuous improvement, with the aim of keeping it updated and consistent with the evolution of the production, commercial and business context.

Scope of application

The Policy, approved by the Board of Directors, applies to all assets used by Snam for the transportation of natural gas such as pipelines, booster stations, regulation, reduction, interception, mixing and measurement plants, as well as other ancillary plants necessary for the transportation and dispatching of gas.

References to third party standards or initiatives

UNI IS 55001:2015 Standard

HEALTH, SAFETY AND QUALITY POLICY (HSEQ POLICY) OF BIOENERYS ENVIRONMENT [1]

Contents, objectives and monitoring process

The HSEQ Policy of Bioenerys Ambiente is specific to the business related to the production of biomethane and compost from the treatment and valorisation of organic waste and intends to present the objectives of the two businesses within the Integrated Management System for Quality, Environment, Health and Safety.

With reference to biodiversity and ecosystems, the Policy promotes, encourages and spreads a shared culture based on sustainability, which finds concrete expression in the monitoring of environmental impacts, in the sustainable use of resources and in the valorisation of waste in a circular economy perspective, for example through the regeneration of the soil through the dispersion of nutrients in the form of digestate and compost.

Bioenerys Ambiente's HSEQ policy is updated and monitored whenever necessary, considering regulatory and business developments.

Scope of application

The Bioenerys Ambiente HSEQ policy, signed by the Company's CEO, applies to all activities, personnel, contractors and all persons subject to supervision by Bioenerys Ambiente. All the companies of Bioenerys Ambiente S.r.l. adopt this Policy and – through the Employers and all persons responsible for health, safety, the environment, energy efficiency and quality – implement its principles.

For more information on Biodiversity and Ecosystems policies, please refer to the chapter 'Internal Regulatory System'.
[1] Policy available in Italian only.

In addition to the Policies described above, Snam has adopted the Major Accident Prevention Policies of GNL Italia, Stogit and FSRU, signed by the plant managers, in compliance with the requirements of the Seveso regulation, and define the commitments in the area of prevention and control of major accidents and for the protection of the environment. Appropriate management of these activities contributes to the protection of biodiversity and ecosystems in the areas in which Snam operates.

The ISO 14001-certified management system, which the Snam Group put in place in 2000, guides companies in defining practices, including those aimed at protecting territories and safeguarding biodiversity. For further details on Snam's management systems, see 'Annex 1 - Management Systems'.

Transition plan and consideration of biodiversity and ecosystems in strategy and business model

Snam, despite not having material impacts on biodiversity, with the exception of 'land use change' as a potential and long-term impact on biodiversity during the construction of infrastructure, has defined a strategy aimed at contributing to European commitments on biodiversity, defining the objectives 'Zero Net Conversion' and 'Net Positive Impact'. The latter, in particular, has made it possible to strengthen the dialogue and involvement of local authorities, in order to define shared projects in favour of biodiversity in the identified hotspots. For more information on Snam's assessment of impacts on biodiversity, please refer to the chapter 'Strategy and business model, Sustainability strategy, Biodiversity strategy'.

In the field of the sustainability strategy, in 2023, Snam introduced a specific Climate Change Risk Management (CCRM) framework in the ERM Model to integrate and identify in more detail the risks and opportunities related to climate change and, consequently, to improve the management of the uncertainty that characterises them, as well as to strengthen the Group's resilience. For more information, please refer to the paragraph 'Actions and metrics, Anticipated financial effects from material physical and transition risks and potential climate-related opportunities' in the chapter 'Climate change'.

Following the approach adopted for climate-related risks, Snam has defined a framework dedicated to the analysis of biodiversity-related risks, aligned with key frameworks and standards such as the TNFD (Taskforce on Nature-related Financial Disclosures). This framework aims to complement Snam's existing analysis of its impact on biodiversity, ensuring a comprehensive approach to environmental risk management, which has enabled an assessment of Snam's resilience to biodiversity risks to be carried out alongside analyses of climate risks.

For more information on resilience analysis, please refer to the paragraph 'Anticipated financial effects from biodiversity and ecosystem-related risks and opportunities' in this chapter.

TARGETS

BIODIVERSITY AND REGENERATION

KPI		Baseline and base year	Performance in 2022	Performance in 2023	Performance in 2024	Target		Performance 2024 vs. target
Zero Net Conversion [1]	SCORECARD	We are already operating under a Net Zero Conversion regime from 2023	-	We are already operating under a Net Zero Conversion regime from 2023	Achieved	Target already achieved	by 2024	✓
						To keep	by 2025	⚙
						To keep	by 2029	
Net Positive Impact [2]	SCORECARD	-	-	-	—	To achieve	by 2027	⚙
						To keep	by 2029	
Vegetation restored in areas of pipes constr. and new forestation (%) [3]	SCORECARD	98,5% nel 2021 [4]	99.9%	116%	102	>=100	by 2024	✓
						>=100	by 2025	⚙
						>=100	by 2029	

SCORECARD KPIs included on the Sustainability Scorecard | CARBON NEUTRALITY KPI included in the Carbon Neutrality Strategy | ✓ Target reached | ⚙ Target in progress | ⊘ Target not reached

Notes:
- the targets shown refer to the entire Snam Group, unless otherwise indicated. For more information on the scope, please refer to the chapter 'Introduction and guide to reading the document, General basis for the preparation of the Consolidated Sustainability Statement';
- the underlying methodologies, applied in the calculation of the targets, are the result of the internal elaboration of the functions responsible for the control and monitoring of the targets, unless otherwise indicated.

[1] The 'Net Zero Conversion' target refers to Net Zero Conversion activities for land use and in particular to all infrastructure projects, i.e. Snam's direct activities related to transportation, storage and regasification. The target is aligned with the guidelines of the Science Based Target for Nature (SBTN) framework and is based on sound science

[2] The 'Net Positive Impact' target refers to areas of high biodiversity risk where 'nature positive' solutions will be adopted through initiatives to restore or protect the landscape. The target includes a minimum of two initiatives for at least one high biodiversity risk area. The target is aligned with the guidelines of the Science Based Target for Nature (SBTN) framework and is based on reliable scientific data.

[3] The target was renamed. In past years it was 'Recovery of vegetation in natural and semi-natural areas impacted by the construction of a pipeline' and was calculated by estimating the difference between the ante operam phase and the executive phase and places particular emphasis on the vegetation recovery of the kilometres of the gas pipeline route that cross natural and semi-natural areas.

The following is a list of performances for the three-year period 2022-2024: 2022 - 98.5%, 2023 - 99.9%, 2024 - 99.8%. [ESRS 2, MDR-T, 80, i] The target refers to the transportation perimeter (Snam Rete Gas SpA and Enura SpA) and the related geographical scope is linked to the areas directly affected by the construction of the pipelines, i.e. the Italian national territory where the companies included in the target perimeter operate. In defining the target, no ecological thresholds were applied nor did it take into account any monetary compensation. The part concerning new urban plantings balances the small areas that cannot be restored during the vegetation restoration phase, for technical reasons (presence of small above-ground plants that cannot be avoided). The target is calculated as the ratio between the total of restored surfaces and new planted surfaces and the surface area impacted by the construction of a pipeline. Restored surface area means the sum of areas of trees and shrubs planted and meadows sown by project (activity attributable to restoration and rehabilitation), impacted surface area means the sum of trees and shrubs felled and meadows cut by project and new planted surfaces means the sum of trees and shrubs planted as part of forestry projects financed by Snam Rete Gas (activities attributable to compensation or balancing).

[4] The overall performance was 100%, of which 1.5% was due to environmental offsetting.

The biodiversity targets contribute to achieving the objectives contained in the HSEEQ Policy concerning the protection of biodiversity and ecosystems, through periodic assessments of the impacts of Snam's activities in the local areas in which it operates, implementing preventive and corrective actions.

The target relating to the percentage of vegetation recovery of natural and semi-natural areas impacted by the construction of a pipeline and new forestation has been updated with respect to 2023 in order to take into account the new urban reforestation which can ideally balance some areas not restored for unavoidable technical reasons. The objective measures how much surface area Snam Rete Gas has restored compared to that interfered with by the construction work of the gas pipelines and how much it has contributed to the planting of new urban forests. The first point allows, in addition to minimising the risk of failure to obtain authorisations for the construction of the works, to recover and strengthen in the shortest possible time the ecological balances of the natural and semi-natural areas affected by the works. The second one allows seizing of the opportunity to improve the external perception as a result of the urban planting works carried out by Arbolia on input from Snam Rete Gas.

Furthermore, the part of the objective concerning restored areas can be traced back to the restoration and rehabilitation phase, while the part concerning new urban forestation areas can be traced back to a balancing level. The EU Biodiversity Strategy for 2030 includes, among its actions, the creation of green infrastructure to mitigate heat in cities and the effects of natural disasters. The EU Regulation on nature restoration, in line with the 'EU Biodiversity Strategy', aims, among other things, to increase green spaces in cities, small towns and suburbs with the aim of ensuring no net loss of green space by 2030 and increasing tree cover in cities.
The part of the objective that concerns new forestation in urban and peri-urban areas of the Italian territory is in line with the general principles expressed by the Strategy and the EU Regulation for biodiversity 2030.

The 2024 performance, equal to 102%, is linked to the restoration of approximately 40 km of line to reforestation and 64 km to grassing for a percentage of approximately 99.8% compared to the total of the meadow and woodland areas involved and to the financing of projects relating to new planted areas equal to 2.2% additional compared to the total of the meadow and woodland areas involved.

The 'Net Positive Impact' target was achieved since Snam, also in 2024, operated under a Net Zero Conversion regime.

For more information on the Zero Net Conversion and Net Positive Impact objectives, please refer to the chapter 'Strategy and business model, Sustainability strategy, Biodiversity strategy'. For more information on the process of defining and reviewing objectives, please refer to the chapter 'Strategy and business model, Sustainability strategy, Sustainability Scorecard'.

ACTIONS & METRICS

ACTIONS IMPLEMENTED AND PLANNED AND RELATED TO RESOURCES ALLOCATED IN RELATION TO BIODIVERSITY AND ECOSYSTEMS

	2024	
KPI	CapEx	OpEx
Amount of current financial resources allocated to actions related to biodiversity and ecosystems (€ million)	4	0
Amount of future financial resources allocated to actions related to biodiversity and ecosystems (€ million) [1]	22	0

Notes:
- the data refer to the entire Snam Group, unless otherwise indicated. For more information on the scope, please refer to the chapter "Introduction and guide to reading the document, General criteria for drafting the Consolidated Sustainability Statement";
- with reference to Bioenerys and Renovit, CapEx and OpEx are included in the topic "Climate Change";
- financial resources, if the conditions apply and if strictly related to an investment, may give rise to CapEx (see Note 8 Property, plant and equipment and Note 9 Intangible assets in the Notes to the Consolidated Financial Statements);
- for more information, please refer to the chapter 'Actions and resources in relation to material sustainability matters' in the 'General information' section.

[1] Future financial resources consider the Plan period.

The actions that Snam carries out contribute to the protection of biodiversity, including compensation to the interested bodies, and contribute to achieving the objectives of the Biodiversity Policy and the Health and Safety, Environment, Energy and Quality Policy (HSEEQ Policy).

Snam has also set itself the goal of generating a positive impact on nature in the areas classified as high risk for biodiversity in which the company operates, through the implementation of projects aimed at regenerating natural ecosystems, defining a plan of actions to be undertaken to achieve the Net Positive Impact objective.

Through the actions implemented, the company, in addition to improving the protection of landscapes and the safety of territories by ensuring hydrogeological safety, identifies actions to contribute to the maintenance and improvement of wildlife and vegetation interfered with by its infrastructure elements.

For the financing component, Snam uses many financial instruments defined as **'general corporate purpose'**, the proceeds of which are used to finance corporate initiatives and projects in line with the corporate objectives and the Strategic Plan.

Protecting Land and Biodiversity – Actions for Zero Net Conversion

Infrastructure management, in all its phases, is based on an approach that requires the strict application of the four actions linked to the mitigation hierarchy: firstly, seeking solutions to avoid and prevent the occurrence of negative impacts, and only secondly reducing their effects or compensating for residual negative impacts.

MINIMISE	AVOID	RESTORE	OFFSET

Snam minimises these environmental impacts, which are temporary, through appropriate construction measures to avoid damaging the environment and the biodiversity of the areas where the infrastructure is located, while at the same time ensuring compliance with the principle of preserving ecosystems, public health, the safety of workers and the environmental sustainability of construction sites. In particular, the Company:

MINIMIZE	buries pipeline sections	minimises the cutting of vegetation,such as by using narrow lanes, i.e. corridors that limit the cutting of adult trees	uses, where possible, trenchless technology, which implies the absence of open excavations, for watercourse crossings and areas of naturalistic value	separates the excavated material from the fertile soil (humus) which is conserved and placed on the surface during the restoration phase of the route
AVOID	avoids, where possible, locating the route in areas of significant natural or cultural interest, in archaeological, geologically unstable, man-made areas or where new housing developments are planned	avoids occupying new areas, using existing technology corridors as much as possible	avoids scheduling works during the most sensitive and critical periods according to the specific naturalistic elements of the area concerned	avoids occupying areas of natural vegetation for pipe storage

If it cannot avoid crossing them, Snam takes great care with operations near Sites of Community Interest (SICs), Special Areas of Conservation (SACs) and Special Protection Areas (SPAs), which together constitute the Natura 2000 Network Sites[109]. In 2024, the extent of Natura 2000 Network Sites subject to infrastructure laying was lower than in the previous year (8.96 km vs 0.66 km) and affected the regions of Emilia-Romagna and Piedmont. With reference to the total number of species on the IUCN (International Union for Conservation of Nature) National Conservation List and Red List with habitats in areas affected by the operations carried out by the organisation, in 2024 the following were counted: 12 species are critically endangered, 35 are endangered, 59 are vulnerable, 45 are near-endangered and 173 are of least concern.

In addition, Snam Rete Gas adopts good site practices, including wetting the tracks and reducing the speed of vehicles to reduce dust lifting, shutting down vehicles when not in use and carrying out their periodic testing and overhaul, storing waste in delimited areas and disposing of it in accordance with the terms and methods envisaged by law, and anti-hydrocarbon spillage practices.

In the design of Snam's works, studies are carried out, including by public universities or research institutes, aimed at describing the natural environment or forecasting the environmental effects of projects; this is also done to support authorisation procedures. These studies are subsequently verified in the field through the implementation of accurate environmental monitoring projects (EMP), agreed upon in advance with the Environmental Protection Agencies. In particular, with regard to the installation of the regasification ships Golar Tundra (known as Alto Tirreno) moored in the port of Piombino and which will later be relocated to Vado Ligure, and FSRU BW Singapore, moored in Ravenna, Snam has commissioned the University of Genoa to implement a mathematical model to assess the possible effects due to the release of seawater with different characteristics in terms of temperature and chlorine content compared to that detected for regasification, with a view to providing elements for assessing the potential environmental impacts. Field verification of the model's results and therefore of the environmental impacts is underway through the execution of environmental monitoring plans (ante-operam for Ravenna and in progress for Piombino), which involve the biotic and abiotic environmental components.

Once the design phase has started, all the works are subjected to the Environmental Impact Assessment (EIA) or Integrated Environmental Authorisation (IEA) procedures, which respond to stringent assessments of environmental and safety compatibility and guarantee maximum respect for the natural environment and the protection of
biodiversity. For more information on the Decrees and Measures obtained during the year (within MITE's remit), please refer to the paragraph 'Progress of activities related to obtaining permits' in this chapter.

[109] Natura 2000 Network Sites are the main instrument used by the European Union for the conservation of biodiversity established under the Habitats Directive 92/43/EEC to preserve natural habitats at EU level.

APPLICATION OF SPECIFIC ACTIONS IN FAVOUR OF BIODIVERSITY AND SUSTAINABILITY FOR VEGETATION RESTORATIONS - THE CASE OF THE RIMINI-SANSEPOLCRO GAS PIPELINE

Snam designs and builds its works respecting the environment and the ecological and landscape balances of the areas of intervention. A fundamental aspect is the care in the design and implementation of Vegetation Restorations, selecting native forest species suited to local climatic and soil conditions. The objective is environmental sustainability and the improvement of biodiversity in natural and semi-natural areas affected by the construction of gas pipelines.
During the design phase, Snam carries out a detailed analysis of the territorial, pedological and vegetation context of the areas to be restored, defining the number and types of plants to be relocated to restore and improve the pre-existing ecological balances. Even during construction, Snam uses specialised technical management to support contractors, adopting specific actions to increase environmental sustainability and biodiversity.

A significant example for 2024 is the vegetation restoration of the Rimini-Sansepolcro methane pipeline. This project involved over 82 hectares of mainly mountainous territory in the Tuscan-Romagnolo Apennines, with the planting of over 250,000 plants including tree and shrub species, compared to the approximately 123,000 pre-existing ones. All phases of the work aimed to ensure environmental sustainability and the improvement of biodiversity.

During the design phase, 55 different forest species were selected, including nitrogen-fixing species to improve soil fertility, species attractive to pollinating insects and species of trophic interest for avifauna and arboreal fauna. Even during the construction phase, techniques in favour of biodiversity and environmental sustainability were adopted, such as the collaboration with the Biodiversity Centre of the Carabinieri Forestali of Pieve S. Stefano for the supply of 0 km plant material, grown starting from seeds recovered from certified seed forests in the surrounding area.

Further key actions included safeguarding native forest regeneration (young trees) through selective felling practices, minimising CO_2 emissions by limiting the use of mechanical means, reducing noise emissions during reforestation activities to minimise disturbance to wildlife and adopting circular economy practices through recycling plastic plant containers returned to the forest nursery of origin for reuse.

On the basis of the studies carried out during the EIA phase and the results of the ante-operam environmental monitoring activities, Snam initiates site-specific and species-specific mitigation measures, such as the interruption of construction site activities for the reproductive/migratory periods of some species in order to minimise the impact on fauna, the introduction of shelter or nesting support facilities for some species, and the fauna surveillance of excavations.

RESTORE	Once the gas pipeline has been laid, Snam will begin operations to restore the pre-existing vegetation and morphology conditions of the territory, adopting naturalistic engineering practices and native species, in order to re-establish the pre-existing natural balances and to prevent the onset of erosive phenomena, which are not compatible with the safety of the pipeline itself. Vegetation restoration actions, including the replanting of wooded areas, are carried out in compliance with the various regional laws in force, or also through the payment of financial contributions requested by the Regions/ Bodies involved.
OFFSET	Environmental restoration activities are complemented by impact offsetting activities, which consist of a five-year plan for reforestation, care and maintenance of plants and shrubs. In addition, Snam is committed to implementing Environmental Monitoring Projects (EMPs) approved by the Ministry of Ecological Transition and the Regional Environmental Protection Agencies (ARPA).

The PMA aim to verify the renaturalisation process based on the comparison of the conditions of the territory before and after the works, therefore, begin one year before the start of construction activities (ante operam monitoring) for the seasonal monitoring of the fauna, to then continue in parallel with the whole construction activity (monitoring during construction), which generally continues for 5 years after the closure of the construction sites (post-construction monitoring).

THE MARINE ENVIRONMENT MONITORING PLAN

As indicated by the Extraordinary Government Commissioner of the Tuscany Region[110], Snam has drawn up a Marine Environment Monitoring Plan (PMA), started during the construction phase of the terminal and which will continue during the operation phase of the FSRU Italis LNG which implements the Opinion of the Ministry for Ecological Transition (MiTE).

An EMP consists of a series of measurements, surveys and field analyses carried out on the environmental components of project development and potentially impacted areas[111]. These include: water environment (surface water and groundwater), soil, biodiversity (vegetation, flora, fauna and ecosystems), noise, atmosphere and landscape.

[110] With note AOOGRT/AD Prot. 0400629 of 20 October 2022.
[111] With reference to the FSRU, the environmental analyses carried out have not highlighted material negative impacts or significant damage to biodiversity and ecosystems. The PMA aims to verify these hypotheses and to immediately identify any negative impacts, in order to be able to respond to them as soon as possible.

In the case of the EMP developed for the FSRU Italis LNG, Snam monitored the following environmental components:

- **seawater (temperature and composition);**
- **waves and currents (through buoys and markers);**
- **underwater noise in the Piombino harbour area;**
- **seabed (bathymetric level and laying of biological component);**
- **fish fauna (benthic habitat and fish resources).**

Comparing the conditions of the territory before and after the works, in the Gulf of Follonica, with particular reference to the port area where the FSRU is located and to the areas where fish farms are present, numerous measurements and samplings were conducted, for the protection of the diversity and precious marine resources. In addition, during all project phases, Snam carried out analyses on the biological component of the marine system, including Posidonia oceanica meadows and planktonic communities.

The data relating to the first year of post-operam environmental monitoring are being processed. From the data already analysed, what emerges is that there are no parameters outside the regulations and there is no significant impact on the surrounding environment. In particular, with regard to the monitoring carried out on fish fauna, benthic populations and Posidonia meadows, no anomalies or changes were found, confirming the stability of the detected environment.

For data quality assurance, the surveys were conducted by experienced public bodies and/or institutes or Accredia laboratories according to the UNI CEI EN ISO/IEC 17025:2018 standard.

Furthermore, as part of its monitoring activity, Snam takes part in an inter-university consortium, including that of Livorno, through which it integrates local knowledge into actions connected to biodiversity and ecosystems.

In FSRU-related activities, the company has not used biodiversity offsets in its action plans.

Environmental compensations have the objective of conserving, requalifying and increasing the forest and naturalistic heritage of the territories. In fact, the scope of Snam Rete Gas's project activities on Italian territory concerns the areas and territories/sites corresponding to the projects currently being implemented and planned. The subjects and stakeholders involved in the compensations are the Administrations interested in various capacities and the territorial bodies in the various representative figures of the same.
The time horizons for the completion of the main actions envisaged for the compensation measures are never pre-established a priori but are determined by the planning and timing of the design and construction activities of the Snam RG works, in addition to the post-construction activities of the work relating to the maintenance and cultivation of the areas possibly affected. The amount of the financial compensation is instead paid within the terms and according to the provisions indicated by the competent body, which usually corresponds to the reference year.
During 2024, Snam made use of biodiversity offsets[112], to which approximately €4 million has been allocated, with the aim of protecting the areas defined as wooded, according to the compensation measures regulated in the regional laws of each Region.

Currently, targeted actions are being defined regarding compensation for the protection of biodiversity in certain territories.
The forest compensations, in accordance with the relevant regional laws in force, which Snam continued during 2024 to protect biodiversity have been carried out and are underway in the territories interfered with by its works, located for example in the Lombardy, Emilia-Romagna, Marche and Abruzzo regions.
As regards future actions, it is not yet possible to establish precisely the type of action to be carried out because these will be defined with the planning and construction of major infrastructure elements such as the Adriatic Line.

The role of Operations in protecting the territories

The monitoring phase of the areas impacted by Snam's infrastructure projects also includes continuous checks on the proper functioning of the network, which are carried out using technology and experienced personnel, in order to ensure complete, efficient and effective monitoring of all assets.

Dispatching is the structure in charge of surveying and remote control of Snam's transportation network. The network's methane pipelines are regularly maintained and inspected by specialised personnel, who monitor the pipelines on foot, with vehicles or through overflight activities. Additional experienced personnel are assigned to guard the power plants, storage facilities and related auxiliary installations.

Over the years, the experience and professionalism of the specialised personnel have been complemented by technologies that support them in their work, to guarantee high levels of infrastructure monitoring quality. Among these, Snam uses **In Line Inspection (ILI)** instruments, which, through the use of intelligent PIGs equipped with sensors, pass through the pipelines, detecting the presence of any defects, geometric anomalies, corrosion or minimal axial displacement of the pipelines themselves. ILI technologies are also linked by remote control systems, which check the stress state of pipes laid in areas with potential hydrogeological instability.

With a view to constantly improving its ability to observe the infrastructure and to prevent and/or intercept potential dangerous situations for network security, Snam invests in research and development activities to seek out new opportunities, including the use of technological innovations. In this regard, the use of **drones** and **satellite tracking technologies**, as well as the creation of an aviation-based organisational structure are some of the technological innovations implemented in recent years. In 2024, the activity related to satellite interferometry radar (INSAR) continued, aimed at searching for slow movements along the gas pipeline route. In 2024, field activities began and are currently ongoing on the first 51 gas pipelines (selected according to a specially created ranking) whose historical series had been analysed during the previous year. A larger-scale application of the technology is also underway as new time series analyses will be initiated on a further 185 gas pipelines spanning 3,700 km.

[112] The compensations for Snam are those relating to the 'Forestry Law', which concern compensations in terms of biodiversity to public bodies.

The **Leak Detection and Repair (LDAR)** project, developed in-house, continued to establish itself in 2024. This instrument is essential for inspecting and carrying out field surveys in order to prevent, detect and resolve any methane leaks from pipelines.

For **storage facilities**, monitoring is conducted by means of detection systems, including optical detectors, temperature sensitive cables, fuse caps, smoke detectors, sound level meters, pressure transmitters, etc. These systems enable the activation of emergency (ESD) or process (PSD) shutdowns, ensuring the safety of the installations.

NETWORK CONTROL AND INSPECTION

	2022		2023		2024	
	km	% of network total	km	% of network total	km	% of network total
Total inspectable network with intelligent PIGs as at 31 Dec [1]	13,494	41%	13,536	41%	13,536	41 %
Network inspected using smart PIGs during the year	1,602	5%	1,904	6%	1,738	5 %
Total network subject to line control overflights as at 31 Dec [2]	21,379	65%	22,760	69%	25,293	77 %
Total subject to line leak detection control as at 31 Dec [3]	32,784	100%	32,893	100%	32,847	100 %
Controlled network for line leak detection during the year	11,160	34%	10,596	32%	10,987	33 %
Network with geological surveys carried out [4]	3,894	12%	4,531	14%	5,213	16 %
Total pipeline network as at 31 Dec [5]	**32,784**		**32,895**		**32,847**	

Notes:
- the data refer to the entire Snam Group, unless otherwise indicated. For more information on the scope, please refer to the chapter 'Introduction and guide to reading the document, General basis for the preparation of the Consolidated Sustainability Statement';
- the values in the table correspond to the final figures calculated through the company systems.

[1] Carried out with multi-year cycles of different frequency depending on the route. The minimum frequency is 1 pass every 8 years, subject to transport conditions.
[2] Performed several times a year.
[3] Almost totally overflight, partially overland – performed on three-year cycles.
[4] Activity performed on four-year cycles.
[5] Network operated by SRG: National Network+Regional Network+ITG Network - source RE.ME.

Progress of permit activities

VIA DECREES OBTAINED IN THE YEAR

Name	Length (km)	Regions involved	Competence	Decree date
Pipelines				
Rebuilding of the branch line for Sestri Levate (DN 400)	29.01	Liguria	MASE	19/4/2024
Der reconstruction for Porto Empedocle and related works (DN 300)	42.89	Sicily	MASE	2/7/2024
Deviation for Siena (DN 400)	52.006	Tuscany	MASE	29/11/2024
Construction of a new Cluster in the Sergnano Storage Plant	-	Lombardy	MASE	25/7/2024

PROVISIONS TO VERIFY VIA JURISDICTION OBTAINED DURING THE YEAR

Name	Power (MW) / Length (km)	Regions involved	Competence	Decree date
Pipelines				
Var. Castellaneta-Castellana Grotte gas pipeline (DN 250)	0.342	Puglia	MASE	20/3/2024
Var. with TOC technology to the methane pipeline called 'Der per Triveneto ed Agnone-1st Branch DN 250 crossing the Trigno River - Municipality of Tufillo (CH) and Montemitro (CB)	0.476	Abruzzo and Molise	MASE	18/4/2024
Derivation for Maratea in the Municipality of Lauria (DN 250)	3.958	Basilicata	MASE	20/6/2024
Variants of the Pessano-Calolziocorte gas pipeline (DN 300)	4.4	Lombardy	MASE	22/11/2024
Other				
Ravenna-Bassette plant area New HPRS-10 S 75/12 plant	-	Emilia-Romagna	MASE	21/5/2024

VIA APPLICATIONS SUBMITTED IN THE REFERENCE YEAR TO THE MINISTRY FOR THE ENVIRONMENT AND THE MINISTRY FOR CULTURAL HERITAGE AND ACTIVITIES

Name	Length (km)	Regions involved	Competence	Decree date
Pipelines				
Ref. Derivation for Pavullo and Piggability from 2nd Der. Castelvetro/ Pavullo to Der Montecenere	45.21	Emilia-Romagna		18/7/2024
Other				
CCS Pianura Padana	95	Emilia-Romagna		9/7/2024

VIA ELIGIBILITY VERIFICATION REQUESTS SUBMITTED IN THE REFERENCE YEAR TO THE MINISTRY OF THE ENVIRONMENT (MATTM)

Name	Power (MW) / Length (km)	Regions involved	Decree date
Pipelines			
Downgrading of Manfredonia Network	1.075	Puglia	25/6/2024
Ref. and Piggability Met. Vetrerie Meridionali	12.426	Puglia	28/11/2024

EIA EXTENSION APPLICATIONS SUBMITTED IN THE REFERENCE YEAR

Name	Power (MW) / Length (km)	Regions involved	Decree date
Natural Gas Pipeline			
Met. San Salvo-Biccari	88.39	Emilia-Romagna Liguria	14/10/2024

Anticipated financial effects from biodiversity and ecosystem-related risks and opportunities

As anticipated, during 2024 an activity was carried out to update the risk analyses dedicated to climate change and to integrate the view dedicated to biodiversity risk within the CCRM, with the consequent evolution of the 'vertical' in Climate Change & Biodiversity Risk Management (hereinafter 'CBRM') towards a progressive compliance with the logic of the Planetary Boundaries. The assessment of the financial and reputational effects deriving from physical risks and transition risks and opportunities was carried out at the same time as that of the risks and opportunities deriving from climate change, taking as reference the main international frameworks and standards on the subject starting from the TNFD framework (Taskforce on Nature-related Financial Disclosures) and the GBF (Global Biodiversity Framework).

With specific reference to biodiversity, the analysis aimed, on the one hand, to analyse the impacts of Snam's activities on biodiversity and on the other to identify the physical risks and the consequent financial effects on the company, including the resilience of Snam's strategy and business model. The definition of objectives and the analyses carried out in assessing the resilience of Snam's strategy and business model to risks related to biodiversity have attracted the attention of investors, who are increasingly sensitive not only to issues related to climate change, but also to other 'planetary limits'.

The assessment of physical risks, in line with the analysis carried out for risks related to climate change, was carried out in relation to the *assets* within the scope of analysis, selected on the basis of three criteria:

- business coverage and strategic level of the asset;
- ownership of the plant;
- historical and geographical context.

Based on these, 100% of the regulated business was included in the analysis scope, while for the energy efficiency businesses the most relevant ones in terms of impact on the business were selected, for a total of 49 sites plus the pipeline.

The scope of analysis of transition risks included, in the first instance, all of the assets and corporate activities of the Snam group, identifying the issues of interest for each activity or area and evaluating them in a qualitative-quantitative manner through a dedicated analysis, aligned with the ERM Model.
For the analysis of exposure associated with physical risks, public data sources specific to biodiversity topics and recommended by the TNFD framework were used, including ENCORE and WWF Biodiversity Risk Filter. This information was then reworked and used as input to the analysis by combining it with the replacement values of assets and revenues associated with each site to quantify the inherent and residual economic impact of each risk for each site in the scope of analysis over the short, medium and long-term time horizons corresponding respectively to the first year (2025), the period from 2026 to 2029 - in line with the most recent Strategic Plan published by Snam - and the period from 2030 to 2050.[113], combining them. As part of the long-term analysis, scenarios consistent with those considered for the analysis of Climate Change, proposed by the International Energy Agency and the Intergovernmental Panel on Climate Change (RCP 1.9 - SSP1 - IEA NZE; RCP 2.6 - SSP2 - IEA APS; RCP 8.5 - SSP5 - IEA STEPS), also using data from national and international sources and reports regarding the gas market and the energy context and present for the 2030 and 2040 time horizons in the most up-to-date scenarios developed by Snam in collaboration with Terna.
For more information, please refer to the chapter 'Actions and metrics, Anticipated financial effects from material physical and transition risks and potential climate-related opportunities'.

[113] Due to the uncertainty of the available data and the inadequate maturity of the data sources currently available, for physical risks the long-term exposure analysis has been kept consistent with the results of the short and medium-term horizons.

The analysis was carried out in a qualitative-quantitative manner through a dedicated assessment, aligned with the ERM Model, and with the involvement of the relevant corporate areas, highlighting in particular two risks and two opportunities of interest for Snam.
In line with the indications of the TNFD framework, prior to the risk and opportunity analysis, the identification and assessment of the Group's dependencies on ecosystem services was carried out, obtaining a generally low or medium assessment.

The dependencies that emerged as most material concern the dependence of the Bioenerys activity on the ecosystem service of biomass supply and the dependence of the gas transportation activity on the mass stabilisation and erosion control service.

Starting from this preliminary analysis, the physical risks and transition risks and opportunities related to biodiversity have been identified and assessed, as reported below.

	PHYSICAL RISKS	TRANSITION RISKS	TRANSITION OPPORTUNITIES
	7 risks related to biodiversity (river flood, landslide or avalanche, forest fire, loss of vegetation, parasites and diseases, alteration of soil and water)	• Difficulties in carrying out works/construction sites for physical and authorisation reasons • Disadvantages due to delays or failures in achieving sustainability goals (including those for the protection and restoration of biodiversity)	• Benefits of a construction site/ works project oriented towards safety, physical resilience and protection of the territory • Reputational benefits due to the achievement of stated sustainability goals
Financial effects	3 risks (parasites and diseases, soil and water alteration) with non-zero residual impact in terms of business interruption or extra costs as they cannot be transferred via insurance; none of them are material in the short to medium term	In the short to medium term, the expected financial impacts resulting from these issues were assessed as low. In the long term, the expected financial effects of the 'construction of works and construction sites' theme are high in at least one risk scenario; those of the topic 'achieving sustainability objectives' are high for risk in at least one scenario and low for opportunity, which was assessed as material in reputational terms in one scenario.	

The results of the biodiversity analyses introduced in 2024 confirm what emerged from the Climate Change Risk Management analyses, namely that Snam's business is overall resilient to short, medium and long-term physical aspects as well as to transition scenarios also in the area of biodiversity.

Arbolia

Arbolia is a benefit corporation set up in 2020 by Snam and Fondazione Cassa Depositi e Prestiti, now wholly owned by Snam, to create new green areas in Italy, contributing to combating climate change, improving the quality of air and life in cities and the sustainable development of local areas. The company deals with urban forestation initiatives on land made available by the public administration and private individuals, including planting trees and their care and maintenance for the first few years, thanks to funding from environmentally sensitive companies.

As a benefit corporation, the Company intends to pursue – in addition to the economic objectives of a business – purposes that have a common benefit, operating in a responsible, sustainable and transparent manner towards people, communities, local areas and the environment, cultural and social assets and activities, bodies and associations and other stakeholders.

Arbolia's customers, i.e. the companies that sponsor the creation of the forests and their maintenance for the first years after planting, are both SMEs and large companies; they belong to different industrial sectors, from construction to manufacturing, and from consulting to the IT sector. In total, more than 50 companies have financed one or more Arbolia forestation projects, contributing to the creation of entire forests or to parts of them

Urban forestation projects

Each of the reforestation projects carried out by Arbolia is unique and designed to last. Each project involves an initial preliminary assessment of the suitability of the area on the basis of the information made available by the granting body. This is followed by a feasibility verification phase carried out on the basis of an analysis of the constraints and of the pedological and morphological characteristics of the area. In the event of a positive outcome, there is a subsequent executive design phase of the planting operation with the careful selection of the plant species most suited to the soil and climatic conditions of the site and with resilient characteristics to ongoing climate changes.

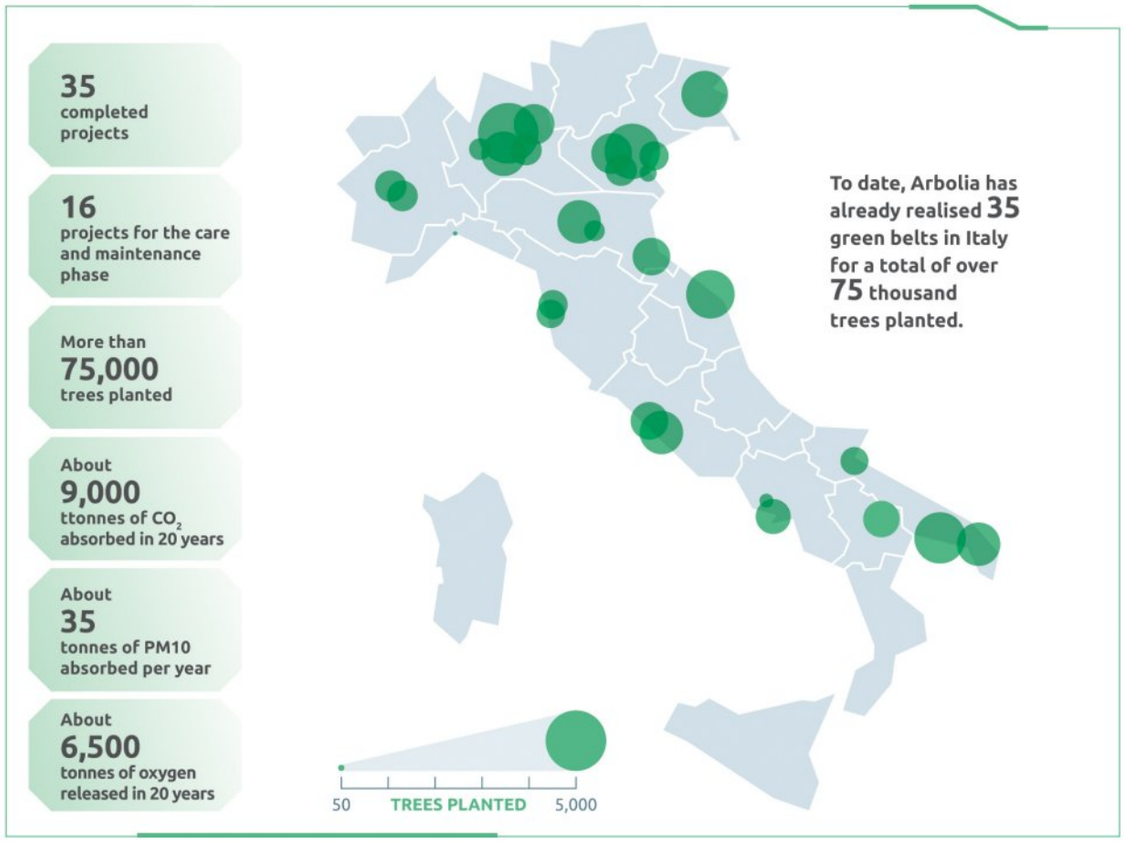
In 2024, 4 forestation projects were implemented in the following locations: Bari, Cesena, Padua and Matera with the planting of approximately 8,500 forest trees in total; the woods of Padua and Cesena represent the second part of the project to close what has already been started and completed during 2023. As in 2023, also in 2024 the Company was valued as a sustainability lever for the Snam Group Companies by adapting its business model.

From its inception to the end of 2024, thanks to the financial contribution of more than 50 companies sensitive to environmental issues, Arbolia carried out 35 urban forestation projects in 29 Italian cities, amounting to a total of more than 75,000 trees planted in over ten regions of the country. When fully mature, these forests will absorb around 9,000 tonnes of carbon dioxide (CO_2) in 20 years and up to 35 tonnes of fine particulate matter (PM10) per year, returning around 6,500 tonnes of oxygen (O_2) to the environment over 20 years.

Arbolia has 16 projects in charge for the care and maintenance phase, carried out from the end of the planting until the return to the property. The activities mainly include irrigation, grass cutting, crop care and the replacement of dead trees and shrubs.

Arbolia's solutions aim to support some of the key Sustainable Development Goals recognised by the UN 2030 Agenda. For example, Goal 13, related to climate protection; as well as Goal 15, related to restoring the earth's ecosystem, and Goal 11, to make our cities more liveable and sustainable.

From a collaboration between Arbolia and the University of Tuscia, the calculation model for the absorption of carbon dioxide (CO_2) was born, to be applied to urban forestry interventions in the country. The study was developed using solely national data from forestation projects carried out over the last 20 years and taking into consideration a range of 24 of Italy's most widespread tree species (including field maple, holm oak, hackberry, hornbeam, oak and ash). In order to establish a model as close and suitable as possible to the national context, Arbolia commissioned the University of Tuscia, a leading academic partner in the field, to develop it. The calculation tool for CO_2 absorption has already been successfully applied to all urban forest plantations planted by Arbolia over the last few years, enabling their respective ecosystem benefits and contribution to biodiversity to be identified. According to the new model, each individual tree can absorb on average between 5 and 15 kg of CO_2 per year over a period of 20 years and from the time of its planting, depending on the species and location.



KEY PERFORMANCE INDICATORS

KEY PERFORMANCE INDICATORS

ESRS / Other entity-specific disclosures	INDICATOR	UNITS OF MEASUREMENT	2022	2023	2024
E4-5	Number of sites owned, leased or managed in relation to the impacts identified as material in the materiality assessment on biodiversity and ecosystems change. [1]	Number	2	2	2
	Area of sites owned, leased or managed in or near these protected areas or key biodiversity areas, if the undertaking identified sites located in or near biodiversity-sensitive areas that it is negatively affecting [2]	Hectares	317	318	362
Other performance indicators					
	New reforestation [3]	km	17	7	43
	Horticultural initiatives [4]	km	72	68	62
	Environmental monitoring [5]	km	955	1,125	1,549
	Environmental restoration [6]	km	195	250	146
	Total distance of pipelines laid in Natura 2000 network sites during the year [7]	km	2	0.66	9
	Total length of pipelines located in or near biodiversity-sensitive areas that it is negatively affecting [8]	km	159	159	168

Notes: the data refer to the entire Snam Group, unless otherwise indicated. For more information on the scope, please refer to the chapter 'Introduction and guide to reading the document, General basis for the preparation of the Consolidated Sustainability Statement'.
[1] This figure considers an entire pipeline to be 1.
[2] This figure indicates the total number of kilometres built within protected areas in the last 15 years (the time after which a site may be reasonably considered renaturalised following restoration, management and monitoring activities following excavation).
[3] New reforestation area of 973,000 m^2 (115,000 m^2 in 2023). New reforestation figures are reported by length (km) and area (m^2) of reforestation as reported in the declarations provided by the local project engineering coordinators for the Vegetation Restoration Projects (VRPs) carried out during the year.
[4] Horticultural initiatives means agronomic activities to treat and maintain the plants planted. This figure is calculated as the length (km) of reforestation impacted by horticultural initiatives over a 5-year period.
[5] This figure is calculated as the length (km) of all pipelines that will be subject to an Environmental Monitoring Plan (EMP). The lengths of each pipeline monitored during the year (including pre-deployment, in-deployment and post-deployment monitoring) are added together to give the total length of pipelines subject to environmental monitoring. Typically, post-deployment monitoring lasts five years, after which time the pipeline length is no longer factored in.
[6] This figure is calculated as the length (km) of all pipelines built during the year and for which additional works are due to be substantially completed.
(7)Natura 2000 sites are special protection areas/sites of Community interest. The indicator denotes the distance (km) of lines laid in these sites in the year. For 2024, the Natura 2000 Network Sites subject to the laying of infrastructure affected the regions of Emilia-Romagna and Piemonte.
[8] Figures on the total length of pipelines located in or near biodiversity-sensitive areas that it is negatively affecting have been monitoried since 2010.

Water

MATERIAL TOPICS, IMPACTS, RISKS AND, OPPORTUNITIES

IMPACT MATERIALITY

NEGATIVE IMPACTS
Contribution to water resource scarcity in the territories where operators in Snam's value chain operate due to water consumption in company activities

For more information, please refer to the chapter 'Managing Impacts, Risks and Opportunities, Material topics for Snam'.

Negative water-related impacts of the activities carried out within the Snam value chain on water-related issues contribute to a deterioration of water quality and availability in affected areas. Snam's commitment to mitigate the impacts of water consumption, as outlined in its policies (for more information see the 'Policies' section of this chapter) is necessary to prevent the negative impacts identified as material in the 2024 double materiality analysis.

POLICIES

To prevent, mitigate and rectify water resources-related impacts[114], Snam has put in a place a **Health and Safety, Environment, Energy and Quality Policy (HSEEQ Policy)**, which has been approved by the Board of Directors and signed by the Chief Executive Officer. The Group functions engaged in environmental management issues are accountable for implementing the Policy. However, the principles and commitments it contains are disseminated and shared among all levels of the Group and external stakeholders.

HEALTH AND SAFETY, ENVIRONMENT, ENERGY AND QUALITY POLICY (HSEEQ POLICY)

Contents, objectives and monitoring process

The HSEEQ Policy deals with aspects of mitigating the effects of water consumption[1] , setting out Snam's commitments to:

- support the fight against climate change by implementing activities aimed at promoting the efficient use of natural and water resources (including water treatment and reuse), innovative purification technologies and the promotion of efficient water use, in order to ensure a more sustainable water supply;
- ensure that natural resources are used responsibly and implement operational and management actions to continuously reduce water consumption with a view to addressing water resource-related problems and preserving the ecosystem, with particular reference to areas of high water stress;
- ensure the transparency of information, training and building staff and stakeholder awareness of the principles expressed in the policies, implementing consultation and communication processes with internal and external stakeholders
- carry out environmental performance monitoring and control activities to assess the results and effectiveness of the Policy, review objectives and programmes;
- act in compliance with laws and administrative requirements and in line with the Code of Ethics and Model 231 and with national and international best practices.

The effectiveness of the Policy, its objectives and its programmes are periodically reviewed and monitored with the involvement of the appropriate Group functions and units in line with the recommendations of the OECD Guidelines for Multinational Enterprises.

Scope of application

Snam's HSEEQ policy applies to all of the undertaking's sites (including those in areas of high water stress), activities, staff, contractors and all persons supervised by the Snam Group; all Snam companies adopt this Policy and – through the Employers and all persons responsible for health, safety, the environment, energy efficiency and quality – implement its principles.

References to third party standards or initiatives

- UN Sustainable Development Goals (SDGs).
- OECD Guidelines for Multinational Enterprises.

For more information on Water policies, please refer to the chapter 'Internal regulatory system'.
[1] Marine resources are not a significant aspect for Snam. Instead, sea water is taken from the regasification plants and then completely discharged into the sea in the same volume but at a slightly higher temperature that is still in compliance with the legal limits.

As with other environmental issues, Snam relies on the ISO 14001-certified management system for the proper management of water resources.

[114] Given the activities carried out by Snam, issues relating to sustainable oceans and seas do not appear to apply

TARGETS

Despite not having set specific quantitative objectives, Snam is constantly committed to preserving water resource quality. The undertaking adopts a prevention and risk-reduction focused approach to minimise impacts on water availability and quality.

Through its environmental management system, Snam applies rigorous and integrated monitoring procedures aimed at reducing consumption and ensuring full regulatory compliance. These processes comply with the current regulations applicable to its activity sites and are based on the company's environmental management systems, in line with international environmental standards.

The progress made on water-related issues has been measured since 2006, when Snam began reporting its water consumption.

ACTIONS AND METRICS

Water is a very precious resource and constant efforts on the part of all are needed to reduce its wastage. For this reason, although the quantities used and types of withdrawals and discharges impact marginally, Snam pays particular attention to its proper management in all its activities.

Water consumed and reused

In 2024, approximately 105.5 million cubic meters of sea water and fresh water (of which 99.7% sea water) were withdrawn for use in production processes and offices, respectively. This is a significant increase on the withdrawals in 2023 due to the entry into operation for the whole year of FSRU Italia, whose particular production process requires a significant withdrawal of sea water; the remainder of withdrawals were fresh water. Sea water is withdrawn for the cooling of the auxiliary plants at the Panigaglia LNG plant and, as mentioned above, for the FSRU Italia. It is then completely discharged into the sea in the same volume, albeit at a slightly higher temperature (within the legal limits). For this reason, the topic of marine resources is not relevant to Snam's business.

In 2024, Snam's total water consumption – calculated as the total water withdrawn minus the total water discharged – was 117,498 m³, a 9% increase compared to 2023. Total water consumption in high water stress areas was measured at 80,548 m³.

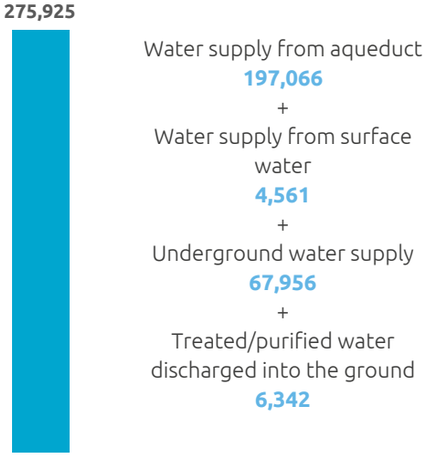
The upstream storage activities[115] produced approximately 5,064 cubic metres of process water (up significantly from the 2,901m^3 in 2023), all sent to an external purification plant for treatment. The withdrawal of fresh water, mainly used for office activities, fire-fighting systems and the irrigation of green areas, has decreased by 38% compared to 2023, while as far as water discharges are concerned, wastewater is mostly conveyed to sewage networks (89% of the total) or discharged into the soil and into bodies of surface water (11% of the total). To this end, in sites that do not have the possibility of being connected to the sewage system, closed-loop phyto-purification plants have been installed, a technology that makes it possible to eliminate the discharge of domestic waste water, as it is treated and entirely absorbed by the planted vegetation.

It should also be noted that the Group does not manage significant water storage other than some rainwater collection tanks in a Renovit plant, the quantity of which is not significant, in line with the previous year.

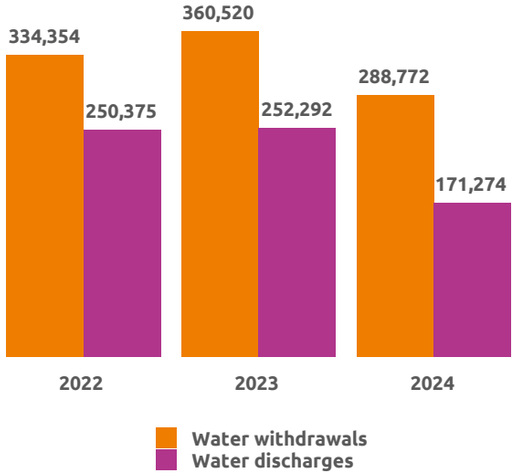
Water intensity by net revenue

Water intensity – calculated as total water consumption[116] per € million net revenues[117] – was 32.9 m^3/€ million.

TOTAL CONSUMPTION OF FRESH WATER (M^3)



WITHDRAWALS AND DISCHARGES OF FRESH WATER (M^3)



[115] Upstream storage activities refer to the treatment of Stogit plants where gas is drawn from the well, producing process water.
[116] Total water consumption is calculated as (i) total water withdrawn minus (ii) total treated/purified water discharged and untreated/unpurified water discharged.
[117] For the intensity calculation, the budget item "Total revenues and other income" was used as the denominator. In 2022 the item was €3,515 million, in 2023 it was €4,288 million, and in 2024 it was €3,568 million. Net revenues are calculated in line with the accounting standards applicable to financial statements, in this case IFRS 15 Revenues from contracts with customers.

KEY PERFORMANCE INDICATORS

KEY PERFORMANCE INDICATORS

ESRS / Other entity-specific disclosures	INDICATOR	UNITS OF MEASUREMENT	2024
Water withdrawals			
E3-4	**Fresh water withdrawals (1)**	**m^3**	**288,772**
	of which from aqueduct	m^3	197,066
	of which groundwater	m^3	67,956
	of which surface water	m^3	4,561
	of which other (rainwater recovery, etc.)	m^3	19,189
	Sea water withdrawals	**m^3**	**105,228,550**
	Freshwater withdrawals in high water stress areas	**m^3**	**105,320**
	of which from aqueducts in high water stress areas	m^3	75,702
	of which groundwater in high water stress areas	m^3	15,102
	of which surface water in high water stress areas	m^3	4,561
	of which other (rainwater recovery, etc.) in high water stress areas	m^3	9,955
	Total water withdrawals (A)	**m^3**	**105,517,322**
Water discharges			
E3-4	**Fresh water discharges**	**m^3**	**171,274**
	of which into sewerage [2]	m^3	149,782
	of which into groundwater or surface water	m^3	21,492
	of which into the sea	m^3	0
	Sea water discharges	**m^3**	**105,228,550**
	Fresh water discharges in high water stress areas	**m^3**	**24,772**
	of which into sewerage in high water stress areas [2]	m^3	8,500
	of which into groundwater in high water stress areas	m^3	16,272
	of which into the sea in high water stress areas	m^3	0
	Total water discharges (B)	**m^3**	**105,399,824**
Water consumption			

KEY PERFORMANCE INDICATORS

ESRS / Other entity-specific disclosures	INDICATOR	UNITS OF MEASUREMENT	2024
E3-4	**Total water consumption (A-B) [3]**	**m^3**	**117,498**
	Total water consumption in high water stress areas [4]	**m^3**	**80,548**
Water intensity			
E3-4	Total water consumption / net revenue [5]	**m^3 / mln €**	33

Notes: the data refer to the entire Snam Group, unless otherwise indicated. For more information on the scope, please refer to the chapter 'Introduction and guide to reading the document, General basis for the preparation of the Consolidated Sustainability Statement'.
(1) The fresh water withdrawn is used almost entirely for civilian purposes; the withdrawal figure is mainly measurement-based.
(2) The quantity of domestic wastewater discharged can be estimated as 80% of the water supplied for domestic/civil uses or by applying the formula: 179 litres/employee/day, considering a total of 220 days per year.
(3) Total water consumption is calculated as (i) total water withdrawn minus (ii) total treated/purified water discharged and untreated/unpurified water discharged.
(4) Total water consumption in water-stressed areas is calculated as the difference between total water withdrawn in water-stressed areas and the sum of total treated/purified discharged water and total untreated/non-purified discharged water in water-stressed areas.
[5] For the intensity calculation, the budget item "Total revenues and other income" was used as the denominator. In 2022 the item was €3,515 million, in 2023 it was €4,288 million, and in 2024 it was €3,568 million. Net revenues are calculated in line with the accounting standards applicable to financial statements, in this case IFRS 15 Revenues from contracts with customers

10.3 SOCIAL INFORMATION

Own Workforce

MATERIAL TOPICS, IMPACTS, RISKS AND, OPPORTUNITIES

IMPACT MATERIALITY

Working conditions

POSITIVE IMPACTS
Employees' well-being, satisfaction and work-life balance through appropriate welfare plans

NEGATIVE IMPACTS
Violations of own workforce rights, such as instances of forced labour and child labour, which resulting in a deterioration of working conditions

Equal treatment and opportunities for all and skills development

POSITIVE IMPACTS
- Promoting a healthy and safe working environment through health and safety training and awareness-raising activities provided to employees and contractors
- Developing employee skills by deploying appropriate training plans and professional growth opportunities through profitable projects and activities
- Training and raising the awareness of employees in issues of cyber security
- Increasing the motivation of Snam employees by developing an inclusive working environment

NEGATIVE IMPACTS
Workforce discrimination in terms of equal treatment and opportunities and a consequent deterioration of working conditions

Health and safety

POSITIVE IMPACTS
Promoting a healthy and safe working environment through health and safety training and awareness-raising activities provided to employees and contractors

NEGATIVE IMPACTS
Accidents, occupational illnesses and/or damage to the psycho-physical health of employees due to inadequate safety management and monitoring, failures and malfunctions of company structures and assets

FINANCIAL MATERIALITY

Equal treatment and opportunities for all and skills development

OPPORTUNITIES
- Increasing Snam's appeal among workers by raising awareness in health and safety issues
- Increased appeal among top talent and increased retention, fostered by a corporate culture focused on equal skills development

Health and safety

RISKS
- Snam workers exposed to risks that may compromise their safety and physical integrity due to exogenous events (e.g. political and war events, natural disasters, etc.)
- Business discontinuity due to a lack of staff caused by inadequate/ineffective worker communication during crisis management
- Measures or penalties for procedural breach, non-application of law or non-compliance with health and safety standards
- Loss/suspension of certification (health, safety, quality, environment, energy, etc...) for procedural breach, non-application of law or non-compliance with health and safety standards

OPPORTUNITIES
Increasing Snam's appeal among workers by raising awareness in health and safety issues

For more information, please refer to the chapter 'Managing Impacts, Risks and Opportunities, Material topics for Snam'.

Snam's strategy and business model are also guided by the impacts on its own workforce, with particular reference to health and safety impacts. These have always directed the company to deploy strategic training activities and to spread a corporate culture that is founded on workplace safety and fair skills development.

The positive impacts and opportunities on own workforce are closely connected to Snam's strategy and business model, which aims to promote a healthy, safe, inclusive and productive working environment in which the human rights of workers are protected. On the other hand, negative impacts – which are also connected to the business model – can compromise the achievement of this objective.

The negative impacts on own workforce concern the entire employee workforce as well as non-employee workers. However, health and safety impacts are more material for categories of workers considered at risk. These types of workers are identified based on risk assessments carried out by the HSEQ function. These aim to identify the main risk factors for workers, to evaluate the extent of those risks and to implement the actions and organizational solutions necessary to prevent any type of accident and/or occupational disease and to guarantee a safe working environment.

The effects of own workforce risks are: a compromising of the safety and physical integrity of Snam workers; loss or suspension of certifications; and sanctions due to the violation of procedures. These can have negative impacts on Snam's activities and on its business continuity and, consequently, can negative impact its value chain.

To pursue positive impacts and opportunities and to mitigate negative impacts and risks, Snam has put in place measures, initiatives and processes consistent with the principles of the Code of Ethics. It has also implemented tools and objectives to track progress in achieving objectives related to the 'people' pillar of the sustainability strategy (for more information, see the 'The Sustainability Scorecard' paragraph in the 'Strategy and business model' chapter).

AWARDS AND RECOGNITIONS

Italy's Best Employers

Since 2021, Snam has been one of the companies certified as Italy's Best Employers, the ranking created by Corriere della Sera in collaboration with Statista. In 2024, the Company was again certified as one of Italy's Best Employers.

STEM Universum (Professional)

Every year, Universum awards a prize to all companies that rank as 'Most Attractive Employers', including those in the STEM field. As evidence of the company's growing commitment to fostering these disciplines, Snam won several awards in the 'Energy' sector during 2024, ranking:

- third place in the Young STEM Professionals category;
- second place in the Young Professionals and Business Students category;
- fifth place in the STEM student category.

CARING COMPANY®

Since 2022, and again in 2024, Snam has been a Lifeed's Caring Company®, because it is able to recognise and embrace the fullness of life of its people, with an eye to innovation and the future, while also contributing to the growth and cultural change of the country. Snam is a Caring Company® because it has forged a positive synergy between private and work life over the years. Thanks to the new agreement on remote working, it has promoted an evolving leadership model and invested in the continuous growth of its people.

COMMUNICATION AND ENGAGEMENT OF SNAM PEOPLE

The company actively promotes the involvement of its workforce by modulating dialogue both directly with workers and through trade union representatives, as it believes that its strategy and business model contribute to creating significant impacts on the workforce. With this in mind, Snam is committed to supporting various listening initiatives, as well as defining action plans aimed at creating positive impacts and avoiding or mitigating negative ones. For more information on this topic, please refer to the 'Actions and metrics' sections of the 'Working conditions', 'Equal treatment and opportunities for all and skills development' and 'Health and safety' chapters.
The active participation of Snam people in company activities is strongly supported by the Company, where internal communication plays a strategic role in creating and spreading value, strengthening the sense of cohesion and belonging to the company and a shared culture on issues such as solidarity, inclusion, diversity and sustainability.
In this scenario, with the aim of fostering the sustainability of people's engagement over time, the **Internal Communication & People Engagement** function leads internal initiatives (involving the Training, D&I, Welfare, Foundation, Open Innovation, External Communication, HR Business Partner teams of the energy transition companies) that propose functional content for the design and dissemination of initiatives and events, including:

- video messages to update employees about Group initiatives and decisions, providing useful information on daily operations and raising awareness about relevant issues;
- training and information webinars;
- workshops and focus groups.

All activities involving own workforce are carried out in compliance with the applicable collective bargaining agreement (CCNL) and sub-agreements with unions which take into account the measures for employees' benefit. Regulations, policies (such as the Human Rights Guideline) and the Code of Ethics are also complied with to protect the rights of the company's own workforce.

As part of its internal communication activities, Snam has designed its **'Easy'** intranet tool to serve as an information hub and digital workplace for all the Group's people. There has been a constant flow of communication, with **190 news items** published and visible to all employees in 2024. With a view to further enhancing the utility of content and the user experience, an Easy app has been developed and piloted in the past year and will later be rolled out across the entire workforce.
Furthermore, the Internal Communications function sent out a weekly newsletter (Easy Weekly) to all personnel (47 editions in total). The newsletter gathers the most relevant news published on the intranet site in addition to disseminating key internal communication campaigns and invitations to events and initiatives.

In 2024, there were around 14,000 participants in internal initiatives and events, in person or in hybrid format, with the aim of fostering people's engagement on topics of strategic interest. These included an internal event that brought together the entire workforce to celebrate the year's achievements, and a busy calendar of meetings to gain insights on the Company's Strategic Plan and business.

14,000 participabts in internal initiatives and events

For the last few years, all people in the Group have been invited to participate in the Snam Engagement Survey, the listening tool submitted annually to the corporate population since 2024, with the aim of measuring the degree of employee satisfaction based on their experience in the Company on a scale from totally agree to totally disagree.

The results of the survey showed that the Snam People are engaged (with a sustainable engagement index in line with the Italian market), they are strongly aligned with the corporate objectives and they have a great desire to contribute individually to their achievement.
The response rate to the questionnaire was positive with a participation rate of 87%, an increase of 7 percentage points compared to the last survey carried out in 2023 (80%). The survey provided useful indications for setting out an action plan that would meet the various needs that emerged.

The Engagement Survey is also a useful tool to better understand the perspective of workers who may be particularly vulnerable to impacts or marginalised, examining Diversity & Inclusion among other areas, to ensure that all voices of the corporate population are heard and taken into account in corporate strategies. The Survey is also a useful tool to monitor the effectiveness of actions and initiatives implemented to manage the impacts, risks and opportunities related to the company's own workforce.

In the 2024 Survey, the following areas were analysed:

AREAS	TOPICS ANALYSED
Sustainable engagement	Personal motivation, sense of belonging, pride
Wellness	Welfare services, work-life balance, well-being within the company
Innovation and empowerment	Trust in top management and commitment to Snam's purpose and values
Work, organisation and efficiency	Respect for every person, fair career opportunities for everyone in the Company
Purpose, guidance and trust	Work processes and tools
People	Engagement in decision-making, improvement of processes and work tools
Supervisor	Team collaboration and personal relationships
Diversity, equity and inclusion	Smart supervisor leadership
Development and recognition	Career pathways and opportunities, compensation, training
Retention	Intention to evaluate bidding opportunities on the market

The 'sustainable engagement' index is calculated based on the methodology of Snam's partner Willis Towers Watson, which conducts the survey of all employees every year. For more information about the results of the 2024 survey, please refer to the 'Working conditions; Objectives' paragraph of this chapter.

Additionally, Snam has implemented specific measures aimed at understanding and supporting the needs of particularly vulnerable workers. To this end, in addition to general listening channels, the company promotes dedicated initiatives such as Employee Resource Groups (ERG). These management-sponsored affinity groups include initiatives aimed at a variety of groups, including:

- SUPERABILI (a community that aims to create an increasingly inclusive environment for people with disabilities);
- PLUS (an initiative to increase awareness and knowledge of LGBTQ+ issues);
- GENDER (an initiative aimed at breaking down stereotypes and unconscious prejudice about gender identity);
- PARENTS AND BEYOND (a community of relatives, caregivers and people simply curious about the topic);
- INTERGENERATIONAL DIALOGUE (an initiative aimed at creating a constructive touchpoint between different generations).

Additionally, there is a sixth ERG, entitled STEM TOGETHER, which aims tot raise awareness of STEM (Science, Technology, Engineering and Mathematics) issues.

These initiatives are an effective platform for bringing to light needs and proposals that can be integrated into the business strategies.

During the year, there were numerous initiatives that closely engaged employees; the main ones are listed below:

ENGAGEMENT ACTIVITIES

EDITORIAL FORMATS	**Discovering...** In 2024, the programme of interviews with Snam's management on key business topics continued, with over 4,000 people participating.
INCLUSION	**Inclusion Month 2024** A month of weekly cross-departmental events to discuss various D&I topics, all united by a single common thread. Across all events held, the initiative garnered more than 600 total participants during the month.
EVENTS FOR PEOPLE	**Strategic Plan roadshow** In the first half of the year, following the update provided to the markets on Snam's new Strategic Plan, 10 meetings were organised internally, in physical and hybrid mode, involving all the organisational structures, from districts to headquarters, with the aim of informing and discussing the Group's strategic priorities with the workforce. **Initiatives for employees and their families** Also in 2024, engagement events were also organised for Snam personnel, at which families were also welcome. These were held in the name of sportsmanship and team spirit and included snow days (Winter Games) and participation in the DeejayTen charity run in Milan. **Together for a sustainable future** In December, an event was held to celebrate the company's year-round achievements and its strategic pathway ahead. The event featured speeches and immersive exhibition pieces on topics including the Future. **Technology and artificial intelligence** On the technology front, a series of in-depth meetings was held on the subject of artificial intelligence (with over 1,600 participants). **End-of-year event** The end-of-year celebration brought together over 1,000 people in person and remotely. The event featured business talks and roundtables, as well as immersive exhibition pieces including an exhibit dedicated to the Group's future headquarters. On this last topic, a new line of in-house communication was launched, featuring podcasts, infographics, news and multimedia to let everyone know about Snam's new home and to prepare the Group's workforce for the move. The initiatives include topic-by-topic insights into key aspects of the future office experience, such as collaboration (with more flexible spaces and technology), sustainability (with certified environmental quality and improved personnel services) and inclusion (open to the local neighbourhood and the community). The initiative enjoyed broad internal visibility with almost 2,000 click-throughs to the dedicated webpage and a peak of more than 1,200 podcast listeners.
COMMUNITY	**Social Initiatives** Snam has continued to invest in initiatives to promote and enhance the social commitment of its people, through the Snam Foundation. The Group's volunteering programmes continued in this regard, with the participation of 1,803 Snam volunteers. For more information, please refer to the chapter ' Affected communities, Actions and metrics'.

Snam's internal communication also continues to rely on the periodically distributed Energie magazine and the Osservatorio Gas and InRete newsletters (a total of 9 in-depth publications on Snam's business). These internal communication tools are complemented by the information circulated by e-mail to workers, including invitations to internal events or initiatives, questionnaires and insights.

As regards the reporting activities of union representatives, the Industrial Relations function is accountable for the engagement activity at a central level and ensures that they are constantly kept informed and engaged, including in cases of company reorganisations, changes of headquarters and other events.
In 2024, on occasion of the double materiality analysis, the Sustainability & Social Impact function delivered a workshop for workers' representatives to gather their opinions and convalidate the internal assessments on own workforce-related, including the human rights-related impacts, risks and opportunities. Substantially, these workshops backed up the assessments.

D&I engagement activities

All Snam Group employees are directly and frequently engaged in D&I-related activities throughout the year. These activities include both training (as in the case of the Snam4diversity talks, Inclusion Month and the '4 weeks 4 inclusion' campaign) and non-training initiatives and projects, which are appropriately communicated via the Easy intranet site or the employee's company email account. Activities include updates to D&I policies, obtaining and maintaining gender equality certification (UNI/PdR 125:2022) and the launch of the Inclusion Manifesto.

The Senior Manager of the Diversity, Equity & Inclusion Team is accountable for ensuring adequate engagement in D&I initiatives, working closely with the internal and external communications functions to identify the best ways to engage employees.

To evaluate the effectiveness of engagement, Snam tracks levels of employee satisfaction with D&I training projects via a questionnaire. This provides inspiration for future investigations and allows for a better understanding the perspectives of its own workers, including those belonging to vulnerable categories.

For the fourth consecutive year, the activities organised by the Diversity, Equity & Inclusion Team included the annual training session on inclusion. This year we hosted **Inclusion Month - 'Siamo molto di più (We are much more)'**, a month dedicated to diversity and inclusion. The programme was designed by Snam's Diversity, Equity & Inclusion Team in collaboration with external partners and aimed to promote an inclusive corporate culture.

In order to raise awareness of the issue, **4 workshops were organised with 12 internal speakers and 13 external guests**, at the end of which concrete gestures of inclusion were shared to promote an open culture ready to value the uniqueness of each individual. More than **900** people signed up to the event, which gave greatest visibility to issues of personal purpose, authenticity, body positivity, accessibility, parenting, extended families and psychological well-being.

Since 2020, more than 3,000 Snam people have been involved in the various activities, carrying out initiatives covering all HR processes:

- **Employer Branding & Talent Acquisition -› to promote objectivity in the candidate selection process and ensure equal opportunities for internal and external candidates**
- **Training -› to create greater awareness of diversity in the company.**
- **Development -› to introduce and consolidate diversity and inclusion within the Performance Management system**
- **Communication -› to spread the language of inclusion in the company and facilitate the meeting and connection between people.**

WHISTLEBLOWING MECHANISMS

As part of the whistleblowing management process, Snam works to ensure that all interested parties are encouraged to follow its directives and to report any fact and/or behaviour, including omissions, of which they have become aware as a result of their relationship with the Company and which has connotations required for reporting.

With this in mind, Snam is committed to promoting awareness of and compliance with the provisions of the **Whistleblowing Guideline**, through which the Group regulates the process of receiving, collecting, analysing, verifying and reporting reports, including anonymous ones, received by Snam and Subsidiaries.

Specifically, the Guideline:

1	2	3
allows internal and external personnel to **anonymously** report events, in good faith or on the basis of a reasonable belief, in relation to: • discriminatory behaviour; • financial, administrative and accounting aspects; • non-financial reporting aspects; • security and asset protection aspects; • Code of Ethics; • failure to comply with company procedures and related privacy controls; • Legislative Decree 321/2001; • environmental, health and safety issues; • violations of anti-corruption law; • violation of human rights.	provides for the application of appropriate **sanctions** against those who violate the whistleblower protection measures, as well as against those who maliciously or grossly negligently make reports that turn out to be unfounded	**protects the confidentiality of the whistleblower's identity**, thus protecting and prohibiting retaliation against anyone who makes a report in good faith (for more information, please refer to the 'Policies' paragraph in the 'Business conduct' chapter).

If the investigation and/or audit phases reveal violations of Group procedures under the Code of Ethics, these may constitute a breach of the primary employment obligations or a disciplinary offence, which could carry legal consequences in relation to continuation of employment and compensation for damages.

To provide effective remedies for negative impacts on own workers, the functions concerned with managing whistleblowing (Internal Audit and Compliance) deliver training activities aimed to further knowledge in the subject and have obtained the ISO 37001 Lead auditor certification.

For the purposes of sending reports, Snam has made specific **communication channels** available both for the Group itself and for all Subsidiaries, the management of which is entrusted to an **Ombudsman**, an external body responsible for receiving and analysing all reports received, guaranteeing the application of criteria of maximum confidentiality to protect the reputation of the persons reported, as well as the effectiveness of investigations.

The Ombudsman, assisted by the Internal Audit function, assesses the veracity of the facts reported, the outcome of the investigations and any measures adopted in such a way as to follow up on the Report within three months from either: (i) the date on which Acknowledgement of Receipt of the Report was received or; (ii) in any case, the end of the 7-day term provided for receipt of the Report itself. If the Report has been dismissed, this finding will be communicated to the Reporting Person by the Internal Audit function. Findings are reported in the Quarterly Report and in the Reporting File.

Snam is committed to spreading knowledge of the company's values and principles internally and externally (including by establishing adequate control procedures) and to protecting the specific rights of local populations, with particular reference to their cultures, institutions, relationships and lifestyles.
Regarding the Whistleblowing channel specifically, all details are published on the Snam website, on the websites of all subsidiaries and on the suppliers portal.

For more information, please refer to the paragraph 'Report management' in the chapter of 'Business conduct'.

WORKING CONDITIONS

Policies

To ensure the adequate management of employees' working conditions and, in particular, the related impacts, risks and opportunities, Snam has adopted a Code of Ethics, a Human Rights Policy and a Human Rights Guideline. These are key documents for the entire Group which are implemented at all levels, having been approved by the Board of Directors and signed off by the Chief Executive Officer. The documents are distributed to all internal and external stakeholders with a view to sharing the values and ethical corporate culture promoted by Snam.

CODE OF ETHICS

Contents, objectives and monitoring process

The Code of Ethics collects the set of values that the Company recognises, accepts and shares and the responsibilities that it assumes towards the inside and outside of its organisation. The values set out in the Code of Ethics aim to define a shared system of values that expresses Snam's ethical corporate culture that in turn needs to inspire strategic thinking and the conduct of corporate activities, in a context of ethics, transparency, correctness, professionalism, good faith, honesty and competition, in compliance with the legitimate interests of all interested parties with whom we interact on a daily basis.
Snam's Code of Ethics aims to set out standards of behaviour that will guide all business activities. In this regard, the Code:

- promotes ethics, transparency, honesty, fairness and professionalism, engaging all people to respect laws, regulations and ethical principles;
- protects and promotes nontransferable and indispensable human rights, considering them as of primary importance for forming a society based on equality, solidarity, repudiation of war and protection of civil, political, social, economic and cultural rights and third-generation rights (right to self-determination, peace, environmental development and protection);
- pays particular attention to protecting individuals, protecting individual freedom, dignity and well-being, protecting work, recognising constitutionally guaranteed rights to pay, and trade union freedoms;
- encourages the engagement and systematic dialogue of stakeholders, including own workers, with specific communication programmes in place;
- repudiates all forms of discrimination, violence, corruption, forced and child labour.

The Supervisory Body of Snam, responsible for promoting the implementation of the Code, presents to the Control and Risk Committee and the Board of Statutory Auditors as well as to the Chairman and the Chief Executive Officer, who report to the Board of Directors, a half-yearly report on the implementation and any need to update the Code.
The revision of the Code is approved by the Board of Directors of Snam, upon proposal of the Chief Executive Officer in agreement with the Chairman, having heard the opinion of the Sustainability and Energy Transition Scenarios Committee, the Control and Risk Committee and the Board of Statutory Auditors. The proposal is formulated taking into account the Stakeholders' assessment with reference to the principles and contents of the Code, also promoting their active contribution and the reporting of any shortcomings.

Scope of application

The principles and contents of the Code apply to Snam's People and activities. The representatives indicated by Snam in the corporate bodies of the subsidiaries, consortia and joint ventures promote the principles and contents of the Code in their respective areas of competence.

References to third party standards or initiatives

- Sustainable Development Goals (SDGs)
- Universal Declaration of Human Rights of the United Nations
- United Nations Global Compact
- Fundamental Conventions of the ILO - International Labour Organisation
- OECD Guidelines for Multinational Enterprises

HUMAN RIGHTS POLICY

Contents, objectives and monitoring process

Through the Human Rights Policy, Snam outlines the founding principles and actions undertaken to protect Human Rights in carrying out its activities and, in general, in every context in which it operates, including through its business partners. In this regard, full sharing of what is expressed in this policy is for Snam an essential element for the establishment and development of reliable and long-lasting collaborations and is aimed at mutual improvement with a view to a shared commitment to strengthening protections in this area.
The Policy, applied to the entire own workforce, promotes and safeguards respect for human rights, including through ongoing training for Snam people, with particular focus on aspects relating to health and safety, integrity and business ethics, inclusion and diversity and sustainability issues, with the aim of ensuring the application of the following principles and behaviours:

- recognition and protection of freedom of association and the right to collective bargaining;
- protection of equal opportunities for professional development and growth, as well as fairness and opportunity for access to the same remuneration, also respecting the provisions of the Remuneration Policy;
- repudiation and condemnation of any form of:
  - discrimination based on an individual's ethnicity, nationality, language or religion, political or sexual orientation, gender, social background, age, disability or any other personal, cultural or professional sphere;
  - harassment, violence, threats, intimidation or sexual, psychological, physical or verbal abuse;
  - labour exploitation, including forced or child labour and human trafficking;
  - corruption;
  - confidentiality and processing of personal data.

Snam is committed to ensuring compliance with the provisions of the Code of Ethics and Human Rights Policy, including through actions and tools that allow for a cross-cutting and inclusive assessment of the impacts of risks and opportunities inherent to its business related to human rights, in all their forms. MFE complies with the United Nations Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises.
In order to remedy impacts on human rights, the policy provides for the verification and adoption of corrective actions in case of violations, in line with what is reported in the Code of Ethics.

Scope of application

The Policy applies to Snam and its Subsidiaries and is brought to the attention of other associates , as well as its suppliers, subcontractors and business partners, and to any other person, wherever located, acting in their name and/or on their behalf in any capacity.

References to third party standards or initiatives

- Universal Declaration of Human Rights of the United Nations
- Fundamental Conventions of the ILO - International Labour Organisation
- OECD Guidelines for Multinational Enterprises
- Principles enshrined in the United Nations Global Compact

HUMAN RIGHTS GUIDELINE

Contents, objectives and monitoring process

The Guideline is inspired by the principles of ethical conduct, transparency, fairness and professionalism, in line with the Code of Ethics. It aims to further the contribution and broaden the scope of Snam's values, also in terms of human rights, and encourages behaviour that is aimed at preventing and reporting possible violations of human rights law.
The Guideline sets out the HREDDM (Human Rights and Environmental Due Diligence Model) process, which operates both in terms of prevention (by putting in place robust risk assessment processes with regard to the applicable regulatory universe) and detection (through structured monitoring of the safeguards and actions developed to prevent, mitigate or put an end to negative impacts). Finally, the outcomes of these activities are communicated as appropriate to the Top Management and the Corporate Bodies in the 'Annual Compliance Report'.
The company periodically promotes initiatives for listening and dialogue, organising workshops and roundtables in conjunction with the international organisations in which it participates.
The Business Integrity & Compliance function periodically reviews this Guideline to ensure it is effective over time and adheres to emerging best practices. In any case, all involved units/functions are required, within their area of competence, to detect and report any corporate events that require this document to be modified.

Scope of application

The Guidelines apply to Snam and, as part of the management and coordination activities, to all subsidiaries. It is also brought to the attention of other associates
in order to promote principles and conduct consistent with those expressed by Snam.
The document applies to all Snam people, as well as to any other person, wherever they may be, who acts - in any capacity - in the name and on behalf of the Company, within the limits of their role and responsibilities.

References to third party standards or initiatives

- Ten Principles of the UN Global Compact
- Universal Declaration of Human Rights of the United Nations
- Fundamental Conventions of the ILO - International Labour Organisation
- OECD Guidelines for Multinational Enterprises

For more information on the policies on Own workforce, please refer to the chapter 'Internal Regulatory System'.

Furthermore, although Snam does not have a formal policy in place for training of its own workforce, the company implements an integrated training approach, which the Chief People & Corporate Service is accountable for implementing. The scheme aims to develop the technical and managerial skills of internal staff. This approach helps attract top talent, thanks to having a corporate culture in place that is committed to fair skills development.

TARGETS

PEOPLE

KPI		Baseline and base year		Performance 2022	Performance 2023	Performance 2024	Target		Performance 2024 vs. target
Employees engagement index (%) [1]	SCORECARD	82	in 2023	-	84	77	>80	by 2024	⊘
							>80	by 2025	⚙
							>80	by 2029	
Participation in welfare initiatives (%) [2]	SCORECARD	39	in 2020	72	58	81	75	by 2024	✓
							78	by 2025	⚙
							82	by 2029	

SCORECARD KPIs included on the Sustainability Scorecard

CARBON NEUTRALITY KPI included in the Carbon Neutrality Strategy

✓ Target reached

⚙ Target in progress

⊘ Target not reached

Notes:
- the targets shown refer to the entire Snam Group, unless otherwise indicated. For more information on the scope, please refer to the chapter 'Introduction and guide to reading the document, General criteria for drafting Consolidated Sustainability Statement';
- the underlying methodologies, applied in the calculation of the targets, are the result of the internal development of the functions responsible for the control and monitoring of the targets themselves.

[1] The target factors in the average score obtained among all elements making up the 'Sustainable engagement' topic of the annual 'Snam Engagement Survey', in which all Snam Group workers and interns in the workforce at the time of delivery take part. In 2022 (the target base year) there was no target set.
(2)The target is calculated as the percentage of employees participating in at least one welfare initiative. All employees are invited to participate in welfare initiatives. As of December 2021 and January 2022, new acquisitions are included in the scope of the target through progressive integration. The 2024 target also factored in the 2024 taxpayer reliability indices (ISA) for blue and white-collar workers. as well as the 2025 'parking requests' made in December 2024.

The Sustainability Scorecard objectives support the Group in achieving the targets set out in the Code of Ethics, the Human Rights Policy and the HSEEQ Policy, in particular in targets concerning employee engagement and satisfaction and participation in welfare activities. This is achieved through an integrated approach combining: sustainable development, protection of human rights, promotion of well-being at work, and environmental sustainability. The approach encourages transparency, mutual respect and active engagement, all of which are key elements for strengthening employees' the sense of belonging and motivation. In addition, the scheme focuses on inclusion, meritocracy and discrimination/abuse prevention, as well as ensuring equal opportunities and safe working environments, both of which underpin effective welfare. Finally, the approach strengthens the Group's commitment to health, safety and the environment by delivering prevention, training and awareness programmes which stimulate employee engagement and create value for all stakeholders.

In setting the engagement index objective, Snam has not interacted directly with its own workforce, which is nevertheless involved, annually[118], during the presentation phase of the results, which are also shared with trade union representatives. The choice of this objective stems from the need to identify points for improvement in order to direct the company's strategy towards its people, trying to respond concretely to their needs. In 2024, the engagement index score was 77%, keeping in line with the average of the best Italian companies according to the surveys of the KPI methodology's proprietary partner. This result is down on the that recorded survey distributed in 2023 (84%), reflecting – among other aspects – an increase in workloads linked in part to efforts to underpin energy security (increased investments and key projects such as FSRUs) and in part to the growing commitment to transition.

The objective of participation in welfare activities is in line with the other objectives included in the Sustainability Scorecard and was defined during a strategic cross-functional project based, among other things, on comparison with peers and inspiring companies; no external stakeholders were involved, although feedback on the sustainability plan was requested at the time of its presentation (to investors, employees, etc.). The target annually monitors the satisfaction of all Snam Group people with respect to welfare and, through the results, analysed by the Welfare Commission, in which trade union representatives also participate, the Group intervenes with targeted activities to increase it. In 2024, the objective was largely achieved and surpassed, thanks in part to the launch of the Generali supplementary healthcare plan, which is explored in greater detail in the following paragraphs.

For more information on the process of setting and reviewing targets, as well as the involvement of stakeholders in setting them, please refer to the 'Strategy and business model; Sustainability strategy; Sustainability Scorecard' chapter.

Actions and metrics

ACTIONS IMPLEMENTED AND PLANNED AND RELATED RESOURCES ALLOCATED IN RELATION TO EMPLOYEE WORKING CONDITIONS

	2024	
KPI	CapEx	OpEx
Current financial resources allocated to own workforce-related actions - Employee working conditions (€ million)	0	1
Future financial resources allocated to own workforce-related actions - Employee working conditions (€ million) [1]	0	7

Notes:
- the data refer to the entire Snam Group, unless otherwise indicated. For more information on the scope, please refer to the chapter "Introduction and guide to reading the document, General criteria for drafting the Consolidated Sustainability Statement";
- with reference to Bioenerys and Renovit, CapEx and OpEx are included in the topic "Climate Change";
- financial resources may give rise to operating costs (see Note no. 29 Operating costs and charges in the Notes to the Consolidated Financial Statements);
- for more information, please refer to the chapter 'Actions and resources in relation to material sustainability matters' in the 'General information' section.

[1] Future financial resources consider the Plan period.

Snam develops its personnel management by growing with its people, in an inclusive and meritocratic environment, which enhances human resources and provides them with opportunities for personal and professional development.

The creation of a cohesive, open and stimulating working environment is one of Snam's main prerogatives in personnel management. The Group is therefore committed to promoting the plurality and diversity of its resources, valuing people's backgrounds, opinions and points of view in order to foster new ideas, thus providing safe and fair working conditions and encouraging effective and virtuous behaviour.

For further details, please refer to the chapter 'Actions and resources in relation to material sustainability matters'.

Employee breakdown and turnover

In recent years, the workforce has grown significantly, also as a result of the development of energy transition businesses, which have made it necessary to expand its know-how and expertise in these areas.

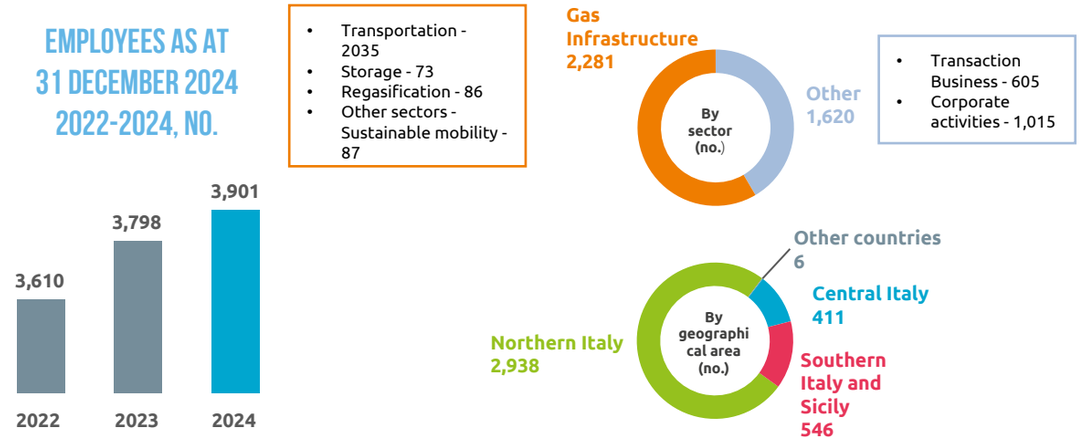
As at 31 December 2024, Snam's workforce had grown further to 3,901 people, an increase of 3% compared to 2023. More than half of the workforce works in the transportation business, 26% works in the Corporate sector, and 16% of the employees are employed in the Energy Transition Businesses, with the remainder are split between the storage and regasification businesses.

[118] Commencing 2024, the survey will be conducted annually to more effectively track people's level of engagement. In previous years, the survey was conducted every two years.

The number of employees (expressed in FTE) is 3,828 people[119], of which 687 women and 3,141 men.

With respect to the Group's country-wide distribution, 2,938 people are employed in the northern regions[120] of Italy, 411 in the central regions and 546 in the south and Sicily. Moreover, 6 resources are permanently in service abroad.

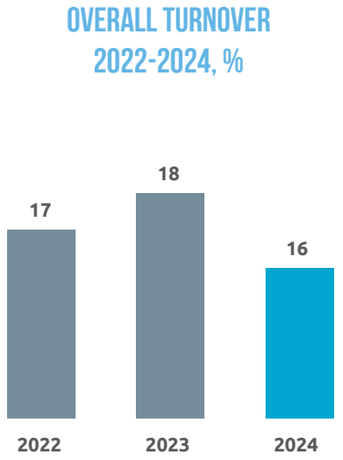
53% of the employees have a technical diploma and 37% are university graduates (an increase of 1 percentage points compared to 2023).



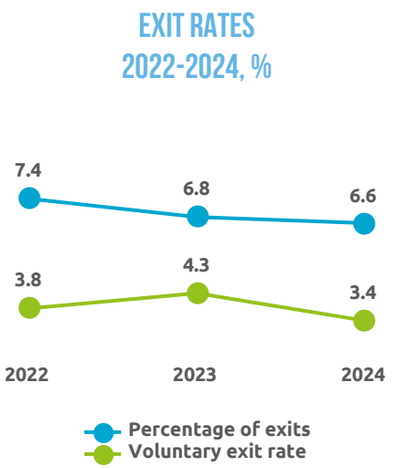
As a result of the entry of new companies into the Group's perimeter and new hires in the market to strengthen the business, 375 new hires were recorded (-26% compared to 2023), of which 191 in the Oil&Gas sector and 184 in other sectors, of which 80 in the energy transition business.

Snam also recorded a total of 272 exits[121] (-49 compared to 2023), partly due to negative voluntary turnover, against 132 resignations (equal to 3%).

The overall turnover rate is slightly reduced compared to the trend recorded in 2023 (16% in 2024 vs. 18% in 2023), while the percentage of exits remains substantially in line with previous years, standing at 6.6% (6.8% in 2023).



Overall turnover rate: ((market entries + exits) / average staff per service)x100. Excludes exits due to transfers to unconsolidated companies, leaves of absence, mergers of companies or other reasons.

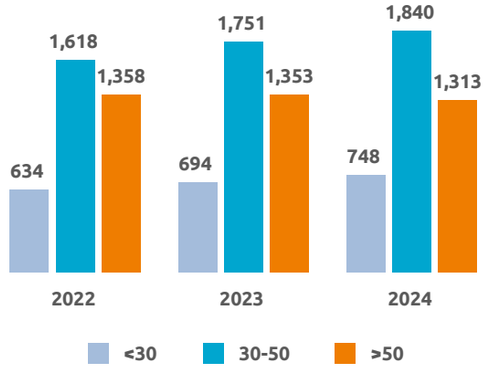


- Percentage exits = (exits/average staff per service)x100. Excludes exits due to transfers to unconsolidated companies, leaves of absence, mergers of companies or other reasons.
- Voluntary exit rate = (exits for resignations/average staff) x 100.

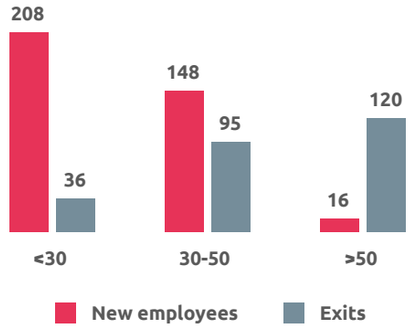
Snam intends to generate and maintain stable and ongoing employment relationships for qualified and specialised activities, in line with the SDGs. It is with this in mind that the trend in the workforce has shown significant growth in recent years, aided by the development of energy transition businesses, which have made it necessary to expand its know-how and expertise in these areas.
In this regard, the length of service is approximately 14 years[122]. 99.7% of employees have permanent contracts, and there are 45 employees with part-time contracts (2 more than in the previous year).
People under 30 years of age (748) account for about 19% of the workforce, up by about 8% compared to 2023 due to the gradual increase in the number of young people joining the workforce over the past year (+356 new employees under 50 years of age), while those over 50 years of age make up 34% of the workforce (-2 percentage points compared to 2023).

[119] Average headcount refers to personnel in service, where each employee is worth 0.08 HCs for each month of the year in which he or she is in service. The figure differs from that expressed in Note 29.3.1 'Average number of employees' to the Financial Statements, where the figure is calculated as the average number of payrolled employees during the year.
[120] The employee breakdown by country is not relevant to Snam, since almost all of the company's population works in Italy.
[121] The figure also includes other exits due to transfers to non-consolidated companies, exits due to leave of absence and mergers of companies or for other reasons.
[122] The average seniority of staff was calculated from the date of acquisition of the new companies that entered the Group's consolidation scope.

EMPLOYEES BY AGE GROUP 2022-2024, NO.



ENTRIES AND EXITS BY AGE GROUP 2024, NO.



NUMBER OF EMPLOYEES BY GENDER

Gender	Number of employees at 31 December 2024 (No.)
Men	3,187
Women	714
Other [1]	0
Not reported	0
Total employees	**3,901**

Notes: the reference to the workforce at 31 December 2024 is consistent with the data reported in the chapter 'Financial review' of the Directors' Report and in the Note 29.3.1 on the review 'Average number of employees'
[1] Gender as specified by the employees themselves.

NUMBER OF EMPLOYEES BY CONTRACT TYPE AND BROKEN DOWN BY GENDER AS AT 31 DECEMBER 2024 (NO.)

FEMALE	MALE	OTHER [1]	NOT REPORTED	TOTAL
Total number of employees				
714	3,187	0	0	3,901
Number of permanent employees [2]				
711	3,178	0	0	3,889
Number of temporary employees				
3	9	0	0	12
Number of non-guaranteed hours employees [3]				
0	0	0	0	0
Number of full-time employees				
680	3,176	0	0	3,856
Number of part-time employees				
34	11	0	0	45

[1] Gender as specified by the employees themselves.
[2] The number of permanent employees by gender also includes apprenticeship workers.
[3] All Snam employees have employment contracts with an obligation to comply with a daily work schedule (minimum/maximum) based on the applicable national collective bargaining agreement and applicable laws.

NUMBER OF EMPLOYEES BY CONTRACT TYPE AND BROKEN DOWN BY GEOGRAPHICAL AREA AS AT 31 DECEMBER 2024 (NO.)

NORTHERN ITALY	CENTRAL ITALY	SOUTHERN ITALY AND SICILY	OTHER COUNTRIES	TOTAL
Total number of employees				
2,938	411	546	6	3,901
Number of permanent employees [1]				
2,929	410	544	6	3,889
Number of temporary employees				
9	1	2	0	12
Number of non-guaranteed hours employees [2]				
0	0	0	0	0

[1] The number of permanent employees by geographic area also includes apprenticeship workers.
[2] All Snam employees have employment contracts with an obligation to comply with a daily work schedule (minimum/maximum) based on the applicable national collective bargaining agreement and applicable laws.

Non-employee workers

The non-employee workers active in Snam's own workforce are **temporary workers**, i.e. workers made available by companies that mainly carry out 'research, selection and supply of personnel', workers with a **coordinated and continuous collaboration contract** (so-called Co.Co.Co.) and **interns**.

As of 31st December 2024, Snam has 135 non-employee workers.

Industrial relations

100% of Snam employees are covered by collective bargaining agreements. In particular, the following contracts apply to Snam Group non-managerial personnel: Energy and Oil Contract, CCNL Tertiary and distribution and services CONFCOMMERCIO, Metalworkers Contract - Industrial companies; Metalworkers Contract - Small and medium industry, CONFAPI Metalworkers Contract. For managerial staff, the following contracts apply: Contract for senior managers of companies producing goods and services.

Through the work of the People Corporate, Administration & Industrial Relations function, Snam maintained a constant relationship with the Trade Unions in 2024 at both a national and local level. During the various meetings, Snam illustrated to the trade unions its plans for the evolution of its already consolidated businesses, including those recently launched. On the Operations side, an important agreement was reached on the issue of on-call time within GEST. At the national level, with the signing of the agreement to establish a joint body (Organismo Paritetico di Partecipazione - OP), the foundations were laid to set up a model of industrial relations – now in practice – that is aimed at dialogue and participation. The Isopensione agreement for Snam staff has also been signed with the aim of encouraging a change in the qualitative/quantitative mix of the resources currently in employment.

Snam has long introduced mobility procedures for personnel aimed at establishing more favourable treatment for employees than that provided for by law and by the applicable CCNL. With reference to the operations area, in past years a number of reorganisations of territorial areas (centres) have occurred, which have entailed transfers of personnel to whom improved treatments have also been applied following specific trade union agreements reached. The notice period is that envisaged by law and/or the applicable CCNL.

Snam guarantees all workers the right to freely express their thoughts, join associations and carry out trade union activities. The dialogue with the social partners[123] is framed and regulated by the current Protocol for Industrial Relations, signed in 2013. In 2024, 100% of Snam's employees are fully covered by employee representatives[124].

	COLLECTIVE BARGAINING COVERAGE	SOCIAL DIALOGUE
Coverage Rate	Employees – EEA	Workplace representation (EEA only)
0-19%		
20-39%		
40-59%		
60-79%		
80-100%	Italy	Italy

Note: In the European Economic Area, Snam only has a significant level of employment in Italy; therefore, the breakdown by country is not applicable

Workforce receiving an adequate wage

Snam is committed to ensuring a remuneration system that, in line with European and national regulations and best market practices, favours the Group's development according to the directives of its Strategic Plan. In particular, employees receive an adequate salary through the correct application of the reference parameters contained in the collective bargaining agreements.

In 2024, 100% of Snam employees will receive an adequate salary, in line with what is set out in their national collective bargaining agreements.

[123] At the end of 2024, 20% of employees were members of a trade union organisation.
[124] There are no agreements with employees for representation by a European Works Council (EWC), a European Company (SE) Works Council or a European Cooperative Society (SCE) Works Council. The figure takes into account the number of employees working in establishments with employee representatives.

Workforce covered by social protection systems and corporate welfare

Offering a structured social protection and welfare system capable of listening to and satisfying the needs of employees and their families, and contributing to improving the quality of life of each individual and supporting them through challenging life events is an essential objective for Snam.

As of 2024, all Group employees have social protection in case of illness (according to the rules set out in the relevant collective bargaining agreements) and in case of unemployment, accidents at work, acquired disability, parental leave and retirement, according to applicable social security legislation.

The Total Reward & Benefit function is accountable for managing Snam's Welfare Plan, which was created in 2018 and has continued to evolve, year after year, guaranteeing employees adequate and satisfactory services.

With this in mind, a dedicated support service, a welfare assistant, has been designed and made available to act as a single point of contact and mediator between personal needs and corporate welfare initiatives. It is capable of providing a good user experience, as well as directing staff in choosing the best service according to their needs.

Snammy, the platform that encompasses all the initiatives of the Snam Welfare Plan, is organised into five main areas of intervention (Family and Education, Health and Care, Well-being and Work-Life Balance, Finance and Savings, Social Commitment) and offers a total of 32 services (corporate and contractual).

From January 1st 2025, Snam will have a system in place that makes it possible, by tracking KPIs in the 'Social' sphere, to improve the terms of professional and non-professional accident insurance policies for its people.
Insofar as the KPI targets pertaining to average training hours and IpFG (Combined Frequency and Severity Index) included in the Sustainability Scorecard are achieved, the policy will offer incremental technical benefits to beneficiaries.
This initiative is in addition to the provisions of the Civil Liability policy whereby the annual Snam Rete Gas premium will be reduced upon reaching certain methane emission reduction objectives, which in turn contribute to reducing the company's 'Scope 1' emissions, thanks to investments in modernising and monitoring gas network infrastructure.

FAMILY AND EDUCATION

AREAS	ACTIVITIES OFFERED
Nursery reimbursements	Reimbursement of child registration fees for employees who use them (max. €2,000/year).
Summer and study camps	Summer stays for children of employees in certain locations of Italy and abroad. In 2024, summer camps were organised for **256** children with activities at the seaside and in the mountains, and in addition to the more established destinations, the destination of Urbino and the foreign campus in Chichester (UK) for 15 to 18 year olds were added. This year, the initiative was planned with the involvement of the Snam Foundation – this time in the field of robotics – through the distribution of the book 'Creative Robotics'.
SOS famiglia (SOS family)	Listening desk run by professionals to assist the family.
Motherhood, adoption and fostering	Company guide on parenting issues.
Be Parents Master in Parenting	Programme that transforms the parenting experience into a master degree in crosscutting skills that are also essential for professional development, targeting new parents with children of up to 3 years of age. In 2024, the service was relaunched with a webinar in particular dedicated to new parents.
Study support	Subsidies for the purchase of school textbooks, scholarships for employees' children and loans for school expenses.
Scholarships	Snam is making a total of **25 scholarships** available to its employees, specifically: • 15 for those who graduated from high school with a mark of 90/100 or higher; • 10 for a Bachelor's or Master's degree with a thesis on energy, digital innovation, energy transition themes.
FASEN	CCNL Fund (Energy and Oil) with social assistance purposes (training, economic support, solidarity) for workers and their families, and retirees.

HEALTH AND CARE

AREAS	ACTIVITIES OFFERED
Accidents	Insurance cover for non-occupational accidents.
Supplementary health care	Supplementary policy of the contractual health fund extended to all employees enrolled in the category fund from January 2024.
LILT medical prevention	Prevention protocols at affiliated medical centres.
Healthcare agreement	Healthcare agreements with Centro Cardiologico Monzino, San Raffaele Hospital and the Baviera Clinic in Milan for specialist medical services and check-ups for employees and their families.
Al tuo fianco (At your side)	Support service for managing difficult situations within the family nucleus with activities and services in the form of training, orientation, support and screening through access to a network of selected and qualified providers or to the network of public and private services in the area (services for vulnerable adults/elderly people and their caregivers, support for parents with vulnerable children and/or vulnerable children themselves). This year, the webinars organised to explore specific issues saw the involvement of the ERG care and parenting group.
Salute su misura (Tailor-made health)	A network of agreements with medical facilities throughout the country, with the possibility of benefiting from services at subsidised rates.
CCNL healthcare funds	A supplementary welfare instrument that guarantees adequate and timely health coverage, provided for in each CCNL.

WELL-BEING AND WORK-LIFE BALANCE

AREAS	ACTIVITIES OFFERED
Fitness offers	Offers for sports activities at favourable conditions.
Mobility offers	Purchase of subsidised season tickets for public transport and shuttle service in San Donato Milanese. Agreement with San Donato Milanese municipal car parks.
Mobility Portal	Traffic information, mobility apps.
Food	Quality corporate catering and take-away service for private use.
Working hours	Remote working (or smartworking), short Fridays, individual hour account, possibility of working part-time.
Fitprime	Wellness paths for employees and their families divided into three different modules: • Fitprime Places: sports subscriptions with access to more than 2,000 sports centres with a single subscription; • Fitprime Smart: online training via video lessons or live; • Fitprime Nutrition: remote nutritionist and creation of a customised diet plan • Fitprime Therapy (from 2024): remote psychological support with psychologists and psychotherapists
Financial Services	Access to credit cards and personal loans on favourable terms.

PERSONAL FINANCE AND SAVINGS

AREAS	ACTIVITIES OFFERED
Flexible benefits	Programme aimed at increasing the purchasing power of employees who participate in the initiative, by transforming a portion of the participation bonus, up to the totality of the same, into Welfare Credit that can be used to purchase other services offered by the Welfare Plan.
730 Service	Online 730 helpdesk for assistance in filling in and entering tax returns into the system. The service is via webcall but similar to that of a physical CAF (Authorised Fiscal Support Centre) (single or joint declaration), with compliance certified by the CAF.
Microcredit	Loans of up to €5,000 / 36 instalments at low interest rates with leading lending institutions.
Legal and fiscal counselling	Support services for the resolution of doubts in legal and tax matters.
Offers	Dedicated portal on a wide choice of product/service categories with exclusive discounts and the possibility of receiving cashback on the amount spent.
Electronic shopping vouchers	Vouchers assigned in line with the metalworking national collective bargaining agreement (CCNL) for a basket of goods chosen by the employee directly on the portal.
Supplementary pension provision	Supplementary pension funds, also paid through company contributions.

SOCIAL COMMITMENT

AREAS	ACTIVITIES OFFERED
Volunteering	Operational volunteering and field-based volunteering initiatives: in particular the Together For Others, Donate to Learn and E-lab initiatives. In 2024, Snam adopyed a Corporate Volunteering Policy setting out its commitment to supporting the participation of Snam People in corporate volunteering activities organised in collaboration with the Snam Foundation.
Team building activities	In 2024, the Snam Foundation enabled the teambuilding activities normally offered by Snam to be integrated with the volunteering activities organised in collaboration with various third sector entities partnering the Snam Foundation community.
Labour market insertion of workers in vulnerable categories	Snam Foundation facilitated the signing of agreements ex. Art.14 Biagi law for the employment of vulnerable categories with Type B social cooperatives. In particular, in 2024 the possibility was launched for all colleagues to request catering services for events organised by the Namasté cooperative, which through the Zero per Cento project offers work placement opportunities to young people with intellectual disabilities.
Summer camps	The Snam Foundation helped define the programme of activities and the materials distributed to participants, thus enhancing the training on offer.
Corporate events	The Foundation collaborated in organising several corporate events by recommending social event organisation providers; this included the choice of locations, catering and gadgets. Furthermore, the Foundation promoted the partnership with Food4Good, which recovers food not used during corporate events and makes it available to various associations that provide assistance to people in vulnerable categories.
Solidarity shopping	During the holiday seasons, colleagues can choose to give a special value to their gifts, donating support to those in need, choosing from the many proposals offered by the partner organisations of the Snam Foundation community. During 2024, Christmas markets were organised in San Donato Milanese and seven other localities, while several other opportunities were posted on the 'Snammy' corporate welfare platform.

Note: some services are not active due to their geographical area or the CCNL to which they refer.

Family leave

Snam also supports personnel with periods of family leave: specifically maternity leave, paternity leave, parental leave and leave for carers.

In 2024, all Group employees were entitled to family leave, of which 7% took advantage of the opportunity[125] (15% of women and 6% of men across the Group population).

[125] The number of employees who took of advantage of family leave during the reporting period, broken down by gender, was determined by factoring all employees who took advantage of at least one type of family leave; to avoid double counting, employees who used more than one type of leave were counted only once.

Particular regarding parental leave, Snam offers parental support in the form of incentives and benefits that go beyond the legal requirements for reconciling private and working life. Throughout the maternity leave, the employee retains the company benefits and, during the period of compulsory abstention, maternity benefits are paid at 100% of the employee's salary instead of 80% as required by law. In addition, since 2021 paternity leave was extended by an additional five days compared to the legal provisions to provide even more support for families.
During 2024, 290 employees took parental leave and 280 returned to work after taking it, with a return-to-work rate[126] of 97%. Confirming Snam's focus on new parents, the employee retention rate[127] is 94%.

Respect for human and workers' rights

In the Code of Ethics, Snam sets out its commitment to prevent significant negative impacts connected to potential violations of its workforce's rights, including with relation to forced and child labour. Indeed, the Group considers it crucial to protect and promote human rights, nontransferable and indispensable prerogatives of human beings and the foundation for building societies based on the principles of equality, solidarity, repudiation of war and protection of civil rights and political, social, economic and cultural rights and so-called third generation rights (right to self-determination, peace, environmental development and protection).

It is with this in mind that Snam operates within the reference framework of the Universal Declaration of Human Rights of the United Nations, the fundamental Conventions of the ILO - International Labour Organisation - and the OECD Guidelines for Multinational Enterprises.

In accordance with the Code of Ethics, if a whistleblowing report is received through the channels made available to the workforce, the company carries out specific investigations to evaluate the extent and nature of the report. If a human rights violation occurs, the relevant function is subsequently accountable for identifying the most appropriate actions to address such violations.

No incidents of discrimination (including harassment) occurred during 2024[128], nor were there any serious human rights incidents[129]. On the other hand, two reports were received through Snam's whistleblowing channel regarding alleged violations of the company's Code of Ethics in relation to: (i) the conduct of a third party in a private procurement process, which was promptly reported by a Snam Group employee; and (ii) apparent misuse of an employee's debit card which, following the investigations, was identified as a computer anomaly.

With particular reference to the right to privacy and the protection of personal data, Snam ensures that its practices do not cause or contribute to causing significant negative impacts on its workforce by having in place tools such as the Privacy Compliance Programme. These tools enable the company to: (i) define the data protection obligations to be implemented at the company level; (ii) direct all Snam employees to ensure that personal data are processed in compliance with the fundamental rights and freedoms of natural persons and in particular the right to personal data protection. (iii) evaluate, according to regulatory provisions, the roles and responsibilities at the company level.

EQUAL TREATMENT AND OPPORTUNITIES FOR ALL AND SKILLS DEVELOPMENT

Policies

To ensure equal treatment and opportunities for all and equal skills development and, in particular, to adequately manage the associated impacts, risks and opportunities, Snam has adopted a **Diversity and Inclusion Policy**, a **Diversity and Inclusion: Gender Equality Policy**, a **Diversity and Inclusion: Recruiting Policy**, a **Diversity and Inclusion: Harassment Policy**, a **Diversity and Inclusion: Social Gender Transition Policy** and a **Human Rights Guideline**, all of which are core documents for the entire Group and are implemented at all levels . The documents are distributed to all internal and external stakeholders with a view to sharing the values and ethical corporate culture promoted by Snam.

[126] The rate of return to work is calculated as (total number of employees who returned to work after parental leave/total number of employees who must return to work after parental leave)*100.
[127] The retention rate is calculated as (total number of employees still employed 12 months after returning to work after parental leave / total number of employees returning from parental leave in the previous reference period(s))*100.
[128] Discrimination incidents are defined as confirmed incidents of discrimination reported during the reporting period.
[129] Serious human rights incidents are defined as confirmed cases and reports received during the year regarding forced labour, human trafficking and child labour through the Whistleblowing channel, the OECD National Contact Points for Multinational Enterprises (in Italy's case, the Ministry of Environment) and serious allegations that the Company is made aware of in public reports or in the media.

DIVERSITY AND INCLUSION POLICY

Contents, objectives and monitoring process

Through its Diversity and Inclusion Policy, Snam sets out its commitment to equal dignity and opportunities for all people regardless of their country of origin, culture, religion, gender, sexual orientation, political opinions and any other personal characteristic or lifestyle.
The Policy, defined in 2019 and enhanced in 2020, 2021 and 2023 with four appendices (Gender Equality, Recruiting, Harassment and Social Gender Transition), commits Snam to:

- spread the culture of diversity and equal opportunities among all employees and collaborators of the Company;
- create a welcoming and inclusive working environment, free from discrimination;
- ensure fairness at all stages of the employment relationship;
- support the professional development and growth of all Snam resources;
- guarantee and safeguard the work-life balance.

DIVERSITY AND INCLUSION POLICY: GENDER EQUALITY

Through the Snam Institute, employees are involved in training sessions to raise awareness of the impact of unconscious biases in the workplace.

The Diversity and Inclusion Policy sets out the members of the 'Inclusion @ Snam' team, which should be as representative as possible of the company's diversity and which manages and tracks the implementation and progress of inclusive culture initiatives.

DIVERSITY AND INCLUSION POLICY: RECRUITING

In the Diversity and Inclusion Policy: Gender Equality, guidelines are defined to be implemented through HRO, d] practices and processes for the creation of a gender-equal work environment throughout the entire cycle of people selection, management, training and career development, while the Diversity and Inclusion Policy: Recruiting aims to provide a standardised and inclusive methodology of the selection and recruitment process through clear and shared guidelines.

DIVERSITY AND INCLUSION POLICY: HARASSMENT POLICY

With the Diversity and Inclusion Policy: Harassment Policy, Snam outlines its commitment to promoting an organisational context that supports inclusion and the enhancement of diversity where people feel respected, valued and free to express their full potential in a serene and professional working environment, free from all forms of discrimination and harassment, adopting a zero-tolerance policy for any form of harassment in the workplace.

DIVERSITY AND INCLUSION POLICY: GENDER TRANSITION

With the latest addition to the Diversity and Inclusion Policy, which focuses on Social Gender Transition, Snam recognises the importance of each individual's identity and defines the principles, standards and behaviour to be adopted to support any person at Snam who has embarked on or intends to embark on a gender transition path. In particular, this policy is addressed first and foremost to transgender people who autonomously and self-determinedly affirm their gender identity in the company by communicating the start of the Social Gender Transition, as well as to the Snam people and external stakeholders who engage with the person.

Scope of application

The Diversity and Inclusion Policy, and its four appendices, apply to the entire organisation and to all people who have relations with Snam.

References to third party standards or initiatives

- Universal Declaration of Human Rights of the United Nations
- Fundamental Conventions of the ILO - International Labour Organisation
- OECD Guidelines for Multinational Enterprises
- Principles enshrined in the United Nations Global Compact

HUMAN RIGHTS GUIDELINE

Contents, objectives and monitoring process

The Guideline is inspired by the principles of ethical conduct, transparency, fairness and professionalism, in line with the Code of Ethics. It aims to further the contribution and broaden the scope of Snam's values, also in terms of human rights, and encourages behaviour that is aimed at preventing and reporting possible violations of human rights law.
The Guideline sets out the HREDDM (Human Rights and Environmental Due Diligence Model) process, which operates both in terms of prevention (by putting in place robust risk assessment processes with regard to the applicable regulatory universe) and detection (through structured monitoring of the safeguards and actions developed to prevent, mitigate or put an end to negative impacts). Finally, the outcomes of these activities are communicated as appropriate to the Top Management and the Corporate Bodies in the 'Annual Compliance Report'.
The Company periodically promotes initiatives for listening and dialogue with stakeholders, organising workshops and round tables in partnership with the international organisations in which it participates, as well as engaging in advocacy initiatives on issues such as sustainability, energy transition, gender equality and Diversity, Equity and Inclusion (DEI). The Company also carries out local engagement initiatives in partnership with the Snam ETS Foundation.
The Business Integrity & Compliance function periodically reviews this Guideline to ensure it is effective over time and adheres to emerging best practices. In any case, all involved units/functions are required, within their area of competence, to detect and report any corporate events that require this document to be modified.

Scope of application

The Guidelines apply to Snam and, as part of the management and coordination activities, to all subsidiaries. It is also brought to the attention of other associates
in order to promote principles and conduct consistent with those expressed by Snam.
The document applies to all Snam people, as well as to any other person, wherever they may be, who acts - in any capacity - in the name and on behalf of the Company, within the limits of their role and responsibilities.

References to third party standards or initiatives

- Ten Principles of the UN Global Compact
- Universal Declaration of Human Rights of the United Nations
- Fundamental Conventions of the ILO - International Labour Organisation
- OECD Guidelines for Multinational Enterprises

For further information on the policies on Own workforce, please refer to the chapter 'Internal Regulatory System'.

Targets

PEOPLE

KPI	Baseline and base year	Performance 2022	Performance 2023	Performance 2024	Target	Performance 2024 vs. target
Women in exec. and middle-mgmt. roles (%) [1] (SCORECARD)	19.3 in 2019	23	25.9	26.5	26 by 2024	✓
					26.5 by 2025	⚙
					29.5 by 2029	
Gender pay gap (%) [2] (SCORECARD)	6 in 2024	-	-	6	+/- 5 by 2029	⚙
Training hours delivered to employees (h/capita) [3] (SCORECARD)	33.7 in 2022	33.7	37	42	36 by 2024	✓
					37 by 2025	⚙
					42 by 2029	

(SCORECARD) KPIs included on the Sustainability Scorecard | (CARBON NEUTRALITY) KPI included in the Carbon Neutrality Strategy | ✓ Target reached | ⚙ Target in progress | ⊘ Target not reached

Notes:
- the targets shown refer to the entire Snam Group, unless otherwise indicated. For more information on the scope, please refer to the chapter 'Introduction and guide to reading the document, General basis for the preparation of the Consolidated Sustainability Statement';
- the underlying methodologies, applied in the calculation of the targets, are the result of the internal development of the functions responsible for the control and monitoring of the targets themselves.

[1] Gender distribution (%) of the group's executive management, specifically with reference to women in top and middle management positions – i.e. women in C-level positions, executive vice presidents (EVPs) and middle management (directors, executives and managers) – as well as the total number of employees in executive and middle management positions. The KPI covers the following perimeter: Snam S.p.A., Snam Rete Gas, Greenture, Snam Gas & Energy Services, Snam International B.V., GNL Italia, Stogit, Cubogas, Enura, Gasrule, Bioenerys Agri S.r.l., Renerwaste Lodi, Bioenerys Ambiente, Renovit Business Solutions. Snam Gas & Energy Services was included in the perimeter until 2021, when it was deconsolidated. Therefore, it is considered no longer part of the KPI perimeter since 2022.
[2] The gender pay gap target is calculated based on a specific perimeter of the workforce that excludes the CEO and the blue-collar population, as they are characterised by a non-representative or highly limited female presence. The figure is calculated as the average gender pay gap per band.
[3] Total number of hours of training provided to Snam group employees divided by the total number of employees in the year, including HSEQ and technical training activities.

The Sustainability Scorecard goals support the Group in achieving the targets set out in the Diversity and Inclusion Policy. These include increasing the number of women in executive and management positions, reducing the gender pay gap through fair remuneration policies, and promoting an inclusive culture and continuous development by providing training hours to employees.

In 2024, Snam achieved all equal opportunities and skills development targets set, except in relation to the Gender Pay Gap, for which the improvement process is still ongoing.

With reference to the number of women in executive and management positions, the figure at the end of the year was above the target. This result was achieved thanks to a balance of inflows and outflows, with particular attention paid to the dynamics of recruiting, retention and promotion planning. The goal remains to accelerate growth in the target percentage up to 2029, with a focus on STEM roles, which represent 80% of the overall workforce.

The training hours provided also exceeded the target, thanks also to extraordinary initiatives implemented during the year, including a training programme dedicated to the LDAR project, the launch of the Skill Up Program (aimed at the under-35 population) and a change management path to support the introduction of the new performance management system.

For more information on the targets of the Sustainability Scorecard, please refer to the paragraph 'Strategy and business model, The Sustainability Scorecard'.

Actions and metrics

ACTIONS IMPLEMENTED AND PLANNED AND RELATED RESOURCES ALLOCATED IN RELATION TO EQUAL TREATMENT AND OPPORTUNITIES FOR ALL AND SKILLS DEVELOPMENT

	2024	
KPI	CapEx	OpEx
Current financial resources earmarked for own workforce-related actions - Equal treatment and opportunities for all and skills development (€ million)	0.20	3.47
Future financial resources earmarked for own workforce-related actions - Equal treatment and opportunities for all and skills development (€ million) [1]	0.83	14.96

Notes:
- the data refer to the entire Snam Group, unless otherwise indicated. For more information on the scope, please refer to the chapter 'Introduction and guide to reading the document, General basis for the preparation of the Consolidated Sustainability Statement';
- with reference to Bioenerys and Renovit, CapEx and OpEx are included in the topic 'Climate Change';
- financial resources may give rise to operating costs (see Note 29 Operating costs and charges in the Notes to the Consolidated Financial Statements) or, if the conditions apply and if strictly related to an investment, may give rise to CapEx (see Note 8 Property, plant and equipment and Note 9 Intangible assets in the Notes to the Consolidated Financial Statements);
- for more information, please refer to the chapter 'Actions and resources in relation to material sustainability matters' in the 'General information' section.

[1] Future financial resources consider the Plan period.

Diversity and inclusion

In order to consolidate its position and strengthen its competitive advantage, Snam is leveraging diversity, while also enjoying benefits in the areas of innovation and people development.
Diversity, in fact, is a fundamental value that optimises and promotes the effectiveness of the activities of the corporate bodies. In this regard, Snam is committed to developing a complementarity of experience and skills, to be combined with gender and age diversity in order to pursue the broadest objective of integrating different professional profiles. With this in mind, as of 2021, Snam's Articles of Association stipulate that at least two-fifths of the members of the Board of Directors, or a different quota - if higher - provided for by the pro tempore provisions in force on the matter, must belong to the less represented gender (Article 13.3 of the Articles of Association).

Currently, the female presence on the Board of Directors accounts for almost half of the total members (four out of nine). In addition, the Board of Statutory Auditors consists of three Standing Auditors, one of whom is a woman, and three Alternate Auditors, two of whom are women. Finally, two of the three chairs of the Control, Risk and Related Party Transactions Committee are female.

Moreover, confirming the Group's commitment, Snam is actively working to ensure that the situation is monitored with regard to the diversity and complementarity of professional profiles, while at the same time strengthening the knowledge base of the members of the administrative and control bodies. This commitment is also reflected in specific training programmes, such as board inductions, which enable members to acquire sector-relevant skills.
For more information, please refer to the paragraph 'Snam's governance system'. In terms of age, specific limits are not defined as it is believed that diversity is already adequately represented.

The importance of diversity for Snam was further concretised when, in April 2023, it obtained thegender equality certification (UNI/PdR 125:2022) formalised by the DNV accreditation body, which represents another important step towards equality, an acknowledgment of the work done in recent years to offer the female employees of Snam the opportunity to devote the same energy to their careers as their male colleagues, in a fair and meritocratic context.

In order to obtain certification, Snam set up a Steering Committee, consisting of the CEO, Chief People & Organization Officer, Chief Strategy And Technology Officer and Chief Operations Officer. The Committee approved a specific Strategic Plan on gender equity, with corporate targets to be achieved by 2026 and specific actions to achieve the goal.
It involved more than 30 Snam colleagues responsible for the evaluated processes and 45 colleagues who offered their input on the perception of gender balance in the company.

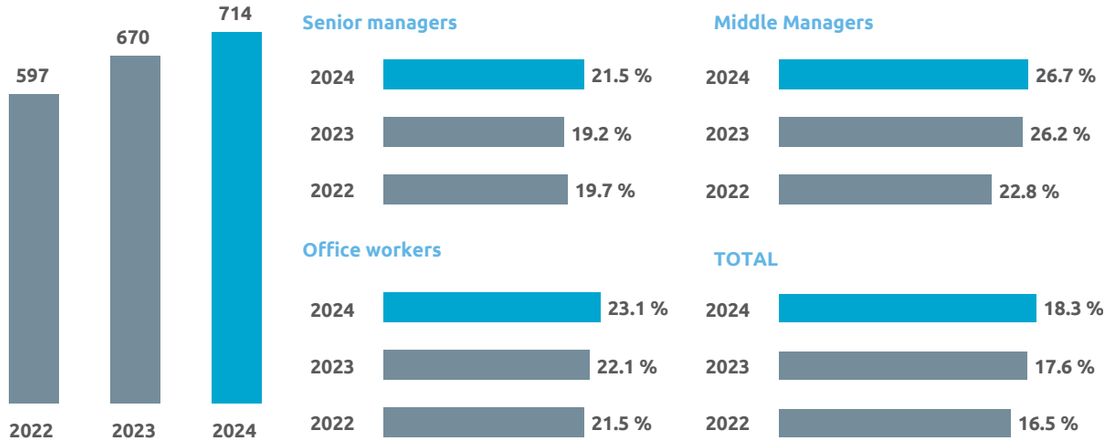
In 2024, Snam maintained the Certification, demonstrating a positive trend in the KPIs investigated by the standard and verified by the DNV accreditation body.

With regard to tracking and evaluating the effectiveness of the initiatives and actions undertaken, Snam has set up a structured periodic verification system that involves various levels of governance. At least every six months, the progress of Diversity, Equity & Inclusion projects and initiatives is reported to the DE&I Steering Committee. Every year, on the other hand, the reporting is shared with the Steering Committee, the Control and Risk Committee and the ESG Committee, thus ensuring continuous monitoring by the governance bodies.
This monitoring system is integrated with the activities envisaged by the UNI/PdR 125:2022 Gender Equality Certification, which provides for periodic progress tracking with respect to the objectives set out in the Gender Equality Strategic Plan and the measurement of specific relevant KPIs.

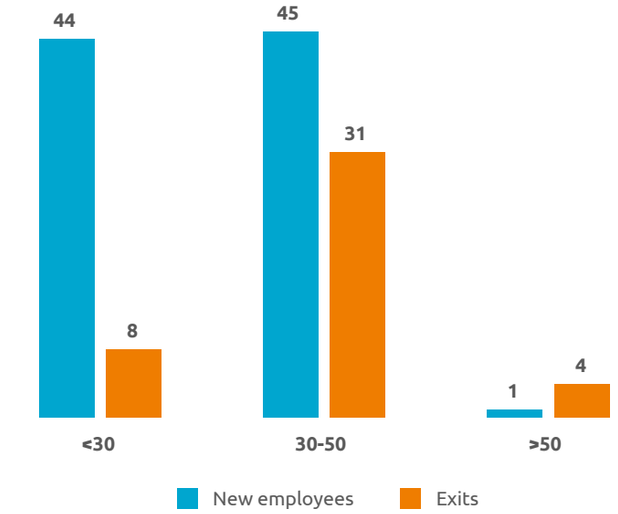
Not only at the level of the administration and control bodies, but also among the people of Snam and communities in general, with regard to gender diversity, Snam is involved in numerous initiatives aimed at consolidating awareness of this issue, both inside and outside the Company, including membership of numerous associations, participation in and promotion of campaigns, events and programmes that support female inclusion, talent and leadership for the growth of companies and the country.

This focus is reflected in the composition of the workforce: the female corporate population, at year-end, consisted of 714 resources, up from the previous year (+7%), and equal to 18% of the entire corporate population, also as a result of 132 hires during the year, down 31% compared to 2023, of which 90 entered from the market and, in most cases, were women graduates (80), against 43 exits (including 2 transfers to other non-consolidated companies).

FEMALE PRESENCE 2022-2024, %; NO.



FEMALE ENTRIES AND EXITS BY AGE GROUP 2024, NO.



Note: the graph does not take into account entries from other non-consolidated companies and other entries and exits due to transfers to non-consolidated companies, exits due to leave and mergers of companies or for other reasons.

With reference to females in top roles, 3 women and 12 men hold top management positions - defined by Snam as the company's top management (CEO) and the CEO's first reports (level N-1), including the head of the Internal Audit function of Snam SpA. This works out at 20% women and 80% men.

The upward trend of female staff in recent years is also due to Snam's support in promoting the study of STEM (Science, Technology, Engineering and Mathematics) disciplines among young female students. In this context, the Company actively cooperates with schools and universities as valuable levers for spreading a culture of equal opportunities and combating the gender gap, especially in view of the small percentage of female students enrolled in these areas.
Confirming Snam's commitment in this field, there is an active community within the company, the 'STEM' Employee Resource Group, made up of more than 110 members, which proposes and implements initiatives aimed at raising awareness and bringing girls closer to STEM subjects through ad hoc projects.

The culture of diversity and equal opportunities at Snam is also promoted and supported thanks to the work of the Diversity, Equity & Inclusion Team, an inter-functional group of about 40 people representative of the many corporate diversities present. With the #Snam4Diversity, energy that includes action plan, the team promotes a series of initiatives, including training events aimed at exploring the themes of diversity and inclusion in greater depth.
Every year, Snam collects information and requirements on Diversity, Equity & Inclusion issues through the Inclusion Team and the ERG leaders, who act as spokespersons for people's needs. Furthermore, the company's Engagement Survey includes specific questions about perceptions of the inclusive work environment and the company's sensitivity to DE&I issues. The evidence gathered helps guide initiatives and actions to be taken, ensuring alignment with people's real needs.

Moreover, in 2023, the Inclusion Manifesto was published, an evolution of the previous Inclusive Language Manifesto, which promotes a culture of language that respects all identities, conditions, affiliations, orientations and cultures, defining both the inclusive words and gestures supported and promoted by Snam.

GENDER EQUALITY INITIATIVES

VALORE D	As a Supporting Member, Snam has been a member of Valore D since 2017, an association that promotes the international growth of the company through the presence of women and employees of different nationalities. In collaboration with Valore D, Snam people were able to attend courses on valuing the diversity of gender, generations and cultures and developing an inclusive culture as a factor of innovation, competitiveness and growth for people and companies.
INGENIO AL FEMMINILE (FEMALE INGENUITY)	Since 2023, Snam has adhered to 'Ingenio al Femminile', a call for proposals from the 'National Council of Engineers' that rewards female students with the best engineering dissertations, with the aim of supporting women who choose STEM study courses.
ROCK YOUR MIND	Also in 2024, Snam participated, as partner, in the Rock your Mind event organised by Employerland, an initiative that combines music and recruiting, mainly targeting girls studying STEM disciplines with the aim of fostering gender equality and helping to forge a culture of diversity and inclusion.
ORTYGIA BUSINESS SCHOOL – YEP	Snam, since 2021, has been adhering to the YEP - Young Women Empowerment Programme mentoring programme, of the Ortygia Business School, aimed at female students of economics and STEM faculties enrolled in a Master's degree course at major universities in southern Italy, with the objective of supporting and sustaining them.
CHARTER FOR EQUAL OPPORTUNITIES AND EQUALITY AT WORK	The Charter for Equal Opportunities and Equality at Work is a declaration of intent, launched by the Sodalitas Foundation, which commits Snam to spreading a corporate culture and adopting inclusive human resources policies.
PARKS	Parks is a non-profit association that targets companies with the aim of promoting a culture of inclusion and respect in the workplace, in the belief that valuing differences constitutes an opportunity and a competitive advantage for business. Starting in 2020, through the Parks association, Snam has taken an increasingly active role in the development, also at national level, of a culture that values and supports differences with the ambition of creating inclusive work environments for all employees, regardless of their sexual orientation, gender identity and expression.

Major initiatives and actions are designed to engage all people in the organisation across the board, with the possibility of extending the involvement to external stakeholders as well. The implementation timeframes vary according to the nature of the activities, with some initiatives being ongoing and others, such as training and awareness-raising courses, scheduled periodically, generally on an annual basis.

SNAM AGAINST GENDER VIOLENCE - EQUAL: TOGETHER AGAINST GENDER VIOLENCE

For many years, Snam actively rolled out specific initiatives to combat any form of violence or discrimination. Snam operates a zero tolerance regime promoting a respectful behaviour towards all (for more information, please refer to the 'Policies' paragraph of this chapter).

Fully aware of the need to develop a corporate culture focused on collective and individual accountability, the Company offers training sessions to acquire more information on the topic and understand how best to act.

Through the 'Beyond Gender' ERG, an initiativewas launched to install red benches in some districts of the Group, alongside taking a moment to raise awareness of the Differenza Donna association.

Gender violence is a deep-rooted phenomenon to which no one should remain indifferent. We can and must make a difference – and acknowledging gender violence is essential to be able to effectively combat it.

In this respect, since 2025 Snam has been part of a network of companies that work together on a project entitled 'Equals. Together against gender violence', which is aimed at creating a corporate culture through specific interventions and tools. Specifically, this project develops a new model of companies that engage in dialogue and learn from each other how best to respond to gender violence in the workplace and beyond. Through their role as social and economic actors, companies can have an impact on culture and, consequently, on society as a whole.

Snam therefore intends to keep this issue high on the agenda and to build an educational community that starts with everyone at Snam people before reaching the communities that host the Group's infrastructure.

People with disabilities

In addition, the Group also employs 194 employees belonging to protected categories[130] (5% of Snam's workforce), including 37 women and 157 men, whose development path aims to encourage their inclusion and integration in company processes.

[130] Employees belonging to protected categories, as defined by art. 1 and art. 18 of Law 68/1999. In 2024 there were 76 employees belonging to protected categories according to Art. 1 l.68/1999 and 118 employees with disabilities according to Art. 18 l.68/1999.

Training, skills development and performance management

Snam offers training initiatives for its people with the aim of developing their skills, while ensuring that they are aligned with the working environment in which they operate, which is constantly changing and requires continuous updating, the use of advanced technologies and innovative working procedures.

In fact, in addition to taking on the traditional role of disseminating skills, the training is also intended to make employees aware of and responsible for company objectives and strategies.

To disseminate the knowledge gained internally, Snam uses:

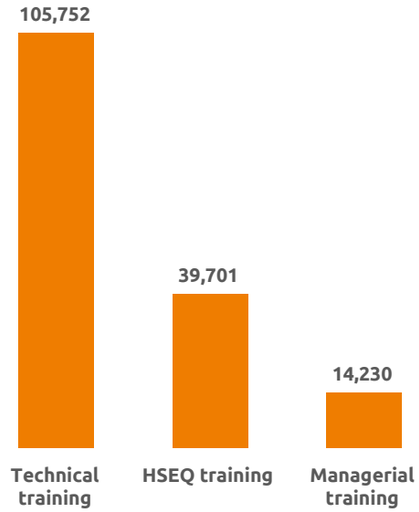
CENTRES OF COMPETENCE	Composed of groups of people transversal to organisational structures, who have consolidated and recognised knowledge and experience in specific thematic areas relevant to the business, the Competence Centres oversee, develop and disseminate corporate know-how and are an internal point of reference for related knowledge.
NETWORK AND PLANT EXCELLENCE HUB	Within the Network and Plant Management Departments, there are Excellence HUBs, which, depending on the needs of the business, identify the most appropriate training actions for the workforce of technicians and, in particular, provide for the design and realisation of programmes and teaching materials. The teaching is entirely entrusted to in-house personnel, which guarantees a high level of transmission of specialised technical know-how.
SNAM INSTITUTE	As innovation accelerator, Snam Institute disseminates Snam's technical know-how to make it available to everyone through training courses developed in three thematic areas: Technical, Leadership, Innovation & Transformation. In addition, the Snam Institute accompanies new recruits through the on-boarding programme.

During 2024, 163,406 hours of training were provided, an increase of 17% over 2023, with 22,232 participants recording 42 average hours per employee (45 average hours for male staff and 26 average hours for female staff), with an investment of €707 per employee in training and development activities. Training activities during the year involved 91% of the workforce (specifically 89% of women and 92% of men) in at least one training course[131].

For training activities for non-employee workers, 2,421 hours of training were provided and completed, with an average of 18 hours per non-employee worker, divided into 14 hours for women and 22 for men.

Snam's training commitment in 2024 saw 39,701 hours dedicated to Health, Safety and Environment topics, a slight decrease on the previous year (43,358 hours in 2023) with 7,580 participants.
In addition, a great deal of effort was also devoted to employee training programmes on business ethics and anti-corruption, aimed both at fulfilling the Company's legal obligations and at disseminating the culture and ethics of business and legality, by reinforcing awareness of non-compliance. Snam involved all senior managers and junior managers in a specific training activity on Compliance issues, with the aim of creating a moment of discussion with colleagues who deal with this subject in the company.

KEY TRAINING INITIATIVES 2024, NO. HOURS



During 2024, the Snam Institute prepared a catalogue of training courses divided into leadership courses, innovation & transformation courses and technical courses. These were developed after gathering the training needs directly from the workforce and by listening to the needs of the business. Three new management training programs stood out among these initiatives:

SKILLUP	LEARN & GROW	LEAD & CHANGE
multidisciplinary course aimed at the workforce under 35 years of age with the aim of encouraging the upskilling of transversal skills	targeting a population of new Managers with the objective of strengthening their leadership skills	addressed to Senior managers to train their ability to turn the business and innovation challenges of today's agenda into opportunities

The training process involved the ad hoc design of courses, delivery, participation monitoring, recording attendance in the system and reporting KPIs.

[131] The Involvement of employees in training activities by gender is calculated as the ratio between the total number of participants in training activities, by gender, and the total number of employees, including employees who joined and left during the year.

The training activities are intended for all segments of the workforce, including individual contributors, managers, directors and the Leadership Team. They are delivered both at the Snam Headquarters in San Donato Milanese and in Snam districts and in maintenance centres throughout Italy. Most of the training actions planned in the 2024 catalogue will be completed by the first quarter of 2025.

In 2025, the training catalogue will be further expanded to include four areas of expertise: leadership, technical, transformative and transversal. Professional Academies will also be introduced to provide technical training. The Snam Leadership Programme will serve managerial training and specific courses will be delivered on digital and sustainability topics.

The Snam Institute is the central hub for training management and is organisational subdivided into technical training and leadership training areas, both for the Asset, Infrastructure & Technology Business Units (BUAIT) and for corporate functions.
Training activities are carried out in compliance with the Company's GDPR guidelines to ensure a learning environment compliant with security and privacy principles.

Snam has also adopted measures to prevent incompletion of courses required by current legislation. To this end, initiatives have been introduced to make training more attractive and engaging. In particular, a refreshment of teaching materials has been planned for internal teaching, while for external teaching suppliers have been asked to come up with more effective solutions. The ongoing experimental activities aimed at making training more effective include the use of new technologies, including gamification and augmented reality.

To ensure that training is completed, Snam has implemented continuous monitoring through the Learning Management System (LMS), which allows the tracking of course progress and the sending of reminders to workers and their managers in the event of non-compliance. Furthermore, satisfaction questionnaires are handed out to all staff involved to identify any room for improvement and to collect suggestions for optimising training courses.

The effectiveness of training is evaluated through dedicated reporting, by checking the effectiveness on learning and by analysing the feedback received. Furthermore, health and safety, environment and quality training is structured according to legislative requirements, thus ensuring compliance with privacy and data retention legislation.

The Snam4Safety programme is planned to continue in 2025. This programme aims to strengthen a safety-at-work culture, which is considered an essential element for a sustainable health and safety process. Planning training, tracking progress and updating training materials will continue to occupy the entire Snam workforce across the country.

In the light of the progressive and continuous integration of sustainability into the company's activities, ad hoc training initiatives on the subject were organised in 2024, with the aim of developing and disseminating, as far as possible, an integrated and transversal culture of sustainability; of particular importance were the 'Sustainability Days', a four-day training initiative alternating between internal and external voices in sustainable transition matters. Furthermore, on the MyLearning portal, three gamified e-learnings were made available under the name 'Fundamentals Of Sustainability', with the aim of enhancing awareness and knowledge of ESG issues, related regulatory frameworks and global standards.

In addition, Snam, in line with the Strategic Action Plan in support of the investment and asset management plan, supports the growth of its people's professionalism through the development of the distinctive skills of its gas technicians. In fact, the generational change taking place in the workforce of both technicians and blue-collar workers, requires a massive effort by the Skill Centres and Excellence HUBs to build and develop the skills necessary to be able to operate safely on gas transportation and storage plants, through specific tailor-made training courses and the use of a large number of in-house teachers. At the same time, special attention is being paid to upskilling activities for all professionals already working on Snam's assets, as well as to the introduction of new technologies for managing work processes.

In 2024, the Competence Centres designed the 'Work on Electrical Systems - CEI 11-27 V Ed. Update - PAV and PES Personnel' course, which is essential if the qualification to work on electrical systems is to be retained. The course was delivered to over 300 suitable operators from among the two Network and Plant Management Directorates.

Another important initiative curated by the Competence Centres of the Engineering and Construction Directorate (ENGCOS) involved the design and delivery of a two-module on-boarding course which involved over 90 classroom participants.
The modules covered both knowledge of the various units and their activities but also the possibility of direct acquaintance between colleagues who are normally operational in the field.

During the year, the Excellence Hub-Network designed, supported in the development phase and tested the 'Reduction plant videotutorial e-learning' course, which was delivered to a workforce of over 500 technicians.

The Excellence Hub-Plants also designed and delivered a course on 'Management and control of Capex and Opex costs', which involved over 50 technicians.

For years, Snam has also been implementing Performance Management, a performance assessment process, with a view to fostering professional development and further career advancement opportunities. Performance Management is a process for assigning and evaluating business objectives also related to sustainability topics and behavioural aspects consistent with those defined in the corporate strategy, in which all the people who contribute to the company's results on a daily basis are involved. Performance appraisal is a fundamental and propaedeutic element in the creation of a corporate culture where individuals are valued, taking into account, in addition to their work, their aptitudes and their contribution to the pursuit of the Group's objectives, not only strategic. During the year, the number of employees assessed was 3,131, an increase of 8% compared to 2023, and equal to 80% of the company population.

In order to activate as extensive an assessment as possible on the workforce through a structured and homogeneous framework, all job positions, with the exception of senior managers, are also subject to the analytical and comprehensive assessment of Complexity, Responsibility, Experience and Autonomy (C.R.E.A.) factors. In 2024, assessments regarding individual professional contributions (C.R.E.A.) were carried out in accordance with the provisions of the energy and oil-related collective bargaining agreements in force. Assessments - which take place every two years - will be carried out in the year 2025 for the two-year period 2023/2024.

Gender pay gap as a percentage of annual total remuneration

Snam monitors the gender pay gap to reduce pay differences between women and men, with the aim of eliminating them.

In line with the requirements of the European Sustainability Reporting Standards (ESRS), the gender pay gap takes into account the entire corporate population. The CEO was excluded, as there is no comparable female counterpart. Gross hourly pay is calculated based on the working hours provided for in the relevant National Collective Bargaining Agreement, taking into account both the fixed pay and the short and long-term variable pay actually disbursed.

In 2024, the gender pay gap will improve for the female workforce (+8% in favour of women)[132], mainly because the gross hourly pay of women in Chief, Executive Director and Director positions is 15% higher than that of men. In fact, observing the gender pay gap by cluster (homogeneous organisational bands)[133] shows a value substantially aligned with the target of +/-5%, net of full senior managerial positions (from Director onwards) in which a salary that actually favours women is recorded.

With regard to the ratio of the total annual remuneration of the highest-paid person to the median total annual remuneration of all Snam employees, with the exception of the highest-paid person, the figure is 35[134] in 2024, down from 2023 (37).

HEALTH AND SAFETY

Policies

To ensure the adequate management of health and safety, and, in particular, its related impacts, risks and opportunities, Snam has in place an **HSEEQ Policy**, an **Asset Management Policy** and a **Travel Risk Management Policy,** which are key documents for the entire Group and are implemented at all levels. The documents are distributed to all internal and external stakeholders with a view to sharing the values and ethical corporate culture promoted by Snam.

[132] Once manual workers are excluded - this workforce is not representative due to the low number of females presence in the sample - the data is slightly better for men (5.8%).
[133] Commencing 2024, Snam reports the gender pay gap by taking into account the division into bands so as to meet the requirements of the Pay Transparency Directive, which sets a target of +/-5% in a given category of workers. The recalculated gender pay gap for previous years is not available.
[134] This figure factors in basic salary, cash benefits, benefits in kind and direct remuneration of the entire workforce. It is shown as the ratio between the total annual remuneration for the highest paid person in the company vs the median total annual remuneration of the employees, excluding the highest paid person.

HSEEQ POLICY

Contents, objectives and monitoring process

The policy intends to deepen aspects related to the health and safety of people, defining Snam's commitments to:

- ensure compliance with the protection of workers' health and safety, by implementing all the necessary organisational and procedural solutions to prevent accidents, injuries, occupational diseases and emergency situations, including through constant cooperation with all employers and the figures responsible for health and safety;
- minimise asset-related risks, with a focus on the safety of people, by managing the entire life cycle of assets in an integrated, efficient and sustainable manner;
- implement operational and management interventions aimed at fostering people's well-being;
- ensure transparency of information, training and awareness-raising of staff and stakeholders on the principles expressed in the policies, through consultation and communication processes with internal and external stakeholders;
- ensure cooperation with selected suppliers, promoting their development according to the principles of the HSEEQ Policy;
- act in compliance with laws and administrative requirements and in line with the Code of Ethics and Model 231 and with national and international best practices.

The HSEQ training, information and education policy is an integral part of the Snam Group's HSEEQ Policy and is transposed into SNAM RGL 053. As described in more detail in the aforementioned Rule, this policy defines:

- the professional figures who must possess knowledge and skills in health and safety, environmental, quality and major accidents prevention;
- the identification of training, information and education needs;
- the process for planning, delivering and reporting HSEQ training;
- the process of tracking the progress of training that has taken place.

In light of regulations concerning health and safety of workers, environmental protection and the quality certification system and, in particular, in light of the rules governing mandatory health and safety training, the Policy responds to the interests of Snam's Employers and investors (shareholders) by having in place a system for planning and monitoring HSEQ training and protects the interests of workers to operate in safe conditions in the workplace.

The effectiveness of the Policy, its objectives and its programmes are periodically reviewed and monitored with the involvement of the appropriate Group functions and units in line with the recommendations of the OECD Guidelines for Multinational Enterprises.

Scope of application

Snam's HSEEQ policy applies to all its activities, staff, contractors and all persons supervised by the Snam Group; all Snam companies adopt this Policy and – through the Employers and all persons responsible for health, safety, the environment, energy efficiency and quality – implement its principles.

References to third party standards or initiatives

- Sustainable Development Goals (SDGs) defined by the UN.
- OECD Guidelines for Multinational Enterprises.

ASSET MANAGEMENT POLICY

Contents, objectives and monitoring process

The policy ensures that assets are managed effectively, efficiently and sustainably throughout their life cycle, defining Snam's guidelines and commitments in terms of worker health and safety during the design, construction, management and decommissioning of assets and in the provision of services, adopting measures to manage and prevent accidents, injuries, occupational diseases and emergency situations.
The policy is regularly reviewed with a view to continuous improvement, with the aim of keeping it updated and consistent with the evolution of the production, commercial and corporate context.

Scope of application

The policy applies to all assets used by Snam for the transportation of natural gas such as pipelines, booster stations, regulation, reduction, interception, mixing and measurement plants, as well as other ancillary plants necessary for the transportation and dispatching of gas.

References to third party standards or initiatives

ISO 55001 Standard

TRAVEL RISK MANAGEMENT POLICY

Contents, objectives and monitoring process

The policy commits Snam to protect the health, safety and physical and mental well-being of people, with a focus on identifying, evaluating and preventing threats to the health and safety of travelling personnel. In particular, the policy aims to:

- ensure compliance with applicable legislation and the mandatory obligations on the employer;
- reduce operational, legal and reputational risks in relation to activities conducted abroad.

The Travel Risk Management Programme is the main policy instrument for achieving these objectives, setting out to put reporting and protection measures and training activities in place and to manage any emergencies that may arise.
With a view to promoting continuous improvement, the Company – with the collaboration of all corporate functions involved – tracks the implementation of the Travel Risk Management Programme and reviews the policy periodically and in the event of significant changes.

Scope of application

The policy applies to all personnel of Snam SpA and its subsidiaries, contractors and all persons travelling on behalf of the Snam Group.

References to third party standards or initiatives

UNI ISO 3130 - Travel Risk Management

For more information on the policies on Own workforce, please refer to the chapter 'Internal Regulatory System'.

With a view to further strengthening its health and safety, diversity and inclusion oversight, Snam has put in place a management system certified according to the **UNI ISO 45001** 'Occupational health and safety management systems' standard, which extends to all employees and contractors who operate at Snam infrastructure.

Targets

PEOPLE

KPI	Baseline and base year	Performance 2022	Performance 2023	Performance 2024	Target		Performance 2024 vs. target
IpFG (Combined Frequency and Severity Index) [1]	0.6 in 2022	0.6	0.47	0.55	< 0.47	by 2024	
					0.55	by 2025	
					MBO	by 2029	

SCORECARD KPIs included on the Sustainability Scorecard

CARBON NEUTRALITY KPI included in the Carbon Neutrality Strategy

Target reached

Target in progress

Target not reached

Notes:
- the targets shown refer to the entire Snam Group, unless otherwise indicated. For more information on the scope, please refer to the chapter 'Introduction and guide to reading the document, General basis for the preparation of the Consolidated Sustainability Statement';
- the underlying methodologies, applied in the calculation of the targets, are the result of the internal development of the functions responsible for the control and monitoring of the targets themselves.

[1] The target factors in both the frequency and severity of total accidents recorded in proportion to the number of hours worked, and is calculated by adding and weighing the two indices (IF and IG). The perimeter refers to employees (excluding those in companies in the perimeter for less than 6 months) and contractors (excluding those in non-regulated companies), excluding commuting accidents. Employee performance is published in the accident report on the company intranet and is discussed with all employees (including the Workers' Safety Representative) in terms of teaching and improvement during annual HSEQ meetings. Accident cases are analysed by the HSEQ function in order to draw lessons for future prevention.

The Sustainability Scorecard objectives support the Group in achieving the targets set out in Snam's HSEEQ Policy by promoting high standards in worker safety and accident prevention. This is achieved by identifying, assessing and tracking risks and by putting in place preventive measures and corrective actions that strengthen a culture of health and safety at work.

The increase in the Combined Frequency and Severity Index (IpFG) is entirely attributable to the higher frequency of injuries recorded in 2024, mainly influenced by contractors. In 2024, the number of managed construction sites was 38% higher than in 2023 (62 compared to 45). This increase in operational activities led to an increase in the likelihood of accidents, which directly impacted on the target's performance.

Actions and metrics

ACTIONS IMPLEMENTED AND PLANNED AND RELATED RESOURCES ALLOCATED IN RELATION TO THE HEALTH AND SAFETY

	2024	
KPI	CapEx	OpEx
Current financial resources allocated to own workforce-related actions - Health and safety (€ million)	0.59	2
Future financial resources allocated to own workforce-related actions - Health and safety (€ million) [1]	0.05	9

Notes:
- the data refer to the entire Snam Group, unless otherwise indicated. For more information on the scope, please refer to the chapter 'Introduction and guide to reading the document, General basis for the preparation of the Consolidated Sustainability Statement';
- with reference to Bioenerys and Renovit, CapEx and OpEx are included in the topic 'Climate Change';
- financial resources may give rise to operating costs (see Note 29 Operating costs and charges in the Notes to the Consolidated Financial Statements) or, if the conditions apply and if strictly related to an investment, may give rise to CapEx (see Note 8 Property, plant and equipment and Note 9 Intangible assets in the Notes to the Consolidated Financial Statements);
- for more information, please refer to the chapter 'Actions and resources in relation to material sustainability matters'.

[1] Future financial resources consider the Plan period.

With a view to ensuring safety in the workplace and due to the nature of the operational activities carried out in the field, Snam pays great attention to the issue of protecting the health and safety of its people. To this end, the Group is committed to developing the adoption of good practices in terms of health and safety in the workplace by promoting these prerogatives also throughout the supply chain.

In order to properly monitor the issue of health and safety management, Snam has adopted a management system certified according to the **UNI ISO 45001 standard 'Management systems for occupational health and safety'** and procedures and systems that aim to prevent accidents and illnesses in the workplace and promote the protection and health and safety of workers. The management system covers all the employees and contractors working at Snam's infrastructure. In fact, Snam also requires its suppliers to be ISO 45001 certified, as part of the approval process for suppliers of goods and services considered critical.

Employees and suppliers can see how the management system works and participate in its implementation and evaluation through various channels to which they have access. These include the bulletin board, letters addressed to staff, forms, meetings, internal memos, information leaflets, posters and/or communications, as well as any other method that can be documented and ensures receipt by the recipient. Finally, there are cross-company and cascading communication channels that also cover health and safety issues.

Although Snam ranks among the existing best practices and directs its efforts towards reducing the Group's accident rates, a total of 23 accidents were recorded in 2024[135] (21 in 2023), partly as a result of increased capital expenditures and the acquisition of new businesses that need time to adapt to Snam Group policies. Specifically, 13 accidents occurred among contractors (9 in 2023) and 10 occurred among Snam Group employees (12 in 2023), of which 2 occurred in the transportation business and 7 in the Energy Transition Business. However, despite the increase in the number of accidents, and because none of them were fatal or particularly serious, the severity index for employees and contractors remains in line with the performance in the previous year (0.04 in 2024 vs. 0.05 in 2023), while the severity index for own workforce (i.e. employee workers and non-employee workers) is 0.06.

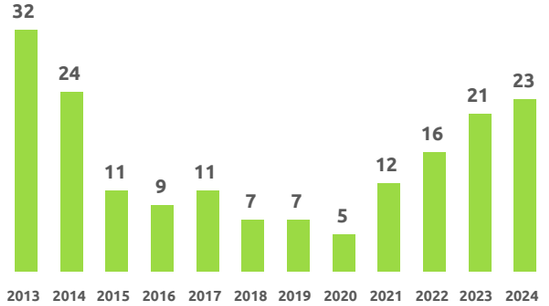
Furthermore, Snam employees suffered 8 injuries during commuting in 2024.

The accident frequency index for employees in 2024 is 1.66, down 20% on 2023 (2.06), while that for contractors is 0.91, up on 2023 (0.64). The frequency index for the own workforce is 1.6. None of the employees' injuries were recorded as serious, while 3 serious injuries were recorded for contractors, i.e. with an initial prognosis of more than 30 days.

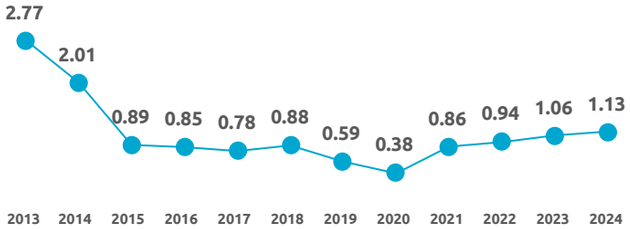
Additionally, the severity index for employees showed a slight improvement from 0.09 to 0.06 in 2024. The severity index for the contractor category remained in line with 2023 (0.03). Overall, for employees and contractors, the accident frequency index is 1.13, up on 2023 (1.06).

Over the past decade, Snam has adopted, strengthened and perfected the controls, activities and awareness-raising initiatives to effectively disseminate a safety culture at all levels of the Company, aimed at sharing the fundamental principles of health protection, accident prevention and the pursuit of safety, through the involvement of the entire workforce and the contractors.

ACCIDENTS (NO.) EMPLOYEES AND CONTRACTORS

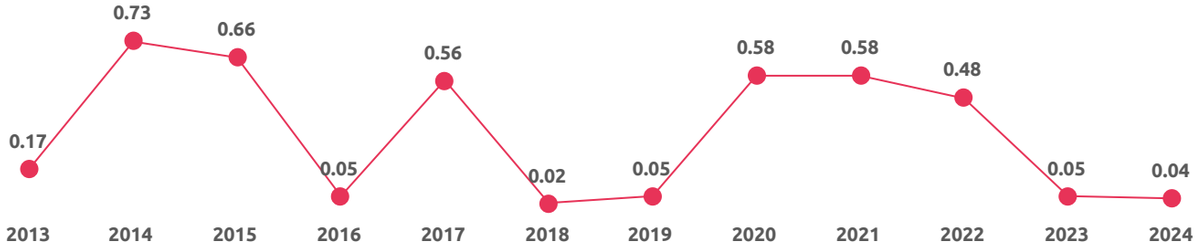


RATE OF RECORDABLE WORK-RELATED ACCIDENTS EMPLOYEES AND CONTRACTORS



Number of accidents at work resulting in absence of at least one day, per million hours worked

SEVERITY INDEX (INCLUDING FATALITIES) EMPLOYEES AND CONTRACTORS



Number of work days lost, related to accidents at work (excluding during commutes) resulting in absence of at least one day, per one thousand of hours worked. A fatal accident is counted as 7,500 days of absence

[135] The data for 2024 also includes injuries to non-employee workers, which are 0.

The constant monitoring of accident phenomena through the analysis and evaluation of specific indicators, supports Snam in adopting intervention measures, implemented promptly in order to correct and eliminate problems and critical issues that may arise.

As part of Snam's continuing commitment to maintaining a healthy and safe working environment, the company has developed an integrated, consistent approach that combines training, procedural updates and awareness campaigns targeted at employees and contractors.

In particular, Snam promotes mandatory and non-mandatory HSEQ training activities, alongside initiatives such as Snam4Safety, the Zero Accidents Award and the Safety Award, which are fundamental tools for preventing negative impacts such as accidents, occupational diseases and damage to physical and mental health; To underline this commitment, an *ad hoc* function is responsible for providing HSEQ training, meaning there is a resource dedicated to managing relevant impacts and providing clear information that allows users to understand how these impacts are managed.

In particular, Snam has continued the activities of the **Snam4Safety Project**, which reinforces the safety culture through:

1	2	3
the provision of courses to reinforce Safety Leadership.	the monitoring of recorded 'Safety Observations' and 'Near Miss' data.	engagement of suppliers through site visits and organisation of workshops.

Moreover, Snam has always been committed to promoting actions aimed at preventing accidents or, where unavoidable, minimising the risk factors characteristic of work activities. It is in this direction that, over the last ten years, numerous measures and initiatives have been adopted and better finalised, in order to strengthen the effective dissemination of a culture based on health protection, accident prevention and safety, through the involvement of the entire workforce, as well as of contractors.

These actions are listed in the table below:

MANAGEMENT AREA	ACTIVITY
Reduction of work-related risk factors, also through risk assessment activities	• Assessment of all risks and consequent drafting of the document required by Legislative Decree no. 81/2008 • In-depth analysis of the causes of accidents in order to identify possible interventions to eliminate, mitigate and correct risk factors • Application of technical and managerial organisational solutions for equipment, facilities, workplaces, but also operational and behavioural methods • Regular safety meetings, where staff are made aware of the causes of possible accidents and of any prevention and protection measures taken
Snam4Safety (improvement and prevention plans)	• Strengthening and creation of a safety culture and awareness of safety issues among employees and contractors • Zero Accidents Award, defined as part of the Snam4Safety initiative, which encourages site employees to achieve 365 consecutive days without an accident, either at work or while commuting (zero accident target). A tangible award is given to the winning staff each year, in the form of welfare vouchers or credits. During 2024, 1,008 employees received an award • In the logic of an ever-increasing culture and awareness of health and safety issues, the Safety Awards/Trophies for staff and operational personnel continued, introducing a reward formula linked to accidents, near misses, worker safety observations and non-conformities detected in health and safety audits. During the year, 144 employees received an award
Specialised training	• Technical-professional training in the classroom or online also through on-the-job coaching, favouring in-house teaching by experts, and where appropriate, resorting to collaborations with external institutes and training organisations of excellence • In 2024, 39,701 hours of HSEQ training were delivered, totalling 7,580 participants
Supplier engagement	• Evaluation of suppliers during the qualification phase • Control and monitoring through feedback and inspections during the execution of works • Periodic annual workshops both to illustrate the Company's strategic plans and to share operational best practices in the areas of safety, environment and transparency • 'Contractor Safety Trophy' awarded to contractors whose performance is assessed through the collection and analysis of specific indicators (e.g. accident indicators and negative feedback on issues of interest)

The company has implemented an accident and near miss analysis system to remedy any critical issues, which alongside the continuous updates to the Risk Assessment Report (DVR) and the system documentation (rules and Local Labour Inspectorate), enables necessary actions to be identified and implemented in a timely manner. These initiatives not only reduce risks, but also make the company more attractive thanks to its greater awareness on health and safety issues.

The effectiveness of these initiatives is constantly monitored by analysing accident events and declared near misses, thus ensuring continuous improvement and mitigating negative impacts.

Prevention of major accidents

For sites falling within the scope of application of the national transposition of the Seveso directive (Legislative Decree 105/15), with a view to ensuring adequate prevention of major accidents, Snam has implemented specific Process Safety Management Systems. It is in this direction that, on a periodic basis, the Group applies hazard identification and risk assessment methodologies, following which preventive measures and corrective action plans are identified and implemented. Specifically, these activities entail applying methods such as:

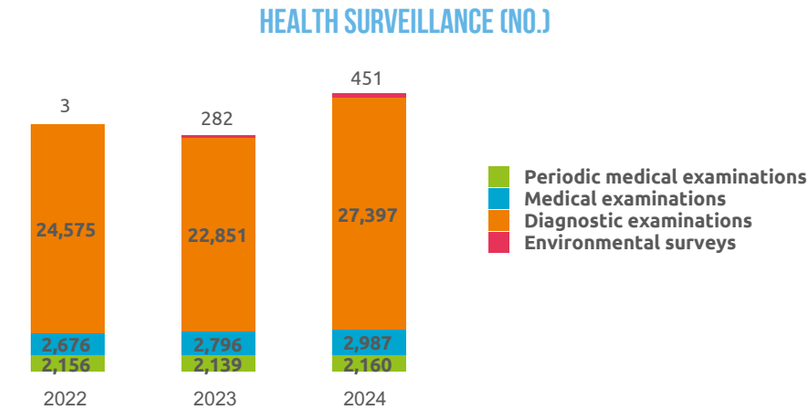
- historical analysis of site safety, also taking into account natural phenomena such as earthquakes, marine phenomena, geological events, etc.;
- HAZID (HAZard IDentification) and HAZOP (HAZard and Operability analysis) analyses to identify hazards related to potential procedural departures from standard conditions;
- What if analyses;
- *Fault tree analysis* to identify the minimum combination of events that are likely to generate a specific top event;
- *Event tree analysis* to estimate the evolution of the consequences after an initial event.

ANOMALY AND EMERGENCY MANAGEMENT

In light of the role that health protection plays for Snam, the Group has internal procedures that it uses to identify and manage any anomalies with respect to standard operations that might occur during operations. Reported anomalies are subsequently analysed, classified and treated accordingly.
A robust emergency management system is in place at all sites and operational offices, with emergency plans and procedures that are regularly tested and reviewed according to industry practices and in compliance with the guidelines, standards and limits set by national and local agencies and authorities

Health Protection

In order to guarantee the health and safety of its employees, Snam is actively engaged in the continuous monitoring of the risks present in company processes, adopting appropriate preventive and protective measures. To this end, workplace inspections are conducted at regular intervals by the Company Doctor and the Prevention and Protection Service in order to assess working and environmental conditions and identify possible prevention or improvement measures.



Aware that workers are constantly exposed to specific risks related to their duties, Snam regularly monitors the health of employees through periodic medical examinations conducted by professionals dedicated to this task. In 2024, the number of workers undergoing health surveillance was 3,295.

In addition, to ensure compliance with occupational hygiene regulations, environmental surveys are regularly carried out to monitor microclimatic, biological and physical factors in the workplace. In 2024, no cases of occupational diseases were reported[136] among employees and non-employees.
Finally, Snam employees are not considered to be at high risk of contracting occupational diseases; however, those who are exposed to specific risk factors are subject to periodic health surveillance and are covered by specific health protocols, which may include supplementary specialist visits. Personnel who have to travel to non-European countries are given specific prophylaxis for service requirements.
For more information on Snam's management systems, please refer to the 'Annex 1 - Management Systems'.

[136] Contractors, like employees, are not exposed to risks that will generate occupational diseases over time. Moreover, considering the fact that health surveillance protocols are implemented for contractors by the employer of the contracting companies, the collection of data on the occupational diseases of contractors is not applicable.

KEY PERFORMANCE INDICATORS

Working conditions

KEY PERFORMANCE INDICATORS

ESRS / Other entity-specific disclosures	INDICATOR	UNITS OF MEASUREMENT	2022	2023	2024
Breakdown of own workforce - Employee workers					
S1-6	**Total number of employees [1]**	**no.**	**3,610**	**3,798**	**3,901**
	of which female [1]	no.	597	670	714
	of which male [1]	no.	3,013	3,128	3,187
	of which other [2]	no.	-	-	0
	of which not reported	no.	-	-	0
	Average number of employees [3]	**FTE**	**3,521**	**3,702**	**3,828**
	of which female [3]	FTE	580	624	687
	of which male [3]	FTE	2,942	3,077	3,141
	of which other [2][3]	FTE	-	-	0
	of which not reported [3]	FTE	-	-	0
	Number of permanent employees by gender [4]	**no.**	**3,339**	**3,543**	**3,889**
	of which female [4]	no.	578	642	711
	of which male [4]	no.	2,761	2,901	3,178
	of which other [2[4]	no.	-	-	0
	of which not reported [4]	no.	-	-	0
	Number of permanent employees by geographical area [4][5]	**no.**	**3,339**	**3,543**	**3,889**
	of which from Northern Italy [4][5]	no.	-	-	2,929
	of which from Central Italy [4][5]	no.	-	-	410
	of which from Southern Italy and Sicily [4][5]	no.	-	-	544
	of which from abroad [4][5]	no.	-	-	6
	Number of temporary employees by gender	**no.**	**14**	**11**	**12**
	of which female	no.	3	1	3
	of which male	no.	11	10	9
	of which other [2]	no.	-	-	0
	of which not reported	no.	-	-	0
	Number of temporary employees by geographical area [5]	**no.**	**14**	**11**	**12**
	of which from Northern Italy [5]	no.	-	-	9
	of which from Central Italy [5]	no.	-	-	1
	of which from Southern Italy and Sicily [5]	no.	-	-	2
	of which from abroad [5]	no.	-	-	0
	Number of non-guaranteed hours employees [6]	**no.**	**0**	**0**	**0**
	Number of full-time employees by gender	**no.**	**3,563**	**3,755**	**3,856**
	of which female	no.	565	636	680
	of which male	no.	2,998	3,119	3,176
	of which other [2]	no.	-	-	0
	of which not reported	no.	-	-	0
	Number of part-time employees by gender	**no.**	**47**	**43**	**45**
	of which female	no.	32	34	34
	of which male	no.	15	9	11
	of which other [2]	no.	-	-	0
	of which not reported	no.	-	-	0
	Total number of exits [7]	no.	262	253	251
	Percentage of exits [8]	%	7	7	7
S1-9	Number of employees under 30 years old	no.	634	694	748
	Number of employees aged 30 to 50	no.	1,618	1,751	1,840
	Number of employees over 50 years old	no.	1,358	1,353	1,313
	Percentage of employees between 30 and 50 years old	%	45	46	47
	Percentage of employees under 30 years old	%	18	18	19

ESRS / Other entity-specific disclosures	INDICATOR	UNITS OF MEASUREMENT	2022	2023	2024
S1-9	Percentage of employees over 50 years old	%	38	36	34
	Total number of top management employees [9]	**no.**	**16**	**17**	**15**
	of which female [9]	no.	3	3	3
	of which male [9]	no.	13	14	12
	of which other [2][9]	no.	-	-	0
	of which not reported [9]	no.	-	-	0
S1-9	Percentage of top management employees who are female [9]	%	-	-	20
	Percentage of top management employees who are male [9]	%	-	-	80
	Percentage of top management employees who are of another gender [2][9]	%	-	-	0
	Percentage of top management employees whose gender was not reported [9]	%	-	-	0
Other performance indicators - Breakdown of own workforce					
GRI 405-1	Number of employees on apprenticeship contracts	no.	257	244	220
GRI 401-1	**New employees**	no.	**447**	**509**	**375**
	of which female	no.	80	132	91
	New employees by age group and gender				
	< 30 years	no.	168	193	208
	of which female	no.	18	55	44
	Between 30 and 50 years	no.	147	194	148
	of which female	no.	40	65	45
	> 50 years	no.	18	15	16
	of which female	no.	1	2	1
	Employed from market	no.	**333**	**402**	**372**
	of which graduates [10]	no.	178	261	183
	of which diploma holders	no.	142	125	180
	of which other holders of other qualifications [11]	no.	13	16	9
	of which female	no.	59	122	90
	of which male	no.	274	280	282

ESRS / Other entity-specific disclosures	INDICATOR	UNITS OF MEASUREMENT	2022	2023	2024
GRI 401-1	Other new employees (non-consolidated companies, acquisitions, tenders, etc.)	no.	114	107	3
	of which female	no.	21	10	1
	Hire rate [12]	%	**9**	**11**	**10**
	Hire rate by age group				
	< 30 years [13]	%	27	28	28
	Between 30 and 50 years [13]	%	9	11	8
	> 50 years = [13]	%	1	1	1
	Hire rate by gender [14]				
	Male hire rate [14]	%	9	9	9
	Female hire rate [14]	%	10	18	13
	Graduates hired [10]	%	53	65	49
	Exits (including other exits)	no.	**267**	**321**	**272**
	of which female	no.	48	59	46
	Exits by age group and gender				
	< 30 years	no.	41	39	36
	of which female	no.	8	10	8
	Between 30 and 50 years	no.	106	115	95
	of which female	no.	32	28	31
	> 50 years	no.	115	99	120
	of which female	no.	8	11	4
	Other exits (to other companies, for other reasons)	no.	5	68	21
	of which female	no.	1	10	3
	Exit rate [15]	%	**7**	**7**	**6**
	Voluntary exit rate [16]	%	4	4	3
	of which female [17]	%	7	7	5
	Overall staff turnover	%	17	18	16
	Exit rate by age group [18]				
	< 30 years [18]	%	7	6	5
	Between 30 and 50 years [18]	%	7	7	5
	> 50 years [18]	%	8	7	9

ESRS / Other entity-specific disclosures	INDICATOR	UNITS OF MEASUREMENT	2022	2023	2024
GRI 401-1	**Exit rate by gender [19]**				
	Exit rate men [19]	%	7	7	7
	Exit rate women [19]	%	8	7	6
	Exit rate by job classification (men)				
	Senior managers				
	Overall turnover rate [20]	%	27	15	9
	Voluntary negative turnover rate [21]	%	19	6	4
	Negative turnover rate [22]	%	7	9	7
	Middle Managers				
	Overall turnover rate [20]	%	13	13	10
	Voluntary negative turnover rate [21]	%	7	5	4
	Negative turnover rate [22]	%	4	8	8
	Office Workers				
	Overall turnover rate [20]	%	17	18	14
	Voluntary negative turnover rate [21]	%	6	4	3
	Negative turnover rate [22]	%	3	7	6
	Manual Workers				
	Overall turnover rate [20]	%	16	14	23
	Voluntary negative turnover rate [21]	%	7	3	3
	Negative turnover rate [22]	%	2	6	7
	Exit rate by job classification (women)				
	Senior managers				
	Overall turnover rate [20]	%	29	20	19
	Voluntary negative turnover rate [21]	%	25	16	4
	Negative turnover rate [22]	%	11	16	8
	Middle Managers				
	Overall turnover rate [20]	%	11	20	13
	Voluntary negative turnover rate [21]	%	7	5	6
	Negative turnover rate [22]	%	7	5	7
	Office Workers				
	Overall turnover rate [20]	%	20	30	21
	Voluntary negative turnover rate [21]	%	8	7	5
	Negative turnover rate [22]	%	6	9	6
	Manual Workers				
	Overall turnover rate [20]	%	0	92	141
	Voluntary negative turnover rate [21]	%	0	0	0
	Negative turnover rate [22]	%	0	0	0
	Average cost of hiring / FTE [23]	€	2,583	2,793	3,352
	Human capital return on investment [24]	€	10	9	11
	Percentage of open positions filled by internal candidates	%	30	15	15
Breakdown of own workforce - Non-employee workers					
S1-7	**Total number of non-employee workers [25]**	**no.**	**-**	**-**	**135**
Family leave					
S1-15	Percentage of employees entitled to take family-related leave [26][27]	%	-	-	1
	Percentage of entitled employees that took family-related leave [27][28]	%	-	-	7
	of which female [27][28]	%	-	-	15
	of which male [27][28]	%	-	-	6
	of which other [2][27][28]	%	-	-	0
	of which not reported [27][28]	%	-	-	0

ESRS / Other entity-specific disclosures	INDICATOR	UNITS OF MEASUREMENT	2022	2023	2024
Other performance indicators - Parental leave					
401-3	**Employees who were entitled to parental leave [29]**	no.	**3,610**	**3,798**	**3,901**
	Men [29]	no.	3,013	3,128	3,187
	Women [29]	no.	597	670	714
	Employees who took parental leave	no.	**188**	**474**	**290**
	Men	no.	73	269	183
	Women	no.	115	205	107
	Employees who returned to work during the reporting period after taking parental leave [30]	no.	**183**	**450**	**280**
	Men [30]	no.	72	252	178
	Women [30]	no.	111	198	102
	Employees who returned to work after taking parental leave and who are still employed by the organisation in the 12 months following their return [30]	no.	**183**	**170**	**447**
401-3	Men [30]	no.	72	67	251
	Women [30]	no.	111	103	196
	Return-to-work rate [31]	%	**97**	**95**	**97**
	Men [31]	%	99	94	97
	Women [31]	%	97	97	95
	Retention rate [32]	**%**	**141**	**93**	**94**
	Men [32]	%	89	93	100
	Women [32]	%	227	93	96
Incidents, grievances and serious human rights impacts and incidents					
S1-17	Number of incidents of discrimination [33]	no.	2	2	0
	Number of complaints filed through channels for people in the undertaking's own workforce to raise concerns [34]	no.	0	0	2
	Number of complaints filed to the National Contact Points for OECD Multinational Enterprises [35]	no.	0	0	0
	Amount of fines, penalties and compensation for damages as a result of social and human rights violations	€	0	0	0
	Number of severe human rights incidents connected to the undertaking's workforce in the reporting period due to non-compliance with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines [36]	no.	0	0	0
	Number of severe human rights incidents connected to the undertaking's workforce in the reporting period due to non-compliance with the International Labour Organization Declaration on Fundamental Principles and Rights at Work [36]	no.	0	0	0
	Amount of fines, penalties and compensation for serious human rights issues and incidents connected to the undertaking's workforce	€	0	0	0

Notes:
- the data refer to the entire Snam Group, unless otherwise indicated. For more information on the scope, please refer to the chapter 'Introduction and guide to reading the document, General basis for the preparation of the Consolidated Sustainability Statement';
- the 'other' and 'not reported' categories have been disaggregated since 2024.

[1] The reference to the workforce at 31 December 2024 is consistent with the data reported in the chapter 'Financial review' of the Directors' Report and in the Note 29.3.1 on the review 'Average number of employees'
[2] Gender as specified by the employees themselves.
[3] Average headcount refers to personnel in service, where each employee is worth 0.08 HCs for each month of the year in which he or she is in service. The figure differs from that expressed in Note 29.3.1 'Average number of employees' to the Financial Statements, where the figure is calculated as the average number of payrolled employees during the year.
[4] For 2024, the number of permanent employees also includes workers on apprenticeship contracts. The recalculated figure from previous years is not available.
[5] The employee breakdown by country is not relevant to Snam, since almost all of the workforce works in Italy.
[6] All Snam employees have employment contracts with an obligation to comply with a daily work schedule (minimum/maximum) based on the applicable national collective bargaining agreement and applicable laws.
[7] The total number of exits corresponds to the number of employees who left their job due to: incentivised exit, dismissal, resignation from service, mobility/early retirement, end of fixed-term contract, age limit and death. Excludes exits due to transfers to unconsolidated companies, leaves of absence, mergers of companies or other reasons.
[8] This figure is calculated as the ratio between the total number of exits and the average number of employees in force in the reporting period.
[9] 'Top management' means the company's top management (CEO) and his/her first reports (level N-1) including the head of the INTAU function of Snam SpA
[10] Graduates are defined as employees hired with first and second level degrees and/or university diplomas.
[11] 'Other qualifications' means employees hired with qualifications lower than a high school diploma.
[12] Total hire rate = (number of new employees from market/average staff) x 100.
[13] Hire rate by age group = (number of new employees from market in the age group/the total number of employees in the corresponding age group as at 31.12) x 100.
[14] Hire rate by gender = (number of new employees from market by gender/total number of employees by gender as at 31/12) x 100.
[15] Exit rate = (exits/total number of employees as at 31/12) x 100. Excludes exits due to transfers to unconsolidated companies, leaves of absence, mergers of companies or other reasons.
[16] Voluntary exit rate = (exits for resignations/average staff) x 100.
[17] Voluntary exit rate by gender = (exits due to resignations by gender/average staff by gender) x 100.
[18] The hire rate by age group = (exits in the age group/the total number of employees in the corresponding age group as at 31.12) x 100. Excludes exits due to transfers to unconsolidated companies, leaves of absence, mergers of companies or other reasons.
[19] Exit rate by gender = (exits from market by gender/total number of employees by gender at 31/12) x 100. Excludes exits due to transfers unconsolidated companies, leaves of absence, mergers of companies or other reasons.
[20] Overall turnover rate by gender and job classification = ((new employees from the market by gender and job classification + exits by gend and job classification) / average staff per gender and job classification) x 100. Excludes exits due to transfers to unconsolidated companies, leaves of absence, mergers of companies or other reasons.
[21] Voluntary negative turnover rate by gender and job classification = (exits due to resignations by gender and job classification/average staff by gender and job classification) x 100
[22] Negative turnover rate by gender and job classification = (total exits by gender and job classification/average staff by gender and job classification) x 100. Excludes exits due to transfers to unconsolidated companies, leaves of absence, mergers of companies or other reasons.
[23] The figure is calculated as the ratio of internal and external hiring costs vs number of hires.
[24] Human capital return on investment (HROI) is calculated from (a) Total Revenues - Note 29.1 to the Consolidated Financial Statements, (b) Total Operating Expenses - Note 30 to the Consolidated Financial Statements, and (c) Employee Expenses (wages + benefits) - Note 30.3 to the Consolidated Financial Statements. As such, HROI is calculated as: (a-(b-c)) / c)
[25] The methodology for calculating non-employees has been changed. In 2023, the number of non-employee workers was calculated as an average of the entire reporting period. In 2024, the number of non-employed workers is calculated at the end of the reporting. Recalculated data from previous years are not available.
[26] The number of employees who were entitled to family-related leave corresponds to the total number of Snam employees.
[27] Family-related leave refers to maternity and paternity leave, parental leave, and caregiver leave.
[28] The number of employees who took of advantage of family leave during the reporting period, broken down by gender, was determined by factoring all employees who took advantage of at least one type of family leave; to avoid double counting, employees who used more than one type of leave were counted only once.
[29] The number of employees who were entitled to parental leave corresponds to the total number of Snam employees.
[30] The number of employees who returned to work after parental leave, refers to those who took compulsory or optional maternity\paternity leave, as well as continuous parental leave.
[31] The rate of return to work is calculated as (total number of employees who returned to work after parental leave/total number of employees who must return to work after parental leave)*100.
[32] The retention rate is calculated as (total number of employees still employed 12 months after returning to work after parental leave / total number of employees returning from parental leave in the previous reference period(s))*100.
[33] Discrimination incidents are defined as confirmed incidents of discrimination reported during the reporting period.
The two reports registered in 2022, were concluded through corrective actiones implemented.
The two reports registered in 2023, were archived as they considered unfounded.
[34] Refers to the reports received through the communication channels implemented in relation to the reporting process (i.e., whistleblowing).
[35] Refers to the reports received through the National Contact Points for Muntlinational Enterprises (in Italy's case, the Ministry of Environment).
[36] Refers to all confirmed cases of human rights violation and reports received during the year regarding forced labour, human trafficking and child labour through the Whistleblowing channel, the OECD National Contact Points for Multinational Enterprises (in Italy's case, the Ministry of Environment) and serious allegations that the Company is made aware of in public reports or in the media.

Equal treatment and opportunities for all and skills development

KEY PERFORMANCE INDICATORS

ESRS / Other entity-specific disclosures	INDICATOR	UNITS OF MEASUREMENT	2022	2023	2024
People with disabilities					
S1-12	**Percentage of employees with disabilities [1]**	**%**	**5**	**5**	**5**
	of which female [1][2]	%	6	6	5
	of which male [1][2]	%	5	5	5
	of which other [1][2][3]	%	-	-	—
	of which not reported [1][2]	%	-	-	—
Other performance indicators - Diversity and inclusion					
GRI 405-1	**Total number of employees**	**no.**	**3,610**	**3,798**	**3,901**
	of which female	no.	597	670	714
	Percentage of employees who are women	%	17	18	18
	Number of employees who are graduates [4]	no.	1,222	1,369	1,427
	Number of employees with a high school diploma	no.	1,933	1,990	2,080
	Number of employees with other qualifications [5]	no.	455	439	394
	Number of senior management employees	no.	132	130	130
	of which female	no.	26	25	28
	Number of junior management employees	no.	653	682	703
	of which female	no.	149	179	188
	Number of employee office workers	no.	1,957	2,104	2,132
	of which female	no.	421	464	492
	Number of employee manual workers	no.	868	882	936
	of which female	no.	1	2	6
	Number of employees belonging to protected categories [1]	no.	81	78	76
	Percentage of women in junior management positions, i.e. first-level management (as % of total junior management positions) [6]	%	23	26	26.7
	Percentage of women in top management positions, i.e. within two levels of the CEO or in comparable positions (as % of total top management positions) [7]	%	20	19	21.5
GRI 405-1	Percentage of women in management positions in revenue-generating functions (e.g. sales) as a percentage of all managers (excluding support functions such as HR, IT, legal, etc.) [8]	%	10	11	11
	Percentage of women in STEM-related positions (as % of total STEM positions) [9]	%	27	26	27
	Average age in employment	years	43	43	42
	Average length of service	years	15	15	14
Skills development indicators					
S1-13	**Percentage of employees involved in performance appraisal programs by gender**	**%**	**81**	**76**	**80**
	of which female	%	78	72	80
	of which male	%	82	77	80
	of which other [3]	%	-	-	—
	of which not reported	%	-	-	—
	Percentage of employees involved in performance appraisal programs by job classification	**%**	**81**	**76**	**80**
	of which senior managers	%	89	78	92
	of which junior managers	%	92	84	91
	of which office workers	%	81	78	84
	of which manual workers	%	71	65	62
Other performance indicators - Skills development					
GRI 404-3	Number of employees involved in performance appraisal programs	no.	2,925	2,901	3,131
	Assigned sustainability topic targets [10]	**no.**	**2,418**	**3,399**	**1233**
	Senior managers	no.	138	137	80
	Middle Managers	no.	714	998	346
	Other personnel	no.	1,566	2,264	807

ESRS / Other entity-specific disclosures	INDICATOR	UNITS OF MEASUREMENT	2022	2023	2024
GRI 404-3	**Targets achieved on sustainability issues [11]**	**%**	**74**	**99**	**94**
	Senior managers	%	85	99	91
	Middle Managers	%	90	100	97
	Other personnel	%	66	99	93
Training indicators					
S1-13	**Average number of training hours per employee worker broken down by gender.**	**no.**	**34**	**37**	**42**
	of which female	no.	37	41	26
	of which male	no.	16	19	45
	of which other [3]	no.	-	-	0
	of which not reported	no.	-	-	0
	Average number of training hours per employee worker broken down by job classification.	**no.**	**34**	**37**	**42**
	of which senior managers	no.	15	19	16
	of which junior managers	no.	19	24	29
	of which office workers	no.	22	30	33
	of which manual workers	no.	73	66	76
	Average number of training hours per non-employee worker broken down by gender.	**no.**	**-**	**-**	**18**
	of which female	no.	-	-	**14**
	of which male	no.	-	-	**23**
	of which other	no.	-	-	**0**
	of which not reported	no.	-	-	**0**
Other performance indicators - Training indicators					
	Average training hours by age group				
	< 30	no.	-	-	82
	30 - 50	no.	-	-	40
	> 50	no.	-	-	22
	Total hours of training provided	**no.**	**6,546**	**43,357**	**163,406**
	Hours of technical training provided	no.	83,236	85,345	105,752
	Hours of HSEQ training provided	no.	29,229	43,358	39,701
	Hours of managerial training provided	no.	2,571	6,122	14,230

ESRS / Other entity-specific disclosures	INDICATOR	UNITS OF MEASUREMENT	2022	2023	2024
	Participants in employee training activities	**no.**	**16,999**	**25,062**	**22,232**
	of which female	no.	2,204	3,442	19,328
	of which male	no.	14,795	21,620	2,904
Remuneration indicators					
S1-16	Annual total remuneration ratio of the highest paid individual to the median annual total remuneration for all employees[12]	%	14	37	35
	Percentage pay gap between female and male employees (gender pay gap) [13]	**%**	-	-	(8)
	Banding 1-3 (Chief, Executive Director, Director)	%	-	-	(15)
	Banding 4 (Senior Manager)	%	-	-	4
	Banding 5 (Manager)	%	-	-	5
	Banding 6 (Professional, Experts, Technicians)	%	-	-	5
	Banding 7 (Operational Staff)	%	-	-	(1)

Notes:

- the data refer to the entire Snam Group, unless otherwise indicated. For more information on the scope, please refer to the chapter 'Introduction and guide to reading the document, General basis for the preparation of the Consolidated Sustainability Statement';
- the 'other' and 'not reported' categories have been disaggregated since 2024.

[1] The figures refer to employees belonging to protected categories, as defined by Art. 1 and Art. 18 of Law 68/1999.
[2] The figure is calculated as the ratio of the number of employees belonging to protected categories, as defined by Art. 1 and Art. 18 l.68/1999 by gender to the total number of employees by gender.
[3] Gender as specified by the employees themselves.
[4] Graduates are employees with I and II level degrees and/or university diplomas.
[5] Employees with other degrees are defined as employees with degrees below a bachelor's degree.
[6] The figure is calculated as the ratio of the total number of women in junior management (middle management) positions to the total number of people in junior management (middle management) positions.
[7] The figure is calculated as the ratio of the total number of women in top management (middle management) positions to the total number of persons in top management (middle management) positions.
[8] For the purpose of the calculation, the population in management positions (managers and middle managers) divided by gender of all revenue-generating functions was taken into account. The percentage was derived from the ratio of women in managerial positions in revenue-generating functions to the total managerial population in revenue-generating functions.
[9] The figure is calculated as the ratio of the total number of women in STEM positions (related to STEM degree) to the total number of people in STEM positions (related to STEM degree).
[10] Sustainability targets are those targets whose description in the Performance Management 2024 reports contained sustainability-related keywords such as: ESG, Sustainability, sustainability, decarbonisation etc.
[11] To be considered an achieved target, it was assessed that the final score was at least 3 out of 5 for non-executives. For managers, it was assessed that the final score was at least satisfactory or solid or high or excellent, excluding the poor and limited ratings.
[12] The figure takes into account the basic salary, additional cash benefits, benefits in kind and direct remuneration of the entire company population and is calculated as the ratio of the total annual remuneration for the highest paid person in the company to the median total annual remuneration of employees excluding the highest paid person.

[13] The figure takes into account the entire company population, excluding the CEO, as there is no comparable female equivalent. The gross hourly wage is calculated from the workable hours, provided for by the relevant CCNL, taking into account both the fixed remuneration and the short-term and long-term variable remuneration according to a cash logic. The figure takes into account the basic salary, benefits in cash, benefits in kind and the direct remuneration of the entire workforce. The gender pay gap is calculated as the ratio of the difference between the average pay levels paid to female and male employees, expressed as a percentage of the average pay level of male employees.

Health and safety

KEY PERFORMANCE INDICATORS

ESRS / Other entity-specific disclosures	INDICATOR	UNITS OF MEASUREMENT	2022	2023	2024
Health and safety indicators					
S1-14	**Percentage of own employees covered by the company's health and safety management system [1]**	**%**	**-**	**-**	**98.9**
	Percentage of employee workers covered by the company's health and safety management system	%	94.4	99.5	99.5
	Percentage of non-employee workers covered by the company's health and safety management system [2]	%	-	-	81.5
	Number of fatalities as a result of work-related injuries and work-related ill health	**no.**	**1**	**0**	**0**
	of which own workforce fatalities as a result of work-related injuries and work-related ill health	no.	0	0	0
	of which employee workers	no.	0	0	0
	of which non-employee workers [2]	no.	-	-	0
	of which fatalities as a result of work-related injuries and work-related ill health among other workers working on the undertaking's sites, such as value chain workers if they are working on the undertaking's sites [3]	no.	1	0	0
	Number of fatalities as a result of work-related injuries	no.	**1**	**0**	**0**
	of which own workforce fatalities as a result of work-related injuries	no.	0	0	0
	of which employee workers	no.	0	0	0
	of which non-employee workers [2]	no.	-	-	0
	of which fatalities as a result of work-related injuries among other workers working on the undertaking's sites, such as value chain workers if they are working on the undertaking's sites	no.	1	0	0
	Number of fatalities as a result of work-related ill health	**no.**	**0**	**0**	**0**
	of which own workforce fatalities as a result of work-related ill health	no.	0	0	0
	of which employee workers	no.	0	0	0
	of which non-employee workers [2]	no.	-	-	0
	of which fatalities as a result of work-related ill health among other workers working on the undertaking's sites, such as value chain workers if they are working on the undertaking's sites [3]	no.	n.a	n.a	n.a
	Number of work-related injuries recorded	**no.**	**3**	**12**	**10**
	of which employee workers	no.	3	12	10
	of which non-employee workers [2]	no.	-	-	0
	Rate of recordable work-related accidents among own workforce [4][5]	**(Injuries / Hours worked) x 10^6**	**0.51**	**2.06**	**1.60**
	Recordable work-related injury rate for employee workers [4]	(Injuries / Hours worked) x 10^6	0.51	2.06	1.66
	Recordable work-related injury rate for non-employee workers [2][4][5]	(Injuries / Hours worked) x 10^6	-	-	0
	Cases of work-related ill health recorded	no.	0	0	0
	Days lost by employee workers to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health	no.	114	498	376
	Days lost by non-employee workers to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health [2]	no.	-	-	0.00
GRI 403-9	Injury severity rate among own workforce [5][6]	(Days of absence / Hours worked) * 10^3	-	-	0.06

ESRS / Other entity-specific disclosures	INDICATOR	UNITS OF MEASUREMENT	2022	2023	2024
GRI 403-9	Injury severity rate among employees [6]	(Days of absence / Hours worked) * 10^3	0.02	0.09	0.06
	Injury severity rate among non-employee workers [2][5][6]	(Days of absence / Hours worked) * 10^3	-	-	0.00
Other performance indicators - Health and safety indicators					
GRI 403-9	Number of recordable work-related accidents among contractors	no.	13	9	13
	Hours worked by contractors	no.	11,087,896	14,002,367	14,363,858
	Rate of recordable work-related accidents among contractors [7]	(Injuries / Hours worked) x 10^6	1.17	0.64	0.91
	Injury severity rate among contractors [8]	(Days of absence / Hours worked) * 10^3	0.73	0.03	0
	Injury severity rate (own workforce and contractors)	(Days of absence / Hours worked) * 10^3	-	-	0.04
GRI 403-3	Workers under periodic health surveillance	no.	3,174	3,686	3,295
	Workers at risk who sit at a computer station (VDT)	no.	2,369	2,754	2,705
	Workers at risk due to noise pollution	no.	105	116	116
	Workers at risk from chemical agents	no.	614	605	701
	Workers at risk due to night work	no.	113	104	117
	Workers at risk from moving heavy loads [9]	no.	666	710	747
	Workers at risk due to artificial optical radiation (ROA)	no.	10	260	13
	Workers at risk because of work in confined spaces	no.	194	174	202
	Workers at risk for other reasons (IE, abroad, TOX, welding insp.)	no.	352	276	888
	Workers at risk due to combination of several risks	no.	46	1,555	1,859
	Workers at risk due to responsibility in an emergency	no.	29	641	743
	Medical examinations	no.	2,676	2,796	2,987
	Periodic medical examinations	no.	2,156	2,139	2,160
	Diagnostic examinations	no.	24,575	22,851	27,397
	Environmental surveys	no.	3	282	451
	People employed in HSEQ matters	no.	93	17	101
	Total HSEQ audits performed	**no.**	**224**	**446**	**296**
	Internal auditors	**no.**	**11**	**19**	**8**
	Total audits performed at company facilities	**no.**	**139**	**229**	**160**
	of which carried out with internal team	no.	87	111	124
	of which carried out with external team	no.	52	118	36
	of which carried out with mixed team	no.	0	0	0
	Total audits performed at third party facilities (suppliers, contracts, construction sites)	**no.**	**85**	**217**	**136**

Notes:

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- the 'other' and 'not reported' categories have been disaggregated since 2024.

[1] This figure is calculated by dividing the number of own workers of health and safety certified companies by the total number of own workers (i.e. employee and non-employee workers).

[2] Snam's non-employee workers are contract workers – i.e. workers placed at Snam's disposal by employment placement agencies (NACE code N78) – as well as freelancers on ongoing contracts ('Co.Co.Co' workers) and interns.

[3] No information is available on the number of work-related injuries among other workers working on the undertaking's sites, such as value chain workers if they are working on the undertaking's sites.

[4] Number of recordable workplace injuries, per million hours worked. Hours worked for Group employees and non-employee workers when unavailable are based on the number of employees multiplied by an estimated monthly number of 140 hours. For managers, the estimate is the same, multiplying the average number of Senior Managers by a total number of hours equal to 150 hours/month. The data relating to hours worked is monitored by the Human Resources function, while the number of accidents is obtained from the accident register and the information system dedicated to monitoring such data.

[5] The calculation refers to hours worked by non-employee workers, including those of freelancers on ongoing contracts because, based on the nature of this type of contract, there are no defined contractual hours, as the contracts refer to an obligation that requires a specific result. The duration of the relationship is therefore functional to the result to be achieved and cannot be defined ex ante. Furthermore, this type of contract, within the limits of the law, can be freely regulated by the parties. For these reasons it is not possible to estimate a standard time in the case in question.

[6] Number of lost working days (calendar days), related to non-commuting accidents with at least one day's absence, per thousand hours worked. Hours worked for Group employees and non-employee workers when unavailable are based on the number of employees multiplied by an estimated monthly number of 140 hours. For managers, the estimate is the same, multiplying the average number of managers by a total number of hours equal to 150 hours/month. The data are calculated including the contribution of fatal accidents, for each of which 7,500 days of absence were taken into account. With regard to hours worked, the hours for the month of December have been estimated as they are not available. The data relating to hours worked is monitored by the Human Resources function, while the number of days of absence is obtained from the accident register and the information system dedicated to monitoring such data.

[7] Number of recordable workplace injuries, per million hours worked. Contractor data is requested from the companies' RSPPs, who may use the Supplier Portal in some cases, and e-mail communications in others, to request and obtain data on hours worked and accidents.

[8] Number of lost working days (calendar days), related to non-commuting accidents with at least one day's absence, per thousand hours worked. Contractor data is requested from the companies' RSPPs, who may use the Supplier Portal in some cases, and e-mail communications in others, to request and obtain data on hours worked and working days lost due to temporary incapacity.

[9] The increase in the number of workers subject to periodic health surveillance for manual handling of loads is due to the increase in the required frequency of checks (annual from 2020).

Workers in the value chain

MATERIAL TOPICS, IMPACTS, RISKS AND, OPPORTUNITIES

Sustainable supply chain

IMPACT MATERIALITY

POSITIVE IMPACTS
- Support for the development of skills of supply chain workers through involvement initiatives in the path towards the energy transition of the country system
- Training and awareness raising of workers in the value chain on cyber security and consequent increase in resilience to cyber attacks in the gas value chain

NEGATIVE IMPACTS
- Discrimination of workers in the value chain in relation to equal treatment and opportunities and consequent worsening of the working conditions of contractors and employees of suppliers
- Work-related accidents, occupational diseases and impacts on workers' health in the value chain due to inadequate management and monitoring of safety, failures and malfunctions of company structures and assets
- Violations of workers' rights in the value chain, such as incidents of forced labour and child labour, resulting in worsening of the working conditions of contractors and suppliers' employees

FINANCIAL MATERIALITY

RISKS
Exposure of workers in the Snam value chain to organised and non-organised criminal activities with impacts on their safety

For more information, please refer to the chapter “Managing Impacts, Risks and Opportunities”.

Snam's strategy and business model are also driven by impacts on workers in the value chain. In particular, this concerns the training and skills development activities that Snam offers suppliers to accompany and support them in the decarbonisation and energy transition process and to raise their awareness of cyber security issues.

The negative impacts associated with workers in the value chain concern discrimination, violations of workers' rights and injuries in the value chain, which have significant consequences at both social and business levels. The impact of potential violations of direct or indirect workers' rights, such as incidents of forced labour and child labour, has, however, a remote likelihood of occurrence considering the Group's controls and the company's track record in terms of the absence of confirmed cases of human rights violations.

In addition to this is the risk of exposure of workers in the Snam value chain to organised and non-organised criminal activities with additional impacts on their safety.

These impacts and risks not only contribute to a deterioration of working conditions for contractors and suppliers' employees, but they can also have direct negative effects on Snam by giving rise to reputational risks, difficulties in maintaining trusting relationships with stakeholders and potential interruptions in business continuity.

Responsible value chain management is therefore a crucial element for Snam's business model and strategy, which is committed to promoting respect for workers' rights through a set of company policies and rigorous governance measures. This commitment has led a series of ethical and sustainability standards to be adopted along the entire supply chain, which aim to ensure that suppliers and business partners respect fundamental principles such as equal treatment, workplace safety, protection of personal dignity and compliance with local and international regulations on labour rights. This commitment generates positive impacts, particularly in the area of supplier training and skills development, which is aimed at accompanying and supporting them in the decarbonisation and energy transition process and to raise their awareness of cyber security issues.

In order to pursue positive impacts for workers in the value chain, Snam actively engages its supply chain and business partners in this sense by aiding these entities in adopting ethical standards and in their skills development with a view to promoting the energy transition of the Country System.

POLICIES

In conducting its business, Snam inspires and observes the principles of loyalty, fairness and transparency, promotes the dissemination of a culture of legality among its main suppliers, repudiates corrupt practices and collusive behaviour, and is actively committed to fighting corruption. Adherence to the aforementioned principles and the adoption of conduct in line with them is an essential prerequisite for an economic operator to be able to access the Group's business.
In order to ensure adequate monitoring of the issue of workers in the value chain, and, in particular, the related impacts, risks and opportunities, Snam has adopted the Code of Ethics, the Supplier Code of Ethics, the Social Supply Chain Policy, the Human Rights Policy and the Guideline for Respect of Human Rights, signed by the CEO and applied to all Snam's People, as well as to any other person, including suppliers, subcontractors and business partners, wherever located, who acts - in any capacity - in the name of and on behalf of the Company, within the limits of their duties and responsibilities.

SUPPLIER CODE OF ETHICS

Contents, objectives and monitoring process

The Supplier Code of Ethics constitutes the set of values that characterise the ethical business culture that in turn needs to inspire the strategic thinking and the conduct of the business activities of the Snam Group and of all the suppliers that have or intend to have relations with it.
The document establishes the ethical and behavioural guidelines for suppliers and collaborators of the Snam Group, in particular it deals with the following topics:

- human rights and labour, promoting the protection of human rights and the guarantee of fair and inclusive working environments;
- health, safety and environment, promoting the protection of health and safety at work, environmental sustainability and the reduction of ecological impact;
- sustainability and stakeholder involvement, encouraging long-lasting and sustainable business relationships, involving workers throughout the value chain and valuing innovation and social responsibility.
- privacy and cyber security, protecting corporate and personal information through cyber security processes.

The company policy provides for a direct commitment of suppliers in monitoring and preventing risks, promoting a proactive approach to ensure safety and compliance. Suppliers are required to comply with all national, European Union and international implementing rules and regulations, taking all necessary measures to keep themselves informed and to comply with regulatory developments. This ensures that the operations of Suppliers are always aligned with best practices and current legal requirements.

Scope of application

The Snam Group considers the recipients of this document to be the Suppliers, external collaborators and companies that, individually or as part of a group, provide goods, services, works and resources necessary for carrying out activities and providing services.

References to third party standards or initiatives

- Universal Declaration of Human Rights of the United Nations (UN)
- Fundamental Conventions of the International Labour Organisation (ILO)
- United Nations Global Compact
- United Nations Guiding Principles on Business and Human Rights

SOCIAL SUPPLY CHAIN POLICY

Contents, objectives and monitoring process

The policy sets out Snam's commitment to the principles of loyalty, fairness and transparency in the interests of fostering a culture of legal compliance among its suppliers that repudiates corrupt practices and collusive behaviour.
Through this document Snam undertakes to:

- recognise the role that business organisations play in labour and social inclusion policies with reference to the social economy and the third sector, in order to foster the employment of the weakest and most disadvantaged groups;
- identify areas of activity consistent with the social aims of third sector organisations, also on the basis of their roots in the territories in which the Company operates,
- promote possible collaboration opportunities, through networks and consortia of social enterprises;
- encourage the inclusion of social enterprises as subcontractors also through the introduction of bonus mechanisms in tender evaluation criteria;
- encourage its suppliers to define policies providing for the inclusion of social enterprises and cooperatives within their supply chain, with the main aim of fostering social, solidarity and professional integration, and subject to adherence to the principles of transparency, fairness and loyalty and the adoption of conduct always inspired by the parameters of legality.

All suppliers are required to comply with the guidelines set out in this policy and other internal Snam regulations, thus ensuring full alignment with the required ethical and operational standards.

Scope of application

This policy applies to all economic operators wishing to work with Snam. Adoption of the principles set out and compliant behaviour is a prerequisite for access to the company's business.

References to third party standards or initiatives

UN Sustainable Development Goals (SDGs) promoted by the UN

HUMAN RIGHTS POLICY

Contents, objectives and monitoring process

The Human Rights Policy outlines the founding principles and actions undertaken to protect Human Rights in carrying out its activities and, in general, in every context in which Spam operates, including through its business partners. This policy confirms the Group's commitment to ensuring that its suppliers and business partners safeguard the wellbeing of the person, both as an individual and as part of social formations, based on the following principles and management guidelines, which are considered indispensable prerequisites for conducting business:

- continuous training for Snam people and suppliers, with particular attention to aspects relating to health and safety, integrity and business ethics, inclusion and diversity and sustainability issues;
- ensuring appropriate standards of conduct for directors, auditors, management, Snam employees, as well as suppliers and subcontractors and all those who work to achieve Snam's objectives;
- recognition and protection of freedom of association and the right to collective bargaining;
- repudiation of any form of corruption;
- protection of equal opportunities for professional development and growth, through the promotion of a culture based on meritocracy and respect for people throughout the entire cycle of people selection, management, training and career development;
- fairness and access to equal pay for all its employees, regardless of gender;
- prevention, repudiation and condemnation of all forms of discrimination based on an individual's ethnicity, nationality, language or religion, political or sexual orientation, gender, social background, age, disability or any other personal, cultural or professional sphere. With this in mind, Snam encourages and promotes inclusion and diversity in all company divisions;
- prevention, repudiation and condemnation of all forms of harassment, violence, threats, intimidation or sexual, psychological, physical or verbal abuse referring to the personal and cultural diversity of the individual, or attitudes attributable to persecutory practices;
- prevention, repudiation and condemnation of all forms of labour exploitation, including forced or child labour and human trafficking, ensuring that no one is forced into any form of physical or psychological coercion or punishment;

Snam undertakes to:

- disseminate the values contained in this policy among all Snam personnel, its suppliers, subcontractors and business partners, as well as any other person, wherever located, who acts in any capacity in the name of and/or on behalf of Snam;
- ensuring compliance with the provisions of the Code of Ethics and Human Rights Policy, including through actions and tools that allow for a cross-cutting and inclusive assessment of the impacts of risks and opportunities inherent to its business related to human rights, in all their forms.

As part of its 'Supplier Compliance Monitoring' process, Snam has widened its supplier suitability checks to include HSEQ, financial, technical and reputational aspects.
In order to remedy impacts on human rights, the policy provides for the verification and adoption of corrective actions in case of violations, in line with what is reported in the Code of Ethics.

Scope of application

The Policy applies to Snam and its Subsidiaries and is brought to the attention of other associates
, as well as its suppliers, subcontractors and business partner, and to any other person, wherever located, acting in the name and/or on the behalf of Snam any capacity. Full sharing of what is expressed in this policy is for Snam an essential element for the establishment and development of reliable and long-lasting collaborations and is aimed at mutual improvement with a view to a shared commitment to strengthening protections in this area.

References to third party standards or initiatives

- Universal Declaration of Human Rights of the United Nations
- Fundamental Conventions of the ILO - International Labour Organisation
- OECD Guidelines for Multinational Enterprises
- Principles enshrined in the United Nations Global Compact

For more information on the human rights approach adopted in relation to workers in the value chain, please refer to the 'Grievance mechanisms for workers in the value chain' and 'Actions and metrics; Suppliers and human rights protection' sections of this chapter.

HUMAN RIGHTS GUIDELINE

Contents, objectives and monitoring process

The Guideline is inspired by the principles of ethical conduct, transparency, fairness and professionalism, in line with the Code of Ethics. It aims to further the contribution and broaden the scope of Snam's values, also in terms of human rights, and encourages behaviour that is aimed at preventing and reporting possible violations of human rights law.
The Guideline defines the HREDDM (Human Rights and Environmental Due Diligence Model) process that operates both in a preventive perspective, working on robust risk assessment processes towards the universe of applicable regulations, and in a 'detection' perspective through a structured monitoring activity of the safeguards and actions developed to prevent, mitigate or put an end to negative impacts.

Finally, the outcomes of these activities are communicated as appropriate to the Top Management and the Corporate Bodies in the 'Annual Compliance Report'.
The company periodically promotes initiatives for listening and dialogue, organising workshops and roundtables in conjunction with the international organisations in which it participates. The process of defining the Guideline also included a stakeholder engagement process in order to receive feedback from affected shareholders.
The Business Integrity & Compliance function periodically reviews this Guideline to ensure it is effective over time and adheres to emerging best practices. In any case, all involved units/functions are required, within their area of competence, to detect and report any corporate events that require this document to be modified.

Scope of application

The Guidelines apply to Snam and, as part of the management and coordination activities, to all subsidiaries. It is also brought to the attention of other associates in order to promote principles and conduct consistent with those expressed by Snam.
The documents applies to all Snam people, as well as to any other person including suppliers subcontractors and business partners, wherever they may be, who acts - in any capacity - in the name and on behalf of the Company, within the limits of their role and responsibilities.

References to third party standards or initiatives

- Ten Principles of the UN Global Compact
- Universal Declaration of Human Rights of the United Nations
- Eight Fundamental Conventions of the ILO - International Labour Organisation
- OECD Guidelines for Multinational Enterprises

This document also takes into account the provisions on the EU Corporate Sustainability Due Diligence Directive ('CSDDD' or the 'Directive'), which imposes obligations on companies concerning actual or potential adverse human rights and environmental impacts connected with companies' own operations, operations of their subsidiaries and of their business partners.

For more information on the human rights approach adopted in relation to workers in the value chain, see the 'Grievance mechanisms for workers in the value chain' and 'Actions and metrics; Suppliers and human rights protection' sections of this chapter.

For more information on workers in the value chain, please refer to the chapter 'Internal regulatory system'.

Suppliers and subcontractors must adhere to and share the principles contained in the 'Supplier Code of Ethics' and must sign the '**Ethical and Integrity Agreement**' if they are to:

- access the Snam Vendor List;
- maintain 'Qualified/Accredited Supplier' status;
- participate in selection and/or assignment procedures;
- enter into contracts.

The signing of this Ethics and Integrity Pact fosters the forging of a relationship of trust between the Company and its suppliers, aimed at raising the latter's awareness towards the adoption of virtuous behaviour, with a view to achieving continuous improvement.

By adopting a business model based on responsible supply chain management, Snam defines and maintains stable and long-lasting relationships, capable of creating and strengthening an advantage for both parties. In particular, Snam's suppliers and business partners are necessarily required to adopt the main environmental, health and safety and quality standards, in accordance with **ISO 14001, ISO 45001 and ISO 9001**, as well as the principles contained in Snam's Human Rights Policy, the Code of Ethics and the Supplier Code of Ethics.

Snam undertakes to share and disseminate these policies with all its suppliers and to promote engagement activities designed to provide each operator in the value chain with the tools to adopt the most suitable approach on various issues (including human rights-related issues). In doing so, Snam takes into account the heterogeneity of the supplier base and the different sensitivities and specific skills in these aspects. For more information about supplier engagement activities, please refer to the 'Actions and metrics' paragraph of this chapter.

TARGETS

CARBON NEUTRALITY

KPI	Baseline and base year	Performance 2022	Performance 2023	Performance 2024	Target	Performance 2024 vs. target
ESG criteria in procurement procedures (% spending) [1] (SCORECARD)	34 in 2023	-	35	42	35 by 2024 45 by 2025 70 by 2029	✓ ⚙

SCORECARD KPIs included on the Sustainability Scorecard

CARBON NEUTRALITY KPI included in the Carbon Neutrality Strategy

✓ Target reached ⚙ Target in progress ⊘ Target not reached

Notes:

- the targets shown refer to the entire Snam Group, unless otherwise indicated. For more information on the scope, please refer to the chapter 'Introduction and guide to reading the document, General criteria for the preparation of the Consolidated Sustainability Statement';
- the underlying methodologies, applied in the calculation of the targets, are the result of the internal elaboration of the functions responsible for the control and monitoring of the targets.

[1] The figure is calculated as the percentage of the ratio between the amount procured with ESG criteria and the amount of total procured, in €. The calculation takes into account all contracts entered into the reference period, both in the private and public sector. The perimeter refers to: Snam S.P.A., Snam Rete Gas, GNL Italia, Stogit, Enura, FSRU Italia, Greenture and Cubogas.

The Sustainability Scorecard target contributes towards achieving the objectives set out in the Supplier Code of Ethics and the HSEEQ Policy, in particular in terms of reducing emissions and disseminating of good environmental practices.

The initial target-setting phase involved analysing the objectives and results of peer and inspirational companies – a cross-functional project aided by consulting firms and other companies – but workers in the value chain or their representatives were not directly involved. However, stakeholders were engaged at the presentation of the Sustainability Scorecard, where they were able to share their feedback and opinions. All stakeholders can track the results through the Sustainability Statement and on the company's websites. By analysing the performance of this target, Snam is able to identify specific actions to directly raise suppliers' awareness of the ESG criteria affected by the target.

In 2024, the performance of the target stood at 42% (up from 2023), thus achieving the set target of 35%. The progress made is in line with the initially planned objectives, ensuring a balanced approach between sustainability and competitiveness in procurement procedures. This reaffirms Snam's commitment to promoting the adoption of ESG criteria in procurement procedures and including them in contracts with suppliers.

For more information on the process of setting and reviewing targets, as well as the involvement of stakeholders in setting them, please refer to the 'Strategy and business model; Sustainability strategy; Sustainability Scorecard' chapter.

GRIEVANCE MECHANISMS FOR WORKERS IN THE VALUE CHAIN

Snam has put in place a robust system of preventive measures in areas where it has caused or contributed to a significant adverse impact. This system is managed by the Business Integrity& Compliancefunction, as illustrated below:

- **Counterpart Risk Management**, which processes and provides counterpart risk information to any business unit that so requests it – in full compliance with applicable regulations and the Snam Code of Ethics – which can be used for current and future decision-making and to protect the rights, people and PPE and intangible assets of businesses. Reputational due diligence concerns individuals and entities who have or may have relationships with Snam in any capacity, offering front-line protection in preventing corruption and criminal infiltration;
- **Third-Party Monitoring**, aimed at verifying the actual compliance by third parties with the contractual conditions imposed by the Company;
- **Training** targeted at both employees and suppliers on ESG and human rights issues, which also includes Snam's internal documentation in this area;
- Preparing and adopting **contractual clauses**.

Mitigation measures are put in place when preventive measures have proven ineffective. Measures are chosen on a case-by-case basis and are implemented in accordance with 'Third Party Monitoring' guidelines. Finally, if the mitigation measures are unable to limit the effect of the adverse impacts – taking into account the principle of business continuity and the applicable regulatory requirements – Snam will cease the commercial relationship or activities that generate adverse impacts if necessary.
Furthermore, Snam is committed to identifying and implementing appropriate reparative actions for victims.

As part of the whistleblowing management process, Snam has made specific communication channels available – both for the Group and for Subsidiaries – to ensure that all interested parties are encouraged to follow its directives and to report any fact and/or behaviour, including omissions, of which they have become aware as a result of their relationship with the Company and which has connotations required for reporting. With this in mind, Snam is committed to promoting awareness of and compliance with the provisions of the **Whistleblowing Guideline**, through which the Group regulates the process of receiving, collecting, analysing, verifying and reporting reports, including anonymous ones.
The Whistleblowing channel and all information about it are published on the Snam website, on the websites of all subsidiaries and on the Suppliers Portal.

The Ombudsman (the external body responsible for receiving and analysing all reports received), assisted by the Internal Audit function, responds to the Whistleblower about the follow-up (i.e. the action taken to assess the veracity of the facts reported, the outcome of the investigations and any measures adopted) which is given or is intended to be given to the Report within three months from either: (i) the date on which Acknowledgement of Receipt of the Report was received or; (ii) in any case, the end of the 7-day term provided for receipt of the Report itself. If the Report has been dismissed, this finding will be communicated to the Reporting Person by the Internal Audit function.

Findings are reported in the Quarterly Report and in the Reporting File.

For more information, please refer to the 'Policies, Management of reports: 'Whistleblowing' and 'Actions and metrics' in the chapter entitled 'Business Conduct' sections.

ENGAGEMENT WITH WORKERS IN THE VALUE CHAIN

Snam believes that the engagement of workers in the value chain is fundamental to achieving common goals that contribute to improving performance and strengthening the business relationships between the company and its suppliers.

By listening to workers in the value chain and their representatives, the Group can acquire important information to guide the company's decision-making or its operations, which at the same time helps to manage the actual and potential impacts on this category of stakeholders.
In this regard, in addition to the annual workshop conducted for the purposes of the double materiality analysis, Snam has put measures in place to enable it to directly contact its suppliers and acquire useful information. The Supply Chain department has full operational responsibility for these measures, which include:

- the **Supplier Advisory Council** which, on a quarterly basis, engages a limited number of strategic suppliers with the aim of sharing good sustainability practices that can be passed along the entire supply chain;
- the **SuppliersConvention**, held once a year;
- the **Open-es Platform**, the digital platform for the sustainable development of industrial supply chains which are useful in involving companies engaged in the energy transition;
- annual participation in the **CDP Supplier Engagement Rating (SER)**.

Snam adopts a continuous engagement approach towards its suppliers in ESG issues, with a particular focus on human rights and diversity & inclusion. Engagement is achieved by preparing doses of information that can be viewed both on the Snam website and on the supplier portal. In addition, suppliers are constantly monitored through the Open-es platform, where an ad hoc questionnaire has been prepared to measure suppliers' maturity in human rights aspects.
With a view to raising awareness in the supply chain, the latest meetings analysed the results of the Open-es Human Rights questionnaire and addressed Diversity & Inclusion issues, with a particular focus on inclusive safety.

The Sustainability Scorecard target (described in the paragraph above) tracks the effectiveness of engaging workers in the value chain and the actions to target them.

Snam has also adopted a **Social Supply Chain Policy** (referred to in the 'Policies' paragraph of this chapter), aimed at suppliers categorised as particularly vulnerable. With this Policy, Snam encourages suppliers to adopt measures capable of fostering the social, fair and professional integration of third-sector companies by promoting contact points between supply chains and consortiums of social enterprises, while at the same time understanding the viewpoints of these types of workers.

The Supplier Advisory Council

In 2024, Snam established a permanent council with a small number of its strategic Suppliers to bolster direct collaboration along the value chain. The Supplier Advisory Council was set up with the aim of raising awareness among industrial and institutional stakeholders in Italy and Europe about the importance of shared messaging along the entire supply chain in terms the commitment to develop a common ESG and sustainability culture. Snam has met with strategic suppliers regularly to set out concrete actions aimed at achieving environmental sustainability, social improvement and transparent governance practices.

ACTIONS & METRICS

IMPLEMENTED AND PLANNED ACTIONS AND RELATED RESOURCES ALLOCATED IN RELATION TO WORKERS IN THE VALUE CHAIN

	2024	
KPI	CapEx	OpEx
Amount of current financial resources allocated to actions related to workers in the value chain (€ million)	0	0.64
Amount of future financial resources allocated to actions related to workers in the value chain (€ million) [1]	0	4

Notes:
- the data refer to the entire Snam Group, unless otherwise indicated. For more information on the scope, please refer to the chapter 'Introduction and guide to reading the document, General basis for the preparation of the Consolidated Sustainability Statement';
- with reference to Bioenerys and Renovit, CapEx and OpEx are included in the topic 'Climate Change';
- financial resources may give rise to operating costs (see Note no. 29 Operating costs and charges in the Notes to the Consolidated Financial Statements);
- for more information, please refer to the chapter 'Actions and resources in relation to material sustainability matters'.

[1] Future financial resources consider the Plan period.

The actions relating to workers in the value chain described in the paragraphs below are directed and led by Snam's Supply Chain, Property & Facility Management and Business Services areas, which set out the guidelines, methods and tools for Snam's actions in both the corporate and industrial sectors. In particular, these two areas:

- lead activities concerning the procurement of goods, works and services for the entire Group, procurement planning, control and reporting processes, and vendor qualification and management; in doing so, they ensure that a supplier base is available that is suitable to meet business needs. They also coordinate the tracking of KPIs for the Supply Chain process and the optimisation of the Total Cost of Ownership in Totex terms;
- lead Supply Chain activities in relation to sustainability objectives;
- lead materials planning, logistics and warehouse management activities, as well as directing goods testing and non-conformity management;
- supervise the implementation of real estate development projects and initiatives to protect and optimise real estate assets, in a manner consistent with personnel assignments and local oversight constraints and business needs;
- supervise facility management activities with a view to optimising quality, cost and service level objectives.

Suppliers are fundamental allies in business development and strategic partners in achieving the decarbonisation goals that Snam has set itself, strengthening relationships and promoting sustainability practices along the value chain.

INNOVATIVE SUPPLY CHAIN MANAGEMENT: AWARDS AND APPEARANCES 2024

The Procurement Awards 2024	Circular Procurement Awards 2024
Snam was presented with the TP Speaker Award.	Snam was presented with the 'Generating Greater Value for Society: employee health and wellbeing' awrd by Business International (Fiera Milano Group) for its project relating to inclusive safety in the workplace: a supply chain awareness project about building a safe working environment that factors in each person's diversity, age, gender, ethnicity and physical condition.

In 2024, Snam participated in appearances and events including:

- **a lesson on digital transformation skills at the Milan Polytechnic's Graduate School of Management;**
- **discussion forums of the 'The Procurement' community;**
- **the Sustainable Development Festival and the event organised by Open-es for Sustainable Energy Basket Bonds.**

Collaboration between Snam and suppliers continued in 2024 within the scope of:

- innovation applied to procurement processes;
- maintaining a change-oriented vision to anticipate future needs;
- the valorisation of suppliers' skills for the creation of value to be shared along the supply chain;
- the ability to modulate flexibility in response to market needs, optimise processes and reduce operating time with an improvement in the level of service offered.

Similarly, the reorganisation of the supplier base in the context of Supply Chain 4.0 continued, with the integration of data and material flows to achieve even safer, faster and more flexible performances, consolidate its core business and successfully manage business-related activities for the energy transition.

In particular, thanks to the automation of processes, document dematerialisation, the use of large databases and digital transformation, especially in communication with suppliers, not only have the operational procurement cycles for goods, works and services improved, but there has been greater efficiency, traceability and transparency of operations.
In 2024, the Transport Document Dematerialisation process started in 2022, was consolidated in the warehouse and logistics area, which led to the digitalisation of transport documents (DDT). In 2024, this initiative led to reductions in both the environmental impact, by eliminating 12,800 sheets of paper.

In 2024 Snam's Supply Chain Academy, supported by the Snam Institute, provided more than 1,250 hours of training to 103 people from Snam's Supply Chain department and from new businesses. In particular, themed workshops were given on the activities of each Snam department, as well as visits and in-person meetings at Snam sites (Codogno Warehouse) and internal support activities across the various Supply Chain functions.
Staff were also involved in specific courses according to their function, including: needs analysis and procurement strategy, market analysis, category management, conflicts of interest, Corporate Sustainability Reporting Directive (CSRD) and implications for the procurement function, Corporate Sustainability Due Diligence Directive (CSDDD) and risk management of the procurement function, balance sheet indicators, procurement regulations (tenders, purchases, work performance), procurement office performance evaluation (KPIs), procurement plan exercises. Skills improvement courses were then attended by external partners, such as the UN Global Compact (business human rights accelerator), Bureau Veritas and Business International.

In 2024, the efficient requirements planning initiated in 2023 allowed for agreements to be entered into with contracted tubular material suppliers including for the transport and unloading with stacking of material directly at SRG's site areas instead of at the Centralised Warehouse. This reduced the number of trips and consequently the emissions into the atmosphere. This management strategy also reduces material handling activities by adopting safety-efficient strategies.

These agreements concerned different pipes diameters in the range from DN 100 to DN 1400, totalling about 541 km of pipe corresponding to 42,743 pipe bars, whose transport was optimised. The agreements have enabled the company to optimise (compared to the figures reported above) more than 4,000 trips to destinations across the country, mainly concentrated in central/southern Italy.

Similarly, since September 2023, a similar project has been running in the peripheral warehouses of the districts of the GEST directorate with regard to stocks of small-diameter pipes (DN 25 to DN 300). The aim of such planning is to meet the needs of small quantities of material (usually dedicated to maintenance and minor network modifications) more quickly. The adoption of this new management method has made it possible to limit transport from the centralised warehouse (located in Lombardy) to the peripheral warehouses (located throughout Italy), while reducing emissions.

In the Codogno warehouse, work began in June 2024 on the total refurbishment of the pipe stock, with completion expected by June 2025. The new high-performance flooring and the use of new equipment that improves the safety of pipe storage and handling will help reduce timescales as well as reducing the consumption of wood used to form the stacks.

A project to completely revamp the HAVAC systems - in the Codogno office
building was completed in March 2024. The old air conditioning systems (dating back to 2008) were dismantled and the NG-fired boiler was dismantled and replaced with a heat pump system with zero impact on emissions.

Digital solutions to improve work efficiency together with suppliers

Supplier One Platform

Supplier One Platform is part of the digital innovation path linked to the supply chain and aims to introduce new technological solutions and working tools for procurement processes. This relies on the digitalisation and update of existing systems and processes, with new real-time tracking systems for electronic tenders, catalogue acquisitions and subcontracting activities.

In 2024, Snam integrated this platform with subsequent updates which have optimised supplier interactions, the digital exchange of additional information and the platform's user experience and operability.

In 2024, the EDITH platform was also expanded. It now enables users to manage, organise, track and archive post-order production and quality activities through the acceptance and release of goods. These operations can now be carried out on all materials, with centralised purchasing in the Codogno, Ripalta and Cremasca warehouses.

Digital Master Plan

In 2024, some updates were implemented to complete the data set, aimed at optimising the effectiveness and accuracy of requirements gathering.
In addition, the logic for creating monitoring and governance tools was shared, with a focus on being able to manage multi-requester needs.

The supply chain approach to climate change

To define the two Scope 3 emissions reduction targets in Snam's Carbon Neutrality strategy, the Group directly involves its suppliers in the fight against climate change, organising training meetings and supporting them on the path to decarbonisation, providing its know-how and experience in defining sustainability priorities, applying best practices, identifying the most valid monitoring measures to be implemented, and promoting the spread of innovative and low-emission energy efficiency solutions.

Supplier engagement activities are designed to provide each player in the value chain with the most suitable approach to sustainability issues, taking due account of the heterogeneity of the supplier base and the different sensitivities and specific skills on these issues. In fact, **a matrix was constructed for each product group to determine the ESG reward criteria applied during the bid evaluation process by means of a scoring model.**

In addition, suppliers are encouraged to define an appropriate corporate governance, in order to make actions such as the fight against climate-changing emissions and the general approach to the adoption of sustainability criteria in supply chain management effective and efficient.

Promoting a sustainable economy through the progressive 'green transformation' of the companies in our supply chain is considered a success factor across the entire supply chain, as well as a key element in giving new impetus to growth and competitiveness.

The initiation of a systematic awareness-raising action towards the Group's suppliers on sustainability issues, in order to accelerate their contribution to the energy transition, has resulted in the consolidation of existing partnerships, the sharing of values and objectives, the enhancement of strengths and the development of areas for improvement for each of them.

One of Snam's planned actions is to produce a white paper with the aim of raising awareness among industrial and institutional stakeholders about the importance of shared messaging along the entire supply chain in terms the commitment to develop a common ESG and sustainability culture. Snam also plans to draft an Inclusive Supply Chain Manifesto, which will be disseminated along the entire supply chain.

Again in 2024, two rounds of meetings were organised involving 10 suppliers in the DT&T sector, during which feedback and suggestions on ESG issues were shared; in particular, Snam made available to suppliers the ESG market benchmark as per the OpenES platform with the aim of improving their performance and sharing best practices.
Further engagement meetings are also planned, with the support of technical webinars and working groups.

Reducing emissions together with suppliers

To contribute towards achieving the Scope 3 GHG emission reduction targets outlined in the Carbon Neutrality and Net Zero Strategy, Snam has carried out a careful analysis of its supply chain, assessing the potential for containing and reducing emissions in the near future, especially with reference to those suppliers who, due to their activities, are the biggest emitters in the chain.

This analysis was carried out through the administration of increasingly specific and in-depth questionnaires, which made it possible to map the supply chain and, subsequently, to plan the most suitable interventions and actions to significantly reduce greenhouse emissions.

Considering the results of the analysis, Snam, firstly, incentivised those suppliers that define clear plans to reduce greenhouse gas emissions and, secondly, supported the development of joint projects with suppliers to promote emerging technologies aimed at increasing the use of green fuels (biomethane, hydrogen) and renewable energy in production processes, and to convert vehicle fleets using green fuels.

For more information, please refer to chapter 'Strategy, Carbon Neutrality Strategy and Net Zero'.

In 2024, Snam continued its process of sharing and discussing initiatives and strategies to reduce emissions and implement the energy transition. This process is channelled into a single project line – the Cantiere Sostenibile (or Sustainable Yard) – based on the use of biofuels (diesel and hydro-treated vegetable oil), equipment electrification (e.g. with the introduction of electric heavy vehicles), the reuse of water and the recovery of waste.

In addition, Snam actively supports suppliers in the early stages of their emission reduction journey through webinars focused on climate change and GHG emissions through one-to-one interviews, which offer solutions and best practices in this area. In particular, Snam offers **ESG Education**, a sustainability training programme that enables its suppliers to leverage Snam's already established expertise, collected in short, monthly training videos, to improve their impact on the environment and society.

SNAM'S ESG EDUCATION VIDEOS

1 Evolution of the concept of sustainability and ESG	2 Snam's ESG strategy	3 Greenhouse gas emissions
4 Environmental impacts on biodiversity	5 Energy efficiency	6 Waste management in the Circular Economy paradigm
7 Anti-corruption, business integrity and human rights	8 Safety at work	9 Diversity, equity and inclusion
10 Employee and community engagement	11 Sustainable Finance	12 The European taxonomy
13 Sustainability indices		

To lend greater emphasis and tangibility to sustainability issues, Snam made sustainability one of the cornerstones of the Snam Suppliers Convention entitled 'Together for the present and future of energy', which will discuss the topics of decarbonisation, digitalisation and partnership. This landmark event brought together more than 150 Snam suppliers, offering unique opportunity to share common goals and align efforts towards shared objectives.

Suppliers in communities for sustainability

Snam's suppliers belong to and actively participate in the most important sustainability communities in industrial supply chains, driven by four main motivations:

MEASURING	COMPARISON	ACQUIRING	BUILDING
one's sustainability performance	with industry benchmarks	awareness of one's strengths and areas for improvement	a successful development path

Open-es ecosystem sustainability powered by Eni

A digital platform for the sustainable development of industrial supply chains which are useful in involving companies engaged in the energy transition in a common path of sharing, improving and growing sustainability performance. Commencing 2024, the four pillars have been condensed into just three to comply with the new ESRS standards: Environment, Social and Governance.

1,525 suppliers registered in Open-es (+225 vs. 2023)

of which **457** large companies and **1,068** SMEs

In 2024, there were 1,525 Snam suppliers registered on the platform (225 more than at the end of 2023), of which 457 were large companies and 1,068 small and medium-sized enterprises (SMEs). After assessing the coverage of suppliers on commodity groups in both private and public regimes registered in Open-es, it emerged that more than 60% of suppliers in private commodity groups, are already present on the platform. Therefore, in 2024 Snam included registration on the platform – by presenting an Open-es Card – as one of the requirements of the accreditation process for new self-bids and internal requests in some groups of goods.

SER – Supplier Engagement Rating and CDP – Supplier Engagement Rating

In March 2024, Snam confirmed its **top rating (A) in the Supplier Engagement Rating (SER)** for the 2023 questionnaire, CDP's assessment of the quality and effectiveness of the engagement that companies promote with their suppliers. The assessment is based on the company's answers in some areas of the CDP Climate Change questionnaire.

In continuity with previous years, Snam joined the **CDP Supply Chain** programme, which was launched in 2019 out of the realisation that the environmental impact of companies does not end within their borders, but also extends to the suppliers and collaborators with whom they establish a lasting partnership. Sensitising suppliers to operate responsibly with respect to climate change and collecting data on their atmospheric emissions is essential, given the power of global supply chains to drive large-scale environmental action.
In 2024, Snam focused on receiving responses from **220 Suppliers which it had selected as among the most significant in terms of procurement and strategy for the business**, achieving a response rate of 50%.

50% response rate to the CDP SER questionnaire

Snam Sustainability and Carbon Accounting Portal for Supplier Engagement

Since 2023, Snam has adopted the **Salesforce Net Zero Cloud** to digitise its Scope 3 Supply Chain calculations, thus automating and emissions reporting and data collection activities. Leveraging the same cloud application, the **Snam Sustainability and Carbon Accounting Portal** was launched in 2024 to support 60 key suppliers in their decarbonisation journey and in their data quality assurance efforts. More than 80% of the companies engaged have

actively contributed to the Portal by estimating their emissions. This involved using consumption information to calculate the carbon footprint of their business with Snam (direct consumption, LCA and EPD), then sharing the emission targets and the main tools and best practices to support decarbonisation and virtuous waste and water management.

The procurement of goods, works and services in the energy transition

In the current phase of progressive decarbonisation, Snam's strategic choices have focused both on high-tech initiatives (innovation, research and development to support large national and international transport networks) and on green economy businesses (renewable gas, biomethane, hydrogen, energy efficiency).
In this context, Snam has continued to work in synergy with both suppliers related to more traditional and consolidated activities, and those related to energy transition-related product categories and energy transition businesses. The creation of added value was thereby continued, laying the foundations for new management models capable of supporting the new strategic development scenarios.

In 2024, goods, works and services worth a total value of 3,287[137] million euros were purchased, of which more than 1,340 million euros went to small and medium-sized enterprises (SMEs): 78% of these were in the public sector and 28% in the private sector.
Furthermore, in 2024, procurement from local suppliers (SMEs in Italy) made up 39% of all procurement (+6% compared to 2023).

The procurements of the top 15 suppliers amount to approximately 1,900 million euros, which corresponds to about 58% of the total procurements. During the year, contracts were allocated to 804 suppliers, of which 539 SMEs, and 2,696 procurement contracts (and their reviews) were concluded, of which 64% were in favour of SMEs. In fact, the latter represent one of the main players in the Italian economy and, thanks to their flexibility, adaptability and widespread presence throughout the country, they are particularly suited to working with Snam to meet its needs.

In its activities, Snam interfaces with a wide variety of suppliers from different product sectors. In order to assess their strategic importance for the business, they are classified in terms of their criticality, technological complexity and impact on company performance: of these, 209 suppliers are listed in the most critical categories in the Vendor List (criticality levels A and B[138]), of which approximately half won contracts in 2024 for a total procurement expenditure of approximately 2,560 million euros (78% of total expenditure). The most significant raw material of those purchased is steel, with about 159,000 tonnes procured in the supply of pipes, valves and fittings, mainly used for the gas transport business.

In addition to the procurement activities of the Group companies mainly related to the gas infrastructure business, supply contracts were signed directly by the companies most involved in promoting the energy transition business aimed at achieving the decarbonisation targets, namely Renovit and Bioenerys. The 2024 procurement value of these companies totalled around €420 million.

[137] Total procurement expenditure includes both new contracts and contract revisions issued by any corporate function that is authorised to enter into contracts with third parties. The figure excludes commercial-use arrangements and intercompany agreements. Procurement expenditure is geographically broken down by the country where the supplier has its administrative headquarters.
[138] Suppliers categorised under criticality levels A and B are considered Tier-1.

Socio-economic effects of Snam's acquisitions

Snam's procurement activity is an important driver for the activation of the national economy and employment, thanks to the movements of a series of economic flows that transfer wealth from the economic system of the companies in its supply chain to the national economic system. The impact of these acquisitions is measured in terms of the added value generated in the economic system and the jobs sustained.

The total value of purchases made from Italian companies or work performed in Italy in 2024 was approximately 2,789 million euros. This expenditure stimulated the production of final and intermediate goods and services in a direct manner by Group suppliers, in an indirect manner by suppliers of suppliers and in an induced manner by companies that benefited from an increase in demand stimulated by the consumption of workers who were directly and indirectly involved in the Group's supply chain.

This production value amounted to approximately **7,154 million euros.** The increase in production generated some **2,909 million euros** in added value (excluding VAT) and supported **40,907 Annual Work Units**[139].
This means that for every million euros of Snam's acquisitions, the Italian economic system has seen its gross production increase by **2.57 million euros** and generate a national added value of **1.04 million euros**, supporting approximately **14.7 Annual Work Units**.

€1 MLN → **€2.57 MLN** **€1.04 MLN** **14.7**

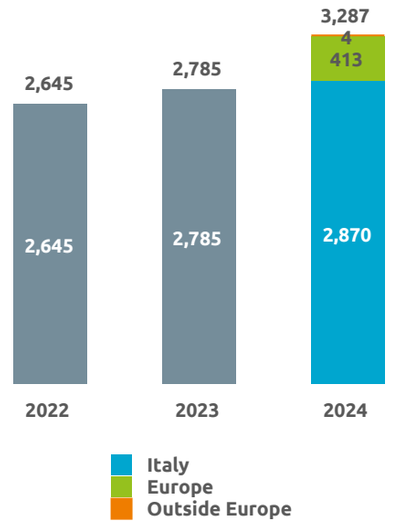
of Snam orders

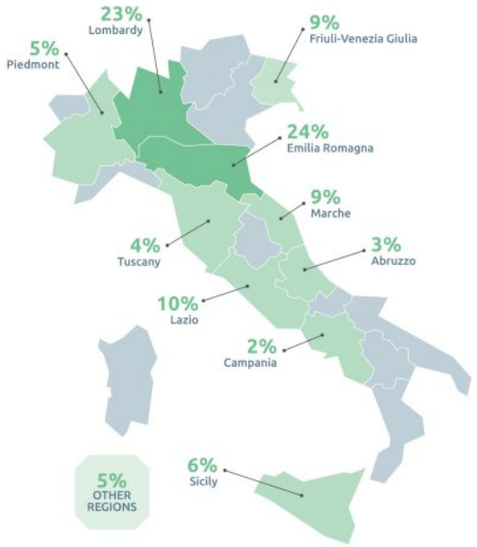
increase in gross production of Italian economic system

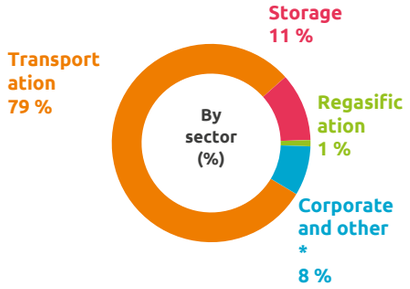
of national added value (excluding VAT)

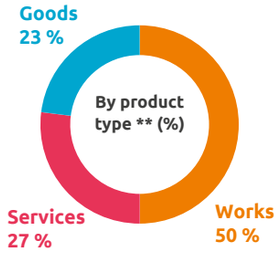
Annual Work Units

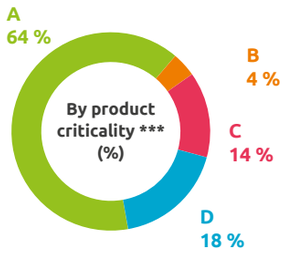
ITALY PROCURED 2024 (MLN €, %)











Figures relate to all procurement activities directly managed by the Corporate & Group Supply Chain (SUPCCOR) and the Industrial Supply Chain (INDSUPC).
*Greenture and Cubogas are included in 'Other'.
**The value procured includes both new contacts and contractual revisions. The classification by commodity macro-family is determined by the commodity group used within the contract on the basis of the commodity group matrix.
***The graph represents the percentage of procurement assigned to suppliers with critical product groups.

[139] The Annual Work Unit (AWU) is the unit of measurement of the work provided by a worker employed full-time (40 hours per week) for the duration of a working year.

The path to join Snam's Supply Chain 4.0

Sustainable supply chain management is a priority factor for Snam, which aims to establish long-term relationships, requiring companies that wish to collaborate with the Group to meet quality, price and performance reliability requirements, as well as to actively share the drive for innovation of their management processes and the commitment to reduce the negative impacts and environmental, social and economic risks inherent in the supply chain.

To meet these requirements, Snam assesses the suitability of suppliers in the qualification process, verifying their current capabilities and future potential according to criteria of objectivity, transparency and traceability. The elements subject to supplier screening analyses, in particular for significant suppliers, represent the clauses of contracts and are verified during the qualification phase. These can be traced back to the following aspects:

ENVIRONMENTAL	SOCIAL	GOVERNANCE	RELEVANCE OF THE BUSINESS
• commitment to environmental protection • presence of an environmental management system compliant with the ISO 14001 standard (mandatory requirement for critical suppliers, i.e. with criticality level A and B)	• promotion of working conditions that meet health and safety requirements • absence of forced labour and child exploitation • checks on the technical and organisational suitability of supplier personnel performing services at Snam offices, including checks that all labour-related contributions are being made correctly and checks on the labour contract in force	• ethical and reputational profile • commitment to anti-corruption • presence of a health and safety management system compliant with the ISO 45001 standard (mandatory requirement for critical suppliers, i.e. with criticality level A and B)	• technical and management skills • economic and financial reliability • presence of a quality management system compliant with the ISO 9001 standard (mandatory requirement for critical suppliers, i.e. with criticality level A and B)

In addition, Snam takes into account and evaluates, for each product category and depending on the type of supplier - particularly significant suppliers - the risks associated with the sector to which they belong (i.e. sector-specific risks), as well as the country-specific risks. Furthermore, Snam applies a commodity strategy for specific critical materials (e.g. pipelines), which covers commodity-specific risk including the risks defined in the CBAM.

The consideration of ESG factors is of significant strategic importance for the ethical conduct of procurement management, as well as an optimal lever for the efficiency of the entire supply chain. On the basis of this, even before compliance with the requirements of quality, price and reliability, suppliers are required to make a formal commitment to comply with the contents of Snam's Code of Ethics and in the Ethics and Integrity Pact (including subcontractors)[140]. Snam's purchasing practices take into account, are consistent and aligned with the provisions of the Code of Ethics and the Ethics and Integrity Pact.
If substantial changes occur in these documents, the purchasing practices are updated accordingly. Moreover, the Company actively promotes respect for legality, the fight against corruption, safe working conditions and the protection of human rights, as set out in its Human Rights Policy, which contains the principles and criteria that suppliers must adhere to in all phases of their collaboration. Likewise, suppliers must be aware of and commit to comply with the Anti-Corruption Laws, the Anti-Corruption Guideline, the Anti-Corruption Policy and Snam's Supplier Code of Ethics.

In the Bioenerys procurement process, and more broadly for contracts relating to PNRR-financed actions, the Company adopts tender scoring mechanisms in which tenderers who demonstrate that they adhere to ESG principles and related certifications are rewarded.
In 2024, Renovit also began mapping the vendor list for sustainability and value chain issues, leading to the adoption of an Indirect Sustainable Procurement Policy, which contains criteria for identifying procurements as sustainable.

Renovit, the company operating in the energy efficiency sector, carries out an open-source vendor reputation analysis using the Open Source Intelligence methodology (O.SI.NT.), which aims to identify potential critical issues and evaluate supplier reputations. This methodology contains a set of techniques and tools to collect public information, analyse data and transform it into usable knowledge.

Renovit also provides the Social Accountability questionnaire in which suppliers are asked about the presence of pink quotas in the company's Board of Directors, employees - foreign - non-EU. This questionnaire is used to assess the commitment of suppliers in terms of social responsibility.

In addition, employees must be given training on health and safety, and about issues of ethinic, sexual, political and religious discrimination against employees.

Snam promotes the Supplier Code of Ethics

Snam's Supplier Code of Ethics constitutes the set of values that characterise the ethical business culture that in turn needs to inspire the strategic thinking and the conduct of the business activities of the Snam Group and of all the suppliers that have or intend to have relations with it.

Snam's growth model is founded on sustainability and adherence to principles, values, and practices that foster collective well-being, as well as respect for the environment, society and the economy.

The supply chain plays a crucial role within this model, through its diversity and widespread presence across Italy, enabling the Snam Group to meet its goals. Consequently, Snam fosters relationships of trust and mutual respect with its suppliers, observing a culture of legality and business ethics.

Snam's Supplier Code of Ethics plays a major role in this area: acting as a shared commitment and agreement to reinforce the principles and values that govern the relationships between Snam and its suppliers and external partners. This, in turn, fosters a robust and transparent partnership that consolidates the Group's ethical principles, which are enshrined in the Snam Code of Ethics and Integrity.

Beginning with a common foundation of goals, values and methodologies, Snam actively pursues a sustainable future through its ongoing collaboration with suppliers, building a sustainable future where legality, integrity and social responsibility underpin every project and initiative.
In addition, with regard to anti-corruption, all suppliers and subcontractors are subject to reputational checks.

In 2024, 2,130 reputational due diligence was conducted on suppliers and contractors. Snam has implemented a new process aimed at learning more about its suppliers, not only from a reputational point of view, but also from a broader compliance point of view. It then introduced the new category of 'Compliance Audits', which involve analyses of the financial soundness of suppliers as well as their suitability and adequacy, both from a technical and HSEQ point of view.

The required standards of conduct and the areas of application are verified and checked during the qualification/accreditation process, when the contract is signed and during audit activities. In the event of non-compliance with health and safety, environmental, quality performance and punctuality requirements, a dedicated team evaluates individual cases and then determines what action to take, which may even, in some cases, exclude the supplier from the Vendor List. In such an event, the supplier is notified of the measure together with a specified time period within which it must take all the necessary corrective actions. This time period varies from 2 months to one year, depending on the case.

[140] With the aim of defining specific criteria for sustainable supply chain management, Snam has launched a project to draw up a Supplier Code of Conduct.

Snam learned – from its press contacts – of a judicial supervision order issued by the Preliminary Investigations Magistrate of the Court of Milan and that certain security companies (contracted by Snam) were involved in investigations being carried out by the Public Prosecutor's Office of Milan for alleged exploitation of labour/gangmastering on account of having 'paid wages to their staff that were well below the poverty line, and disproportionate to the quantity and quality of the work performed'. Therefore, those companies have had their qualifications/accreditations suspended as a precautionary measure, which means that they will not be able to tender for or enter into contracts.

Furthermore, to ensure the adequacy of suppliers in relation to current and future procurement requirements, Snam is constantly conducting market intelligence analyses and scouting activities for new suppliers. In this way, the right balance of the number of suppliers in the Vendor List is ensured, according to criteria that follow the evolution of procurement needs over time. In 2024, the actions aimed at rationalising the number of suppliers on the Vendor List and the relevant product groups continued, seeking new and efficient synergies between those already available. At the same time, the number of suppliers operating in energy transition activities was increased.

In accordance with the Social Supply Chain Policy, during the supplier selection and qualification phases, Snam promotes the involvement of entities belonging to the Third Sector, such as cooperatives, associations and non-profit enterprises, aligned with the UN sustainable development goals (SDGs).

In 2024, the procurement expenditure to Third Sector companies was approximately €220,000, primarily in the services sector.

The focus on and involvement with Third Sector suppliers is reflected in the Group's publicly stated objective: to strive towards a business model based on lasting, inclusive, ethical and sustainable economic growth to ensure full and productive employment, decent work for all and an open dialogue with stakeholders committed to protecting the most vulnerable members of society, communities and territories. The ultimate goal of this is to incentivise the supply chain to adopt similar behaviour in turn, thus generating a multiplier effect.
For example, in 2024 a sale of decommissioned assets from Snam's offices to Andromeda, a Third Sector Entity, was completed. The Entity will recover materials from approximately 8,000 devices in aid of the transition towards a circular economy, This will both reduce the environmental impact of decommissioned goods and support the social inclusion of people with disabilities.

SUPPLIER REGISTER POPULATION AS AT 31/12/24

209
Qualified suppliers belonging to product categories A and B

2,722
qualified suppliers

669
suppliers affected by renewal of qualifications and qualified from

Figures relate to all procurement activities directly managed by the Corporate & Group Supply Chain (SUPCCOR) and the Industrial Supply Chain (INDSUPC).

The supplier performance monitoring process

Supplier performance monitoring and the related audits, inspection visits and evaluation processes are the main tools designed to protect the integrity of supply chain sustainability and ensure that expected quality and efficiency standards are maintained. Other corporate functions are also involved in the verification process, so as to allow for constant interaction between the in-depth investigations to be carried out and the comparison of more information taken from suppliers.

The audit activities are planned through specific criteria that allow the identification of a significant sample of companies that will be covered by the audits. In addition, every year, as part of the Supplier Monitoring process activities, Snam verifies the maintenance of HSEQ requirements met during accreditation/qualification.

Supplier evaluation and monitoring

Assessments at the qualification stage are based on international standards in cases where the product categories for which the supplier applies for qualification require ISO 9001, 14001 and 45001 certification.

Monitoring is carried out on the basis of company rules and includes the following activities:

1	**desk assessments** through the provision of a self-assessment questionnaire distributed to suppliers and systematic verification of the evidence received
2	**on-site assessments carried out by Snam's HSEQ function and testing unit** (so-called 2nd party supplier on-site assessment) [141]
3	**on-site assessments carried out by independent third-party organisations** with which Snam cooperates in relation to critical goods (so-called 3rd party supplier on-site assessment)
4	**preparation of a corrective actions and improvement plan** shared with suppliers, who are required to implement the steps contained therein. Suppliers submit their improvement plan to Snam. The plan is then analysed and shared with any modifications, with the supplier guided in identifying more effective corrective actions. The improvement plan also contains some KPIs that are tracked over time. The KPIs of an Improvement Plan are determined by the supplier itself on the basis of the non-compliances found and reported and on the basis of an improvement path that the supplier decides to undertake. KPIs are shared and, if necessary, supplemented by Snam and monitored by the Vendor Management function, the Contract Manager and in specific cases by HSEQ. Some examples of KPIs are: • provision of support tools to the supervisor for risk assessment and reporting methods, by means of control procedures and checklists; • integrative and punctual safety induction interventions aimed at the company's historical personnel, in order to stimulate increased awareness of safety at work; • implementation of a system to verify the performance of the tasks assigned according to the specific competencies, through periodic meetings between management and the SPP, on the progress of the work, with reports on the safety conditions found at the worksite; • implementation of a system for verifying the effectiveness of the operations of field supervisors by means of incident analysis, near misses, targeted surveys, interviews with personnel, audits, management review, etc.

During 2024, 1,384 pieces of feedback were collected, referring to the performance of 180 suppliers, 505 contracts were analysed and, in line with the promotion of sustainable behaviour along the supply chain, 5,535 checks (+15% compared to 2023) were carried out on the contributory regularity of 2,125 suppliers and subcontractors (+0.6% compared to 2023), with irregularities numbering 73 (up 39 compared to 2023), making up 1.3% of total requests.

To evaluate supplier performance over time, Snam also uses a Rating Index (RI) which takes into consideration the compliance with technical contractual requirements (Quality), health-safety-environment (HSE) requirements, the agreed delivery times (Level of service), and related to the relationship with the customer for the entire duration of the contract (Conduct). This assessment is periodically sent to suppliers in the form of an analytical appraisal, so that a constructive discussion can take place.

If a supplier fails to comply with the agreed standards, including technical and organisational requirements, or in case of a negative assessment of its performance and/or safety procedures or those of its subcontractors, or failure to comply with the provisions on the regularity of contributions and the rules contained in the Code of Ethics, Snam may limit, suspend or even revoke its qualification.

A total of 62 measures were issued in 2024, an increase compared to 2023 (39 measures), confirming Snam's monitoring of the supply chain, together with the promotion of improvement actions and virtuous behaviour.

The Snam Supplier Portal

Snam was one of the first major Italian companies to make a specific web platform available to suppliers: the Supplier Portal, which has been the main tool through which the Company implements its procurement policy since 2013 with absolute transparency, traceability and completeness of the information published.
To ensure a high-quality user experience, new features have also been added in 2024 to improve process efficiency and transparency.

In this respect, new billing functions and information have been made available to registered Suppliers in the dedicated section of the Supplier Portal, including:
- information on invoices payable and credit notes and the value date of those invoices;
- a function for inserting 'comments' on the invoice tab or credit note;
- a function for attaching documents (in PDF format) to orders and contracts

With these additional features, the Supplier Portal is increasingly becoming a multifunctional space and an active channel for sharing, communicating and disclosing information in key Supply Chain projects and for promoting safety and the ESG strategy.

The Supplier Portal is a point of reference for Snam's Supply Chain, which:

1	**informs** all suppliers about Snam's supply chain organisation, strategy, initiatives and changing needs
2	**guides** the user through the different steps of the key Supply Chain processes, with a special focus on the application process
3	**communicates** the corporate strategy in the area of sustainability, highlighting both HSEQ issues - with particular attention to corporate management and control systems, as well as the Snam4Safety projects and the Contractor Safety Trophy - and the results and projects dedicated to suppliers in the ESG area, by sharing Snam's ESG programmes. In this regard, suppliers can easily access the informative and educational content of the Supply Chain Academy and the ESG Education training videos on sustainability.
4	**updates** suppliers on events, awards, projects, notices, and other useful news
5	**improves** the navigation between the information in the different sections

[141] Snam's testing unit carries out quality assurance activities at suppliers producing critical goods.

Suppliers and the protection of human and labour rights

Snam's Human Rights Policy is the main instrument used by Snam to prevent or mitigate material adverse impacts on workers in the value chain, with suppliers required to share and comply with the principles set out in the Policy in all phases of the collaboration. In this sense, a particular focus is placed on the promotion of safe working conditions, the absence of forced labour and the exploitation of minors, the recognition and protection of freedom of association and the right to collective bargaining, the protection of equal opportunities for development and professional growth, the absence of discrimination of any kind and the repudiation of any form of corruption.

With a view to clearly formalising responsibilities with reference to the activities covered by the Guidelines for the respect of Human Rights, Snam has identified a multifunctional governance system with the aim of promoting and protecting Human Rights, both in its own operations and along the entire chain of activities:

- Snam's Board of Directors is responsible for approving the Guidelines for respecting Human Rights;
- the Chief Executive Officer, in confirmation of the Company's commitment to promoting a culture of respect and protection of Human Rights, undertakes to disseminate, also through the relevant corporate functions, in a clear and unequivocal manner, the principles expressed in this document, ensuring that they are applied and integrated into the various internal regulatory instruments and reflected in the organisation;
- The Business Integrity & Compliance function is responsible for defining and implementing the relevant Compliance Model.

In 2024, all the suppliers were analysed and assessed in the area of human rights, and no cases of violation were found, so no mitigation plans or corrective actions were necessary.

In addition to compliance with the Human Rights Guideline and the standards of conduct outlined in Snam's Code of Ethics and Supplier Code of Ethics, the General Contract Specifications outline additional general provisions aimed at regulating the activities covered by each contract stipulated by Snam with contractors (it includes precise references to the health and safety of workers in the workplace, pay, social security and welfare treatment of contractor personnel, etc.).

KEY PERFORMANCE INDICATORS

KEY PERFORMANCE INDICATORS

ESRS / Other entity-specific disclosures	INDICATOR	UNITS OF MEASUREMENT	2022	2023	2024
Key performance indicators					
GRI 204-1	Percentage of spending on SMEs in Italy [1]	%	44	33	44
	Percentage of the number of local suppliers (SMEs in Italy) assigned contracts with respect to the total number of contracted suppliers [2]	%	67	73	74

Notes: the data refer to the entire Snam Group, unless otherwise indicated. For more information on the scope, please refer to the chapter 'Introduction and guide to reading the document, General basis for the preparation of the Consolidated Sustainability Statement'.
[1] The indicator is calculated for all procurement activities directly managed by the Corporate & Group Supply Chain (SUPCCOR) and the Industrial Supply Chain (INDSUPC). The organisation's geographical definition of 'local' is: Suppliers who are permanent established in Italy. The definition used for 'significant locations of operation' is: Registered office/operational headquarters.
The suppliers considered to be SMEs are determined based on average annual turnover <= €50 mln. The figure factors in total procurement expenditure (new contracts + revisions) allocated to SMEs during the year
(2) The 2022 figure presents the one-off impacts in relation to the stipulation of small contracts (for SMEs).

OTHER PERFORMANCE INDICATORS

ESRS / Other entity-specific disclosures	UNITS OF MEASUREMENT	2024
Key performance indicators		
Total number of suppliers involved in skills development programmes [1]	no.	209
Percentage of significant suppliers involved in skills development programmes	%	100
Number of suppliers assessed through desk assessments/on-site assessments [2]	no.	180
Percentage of significant suppliers assessed	%	100
Number of assessed suppliers with actual/potential material adverse impacts	no.	62
Percentage of suppliers with actual/potential material adverse impacts that have an agreed corrective action plan/improvement plan	%	100
Number of suppliers with actual/potential material adverse impacts whose relationship has been terminated	no.	0
Total number of suppliers supported in implementing corrective action plans	no.	28
% of assessed suppliers with actual/potential material adverse impacts supported in implementing corrective action plans	%	100
Total number of significant Tier-1 suppliers (product categories A and B)	no.	209
Percentage of total spending on significant Tier 1 suppliers [3]	%	78
Total number of non-Tier 1 suppliers [4]	no.	75
Total number of significant suppliers (Tier 1 and non-Tier 1)	no.	284

Notes: data refer to all procurement activities directly managed by Corporate & Group Supply Chain (SUPCCOR) and Industrial Supply Chain (INDSUPC).
[1] The figure corresponds to the number of suppliers that are part of the Open-es platform.
[2] With reference to the qualification and accreditation area, suppliers are counted in which at least one re-qualification or renewal process was successfully concluded in the year 2024, for which documentary or field evaluations were carried out.
[3] Data calculated on the basis of the procured assigned to suppliers with contracts on GM of criticality A and B.
[4] The figure excludes suppliers that have already been counted as Tier 1, as Snam has Tier 1 suppliers that are also used as subcontractors.

SUPPLIERS PERFORMANCE EVALUATION (%)

	2022	2023	2024
Excellent	37	25	28
Good	32	31	33
Adequate	23	31	31
Sufficient	4	7	3
Insufficient	5	3	5

Notes:
- figures include the following companies, which are included in the consolidated group perimeter in 2024: Snam, SRG, GNL Italia, ITG, Stogit, GRI, Enura, Greenture, Cubogas, Snam International BV, Snam FSRU Italia Srl;
- all suppliers with GM contracts of criticality levels A and B are evaluated.

SUPPLIERS ANALYSED ON SUSTAINABILITY ISSUES [1]

	Number No.			Working practices % [2]			Environmental criteria %			Human Rights % [3]		
	2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024
Goods												
Qualified suppliers	940	1,035	1,042	31%	21%	20%	24%	21%	20%	100%	100%	100%
of which with criticality class A and B	99	99	91	100%	100%	100%	100%	100%	100%	100%	100%	100%
Suppliers qualified during the year	257	248	212	31%	18%	26%	17%	18%	26%	100%	100%	100%
of which with criticality class A and B	6	21	27	100%	100%	100%	100%	100%	100%	100%	100%	100%
Works												
Qualified suppliers	417	438	450	100%	41%	41%	46%	41%	41%	100%	100%	100%
of which with criticality class A and B	81	76	80	100%	100%	100%	100%	100%	100%	100%	100%	100%
Suppliers qualified during the year	102	132	125	100%	30%	51%	39%	30%	51%	100%	100%	100%
of which with criticality class A and B	21	22	26	100%	100%	100%	100%	100%	100%	100%	100%	100%
Services												
Qualified suppliers	1,863	1,949	1,938	25%	17%	17%	19%	17%	17%	100%	100%	100%
of which with criticality class A and B	44	44	45	100%	100%	100%	100%	100%	100%	100%	100%	100%
Suppliers qualified during the year	469	532	445	22%	14%	22%	13%	14%	22%	100%	100%	100%
of which with criticality class A and B	6	19	16	100%	100%	100%	100%	100%	100%	100%	100%	100%
Non-EU international projects												
Qualified suppliers	12	9	12	83%	—%	—%	83%	—%	—%	100%	100%	100%
of which with criticality class A and B	0	0	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Suppliers qualified during the year	0	1	6	n.a.	—%	—%	n.a.	—%	—%	n.a.	100%	100%
of which with criticality class A and B	0	0	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

Notes:
- the data refer to the entire Snam Group, unless otherwise indicated. For more information on the scope, please refer to the chapter 'Introduction and guide to reading the document, General basis for the preparation of the Consolidated Sustainability Statement';
- suppliers are considered qualified and accredited (depending on the figure required, (A) where registered in the company's Vendor List at 31 December 2024 or (B) or where they have successfully completed at least one new qualification or renewal process in 2024) if they have undergone sector and subject-specific assessments.

[1] A supplier may hold several qualifications, even for different product types.
[2] Health and safety aspects.
[3] Ethical aspects (regularity of social security contributions/DURC, law 231, child labour, forced labour, etc.).

Affected communities

MATERIAL TOPICS, IMPACTS, RISKS AND, OPPORTUNITIES

Relations with local communities

IMPACT MATERIALITY

POSITIVE IMPACTS

- Support and economic development of communities in the area through social initiatives, beneficial activities and sponsorships
- Implementation of reforestation and urban regeneration projects that contribute to improving air quality and creating opportunities for social and economic development for Italian cities and regions
- Support to the national economy through tax contributions

NEGATIVE IMPACTS

- Tensions and conflicts from communities affected by Snam's projects due to inadequate communication and dialogue with the Company
- Tensions and conflicts on the part of the affected communities (municipalities and private entities) due to inadequate and unfair compensation for land use
- Tensions and conflicts by affected communities due to the limitation of access to land and use of resources for communities affected by transport infrastructure construction activities

For more information, please refer to the chapter 'Managing Impacts, Risks and Opportunities, Material topics for Snam'.

Snam's business model and strategy are also influenced by the impacts on the communities affected.

In particular, material adverse impacts arise from tensions and conflicts that arise from inadequate compensation, restrictions in access to land during the construction of transport infrastructure and insufficient dialogue with the communities themselves. These impacts, closely linked to the business model, can compromise the undertaking's reputation and stakeholder trust, causing delays or interruptions in projects and requiring a recalibration of strategic priorities. To manage the effects of these negative impacts, Snam has confirmed its commitment to transparent and participatory dialogue with communities, adopts fair compensation mechanisms and policies aimed at balancing the use of resources. However, the corporate strategy provides for safeguards and operational measures to make the likelihood of such events extremely remote.

The material positive impacts guide the strategic activities aimed at the development and economic support of the local communities in which Snam operates, as well as the improvement of air quality and social development, also promoted thanks to the support of Fondazione Snam and Arbolia. In general, Snam's business model, thanks to its focus on tax transparency and compliance with the obligations set out in the tax contribution framework, supports the national economy, creating a systemic and generalized positive impact.

In 2024, no reports of human rights violations among affected communities.were received through the dedicated Whistleblowing channel. Furthermore, disputes of the kind in which Snam and the other Group companies are involved cannot be included among 'serious problems and incidents' in terms of the human rights of affected communities.
Snam has no evidence of any significant human rights incidents having occurred in the affected communities.

POLICIES

Snam, aware of its social responsibility towards all of its stakeholders, adopts a business development model based on sustainable growth and the promotion of the well-being and quality of life of the people who work or collaborate with the Group, as well as the economic and social development, and continuous dialogue with all stakeholders in the communities and territories in which the company operates. With a view to managing the impacts, risks and opportunities associated with affected communities, the Group has a **Stakeholder Engagement Policy, a Human Rights Policy, a Human Rights Guideline and a Philanthropic Activity and Social Initiative Management Policy.**

STAKEHOLDER ENGAGEMENT POLICY

Contents, objectives and monitoring process

The policy enshrines Snam's ambition to create strong relationships between people, suppliers and communities, thus meeting sustainable development needs for all stakeholders.
In line with its business and sustainable development model and its Code of Ethics, Snam continuously interacts with its stakeholders with transparency, honesty and impartiality and in compliance with national laws and regulations.
The policy, based on the different stakeholder categories identified, it defines diversified and flexible forms of dialogue and involvement (e.g. webinars, focus groups, polls, etc.), adapted to the different characteristics and needs of each stakeholder with the aim of:

- establishing an ongoing and constructive dialogue with Snam's main stakeholder group on sustainability strategie, taking into account any stakeholder requests and identifying areas for improvement and possible synergies;
- defining the company's material topics in the ESG area;
- contributing to the maintenance of the corporate reputation;
- contributing to the identification of opportunities and risks.

In addition, the policy is reviewed and monitored, and feedback is received and stakeholder mapping periodically updated in order to adapt the strategy to the sustainable development needs of all stakeholders.

Scope of application

This Policy applies to the entire Group (parent company and its subsidiaries), and aims to ensure that the company's stakeholder engagement strategy is applied consistently across all operations.

References to third party standards or initiatives

ESG and energy transition regulations

HUMAN RIGHTS POLICY

Contents, objectives and monitoring process

The Policy outlines the founding principles and actions undertaken to protect Human Rights in carrying out its activities and, in general, in every context in which Spam operates.
The Policy commits Snam to apply the following principles and behaviours:

- repudiation and condemnation of any form of:
  - discrimination based on an individual's ethnicity, nationality, language or religion, political or sexual orientation, gender, social background, age, disability or any other personal, cultural or professional sphere;
  - harassment, violence, threats, intimidation or sexual, psychological, physical or verbal abuse;
  - labour exploitation, including forced or child labour and human trafficking;
  - corruption;
- confidentiality and processing of personal data.

Snam, aware of its responsibility to promote the dignity, freedom and well-being of the people and communities in which it operates, is committed to transparently reporting its progress in sustainability reporting and publicly available policies, involving the communities concerned and promoting a culture based on respect for human rights.
Snam is committed to ensuring compliance with the provisions of the Code of Ethics and Human Rights Policy, including through actions and tools that allow for a cross-cutting and inclusive assessment of the impacts of risks and opportunities inherent to its business related to human rights, in all their forms. MFE complies with the United Nations Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises.
In order to remedy impacts on human rights, the policy provides for the verification and adoption of corrective actions in case of violations, in line with what is reported in the Code of Ethics.

Scope of application

The Policy applies to Snam and its Subsidiaries and is brought to the attention of other associates , as well as its suppliers, subcontractors and business partners, and to any other person, wherever located, acting in their name and/or on their behalf in any capacity.

References to third party standards or initiatives

- Universal Declaration of Human Rights of the United Nations
- Fundamental Conventions of the ILO - International Labour Organisation
- OECD Guidelines for Multinational Enterprises
- Principles enshrined in the United Nations Global Compact

HUMAN RIGHTS GUIDELINE

Contents, objectives and monitoring process

The Guideline is inspired by the principles of ethical conduct, transparency, fairness and professionalism, in line with the Code of Ethics. It aims to further the contribution and broaden the scope of Snam's values, also in terms of human rights, and encourages behaviour that is aimed at preventing and reporting possible violations of human rights law.
The Guideline defines the HREDDM (Human Rights and Environmental Due Diligence Model) process that operates both in a preventive perspective, working on robust risk assessment processes towards the universe of applicable regulations, and in a 'detection' perspective through a structured monitoring activity of the safeguards and actions developed to prevent, mitigate or put an end to negative impacts. These evaluations are carried out as part of the Environmental Impact Assessment (EIA) procedure, at the end of which the administrations in charge, both at central and local level, issue the authorisations required by current legislation. In developing its energy infrastructure construction projects, Snam offsets the laying of gas pipelines on land owned by private individuals or public/community entities through specific compensation based on the weight of the pipeline easement and through compensation to tenants of the land, whether they are private/public entities or communities that exercise rights to use the affected land. In many cases, agreements are entered into with the professional farming organisations present in the area to ensure further protection for their members. Projects are appropriately analysed and assessed in terms of their environmental, economic and social impacts, e.g. through Social Impact Assessment tools and methodologies. Finally, the results of these activities are communicated through appropriate reporting to senior management and corporate bodies when the 'Annual Compliance Report' is presented.
The Company periodically promotes continuous and transparent listening and discussion initiatives by organising workshops and round tables in collaboration with the international organisations in which it participates. Such initiatives are useful in assessing and mitigating the potential impacts of its activities, in order to create shared value and strengthen mutual trust, in line with its commitment to sustainability and respect for human rights.
The Business Integrity & Compliance function periodically reviews this Guideline to ensure it is effective over time and adheres to emerging best practices. In any case, all involved units/functions are required, within their area of competence, to detect and report any corporate events that require this document to be modified.

Scope of application

The Guidelines apply to Snam and, as part of the management and coordination activities, to all subsidiaries. It is also brought to the attention of other associates
in order to promote principles and conduct consistent with those expressed by Snam.
The documents applies to all Snam people, as well as to any other person including suppliers subcontractors and business partners, wherever they may be, who acts - in any capacity - in the name and on behalf of the Company, within the limits of their role and responsibilities.

References to third party standards or initiatives

- Ten Principles of the UN Global Compact
- Universal Declaration of Human Rights of the United Nations
- Fundamental Conventions of the ILO - International Labour Organisation
- OECD Guidelines for Multinational Enterprises

PHILANTHROPIC ACTIVITY AND SOCIAL INITIATIVE MANAGEMENT POLICY

Contents, objectives and monitoring process

This policy aims to set out Snam's commitment to actively contribute to promoting the quality of life and economic development of the communities in which it operates, fully aware of Snam's social responsibility towards those communities and all its Stakeholders.
The policy manages philanthropic activities and social initiatives that include donations and sponsorships to raise awareness about Snam and its strategic growth plans, the ability to create culture and added value for the community, while respecting traditions, in a logic of continuous improvement over time and of sustainability, and the ability to create economic value in ways that simultaneously generate value for Snam, its stakeholders and the territory in which it operates:

- responding to the needs expressed by the context in which it operates;
- promoting social, cultural and environmental interventions according to criteria of transparency,
- fairness and impartiality towards all those with whom it deals;
- confirming its commitment to the values of dialogue, collaboration and environmental care.

Snam – In line with its Code of Ethics, growth plans and strategic approach – intends to be an active player in sustainable development processes, the management of philanthropic activities and social initiatives, and also intends to meet the needs expressed by its operatng environment by promoting social, cultural and environmental actions with transparency, correctness and impartiality towards all subjects with whom it interacts.
The policy is reviewed and monitored to ensure that the strategy is aligned with the evolution of communities and the needs expressed by Snam's operating environment.
Furthermore, the General Manager of the Snam Foundation and the Board of Directors are accountable for implementing this policy.

Scope of application

Snam's policy for the management of philanthropic and social activities applies to all activities and personnel of the Snam Group, involving interested stakeholders where possible; All Snam companies adopt this Policy and implement its principles.

References to third party standards or initiatives

United Nations 2030 Agenda

TAX CONTROL FRAMEWORK GUIDELINE - TAX STRATEGY

Contents, objectives and monitoring process

The Guideline sets out Snam's commitment to manage risks carefully and to plan for the long term in its ongoing collaboration with the Tax Authorities.

It contains the objectives of Snam's tax strategy, described below:

- Tax Value, in order to efficiently manage the 'tax cost' associated with its business activities;
- Risks and Reputation, to control and manage tax risks and protect the company's reputation through appropriate policies, procedures, organisational solutions and communication tools;
- Tax compliance, in order to ensure integrity in tax compliance and the correct assessment of taxes, in compliance with the timing and requirements associated with the same, minimising disputes with tax authorities;
- Sharing values, with a view to promoting awareness at all levels of the company of the importance attached by the company to the values of transparency, honesty, fairness and compliance with legislation;
- Relations with the tax authorities, in order to establish relations with the latter that are characterised by good faith and transparency;
- Resource development, to develop and strengthen the personal and professional skills of the resources involved in the tax process and management of the associated risks.

Snam is committed to having in place an efficient tax control framework (TCF) consisting of the tools, organisational structures, rules and corporate regulations to enable – through a suitable process of identifying, measuring, managing and monitoring the main tax risks – the company to be managed in a way that minimises the risk that any operations could breach tax regulations or the principles or purposes of the system.

The Guideline is reviewed and monitored in order to adapt Snam's tax strategies to the most recent tax regulations and best practices in the field.

Scope of application

The Guideline's contents apply to Snam and its subsidiaries and are aimed at promoting principles and behaviours consistent with those expressed by Snam.

References to third party standards or initiatives

Applicable tax regulations

For more information on the policies on Affected Communities, please refer to the chapter 'Internal regulatory system'.

TARGETS

LOCAL COMMUNITIES

KPI		Baseline and base year	Performance 2022	Performance 2023	Performance 2024	Target		Performance 2024 vs. target
Value released at local communities (€M) [1]	SCORECARD	€ 1,502 mln in 2022	1,502	1,451	1,934	>1000	by 2024	✓
						>1000	by 2025	⚙
						>1000	by 2029	
Benefits for local communities over reg. revenues (%) [2]	SCORECARD	1% nel 2022	1	0.4	0.6	~ 1	by 2024	✓
						~ 1	by 2025	⚙
						~ 1	by 2029	

SCORECARD KPIs included on the Sustainability Scorecard
CARBON NEUTRALITY KPI included in the Carbon Neutrality Strategy
✓ Target reached
⚙ Target in progress
⊘ Target not reached

Notes:
- the data refer to the entire Snam Group, unless otherwise indicated. For more information on the scope, please refer to the chapter 'Introduction and guide to reading the document, General basis for the preparation of the Consolidated Sustainability Statement';
- the underlying methodologies, applied in the calculation of the targets, are the result of the internal development of the functions responsible for the control and monitoring of the targets themselves.

[1] The perimeter considered is the Snam group, with reference to offsets and mitigations, the perimeter relates to Snam Rete Gas and Stogit. Based on the 'Distributed Value Added' methodology already in use, the formula sums the following items (i) direct donations, sponsorships and offsets (income statement); (ii) contributions to Arbolia and the Snam Foundation; (iii) contributions to Italian start-ups; (iv) compensation and mitigation (CapEx); (v) Dividends of retail investors; (vi) Salaries; (vii) Suppliers of Italian SMEs and (viii) Local taxes (including TARI, IMU and IRAP, regional trade income tax);
[2] The target refers to the perimeter of the regulated sector. Based on the 'Distributed Added Value' methodology already in use, the formula sums up (i) direct donations, sponsorships and compensation (from the income statement), (ii) contributions to Arbolia and the Snam Foundation; (iii) contributions to Italian start-ups and (iv) compensation and mitigation
(CapEx), divided on the sum for regulated revenues. With reference to the item 'Offsets and mitigations (CapEx)', the Snam Rete Gas and Stogit items 'Environmental Offsetting Charges' and 'Greening' are included.

The Sustainability Scorecard objectives support the Group in achieving the targets set out in the Philanthropic Activity and Social Initiative Management Policy and the targets established in terms of creating shared value. This is achieved by aligning these objectives with the needs of communities and the initiatives aimed at creating economic and social valuem with a view to generating benefits for both the company and local stakeholders and involving vulnerable categories in promoting fair transitions. [ESRS 2, MDR-T, 80, a]

In 2024, the value delivered to local communities amounted to €1,934 million euros, thus exceeding the target. The KPI relating to benefits for local communities on regulated revenues stood at 0.6. While in line with the target, this figure was slightly below the objective of 1.
For more information on the targets of the Sustainability Scorecard, please refer to the paragraph 'The Sustainability Scorecard' in the chapter 'Strategy and business model'.

ENGAGEMENT WITH AFFECTED COMMUNITIES

Given the broad coverage of its infrastructure, it is of fundamental importance that the Group forms trusting relationships with all stakeholders and places itself in a position to listen and achieve participative involvement. Snam acts transparently towards all stakeholders with the aim of building constructive dialogue. The Group's DNA has always involved caring for affected communities and a commitment by Snam to create value for those communities. This element has recently been enhanced to become one of the pillars of the new sustainability strategy, thus demonstrating that this principle has been completely integrated into the Group's operations and corporate strategy.

Snam is active in the local area, liaising constantly with local communities, trade associations and public administration, both at the central and local level. In 2024, Snam held more than 200 meetings with key stakeholders, reaffirming the importance of communities and their representatives to the Group. In line with its stakeholder engagement policy, Snam is committed to ensuring that the needs expressed by the communities that host its infrastructure are appropriately listened to and taken into account. This occurs both through an ongoing dialogue with local authorities and through in-depth information being made accessible to all online. In particularly, this information relates to key infrastructure and projects, including Snam for Lombardy[142], Snam for Minerbio[143], Snam for Cortemaggiore[144] and the section of the website on floating storage regasification unit (FSRU) projects[145].

Snam, as an entity that carries out activities in the public interest, requires specific authorisations from the Public Administration when building its infrastructure. The Public Administration then initiates an administrative procedure with forms of communication addressed to municipalities, professional organisations and local communities affected by the energy infrastructures. Projects are then analysed and assessed in Service Conferences

[142] The 'Snam for Lombardy' site is accessible at the following link: https://www.snam.it/it/snam_per_lombardia/.
[143] The 'Snam for Minerbio' site is accessible at the following link: https://www.snam.it/it/snam_per_minerbio/.
[144] The 'Snam for Cortemaggiore' site is accessible at the following link: https://www.snam.it/it/snam_per_cortemaggiore/.
[145] The FSRU Italy website can be accessed at the following link: https://fsruitalia.it/.

to which all interested bodies, including the communities concerned, are invited to express comments and opinions. Snam also organises meetings with professional organisations and mayors to illustrate the aims of the projects and gather any requests. In the administrative procedures, private parties and stakeholders (environmental associations or other parties) may submit their observations to the competent public administration.

112
mayors met to illustrate the implemented projects

4
meetings with local farmers' associations

1
agreements entered into with local associations

In 2024, Snam also joined ANCI - Associazione Comuni Italiani.

The affected communities (stakeholders, relevant authorities and private individuals) are involved in the various phases of building infrastructure and have the opportunity to express make observations. The relevant authorities also have the opportunity to express their opinions during the authorisation procedures conducted by those authorities. With regard to any critical issues that emerge locally during the construction of Snam's infrastructure, the Company involves stakeholders in all authorisation and construction phases with the aim of promoting the social acceptance of the works. This involvement takes place through actions such as defining agreements with individuals to install works on their land, while ensuring they are compensated to fairly rebalance any inconvenience suffered. Upon completion of the project, Snam compensates tenants of the affected land for damage caused to the land and crops until full cultivation can resume. With a view to the social acceptance of its works, Snam takes into account the opinions and requirements of the local authorities (municipalities, provinces, regions) and, where necessary, modifies its projects and choices based on the reasons set out in those requirements.

In particular, in order to ensure the completion of the design of the infrastructure to be built, Snam asks the competent authorities to issue the Decree of access to privately owned land affected by the work. Once obtained, this is published in the online municipal register of each municipality where the infrastructure will be built. Where disputes arise with private parties that restrict access to the land, Snam appeals to expropriation for public utility, which consists of the compulsory transfer of the property for reasons of public interest, subject to payment of fair compensation.
Subsequently, Snam forwards the Environmental Assessment application to the Ministry of the Environment and Energy Security, the notice of which, together with the project documentation, is published on the Ministry's website.

The Project is then examined in Service Conferences to which all interested bodies, including the communities concerned, are invited to express their opinions/comments. Snam then organises specific meetings with the farmers' professional organisations and the mayors to illustrate the aim of the project, how the work will be carried out, and the impact it will have on the owners of the land affected by the construction of the work, who will therefore temporarily have limited access to resources and land use.

In addition to the easement indemnity, Snam also grants indemnity to those entitled to compensation for damage to crops that suffer interference during the temporary period of construction work. This compensation is established following the prior drawing up of a state of the land, which describes the state of the sites.

Only if it is impossible to voluntarily establish a methane pipeline easement, and since it must ensure the construction of the infrastructure of public utility, Snam asks the P.A. to issue the compulsory measure that places the easement right and the authorisation for the temporary occupation of areas in the Company's hands, in any case always compensated through the payment of adequate compensation.

The International Engineering, Construction & Solutions (IEC&S) Department ensures local involvement through the project managers and appointees by maintaining all necessary dialogue with stakeholders with a view to sharing the project under construction and catering to local requests. This engagement process is put in place for each infrastructural project. The frequency of dialogue is linked to the construction of the works and the authorisations requested from the local authorities.

Snam has begun discussions with its institutional stakeholders to understand the effectiveness of its engagement with affected communities for double materiality analysis purposes. The Company has put methods in place to evaluate the impact of its stakeholder engagement actions and ensure that they are more and more effective. As part of its business operations, Snam enters into environmental compensation and rebalancing agreements with local authorities affected by its infrastructures.

The activity of identifying and engaging the most vulnerable groups in affected communities concerned is carried out through the Snam Foundation, a third sector organisation which is committed to aiding Snam's contribution to the Just Transition by taking action nationally to combat energy, educational and food poverty. Through its network of local third sector organizations (NGOs, associations, etc.), the Snam Foundation can understood the specific needs of some groups within communities, with a particular focus on the most fragile segments in the country.

Snam also organises open days and guided tours at its plants so that local communities can gain a deeper understanding of its operations. In this regard, two open days were held in October: one at the Masera compression plant to mark 50 years of operation; and one at the Fiume Treste storage plant, in which locals were offered a guided tour. Local institutions, citizens and families from both communities were able to visit the facilities in person, learning more about the activities related to a sector that is particularly significant for the country's energy security.
The Company supports the development of philanthropic activities and activities of social and cultural value in the territories in which it is present by giving donations and sponsorships.

Snam also seeks to enter into agreements with Professional Farming Organisations (if any such representative body exists) and with local government to identifying compensation and environmental rebalancing measures in compliance with the principles laid down in Italian Law 239/2004.

In March 2024, to mark Landscape Day, Arbolia inaugurated a forest in the Archaeological Park of Pompeii. Arbolia's contribution in Pompeii helped to develop the 'Extramoenia Green Path'. The path's inauguration, at which Arbolia also participated, showcased inclusion and recreation by featuring both Tulipano Art Friendly and Ragazzi di Plinio. The latter are a group of young adults with autism and learning disabilities, and they were coordinated and guided by the 'Tulipano Art Friendly' social cooperative, who have been working with the park for over a year by picking fruit and vegetables, making jams and fruit juices, and holding participative design workshops for inclusive areas. Indeed, the social agriculture events at Pompei and at the Royal Bourbon Powder Factory in Scafati gave them the opportunity to try out their inclusive bicycles that they will be using amidst the almond groves. Furthermore, the 'E. Pascal' High School in Pompeii held outdoor landscape and nature art classes, creating panels that will enrich the spaces of the Tulipano Art Friendly's future HQ at Casetta di Plinio, not far away within the Park itself.

In December 2024, Snam launched a new local listening initiative, in which the public and private sectors will be engaged with horizontally as part of a participative working table that aimed to identify possible actions that can generate value in the local area.

Involvement of Snam Foundation

The Snam Foundation collaborates with local stakeholders, including third sector entities, public institutions and ultimate beneficiaries to make sure that initiatives meet the needs of the communities involved in all phases of project development. The process involves three main phases: co-design, implementation and monitoring. The Snam Foundation arranges focus groups and uses feedback forms to track the effectiveness of its impact, directly involving third sector organisations and local institutions to act as spokespersons for the needs of communities, with a particular focus on the most vulnerable groups at who the Foundation's activities are targeted. Through these listening tools, the Foundation acknowledges the needs of its stakeholders and introduces improvements in its programmes. For example, following co-design, it was decided to extend one of the volunteer initiatives to two weeks, so that weekly shift workers could also participate.

As part of its initiatives, the Snam Foundation collaborates with third sector organisations specialising in offering support to the most vulnerable segments of the population, such as type B social cooperatives. This has strengthened the link with the local area and the active engagement of local authorities. Impact tracking is backed up by an evaluation system that uses a dashboard of indicators, allowing qualitative and quantitative data to be collected on the initiatives promoted. The community listening programmes and activity assessments also lean on tools such as focus groups and feedback forms, which allow continuous input to be obtained from the people involved and help actions to become progressively more effective. The operational responsibility for ensuring that this engagement process takes place is entrusted to the General Manager of the Snam Foundation, who coordinates the activities and ensures that initiatives are correctly implemented.

COMPLAINTS MECHANISMS FOR WORKERS IN THE VALUE CHAIN

Snam adopts a structured approach to prevent, mitigate and remedy the negative impacts that could arise from the construction and management of its infrastructure elements, guaranteeing the affected communities clear mechanisms to express reports, concerns and needs. Environmental impact assessments cover all phases of the life cycle of the work, from location to decommissioning. These analyses are conducted through Environmental Impact Assessment (EIA) and Social Impact Assessment methodologies that allow for the identification and management of any critical issues for local communities. To ensure a fair balance between industrial needs and the rights of the affected communities, Snam provides compensation measures for the use of private or collective lands, through specific compensation for the easement of the pipeline and for the land managers, whether they are private, public or collective entities. In many cases, agreements are made with Professional Farmers' Organisations to ensure additional protections for members.

To enable affected communities to report concerns or needs directly to Snam, the company has implemented specific communication channels, including the whistleblowing process. This tool allows any interested party to report facts or behaviours that may constitute violations of company policies, including any issues related to impacts on communities. Through the Whistleblowing Guideline, Snam guarantees the possibility of sending reports anonymously, in good faith or on the basis of reasonable belief, the protection of the identity of the whistleblower and the prohibition of retaliation against him/her, in addition to the application of sanctioning measures against any abuse or unfounded reports made with intent or gross negligence. In addition to internal reporting channels, Snam uses an Ombudsman, an external body responsible for receiving and analysing all reports received, ensuring confidentiality and impartiality in the reporting management process. The Ombudsman ensures the protection of the reputation of the reported persons and the effectiveness of the investigations.

Snam is committed to promoting awareness of the reporting channels through the publication of all relevant information on the company websites, on the platforms of the subsidiaries and on the supplier portal, thus making the reporting processes accessible to all stakeholders, including local communities. The Ombudsman, with the support of the Internal Audit function, ensures the management of reports and provides feedback to the whistleblower within three months of receiving the report. In the event that the report is archived, an official response is still provided. Reporting information is included in the Quarterly Report and the Reporting File, ensuring constant monitoring of the effectiveness of the system.

To ensure that the affected communities are aware of the possibility of reporting problems and obtaining assistance, Snam is committed to disseminating knowledge of these tools through institutional and information channels, with particular attention to the protection of the rights of local populations, their cultures and institutions. Furthermore, to evaluate the effectiveness of the communication channels and the management of the issues raised, Snam monitors the decision-making process through the Service Conference (Law 241/1990) and maintains direct contact with the parties involved via the emails of the Territorial Units.

For more information, please refer to 'Policies, Management of reports: 'Whistleblowing' and 'Actions and metrics' in the chapter entitled 'Business Conduct' sections.

ACTIONS & METRICS

ACTIONS IMPLEMENTED AND PLANNED AND RELATED TO THE RESOURCES ALLOCATED IN RELATION TO THE AFFECTED COMMUNITIES

	2024	
KPI	CapEx [1]	OpEx
Amount of current financial resources allocated to actions related to the affected communities (€ million)	48	1
Amount of future financial resources allocated to actions related to the affected communities (€ million) [2]	209	8

Notes:
- the data refer to the entire Snam Group, unless otherwise indicated. For more information on the scope, please refer the chapter 'Introduction and guide to reading the document, General basis for the preparation of the Consolidated Sustainability Statement';
- with reference to Bioenerys and Renovit, CapEx and OpEx are included in the topic 'Climate Change';
- financial resources may give rise to operating costs (see Note 29 Operating costs and charges in the Notes to the Consolidated Financial Statements) or, if the conditions apply and if strictly related to an investment, may give rise to CapEx (see Note 8 Property, plant and equipment and Note 9 Intangible assets in the Notes to the Consolidated Financial Statements);
- for more information, please refer to the chapter 'Actions and resources in relation to material sustainability matters'.

[1] The data relating to current and future CapEx allocated to the affected communities represent the indemnities recognised to private individuals and compensations to the current and future communities.
[2] The future financial resources consider the Plan period.

Licence To Operate

Snam adopts consolidated procedures, defined within its Corporate Rules, for the construction, operation and adaptation of its infrastructures, ensuring that it obtains all necessary public authorisations, including those relating to environmental, landscape and archaeological constraints.
From the design phase onwards, Snam selects routes that minimise the impact on private lands and evaluates the variants proposed by the bodies responsible for environmental, landscape and archaeological protection, integrating these requests into the project planning phases.

To mitigate significant impacts on local communities, Snam adopts environmental compensation and rebalancing measures at the request of the territorially interested entities, in compliance with Law 239/2004 (Marzano Law).

These measures aim to rebalance or replace the environmental resources involved, ensuring an improvement for the territory. The company coordinates with local authorities to evaluate and coordinate such interventions within the scope of the authorisation procedures.

The projects are appropriately analysed and evaluated in terms of environmental, economic and social impacts, e.g. through Social Impact Assessment tools and methodologies.

In addition to the planned interventions to rebalance environmental impacts, the Company operates in compliance with regulatory requirements and restores the areas affected by the works to their original state.
Before the construction of the infrastructure elements and for their subsequent operation, Snam acquires in advance the easement titles or the surface rights on the lands involved. The creation of the pipeline easement gives the Company the right to build, operate, maintain and remove the asset built on someone else's land, subject to the recognition of compensation to the owners. In accordance with the Company Rules, financial resources are budgeted and authorised for all projects to obtain public authorisations, comply with regulatory requirements, as well as to acquire easement rights and settle damages for the private parties involved.

Snam provides compensation to owners of land affected by the laying of gas pipelines, covering both the burden of the easement and compensation for any damage to crops. The company operates through agreements with Professional Farmers' Organisations to define procedures and methodologies for the acquisition of voluntary easements and the settlement of damages.

For each investment, the Company draws up estimates for easement indemnities, adopting as reference values those already recognised in relation to the specific characteristics of the affected areas and the market value of the land. For damage compensation, the standard price list is adjusted based on territorial peculiarities, local culture and historical context. This approach helps to minimise the risk of legal action in these areas.

Snam verifies the effectiveness of the actions implemented by monitoring the number of amicable agreements reached and the level of participation of Professional Farmers' Organisations in the negotiations. Furthermore, in the event of archaeological findings during the works, the company collaborates with the Superintendencies to promote the finds through publications and exhibitions.

The activities described are continuously implemented throughout the Italian territory and are part of a fragmented investment plan, with over 700 interventions in 2024 alone and more than 600 investments planned over the course of the multi-year plan. The actions concern both the construction and operation of the infrastructure elements, involving various stakeholders:
- the owners of the lands affected by the laying of the gas pipelines, who are recognised easement compensation;

- the farmers of the lands affected by the construction and maintenance works, for whom the recognition of compensation for damages is foreseen;
- the bodies involved in the authorisation procedures, which may be recognised fees and expense reimbursements, where requested or due.

Investment planning follows a multi-year programming logic, but the amounts earmarked for allowances and compensations are not precisely defined until the conclusion of negotiations with the interested parties. This is because the economic conditions are established in compliance with the authorised estimates and based on the actual damage caused, which varies depending on the type of area and the operational needs for carrying out the work safely.

The time horizon of the environmental compensation and rebalancing measures varies based on the type of works agreed with the local authorities. Easement compensation is normally paid before the start of the works in the case of amicable agreements, while compensation for damage to crops occurs at the end of the works, with the possibility of advance payments following agreement with the owners.

Bioenerys - Compensatory measures for Municipalities

Bioenerys has signed agreements with the Municipalities within the Conference of Services to define compensatory measures related to land use. These measures include:

- maintenance of roads, both municipal and those connected to the plant;
- maintenance of city greenery;
- energy efficiency interventions and the installation of renewable energy systems, including energy communities;
- the construction and arrangement of cycle paths and ecological trails;
- the construction of structures useful to the Municipality;
- interventions to raise awareness among citizens on environmental and energy issues;
- the use by the Municipality of spaces included within the perimeter of the plant

Bioenerys consults with the Municipalities to define together the most useful interventions for the territory. The agreement provides that the Municipality provides an annual report of the expenses incurred for the agreed activities.

The agreements generally have a duration of 15 years, equal to the life cycle of the plant.

The Business Development & Permitting Bioenerys unit is responsible for managing the agreements. Bioenerys ensures the payment of compensation quotas and monitors the actual implementation of the interventions.

The construction of the plants is subject to environmental authorisation to ensure compliance with the emission limits established by the legislation.

Greenture and the energy efficiency project of Pignataro Maggiore

Greenture is involved in the energy efficiency project promoted by the Municipality of Pignataro Maggiore as part of the environmental compensation and rebalancing measures. The Municipality has asked Greenture for a contribution to the construction of an air conditioning system and a solar heating system for public buildings, with the aim of reducing emissions and optimising energy consumption. The implementation and management of the works are the exclusive responsibility of the Municipality, which guarantees compliance with current regulations and assumes responsibility for the correct allocation of resources. The completion of the interventions is expected for 2025.

Relations with the territory

Snam is present throughout Italy with its infrastructures and maintains a constant dialogue with territories and stakeholders, acknowledging their requests and promoting the development of economic and cultural activities of various kinds, and the care and protection of the landscape and environmental heritage. In this context, the company seeks a licence to operate while contributing to the growth of the country and, in a just transition perspective, to the development of the social system.
In line with these objectives and in confirmation of its commitment to social issues, Snam strengthens and develops its relational networks in the local area with the support of Snam Foundation. Established in 2017, the Foundation's purpose is to develop, promote and disseminate innovative, effective and supportive practices capable of fostering civil, cultural and economic development in priority areas of public interest by connecting the business and social sectors. For more information on Snam Foundation activities, please refer to the 'Snam Foundation' paragraph of this chapter.

Snam employee volunteering

One of the main elements of value of the Snam Foundation is represented by the skills of the Snam people who are involved in the projects through corporate volunteering, helping to broaden the impact of the activities promoted, the development of the skills and competencies of the organisations with which the Foundation works and the dissemination of the values of sustainable development and just transition within the corporate context.

In 2024, **6,377 hours**[146] were dedicated to the initiatives implemented by the Foundation.

[146] The metric corresponds to the total number of hours donated by volunteers during the year recorded through specific paper and/or electronic forms (e.g. online forms, attendance registers, etc.).

Within the context of the voluntary activities carried out by Group employees in 2024, the main ones concerned:

'E-LAB' (EMPOWERMENT LAB) SKILL VOLUNTEERING	67 volunteers joined the 'E-Lab' mentorship programme for social enterprises and cooperatives. Thirty-two courses were implemented for supported Third Sector organisations in 18 Italian regions to strengthen their business plan, administrative and financial management, communication and commercial skills, human resources planning and management, and internal organisation structuring.
'DONATE TO LEARN'	63 volunteers took part in the initiative, involving students from 94 schools in 16 Italian regions with four training courses (STEM subjects, environment and energy, healthy and sustainable food, and digital) in partnership with various Third Sector organisations. The initiative in 2024 also included the donation to participating schools of 391 digital devices reconditioned by our partner Fondazione Italiana Accenture.
'TOGETHER FOR OTHERS'	732 volunteers, including Snam people, Snam retirees and suppliers, took part in the half-day initiative to combat food waste, which reached around 52,000 people in need. Snam people have been involved in numerous activities, with 42 Third Sector partners, in 17 different cities, helping to serve 12,000 meals, moving 97,000 kg of surplus food.

Furthermore, Snam Foundation has implemented activities to involve Snam people with the following activities:

- **Every step counts**: Snam has decided to participate in this running race, organised by Radio Deejay, opening it to all the people of the Snam Group with the possibility of registering a guest, linking the activity to the social purpose of contributing to the fight against food poverty. A voluntary donation was made by Snam, matched by the Snam Foundation, for each km run by the Snam Group competitors registered for the race and the proceeds were then donated to Banco Alimentare;
- **Natale Solidale (Solidarity Christmas)**: On 17 and 18 December, Snam people were able to purchase solidarity gifts organised by 19 ETS at the Snam campus in San Donato Milanese and 7 local offices including Milano Renovit, GNL Panigaglia and the districts of Bologna, Rome, Naples, Bari and Catania. Snam Foundation has also made donations to participating institutions;
- **Corporate solidarity gifts**: Snam Foundation facilitated the purchase of corporate gifts of a charitable nature made by three Third Sector entities in its network. This year, gifts have been selected from: Action Against Hunger, Guri I Zi and Chico Mendes.

Snam serving schools

In 2024, the activities designed to serve schools continued with ***Young Energy***, now in its sixth year. The goal of the project is to support student orientation and bring them closer to the world of work through initiatives focused on corporate business. 349 students from 9 technical institutes around the country took part in the course, which lasts from January to May. They listened to lectures by Snam People in the classroom and participated in project work activities as well as company visits. In addition, *Young Energy* provides fifth grade students with the opportunity to participate in selection paths to become part of the Snam world.

349
students reached

9
Technical institutes involved

In 2024, Snam also took part in **Tirrenno Scuola@2030**, an integrated communication, training and information project aimed at the 3rd, 4th and 5th year classes of high schools. Tirreno Scuola@2030 also involves public and private partners (companies, foundations, institutions), creating a virtuous synergy between the schools and the most representative companies in the participating region through the creation of a system of relations and activities. The aim is to provide students with elements of analysis and knowledge that will help them approach the world of work and/or post-diploma training with a critical spirit and a greater awareness of the social, economic and cultural reality in which they live and in which they will be called upon to play key roles.

Snam joined the project as a partner company, bringing a testimonial about Snam and its businesses to a school in Tuscany.

Scuola@2030 is the first structured school-to-work alternation project in Italy in the field of publishing and has been approved by the Regional School Office and included in the Miur planning schedule. The high school classes were involved by participation in a series of activities carried out in physical, digital and paper form:

- **Physical mode: meetings and initiatives focusing on the most widely felt topics, from the energy transition to safety, from road safety education to training and especially on information and career guidance;**
- **Digital mode: online meetings and initiatives described by the students and collected within a web portal run by students on the Il Tirreno website;**
- **Paper-based mode: The various activities carried out are narrated by the children and collected in the newspaper in a weekly insert. The newspaper is then distributed daily in participating schools.**

Snam Foundation

The Snam Foundation is a Third Sector Entity and non-profit business foundation set up with the aim of offering the country the skills and capabilities developed by the Company in the energy infrastructure sector over more than 80 years of history.

Snam Foundation ETS has a strong orientation towards just transition, which is reflected in the organisation's purpose and mission.

PURPOSE	MISSION
Working with and for the territory in support of a just transition.	Snam Foundation works to promote and disseminate innovative, effective and supportive practices capable of fostering civil, cultural and economic development in priority areas of public interest, connecting the business world and the social sector, as well as through the growth and enhancement of skills.

Starting in 2022, the Snam Foundation has reformulated its areas of intervention, focusing its commitment on energy, educational and food poverty issues with initiatives targeted at the areas in which they are developed, fully responding to the needs of the areas affected by the initiatives. To this end, the Foundation collaborates with local communities, authorities and institutions through a co-planning process to jointly define the activities to be implemented.

In particular, the Foundation works to help people reduce energy consumption and, together with them, promote the energy requalification of social buildings, prevent early school leaving and support young people's access to the professions of the future, collaborating directly with schools and in close contact with students, to counter food waste and encourage the most vulnerable groups to adopt sustainable food styles.

In 2024, the intervention of the Snam Foundation in the territories was further refined, increasing the areas involved in the initiatives with a focus on Central-Southern Italy.

Snam Foundation projects in 2024

NEW GEOGRAPHICAL AREAS

Objective. Develop several projects (Accompany a family, Energy in the suburbs, Food support and education in Piombino, Restart Italy, Appennino Project, Guardians of the Coast, Welfare che impresa! (Welfare what a business!), Green Skills Academy) on the issues of energy, food and educational poverty in Italy in the regions where Snam is present.

Partners. Conad ETS Foundation, Caritas Italiana, Fondazione Azione Contro la Fame (Action Against Hunger Foundation), ATES Parma, FEduF, Airc and Human Age Foundation (Accompagna una famiglia/Accompany a family); Fondazione Banco dell'Energia Ente Filantropico, San Vincenzo De Paoli Odv, Arciconfraternita di Misericordia (Energia in Periferia/ Energy in the Suburbs); San Vincenzo De Paoli Odv, (Food support and education in Piombino); Opes-Lcef Foundation (Restart Italy), Costa Crociere Foundation (Guardiani delle Coste/Coast Guardians); Fondazione Italiana Accenture, Conad Foundation, Peppino Vismara Foundation and Intesa San Paolo (Welfare che impresa!/Welfare what a business!), Edoardo Garrone Foundation, Carispaq Foundation, Appennini For all, Avanzi Spa (Appennino Project) Isola Catania, Brindisi &C, Generation Italy Foundation and Intesa Sanpaolo (Green Skills Academy).

People reached: More than 2,000 individuals including students, staff and volunteers from the institutions involved through training and capacity-building activities related to foundation issues and organisational and development processes, food aid, assistance with paying bills and small efficiency interventions. Furthermore, more than 50 organisations (third sector entities, local impact microenterprises and social start-ups) were supported.

Project description.
- Environmental education activities with a focus on the Energy Transition.
- Activities to combat energy poverty through training activities designed to raise awareness of more sustainable consumption and behaviour, and financial support for efficiency measures and the payment of bills.
- Activities to combat food poverty with food education activities and donations of food parcels.
- Support activities for cooperative and social enterprises, local impact enterprises, social start-ups, business networks
- Training activities for young aspiring entrepreneurs
- Professionalising activities for young people regarding green skills.

ENERGIA INCLUSIVA

Objective. Supporting the community to combat energy poverty.

Partners. Compagnia di San Paolo Foundation, Municipality of Milan, Caritas Ambrosiana Foundation, Diocesan Caritas Archdiocese of Cagliari, Legambiente Modena and Cagliari, Giuseppe Di Vittorio Foundation.

People reached: More than 600 people from fragile backgrounds.

Project description. 'Energy for all' - building information hubs for vulnerable families and creating policy proposals to combat Energy Poverty, carrying out various training activities and distributing information material.

FORESTAMI

Objective. Support for the initiative of the Municipality of Milan that will plant 3 million trees by 2030 to increase the resilience of the territory, counteract the effects of climate change and rising temperatures, and contribute to the psycho-physical well-being of the inhabitants and to the cooling of the environment.

Partners. Metropolitan City of Milan, Municipality of Milan, Lombardy Region, Parco Nord Milano, Parco Agricolo Sud Milan, ERSAF, Fondazione di Comunità Milano.

Project description. As of 2024, ForestaMi has planted 71,003 trees with 2,840 tonnes of CO_2 absorbed[1].

CORVETTO ADOTTAMI

Objective. Contribute to the redevelopment and social development of the Zones 4 and 5 of Milan through three intervention areas: Educational, Energy and Food Poverty.

Partners. Cariplo Foundation, Municipality of Milan and in particular the Milan Food Policy and local associations, such as, for example, La Strada, Fondazione Comunità di Milano, ACRA, Comitato inquilini Molise e Calvairate and schools and universities such as, for example, Istituto Comprensivo Tommaso Grossi (Associazione inGROSSIamoci), Politecnico di Milano University.

People reached: Inhabitants of the Corvetto neighbourhood: more than 1,000 people including children, young people and families.

Project description.
- School dropout prevention through after-school activities and summer camps in collaboration with a large network of third sector organisations in Zones 4 and 5 of Milan.
- Tappeto Volante (Flying Carpet), for the urban regeneration of the 500-metre route connecting the Tommaso Grossi Institute and the Emilio Alessandrini park, using the pedestrianised space for educational and entertainment activities for the local community.
- Redevelopment of schoolyards.
- Innovative models for combating food poverty.
- Support for scientific research to strengthen and extend the network of Hubs against food waste.
- Experimentation of a model for recovering excess food from school canteens in the Zones 4 and 5 of Milan with cargo bikes and related training activities.
- Professionalising courses aimed at young people in conditions of social and economic fragility.

LA SCUOLA CHE VORREI

Objective. Experimenting with methodological and thematic innovations for schools, for the realisation of an innovative and sustainable school and preventing the risk of early school leaving and the emergence of forms of hardship among the most vulnerable students.

Partners. CIAI - Italian Centre for Aid in Childhood; Maestra Liana Association, Elis Consortium.

People reached: More than 2,000 students.

Project description.
- Creation of a STEM teaching kit to carry out science experiments.
- Holding of tutoring sessions on STEM subjects for girls from Milan and Bari.
- Prevention of the risk of early school leaving and isolation of children in vulnerable conditions.
- Implementation of summer camps and continuation of activities aimed at preventing the emergence of forms of discomfort and malaise among the most vulnerable students.
- Training courses for secondary school students on green transition topics.

RAGAZZE IN PRIMA LINEA

Objective. Encourage women to take up the Stem professions by incentivising girls to pursue targeted study paths and promote a culture of gender equality.

Partners. Accademia Musicale Chigiana.

People reached: 5 disadvantaged girls.

Project description. Funding of 5 scholarships for girls to attend the Accademia Musicale Chigiana.

MOTIVO DONNA

Objective. Experiment with a sustainable and replicable social enterprise model capable of triggering virtuous processes of resilience and social growth.

Partners. Ganassini Institute, Guri I Zi, Idee Migranti Onlus.

People reached: Four vulnerable women from disadvantaged backgrounds.

Project description. Development of a women's textile microenterprise that generates a work and income opportunity for women with a history of fragility in Italy. In partnership with 'Idee Migranti Onlus' and Guri I Zi (a social enterprise promoting women's empowerment), a tailoring workshop was set up in 2021 in a Snam office in San Donato Milanese, provided free of charge. The Foundation provided support for the development of the business plan and the start-up of the production activities by covering part of the costs for a period of three years.

Legend:

- Project linked to combating energy poverty
- Project linked to combating educational poverty
- Project linked to combating food poverty
- Other

[1] The data refer to ForestaMi estimates drawn up in February 2025. Snam Foundation contributes to the achievement of the project's objectives together with other supporters.

Snam Foundation, in collaboration with the Municipality of Milan and other associations, participated in the Energy Poverty Zero project with the aim of creating a model for the energy upgrading of buildings in the poorest and most vulnerable neighbourhoods of cities.

The project is one of the winners of a call for proposals from the European Commission's 'Programme for the Environment and Climate Action - Life'. With a budget of approximately €1.7 million and a duration of 36 months, it will focus on fostering energy upgrading processes:
- **supporting public administration, local communities and social housing operators in identifying areas for energy efficiency efforts;**
- **promoting actions to raise awareness and improve the energy behaviour of the most fragile sections of the population;**
- **developing collective purchasing schemes.**

In 2024, the project focused on awareness-raising and engagement activities among vulnerable populations and on the creation of social guidelines for the implementation of energy efficiency projects in vulnerable neighbourhoods.

Ensuring transparency in taxation matters

The management of tax issues, regulated in the 'Snam Group Tax Strategy' Guideline, which was approved by the Board of Directors in 2018 and complies with the regulations, entails a high level of transparency, careful risk management and a long-term vision seen in constant collaboration with the Tax Authorities.

The Group's tax strategy is characterised by compliance and conformity with regulations, a high level of transparency, careful risk management and a long-term vision, which is embodied in constant cooperation with the tax authorities.
On the basis of the Tax Strategy and in line with the Code of Ethics, Snam and its subsidiaries are required to apply the principles of fairness, transparency, honesty and integrity, which, specifically, in the tax area, are implemented in the correct discharge of tax obligations and compliance with applicable regulations. The proper fulfilment of tax obligations is ensured by Snam's internal regulations, i.e. the set of procedures and directives that define: roles and responsibilities; analysis and planning functions; operation and control functions; information flow and traceability management methods.

In order to further strengthen its Internal Control and Risk Management System, the Snam Group has adopted the Tax Control Framework (TCF), a system for the detection, assessment, management and control of tax risks through periodic assessments and monitoring. The adoption of the TCF for Snam S.p.A. and Snam Rete Gas S.p.A. was instrumental to the admission, on 2 December 2019, to the cooperative compliance regime laid out by Legislative

Decree 128/2015, which requires eligible entities to maintain high standards of transparency and cooperation with the tax authorities and to guarantee an increased level of certainty on material tax issues.

Adhesion to this regime is dedicated to taxpayers who meet the requirements of the applicable regulations and are equipped with a system for the detection, measurement, management and control of tax risk. Specifically, such adherence presupposes the maintenance of high standards of transparency and collaboration with the Italian Revenue Agency in order to guarantee an adequate level of cooperation and coordination with respect to relevant tax transactions, while representing a sure indicator of the constant application of those principles of correctness, transparency and awareness of the fulfilment of tax obligations set out in the 'Tax Control Framework - Tax Strategy' Guideline.

In 2020, in line with the approach dictated by the 'Snam Group Tax Strategy', the tax risk management process has also been extended to Group companies which, although not admitted to the cooperative compliance procedure due to lack of size requirements, have been considered relevant from a risk-based perspective. Currently, tax risk is managed through TCF for nine Group companies[147].

Furthermore, on 18 December 2024, the application was submitted to the Italian Revenue Agency to request the entry of Snam FSRU Italia s.r.l. into the cooperative compliance regime.

Finally, in December 2024 the preparatory activities necessary to include two additional companies in the scope of the voluntary Tax Control Framework were completed.[148].

The tax strategy implemented by the Snam Group is consistent with the activities of the business. Specifically, the Snam Group:

- is against the implementation of operations without economic substance and operations characterized by aggressive tax policies;
- ensures the correct application of the prevention rules for abusive erosion of the tax base;
- imposes a ban on profit shifting to other jurisdictions or entities (CFC, black list dividend, hybrid mismatching);
- pays close attention to developments in tax legislation at national and international level;
- pursues the application of the arm's length principle in intra-group relations according to international best practices recognised by the jurisdictions in which it operates in accordance with OECD requirements. Transactions with related parties not resident in Italy are analysed in the national documentation summarising transfer pricing policies.

In addition, the Tax Strategy, adopted by the Snam Group, has the following objectives:

1	2	3
tax value, i.e. the effective management of the tax cost associated with business activities	**control of the level of risks and their impact on reputation**, i.e. control of tax risk with a view to protecting the reputation of the Company and the Group	**tax compliance**, i.e. integrity in the management of tax compliance and the determination of tax liability for Group companies
4	**5**	**6**
shared values, i.e. promoting awareness at all company levels of the importance the company attaches to the values of transparency, honesty, fairness and compliance with regulations	**relations with the tax authorities**, i.e. establishing relations with the tax authorities based on good faith and transparency	**resources development**, i.e. developing and strengthening the professional skills of the resources involved in any capacity in the tax process

With regard to suppliers, Snam pays great attention to assessing the suitability of potential suppliers and their selection. The qualification and evaluation process is carried out pursuing the principles of transparency, traceability, impartiality and are aimed at promoting free competition and equal treatment of the parties.

The cooperative compliance regime provides for communication and cooperation between the Company and the tax authorities based on mutual trust and entails the possibility of reaching a shared assessment of situations that may generate tax risks before the submission of the relevant declarations, through prior and constant forms of dialogue.

Furthermore, with the Decree of the Ministry of Economy and Finance of 29th April 2024, the Code of Conduct was issued aimed at indicating the commitments that the parties involved mutually assume as a result of adhering to the regime, including that of communicating to the Financial Administration the tax risks and the operations that may fall within aggressive tax planning.

The Code of Conduct, in addition to confirming the obligation to comply with the duties indicated in the provision of the Director of the Italian Revenue Agency prot. no. 101573 of 26 May 2017, provides for the assumption, by the taxpayer admitted to the regime, of the commitment to act in full compliance with the law, basing their behaviour on correctness and good faith, understood as the duty to behave with loyalty and honesty, integrity, transparency, clarity and professionalism, both within their own organisation and towards the Financial Administration.

[147] Snam S.p.A., Snam Rete Gas S.p.A., STO.G.IT S.p.A., GNL Italia S.p.A., Infrastrutture Trasporto Gas S.p.A., Greenture S.p.A., Cubogas S.r.l., Bioenerys Agri, TEP Energy Solution S.r.l.
[148] Renovit Public Solutions S.p.A. and Renovit Building Solutions S.p.A.

The content of the Code of Conduct has been implemented by companies in a cooperative compliance regime.

The Tax Risk Manager:

- **ensures the prompt communication** to the Italian Revenue Agency of the most significant shortcomings that may have been identified, at the same time informing the Head of the Tax Function and the Manager responsible for the preparation of the financial reports;
- **ensures prior notification** to the Italian Revenue Agency of organisational changes material to the operation of the Tax Control Framework. It periodically informs the Italian Revenue Agency of changes of major impact;
- In addition, together with the Head of Snam's Tax Function, **it participates in the dialogue with the Italian Revenue Agency** and in the various initiatives organised by the Agency and by trade associations, in which discussions are held on application issues concerning the cooperative compliance regime.

Tax Risk Management and Tax Control Framework (TCF)

Snam considers tax compliance to be one of the key aspects in ensuring the ethical and responsible management of the Group. To this end, the Tax Control Framework[149] carries out periodic assessment and monitoring activities, which are reported to the relevant corporate Functions, the Corporate Administrative and Control Bodies and the Financial Administration.

The TCF was conceived according to an integrated logic, with respect to which the techniques and methodologies provided for by the reference best practices were applied to the specificity of tax risks, ensuring consistency with the Integrated Risk Assurance & Compliance Model. In doing so, the TCF ensures that the tax variable is correctly defined through the adoption of risk/control maps, within which the tax risks, business processes and associated control measures are represented.

The **Tax Compliance Model** provides for two annual reporting streams: the first to the Board of Directors in order to provide information on the results of the monitoring and the tax risk management methods; the second to the Revenue Agency in order to communicate the main activities carried out during the reference year by means of a report.

The Tax Control Framework was prepared in line with the three lines of defence model, illustrated in the chapter 'Governance, The Control System':

FIRST LEVEL	identification, assessment and monitoring of risks within individual Group processes
SECOND LEVEL	monitoring activities in order to ensure (i) the effectiveness and efficiency of risk management and treatment; (ii) the adequacy and operability of the controls in place to monitor them
THIRD LEVEL	independent assurance activities, entrusted to the Group Internal Audit function, on the adequacy and operation of the first and second level of control

The **Tax Risk Manager** is in charge of **managing the overall tax risk detection, measurement, treatment and control process**. Consistent with the roles and responsibilities defined in the Tax Compliance Model, this person is operationally responsible for the design, implementation and updating of the TCF Model. To ensure compliance with the principle of functional segregation, the Tax Risk Manager's activities are carried out in accordance with Snam's 'Tax Control Framework - Tax Strategy' Guideline and in compliance with the indications and operating practices formalised within this Tax Compliance Model.

The Tax Risk Manager:

- promotes, in liaison with the competent functions, the methodological alignment with the other control and monitoring models already operational in the area of competence;
- directly carries out and ensures, in coordination with the other structures in charge of performing second-level controls, the monitoring and testing of the material controls to protect against tax risk (Test of Design and Test of Effectiveness);
- prepares at least annually summary reports with the results of the activities carried out in order to allow the Management and Control Bodies of the companies involved in the Tax Risk Management process to perform their supervisory role and to assess the assurance level of the Tax Risk Management process.

Snam considers tax compliance to be one of the key aspects in ensuring the ethical and responsible management of the Group. In this sense, the possibility of reporting any tax-material violations through the use of dedicated whistleblowing channels is provided for.

[149] The implementation of the TCF, for Snam S.p.A. and Snam Rete Gas S.p.A., was functional to the admission, on 2 December 2019, to the cooperative compliance regime provided for by Legislative Decree 128/2015 (so-called 'cooperative compliance').

In particular, the Tax Risk Manager oversees planning activities related to the Tax Control Framework by continuously verifying the need for methodological updates following a continuous improvement approach, with the aim of:

1	2	3
ensure the transposition, definition and dissemination of methodologies and tools for the proper functioning of the Tax Risk Management process	contribute to ensuring completeness and timeliness in the performance of the activities under the TCF	monitor tax regulations and evolving legal requirements in the TCF Tax Risk Management process
4	**5**	**6**
carry out in-depth studies to identify best practices	promote methodological alignment with other already operational control and monitoring models	oversee the identification and measurement of tax risks
7	**8**	
evaluate opportunities to improve the TCF by incorporating any updates	prepare all TCF-related reporting	

With a view to complying with the cooperative compliance regime, which provides for cooperation and communication between the Company and the tax authorities, the Tax Risk Manager is in charge of carrying out a shared assessment of situations that may generate tax risks, of notifying the tax authorities of any significant shortcomings that may have been identified, and of any material organisational changes. In addition, together with the Head of Snam's Tax Function, it participates in the dialogue with the Italian Revenue Agency and in the various initiatives organised by the Agency and by trade associations, in which discussions are held on application issues concerning the cooperative compliance regime.

TAX TRANSPARENCY REPORT

Snam has prepared the Tax Transparency Report, a document prepared on a voluntary basis, divided into specific sections, including:

- **tax strategy and tax governance, which provide an overview of the control environment and principles considered with regard to strategic tax decisions;**
- **the link between taxes and ESG objectives, which provides a comprehensive overview of the role of the tax component in ESG and, in particular, with reference to the Snam Scorecard;**
- **the Total Tax Contribution, which provides an overview of the contribution of taxes paid by Snam in Italy and abroad, distinguishing between the Group's Tax Borne and Tax Collected, as well as the key indicators of the Group's Total Tax Contribution.**

In Snam's second Tax Transparency Report , FY2023, published in May 2024, further topics were introduced, the main ones of which are listed below: i) Snam's journey to Transparency; ii) sustainability at Snam; iii) sustainable finance; iv) tax reform; v) stakeholder engagement; vi) trend analysis of the main indicators and vii) tax contribution by business.

The Tax Transparency Report can be accessed at the following link: https://www.snam.it/en/documents/annual-reports.html.

Tax management is one of the material components of Snam's ESG approach. In particular, within the social component, taxation plays a key role in creating an equitable society and a sound economy (Sustainable development goals: 1. 'No Poverty'; 2. 'Reduced Inequalities'; 17. 'Partnerships for the Goals').

For these reasons, Snam discloses its financial, economic and tax information to each jurisdiction in which it operates. This 2023 reporting provides an indication of the magnitude of the Group activities and their tax contributions in these jurisdictions. This is shown in the tables below, in the Country by Country representation provided by GRI Standard 207-4.

Country	Description of the main activities of the organisation	Employees (no.)	Revenues from sales to third parties (€/000)	Revenues from intra-group transactions with other tax jurisdictions (€/000)	Revenues from intra-group transactions (€/000)	Tangible assets other than cash and cash equivalents (€/000) (*)	Tangible assets other than cash and cash equivalents (€/000)	Corporate income taxes paid on a cash basis Corporate income taxes accrued on profits/ losses (€/000)
Italy	In Italy, Snam is responsible for natural gas transportation, dispatching and storage as well as regasification of liquefied natural gas (LNG). Parallel to its core business, the company is also increasingly investing in energy transition businesses (biomethane, hydrogen and CCS, and energy efficiency)	3,735	4,815	1,150	900	18,549	404	421
Albania	Maintenance activities and services	0	0	0	0	0	0	0
Argentina	Biogas and biomethane production	0	0	0	0	0	0	0
Bermuda	Regasification activities	0	0	0	0	394	0	0
China	Commercial services	6	0	1	(1)	0	0	0
Ireland	Captive insurance activities	2	4	11	4	0	0	0
India	Commercial services	0	0	0	0	0	0	0
Netherlands	Subholding activities and management of equity investments	2	82	0	80	0	0	0
		3,816	**4,901**	**1,162**	**983**	**18,943**	**404**	**421**

Notes:

- Snam does not report any difference between the corporate income tax accrued on profits/losses and the tax due;
- the scope of the disclosure and the data reported, including the methodology used, in this paragraph refer to the 'Country by Country' reporting required by Article 1, paragraphs 145 and 146, of Law no. 208, of 28 December 2015. In particular, the time period covered by the requested information corresponds to FY 2023.

10.4 GOVERNANCE INFORMATION

Business conduct

MATERIAL TOPICS, IMPACTS, RISKS AND, OPPORTUNITIES

Business conduct

IMPACT MATERIALITY	**POSITIVE IMPACTS** • Dissemination of environmental and social sustainability principles through the involvement of suppliers and supply chain partners in order to promote a culture of sustainable development • Development of a corporate culture based on the principles of ethics and integrity and on active and passive corruption that contributes to improving the reputation and trust of stakeholders towards Snam
FINANCIAL MATERIALITY	**RISKS** • Criminal and administrative measures and sanctions for violation of anti-corruption, privacy and antitrust legislation • Tax disputes due to regulatory uncertainty, lack of tax audits, increasing internationalisation of Snam and/or new acquisitions in unregulated businesses • Worsening of external perception and interruption of supply due to practices of counterparties that do not meet Snam's professional, economic, financial and ethical requirements **OPPORTUNITIES** • Improved external perception thanks to ESG performance in line with Snam's objectives and effective communication to key stakeholders • Expanding the ESG-aligned Supplier Pool

For more information, please refer to the chapter "Managing Impacts, Risks and Opportunities".

The positive impacts and opportunities related to the topic of business conduct are closely linked to Snam's strategy and business model, which aim to promote a culture of ethics and integrity not only within the Company, but also in its value chain, contributing to the diffusion of responsible business practices along the entire supply chain.

The commitment to ethical management not only strengthens corporate governance, but also fosters constructive dialogue with stakeholders, improving the company's reputation and consolidating trust from customers, investors, institutions and local communities.

The effects of the risks associated with the topic of business conduct concern criminal and administrative measures and sanctions, tax disputes and worsening of external perception. Such risks could not only compromise Snam's image, but also negatively impact stakeholder confidence and operational continuity, leading to supply disruptions and significant economic damage.

To prevent and mitigate these risks and pursue positive impacts and opportunities, Snam has implemented a solid and transparent governance system, based on policies and procedures that ensure compliance with regulations and the highest ethical standards.

POLICIES

Snam bases its actions on ethical management of business activities, in the belief that this is one of the key components for sustainable growth. The company prioritises the ethical-reputational dimension over specific business needs, through the principles of its Code of Ethics and compliance activities.

The 'integrated' approach allows Snam to promote its ethical values by moving towards a systemic sharing of the same with all stakeholders (internal and external) in a virtuous process aimed at improving the quality and coherence of sustainability information.

In fact, the company illustrates and enhances both towards its employees and towards all stakeholders, through its internal and external communication channels, purpose, values, ambition and corporate culture, including the corporate governance system and policies for the prevention of corruption. Specific sections of the Snam website and intranet are dedicated to these areas, as well as in-depth information, specific events and training courses for employees.

In addition, in order to develop, promote and evaluate its corporate culture and ensure adequate adherence to the principles of corporate conduct, and, in particular, the related impacts, risks and opportunities, Snam has equipped itself with a significant number of policies, illustrated below. In particular, the policy adopted by Snam in terms of corporate culture has as its general objective that of promoting the culture of corporate ethics and respect for the law at every organisational level and expression of the 'tone from the top' pursuant to ISO 37001:2016.

CODE OF ETHICS

Contents, objectives and monitoring process

The Code of Ethics collects the set of values that the Company recognises, accepts and shares and the responsibilities that it assumes towards the inside and outside of its organisation. The values set out in the Code of Ethics aim to define a shared system of values that expresses Snam's ethical corporate culture that in turn needs to inspire strategic thinking and the conduct of corporate activities, in a context of ethics, transparency, correctness, professionalism, good faith, honesty and competition, in compliance with the legitimate interests of all interested parties with whom we interact on a daily basis.

The Snam Code of Ethics consolidates and rationalises the set of current legislation, guidelines and internal rules on governance, through which the management and coordination of the Snam Group is carried out, establishing:

- the promotion of transparency, honesty and fairness, engaging all people to respect laws, regulations and ethical principles;
- the adoption of a governance inspired by international standards to protect human rights, individual freedom, work, health, safety and the environment;
- the promotion, through specific training programmes, of culture and initiatives aimed at spreading knowledge within their own structures;
- encouraging stakeholder involvement for sustainable and competitive development;
- the rejection of discrimination, violence, corruption, forced and child labour.

Furthermore, Snam's Code of Ethics provides for a reporting system for behaviours that do not comply with the Code. Each person is required to respect and promote the principles of the Code, promptly reporting any violations to their superiors or to the Guarantor, even in confidential or anonymous form, according to specific procedures.

Collaboration with the functions in charge and the adoption of corrective measures to prevent or resolve any irregularities is guaranteed. Furthermore, protections against retaliation are provided for those who report violations, with the possibility of contacting the Authority if necessary.

The Supervisory Body of Snam, responsible for promoting the implementation of the Code, presents to the Control and Risk Committee and the Board of Statutory Auditors as well as to the Chairman and the Chief Executive Officer, who report to the Board of Directors, a half-yearly report on the implementation and any need to update the Code.

The revision of the Code is approved by the Board of Directors of Snam, upon proposal of the Chief Executive Officer in agreement with the Chairman, having heard the opinion of the Sustainability and Energy Transition Scenarios Committee, the Control and Risk Committee and the Board of Statutory Auditors. The proposal is formulated taking into account the Stakeholders' assessment with reference to the principles and contents of the Code, also promoting their active contribution and the reporting of any shortcomings.

Scope of application

The principles and contents of the Code apply to Snam's People and activities, including its suppliers and subcontractors. The representatives indicated by Snam in the corporate bodies of the subsidiaries, consortia and joint ventures promote the principles and contents of the Code in their respective areas of competence.

References to third party standards or initiatives

- Universal Declaration of Human Rights of the United Nations
- Fundamental Conventions of the ILO - International Labour Organisation
- OECD Guidelines for Multinational Enterprises

SUPPLIER CODE OF ETHICS

Contents, objectives and monitoring process

The Supplier Code of Ethics constitutes the set of values that characterise the ethical business culture that in turn needs to inspire the strategic thinking and the conduct of the business activities of the Snam Group and of all the suppliers that have or intend to have relations with it.

The document establishes the ethical and behavioural guidelines for suppliers and collaborators of the Snam Group, in particular it deals with the following topics:

- human rights and labour, promoting the protection of human rights and the guarantee of fair and inclusive working environments;
- health, safety and environment, promoting the protection of health and safety at work, environmental sustainability and the reduction of ecological impact;
- sustainability and stakeholder involvement, encouraging long-lasting and sustainable business relationships, involving workers throughout the value chain and valuing innovation and social responsibility.
- privacy and cyber security, protecting corporate and personal information through cyber security processes.

The company policy provides for a direct commitment of Suppliers in monitoring and preventing risks, promoting a proactive approach to ensure safety and compliance. Suppliers are required to comply with all national, European Union and international implementing rules and regulations, taking all necessary measures to keep themselves informed and to comply with regulatory developments. This ensures that the operations of Suppliers are always aligned with best practices and current legal requirements.

Scope of application

The Snam Group considers the recipients of this document to be the Suppliers, external collaborators and companies that, individually or as part of a group, provide goods, services, works and resources necessary for carrying out activities and providing services.

References to third party standards or initiatives

- Universal Declaration of Human Rights of the United Nations
- Fundamental Conventions of the International Labour Organisation (ILO)
- United Nations Global Compact
- United Nations Guiding Principles on Business and Human Rights

SNAM S.P.A. CORRUPTION PREVENTION POLICY

Contents, objectives and monitoring process

The policy, determined in accordance with Snam's vision and the values contained in the Code of Ethics, expresses the commitment of Snam's Senior Management to the prevention of corruption, applying a 'zero tolerance' approach to any corrupt practice in relations with public and private stakeholders adopted by Snam in relations with public and private stakeholders, and formalises the commitment of the Company and the entire Group to adopt, implement, maintain and improve a management system for the prevention of the risk of corruption that complies with the standards set by the relevant legislation, as well as undertaking to guarantee actions and behaviours based exclusively on criteria of transparency, fairness and moral integrity that prevent any attempt at corruption.

To this end, it also provides for measures to protect those who report any wrongdoing, ensuring the existence of dedicated and confidential channels for reporting and adopting adequate protections against possible retaliation, in accordance with current legislation.

In order to ensure the proper and effective implementation of the Anti-Corruption Management System adopted, Snam has also established an Anti-Corruption Committee, which has been assigned the tasks, responsibilities and authority of the Compliance Function for the Prevention of Corruption required by the UNI ISO 37001:2016 standard, while ensuring the autonomy and independence necessary for the proper performance of the task. In carrying out its duties, the Anti-Corruption Committee relies on the operational support of the Compliance & Business Integrity function.

Snam encourages all parties involved in the application of the Anti-Corruption Management System, both internal and external to the Company, to report any fact and/or behaviour, including omissions, of which they have become aware as a result of their relationship with the Company and which has even indirect or potential corrupting connotations.

The policy is subject to monitoring and updating based on:
- regulatory developments in the sector;
- changes to Snam's organisational context;
- requirements arising from system performance evaluations.

Scope of application

The policy applies to employees, collaborators of any kind, and business associates, ensuring that all recipients scrupulously comply with the regulations in force regarding the prevention of corruption, in Italy and in the countries in which Snam operates.

References to third party standards or initiatives

- UNI ISO 37001:2016 standard
- Legislative Decree no. 231/2001

ANTI-CORRUPTION GUIDELINES

Contents, objectives and monitoring process

An integral part of the control system, updated in 2024 and approved by the Board of Directors, the Anti-Corruption Guideline is inspired by the principles of ethics, transparency, fairness and professionalism already referred to in the Code of Ethics. The Guideline outlines the general elements and rules of conduct to be followed in carrying out Snam's activities, the prohibited behaviours and the safeguards identified by Snam to protect against anti-corruption risk, with the aim of continuously improving the sensitivity of Snam's people in recognising corruption phenomena and any other type of fraud.

Through the Anti-Corruption Committee, it promotes and supervises corporate training and information on the contents of the Code of Ethics, Anti-Corruption Policy, Anti-Corruption Guidelines and anti-corruption legislation. Training is mandatory for all Snam employees.

Specifically, the Anti-Corruption Guideline represents a commitment for Snam to:

- prevent corruption in all its forms, including through communication channels in case of violations of anti-corruption legislation;
- develop incisive policies and concrete anti-corruption programmes;
- cooperate with governments, UN agencies and civil society to contribute to a more transparent global economy.

Furthermore, the Guideline also acts to protect the Group's reputation, with particular attention to the selection of suppliers and business associates.

Snam's Internal Audit function, on the basis of its annual programme approved by the Board of Directors, independently examines and evaluates the internal control system in order to verify that the provisions of this Guideline, the Anti-Corruption Policy, the Code of Ethics, the supplementary company regulations on the matter, as well as the Anti-Corruption Compliance Programme, are complied with.

The Anti-Corruption Committee, the Supervisory Body, the Internal Audit function and the external auditors of Snam may suggest improvements to this document on the basis of emerging best practices or if gaps or critical issues are identified.

Scope of application

The document applies to Snam and its subsidiaries subject to management and coordination and is also brought to the attention of other associates in order to promote principles and conduct consistent with those expressed by Snam.

References to third party standards or initiatives

The Guidelines incorporate the requirements of the tenth principle of the Global Compact, which requires participants to avoid corruption in all its forms and develop effective anti-corruption policies and programs, as well as cooperate with governments, United Nations agencies and civil society to contribute to a more transparent global economy.

National standards:
- Legislative Decree no. 231/200
- Law no. 190/2012
- Italian Civil Code (in particular Articles 2635 and 2635-bis)

International standards:
- Foreign Corrupt Practices Act (FCPA, USA 1977)
- Bribery Act (UK, 2010)

International Conventions:
- OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (Paris, 1997)
- Council of Europe Criminal Law Convention on Corruption (Strasbourg, 1999)
- United Nations Convention against Corruption (Merida, 2003)

International guidance and best practices:
- UNI ISO 37001:2016 standard
- Good Practice Guidance on Internal Controls, Ethics, and Compliance (OCSE, 2010)
- Anti-Corruption Ethics and Compliance Programme for Business

*Business associates refer to companies that are subsidiaries or associated companies.

The Anti-Corruption Guideline and its annexes, with a view to continuous improvement, were updated during 2023 and, lastly, on 27 November 2024.

The update carried out in 2023 was mainly aimed at reflecting all the new elements introduced within the Anti-Corruption Compliance Programme as part of the project aimed at obtaining the Certification, thus ensuring its systematic coherence.

The 2024 update, in consideration of the diversification of the businesses currently included in the Group's scope, focused on the revision of the third-party due diligence system which, by standardising the monitoring process, took into account, after ten years, the different incidence of corruption risk on the types of business.

The results of the 2024 project therefore led to the need to update the Anti-Corruption Guideline by incorporating the two main project drivers which consisted of:
- **in adopting a reputational approach that standardises the evaluation parameters of third parties for all Group companies;**
- **in defining a reputational due diligence framework focused on the specific assessment of (i) the degree of risk in establishing and/or maintaining contractual relationships with interested third parties and (ii) the types of criminal risk deemed material.**

For more information, please refer to the 'Actions and metrics, Prevention and detection of corruption and bribery' paragraph of this chapter.

HUMAN RIGHTS POLICY

Contents, objectives and monitoring process

Through the Human Rights Policy, Snam outlines the founding principles and actions undertaken to protect Human Rights in carrying out its activities, in every aspect of governance and, in general, in every context in which it operates, including through its business partners. In this regard, full sharing of what is expressed in this policy is for Snam an essential element for the establishment and development of reliable and long-lasting collaborations and is aimed at mutual improvement with a view to a shared commitment to strengthening protections in this area.

The Policy contains key points, such as:
- commitment to the implementation of the Universal Declaration of Human Rights, ILO Conventions, OECD Guidelines for Multinational Enterprises and the principles of the United Nations Global Compact;
- in the field of Business Conduct, it ensures the application of behavioural standards for directors, management, employees and collaborators;
- the promotion of the principles of the policy through continuous training aimed at Snam people and suppliers with particular attention to aspects of corporate ethical integrity;
- monitoring supplier compliance on HSEQ (health, safety, environment, quality), financial and reputational aspects;
- the implementation of a reporting system, including anonymous reporting, for violations of the policy, with independent management (report reception, analysis and processing system).

Snam is committed to ensuring compliance with the provisions of the Human Rights Policy, including through actions and tools that allow for a cross-cutting and inclusive assessment of the impacts of risks and opportunities inherent to its business related to human rights, in all their forms. MFE complies with the United Nations Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises.

In order to remedy impacts on human rights, the policy provides for the verification and adoption of corrective actions in case of violations, in line with what is reported in the Code of Ethics.

Scope of application

The Policy applies to Snam and its Subsidiaries and is brought to the attention of other associates, as well as its suppliers, subcontractors and business partners, and to any other person, wherever located, acting in their name and/or on their behalf in any capacity.

References to third party standards or initiatives

- Universal Declaration of Human Rights of the United Nations;
- Fundamental Conventions of the ILO - International Labour Organisation;
- OECD Guidelines for Multinational Enterprises;
- Principles enshrined in the United Nations Global Compact.

WHISTLEBLOWING GUIDELINES

Contents, objectives and monitoring process

The Guideline, drafted in accordance with the Code of Ethics, 231 Model and the Snam Anti-Corruption Guideline, regulates the process of receiving, analysing and processing reports sent or transmitted by anyone, even in confidential or anonymous form, as well as the related protection regime.

Through this document Snam undertakes to:

- promote a culture of compliance with a conscious approach to controls, entrusting management and employees with the task of strengthening the system;
- ensure the protection of the identity of the whistleblower, the confidentiality of the reports and protection from retaliation;
- disseminate in a targeted manner the reporting channels and the disciplinary system to ensure the widest knowledge and the most effective application of this Guideline, as well as to prevent abusive or malicious reports.
- ensuring the protection, both in terms of confidentiality and protection from retaliation, of persons who expose themselves by reporting, complaints or public disclosure.

Snam's Compliance and Internal Audit functions periodically review this Guideline to ensure its effectiveness over time and adherence to emerging best practices, recommending improvements if gaps or critical issues are identified.

In the event of violations, it is the responsibility of the aforementioned functions to assess whether any regulatory revisions or procedural improvements could prevent the violation from recurring.

Scope of application

The Guideline applies:
- to Snam and its subsidiaries within the scope of the management and coordination activities exercised by Snam itself;
- to the reports received from Snam and/or the companies it controls, whether they operate in Italy and/or abroad;
- in addition, it is brought to the attention of other associates in order to promote principles and conduct consistent with those expressed by Snam.

References to third party standards or initiatives

- Italian Legislative Decree 24/2023;
- ANAC (National Anti-Corruption Authority) Guidelines;
- European Regulation no. 679/2016 (GDPR).

For more information on the policies on Business Conduct, please refer to the chapter 'Internal Regulatory System'.

With the aim of further making concrete and formalising its commitment to combating corruption, Snam has adopted and effectively implemented a Management System for the Prevention of Corruption in accordance with UNI ISO 37001:2016 ('Anti-Corruption Management System') represented by Snam's 'Anti-Corruption Compliance Programme', the pillars of which are the Code of Ethics, the Anti-Corruption Guideline, the Organisation, Management and Control Model adopted pursuant to Legislative Decree 231/2001 ('231 Model'), the Compliance Programme for the Prevention of Offences and the Integrated Risk Assurance & Compliance model.

Lastly, among the tools that Snam uses to monitor transparency and the fight against corruption, the digitalisation of the information flow of data to the National Anti-Corruption Authority is of vital importance, enabling the elimination of all manual compilation procedures, improving the traceability, transparency and security of all operations.

Model 231

Risk monitoring and management are an integral part of the compliance strategies that Snam implements to protect administrative liability pursuant to Legislative Decree 231/01.

Snam, its subsidiaries and the Snam ETS Foundation have adopted their own Model 231 for the prevention of crimes, pursuant to legislation on the administrative liability of companies, for crimes committed in the interest or to the advantage of the company and have appointed a Supervisory Body with autonomous powers of initiative and control, in compliance with the law.

In this context, taking into account developments in compliance and internal control systems, as well as best practices in the field, the legal function guarantees and oversees the updating of the 231 Models of Snam and its subsidiaries on an ongoing basis. In accordance with the provisions of Chapter 7, section 7.2 of Model 231, the adoption of the Implementation Programme is guaranteed in the event of (a) legal changes with reference to the regulation on the liability of entities for administrative offences deriving from a crime; (b) the periodic review of Model 231 also in relation to significant changes in the structure or business sectors of the company; (c) significant violations of Model 231 and/or outcomes of checks on its effectiveness or experience in the sector, in the public domain.

In 2024, the Code of Ethics was revised in order to promote Snam's commitment to pursuing a sustainable business model for the company - focussed on sharing the values defined with Stakeholders - and enhance the Company's work in the following areas: (i) the energy transition; (ii) the UN Sustainable Development Goals; (iii) human rights; (iv) health and safety; (v) ethics and integrity change; (vi) environment and sustainability; (vii) global security.
The following tools have also been introduced in order to promote and encourage a widespread dissemination of ethical principles:

- The '**Ethics Chart**' - an operational tool aimed at making the contents of the Code of Ethics more accessible in order to present them in a modern format that is able to engage and involve the reader, bringing them closer to ethical issues of corporate interest.
- The '**IntegrityLine**' - a direct communication channel that can help to identify any interpretation doubts.

Consequently, the General Sections of the Group's 231 Models have been updated, referring in full to the contents of the Code of Ethics.

In the reporting period, the impacts on the individual structures of Models 231 (including their existing controls) of Snam Group companies caused by the following regulatory changes were analysed: Law 90/2024, published in the Gazzetta Ufficiale (Official Journal) on 2 July 2024, Law 112/2024, which entered into force on 10 August 2024, Law 114/2024, which entered into force on 25 August 2024.

Following the analyses, the existing controls were deemed in the abstract to be suitable to also guard against the new offences indicated above, and thus to prevent their commission.

Moreover, Snam, in setting up and maintaining an Anti-Corruption Compliance Programme, has not limited itself to adopting Model 231 (aimed at preventing the offences underlying the company's administrative liability to crime, including corruption offences; constantly updated) but, in line with international guidance and best practice, it attained maintenance of the certification of its 'Corruption Prevention Management System' to ISO 37001:2016 in 2024.

Report management: Whistleblowing

In relation to 231 Model and, in particular, within the reporting management process (so-called whistleblowing), Snam works to ensure that all interested parties are encouraged to follow its directives, from the application of the Anti-Corruption Management System, both internal and external to the Company, to report any
fact and/or behaviour, including omission, of which they have become aware by virtue of existing relationships with the Company and which has corrupt connotations, even indirectly or potentially. In this perspective, Snam undertakes to promote knowledge and compliance with the provisions of the Whistleblowing Guideline, through which the Group regulates the process of receiving, collecting, analysing, verifying and reporting with regard to reports, including anonymous ones, received from Snam and its subsidiaries.

In particular, the new legislation introduces some general principles referred to in the document, including:

Protection of the confidentiality of the identity of the whistleblower and of the persons mentioned in the	Protection from retaliation	Establishment of internal and external channels for reporting	Feedback to the whistleblower regarding the receipt and final outcome of the report

The Company, in order to strengthen the existing control measures in the field of whistleblowing, has therefore decided to introduce a computerised system for the management of reports which, together with the role of the Ombudsman[150], allows to guarantee the protection of the identity of the whistleblower. Furthermore, the Company has regulated the process of receiving, analysing and processing the Reports sent or transmitted by anyone, even in confidential or anonymous form, as well as the related protection regime, in compliance with the obligations set out in the provisions of Legislative Decree 24/2023, containing 'Implementation of Directive (EU) 2019/1937 of the European Parliament and of the Council[151], of 23 October 2019, on the protection of persons reporting on breaches of EU law and laying down provisions on the protection of persons reporting on breaches of national law'.

The investigation of the reports is carried out in an integrated and coordinated manner, involving the Internal Audit Function and, to the extent of its responsibility, the Compliance & Business Integrity Function.

The training of the functions involved in Whistleblowing management (Internal Audit and Compliance) involves continuous study of the subject and those involved have obtained ISO 37001 Lead auditor certification. In this regard, a specific training programme on the subject and the reporting tool was launched in 2024, involving over 2,500 people. For more information, please refer to the "Actions and metrics, Prevention and detection of corruption and bribery" paragraph of this chapter.

With particular reference to the protection of whistleblowers, the main measures are illustrated below:

INTERNAL CONTROL SYSTEM	CULTURE OF COMPLIANCE	OMBUDSMAN
Snam is committed to promoting and maintaining an adequate internal control system, understood as the set of all the tools necessary or useful to direct, manage and verify business activities with the aim of ensuring compliance with laws and corporate regulatory instruments, including those relating to the protection of whistleblowers, protecting company assets, managing activities in an optimal and efficient manner and providing accurate and complete accounting, financial and sustainability data. The responsibility for implementing an effective internal control system is shared by every level of Snam's organisational structure. Consequently, all Snam people, within the scope of their roles and responsibilities, actively contribute to the correct functioning of the internal control system.	Snam promotes the dissemination at all levels of a culture of Compliance and rules characterised by awareness of the existence of controls and the adoption of a mentality oriented towards the conscious and voluntary exercise of the same; consequently, the management, first and foremost, and all the people of Snam are required in any case to contribute and participate in the internal control system of Snam and, with a positive attitude, to involve their collaborators in it	External entity to which Snam and each subsidiary have entrusted the reception and management of the whistleblowing system, the operational management of which, as set out in the Guideline, is entrusted to the Internal Audit function. In order to fully execute the analysis activities of the Report, the Internal Audit function involves, in each instance and depending on the needs and specificities of the Report, the Managers of the company functions possibly involved (Legal, HR, HSEQ, etc.), so that they support and contribute to the verification of the Report by providing feedback and any other documentation necessary for the purposes of the investigation of the Reports received.

[150] For more information on roles and responsibilities, see the next page.
[151] Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons reporting on breaches of Union law (OJ L 305, 26 November 2019, p. 17).

INDEPENDENCE AND PROFESSIONALISM OF INTERNAL AUDIT ACTIVITIES

The Internal Audit function ensures the maintenance of the necessary conditions of independence and the due objectivity, competence and professional diligence, established in the international standards for the professional practice of Internal Audit and in the code of ethics issued by the Institute of Internal Auditors (IIA), as well as in the Snam Code of Ethics.

CONFIDENTIALITY GUARANTEES

All organisational units/positions of Snam and its subsidiaries involved in receiving and processing Reports must guarantee the absolute confidentiality of the identity of the Whistleblower, and of the person mentioned in the Report, as well as of the content of the same and of the related documentation, using for this purpose criteria and methods of communication, suitable to protect the honour of the persons mentioned so that those making the Report are not subject to any form of retaliation.

The identity of the Whistleblower may not be revealed, without the express consent of the same, to persons other than the Persons in Charge of managing the internal reporting channels and to other persons involved in various capacities, if necessary, in following up on the Report.

The disciplinary system referred to in the 231 Model will be applied to individuals who violate the rules for the protection of the Whistleblower.

The communication of such information by the Ombudsman is always permitted, in compliance with the general principle of confidentiality towards: (i) of the competent Supervisory Bodies, also in their capacity as Guarantors of the Code of Ethics or of the Anti-Corruption Committee only in cases where the Report concerns anti-corruption matters; (ii) of the Internal Audit function for the purpose of analysing the Report; (iii) of the Compliance function for the coordination and management of relations with the Supervisory Bodies and (iv) of the Human Resources function for any disciplinary obligations within its jurisdiction.

PROTECTION FROM REPORTS MADE WITH MALICE OR GROSS NEGLIGENCE

Snam works to ensure that its people at all levels collaborate to maintain a climate of mutual respect for the dignity, honour and reputation of each individual within the company; therefore, it will intervene to prevent insulting, discriminatory or defamatory interpersonal attitudes. In this perspective, Snam and the companies it controls act in order to guarantee adequate protection from Reports made with intent/gross negligence.

The Company guarantees the promotion of communication and information activities addressed to employees in order to ensure the widest knowledge and the most effective application of the Anti-Corruption Guidelines, which must illustrate, among other things: (i) the rules regarding Reports, (ii) the material functioning and access to the channels and tools made available by the Company and (iii) the disciplinary system.

TARGETS

SUSTAINABLE PRINCIPLES

KPI		Baseline and base year	Performance 2022	Performance 2023	Performance 2024	Target		Performance 2024 vs. target
3rd parties subject to procure. Process on which reputational checks are performed (%) [1]	SCORECARD	100% in 2019	100	100	100	100	by 2024	✓
						100	by 2025	⚙
						100	by 2029	
ESG matters discussed at BoD meetings (%) [2]	SCORECARD	42% in 2022	42	43	41	>40	by 2024	✓
						>40	by 2025	⚙
						>40	by 2029	

SCORECARD KPIs included on the Sustainability Scorecard

CARBON NEUTRALITY KPI included in the Carbon Neutrality Strategy

✓ Target reached

⚙ Target in progress

⊘ Target not reached

Notes: the data refer to the entire Snam Group, unless otherwise indicated. For more information on the scope, please refer to the chapter 'Introduction and guide to reading the document, General basis for the preparation of the Consolidated Sustainability Statement'.
The underlying methodologies, applied in the calculation of the targets, are the result of the internal development of the functions responsible for the control and monitoring of the targets themselves.
[1] The target perimeter refers to Snam S.p.A., Snam Rete Gas, Greenture, GNL Italia, Stogit, Cubogas, Enura, Gasrule, Bioenerys. In general, it includes all third parties that are subject to a procurement process according to the company's internal regulations. The KPI takes into account Snam suppliers undergoing safety analysis and compliance due diligence.
[2] The target calculates the percentage of ESG topics covered in the meetings of the Board of Directors of Snam S.p.A. The percentage is calculated as the ratio between the ESG topics covered in the Board of Directors meetings and all the topics covered in the agendas of the Board of Directors meetings and of the training and Board induction sessions, with the exception of 'Miscellaneous' and 'Approval of minutes'. In particular, issues that are partially or totally linked to ESG issues are assigned a score of 0.25 or 1, respectively. In 2024, the target calculation methodology has been modified taking into account the percentage of ESG issues discussed in the Board of Directors meetings. In previous years, the percentage of time spent on ESG topics during meetings and Board induction sessions was taken into account.

In 2024 Snam achieved all the targets defined in terms of corporate conduct.

In particular, the objective related to the percentage of 'Third-party entities subject to the procurement process on which reputational checks have been carried out', achieved through 2,130 third-party analyses, allows Snam to pursue the targets defined in the Anti-Corruption Policy through the prevention of corruption risks, ensuring

transparency and integrity in relations with third-party entities involved in procurement activities and strengthening adherence to the principles of the Anti-Corruption Management System.

For more information on the targets of the Sustainability Scorecard, please refer to the paragraph 'The Sustainability Scorecard' in the chapter 'Strategy and business model'.

ACTIONS & METRICS

ACTIONS IMPLEMENTED AND PLANNED AND RELATED TO THE RESOURCES ALLOCATED IN RELATION TO THE CONDUCT OF COMPANIES

	2024	
KPI	CapEx	OpEx
Amount of current financial resources allocated to actions related to business conduct (€ million)	0.92	1.05
Amount of future financial resources earmarked for actions relating to business conduct (€ million) [1]	2	9

Notes:
- the data refer to the entire Snam Group, unless otherwise indicated. For more information on the scope, please refer to the chapter 'Introduction and guide to reading the document, General basis for the preparation of the Consolidated Sustainability Statement';
- with reference to Bioenerys and Renovit, CapEx and OpEx are included in the topic 'Climate Change'
- financial resources may give rise to operating costs (see Note 29 Operating costs and charges in the Notes to the Consolidated Financial Statements) or, if the conditions apply and if strictly related to an investment, may give rise to CapEx (see Note 8 Property, plant and equipment and Note 9 Intangible assets in the Notes to the Consolidated Financial Statements);
- for more information, please refer to the chapter 'Actions and resources in relation to material sustainability matters' in the 'General information' section.

[1] Future financial resources consider the Plan period.

For the financing component, Snam uses financial instruments defined **'general corporate purpose'**, the proceeds of which are used to finance corporate initiatives and projects in line with the corporate objectives and the Strategic Plan.

During 2024, Snam updated its Code of Ethics, in order to promote Snam's commitment to pursuing a sustainable business model for the company in line with recent regulatory changes - oriented towards sharing the values defined with Stakeholders - and to enhance the Company's work in the following areas:
- Energy transition;
- UN Sustainable Development Goals;
- Human Rights; health and safety;
- change in ethics and integrity;
- environment and sustainability, and
- Global security.

In addition, two tools have been introduced - Ethics Chart and Integrity Line - which contribute to the widespread dissemination of ethical principles, as well as to their understanding. The Ethics Chart was created with the aim of making the contents of the Code of Ethics more accessible, in order to present them in a modern way, capable of engaging and involving the user, bringing them closer to ethical issues of corporate interest.
The Integrity Line is an email address contained within the Ethics Chart through which concerns can be expressed regarding behaviours that do not comply with internal rules and the code of ethics.

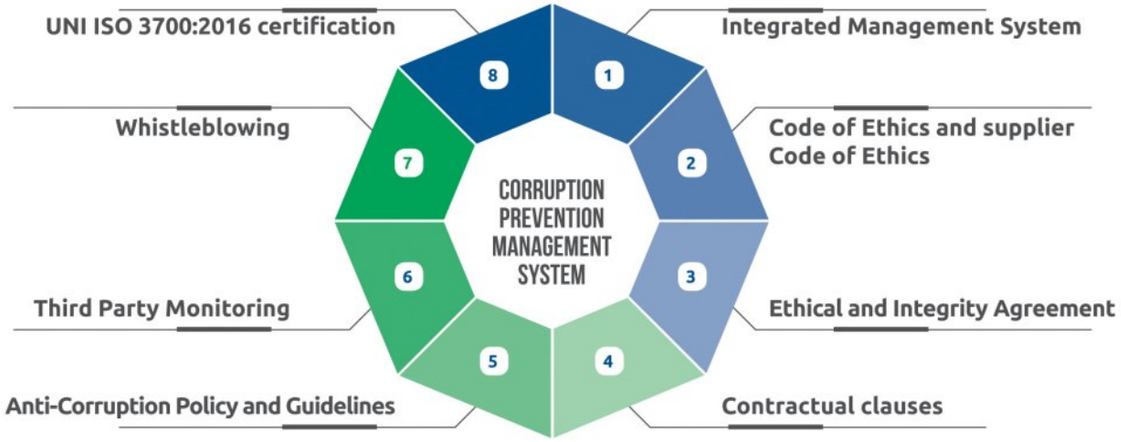
The Code of Ethics, together with the Ethics Chart and the Integrity Line, contain the values that inspire the work of all Snam People: top management, statutory auditors, employees, as well as all those who operate or collaborate to achieve Snam's objectives, each within the scope of their own functions and responsibilities.
The action plan relating to business conduct also includes the activities and initiatives carried out and planned that concern the administrative, management and control bodies, as well as the activities relating to internal audit, described in the chapter 'Governance'.

In addition, part of the actions concerned CSRD compliance activities, which saw the direct involvement of the Sustainability Reporting Officer and the Chief Strategy & Technology Officer. In particular, the Working Group, composed of the Sustainability & Social Impact, Corporate Information Control System and Corporate Application Development and Maintenance functions, held specific meetings to illustrate the progress of the activities and any regulatory updates.
During 2024, the functions responsible for the various sustainability aspects were involved in order to align the collection of information and data required by the ESRS, through the mapping of the indicator development processes, formalised within an Indicator Manual, attached to the 'Sustainability Statement' Rule.
At the same time, the new system of controls on non-financial information (SCINF) was defined, in line with international best practices and in synergy with Snam's control system relating to financial reporting. The new model has been developed in its various components, through the definition of controls at entity level, process level and on IT application management activities.
Finally, the technological solution for collecting qualitative and quantitative sustainability information in accordance with the ESRS was implemented, which included specific testing and onboarding activities for users.

Prevention and detection of corruption and bribery

Systems to prevent, detect allegations or episodes of active and passive corruption
The prevention of active and passive corruption in Snam are activities on which much attention is placed, similarly, the monitoring tools are constantly updated in order to ensure their effectiveness over time.
In this perspective, in 2024, the **Anti-Corruption Guideline was updated,** incorporating its two main drivers which consisted of (i) the adoption of a reputational approach that standardised the evaluation parameters of third parties for all Group companies and (ii) the definition of a reputational due diligence framework focused on the specific assessment of the degree of risk in establishing and/or maintaining contractual relationships with the third parties involved and of the types of risk-crime deemed material.
This action contributes to the achievement of the objective contained in the Anti-Corruption Policy of promoting organisational and procedural solutions necessary to prevent and combat corruption phenomena.

The key elements of the Corruption Prevention Management System, i.e. the procedures established to prevent, identify and manage allegations or cases of active and passive corruption, are illustrated below:



INTEGRATED RISK AND CONTROL MANAGEMENT SYSTEM	Placed to supervise the internal control system, the Integrated Risk and Control Management System operates within the scope of the **Integrated Risk Assurance & Compliance** model (so-called 'RACI'), which allows us, along with the support of an IT platform, to (i) optimise the coordination and collaboration of the three control levels of the SCIGR; (ii) provide comprehensive information to support business processes; (iii) maximise the availability of skills and resources; (iv) reduce inefficiencies, overlaps and redundancies; and (v) rationalise the flows and activities that involve the owners in various capacities.
CODE OF ETHICS SUPPLIER CODE OF ETHICS	The Code of Ethics and the Supplier Code of Ethics outline the guiding principles of the entire internal control system and **promote the fight against all forms of public or private corruption.** In particular, the Supplier Code of Ethics collects the set of values characterising the ethical corporate culture of the entire Snam Group which must be observed by all suppliers who have or intend to have relationships with it. By adhering to the principles contained in the Code of Ethics and the Supplier Code of Ethics, all suppliers (including external collaborators and companies that in various capacities provide goods, services, performances and resources necessary for the implementation of activities and the provision of services) undertake not only to place the same contents as the basis of their work, but also to promote their dissemination to ensure that any subcontractors in turn share and accept these principles.
ETHICAL AND INTEGRITY AGREEMENT	The Ethics and Integrity Agreement is the document through which suppliers and subcontractors undertake to **respect the principles of the Code of Ethics and the Supplier Code of Ethics**, including those relating to the fight against corruption and to carry out their business in compliance with the law and the Company's policies.
CONTRACTUAL CLAUSES	Business Associates, through the contractual clauses, undertake to comply with the Code of Ethics, the Anti-Corruption Policy, the Anti-Corruption Guideline and the Snam Rules, also providing for the Company's right to terminate the relationship in the event of violation of these obligations and applicable regulations.

ANTI-CORRUPTION POLICY ANTI-CORRUPTION GUIDELINE	The Anti-Corruption Policy represents a true declaration of intent by the company's top management of the specific commitment and anti-corruption approach that inspires the Company. An integral part of the control system is the Anti-Corruption Guideline, updated in 2024 and approved by the Board of Directors, which is based on the principles of ethics, transparency, fairness and professionalism contained in the Code of Ethics. For more information, please refer to the 'Policies' paragraph of this chapter.
THIRD PARTY MONITORING	With the aim of preventing and detecting the risk of corruption, third-party monitoring allows the company to decide whether to maintain, terminate or modify any transactions, projects or relationships. For more information, please refer to the 'Objectives' paragraph of this chapter.
WHISTLEBLOWING	In compliance with national legislation on whistleblowing, the Company has implemented a process for receiving, analysing and processing reports of violations, or suspected violations, of European and national legislation and internal regulatory instruments. Consequently, **any corrupt behaviour, even if only attempted, can be reported** in accordance with the provisions of the Code of Ethics and, in particular, by the specific Whistleblowing Guideline, applicable to Snam and the companies it controls.
MANAGEMENT SYSTEM FOR THE PREVENTION OF CORRUPTION ACCORDING TO THE UNI ISO 370001:2016 STANDARD	In 2023, the Company obtained certification of its **Anti-Corruption Compliance Programme** in accordance with the **UNI ISO 37001:2016** standard by the DNV - Business Assurance Certification Body. Obtaining the Certification represents the result of a long-term project and constitutes a significant milestone for Snam, demonstrating the commitment dedicated by the Company to the prevention and fight against all forms of corruption. Following the certification audit, DNV has identified the following strengths of Snam's Corruption Management and Prevention System: • management of corruption prevention controls according to an integrated compliance approach • adoption of an organisational structure that sees the principle of Segregation of Duties applied in a significant manner • investments in process digitalisation • systematised anti-corruption training.

Snam also undertakes to carefully monitor the functions at risk of corruption, which are mapped considering the personnel with a higher than low risk. In particular, the following roles fall into this category:

- Administrative Body (BoD);
- Control bodies (Board of Auditors and Supervisory Body);
- Senior Management (Chief Executive Officer);
- Senior Management of the Subsidiaries (including directors, auditors and members of the Supervisory Boards, if present);
- Heads of Operations Centres and Physical Districts;
- Heads of Functions reporting directly to Top Management;
- Area Managers, who report to the Function Manager, identified through (i) reporting by the Function Managers as they have operational responsibilities for sensitive or risky activities; (ii) verification in the 'Snam Powers Matrix' file of the powers of spending commitments exceeding €100,000; (iii) results of the Risk Assessments.

This mapping is updated annually based on updates to the Service Orders (OdS), Organisational Communications (CO), Minutes of appointments and revocations, changes in spending powers and following specific interviews and/or audits on the functions.

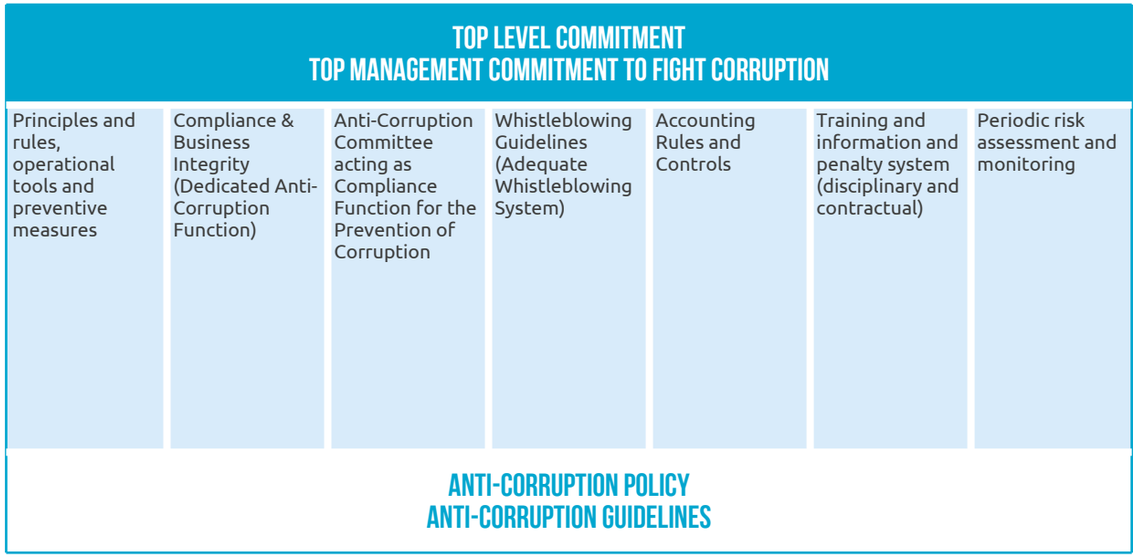
In 2024, Snam signed the National Framework Protocol in order to prevent, combat and reduce the risk of infiltration of organised crime and corruption in the operations and activities that characterise the Group's core business, for a more effective prevention of threats to the security of essential gas infrastructure elements and irregularities in the awarding of contracts and in the management of personnel.

Among the other tools that Snam uses for the correct management of issues relating to corruption, the **Anti-Corruption Compliance Programme** allows it to identify and evaluate the risks of corruption inherent in the exercise of its business activities in order to prevent the violation of the relevant regulations, both internal and external.

ANTI-CORRUPTION COMPLIANCE PROGRAMME HIGHLIGHTS

Zero Tolerance Policy towards any form of corruption	Annual monitoring with management involvement
Specific rules and controls in relation to activities identified as potentially 'at risk' and activities concerning the effective implementation of anti-corruption compliance	Clearly distinguished permitted and prohibited conduct
Example of 'absolute excellence' awarded by Transparency International following the 'Assessment on Transparency in Reporting on Anti-Corruption'	Attention to relations with public officials, suppliers and subcontractors and, in general, with all business associates
Specific training started in 2016 and extended to all new recruits	6,058 reputational audits on counterparties in 2024 (of which 2,130 on suppliers and subcontractors)
Anti-Corruption Committee (ISO 37001)	Compliance & Business Integrity
Review of the Corruption Prevention Management System (ISO 37001)	

This programme includes the 231 Model aimed at preventing the predicate crimes of administrative liability of the company for crimes, including corruption offences, and, in line with international guidance and best practice, adopts the following tools[152]:



THE ROLE OF THE ANTI-CORRUPTION COMMITTEE

The Anti-Corruption Committee is informed exclusively in cases of reporting in anti-corruption matters. In such circumstances the flow of communication with the Anti-Corruption Committee is as follows:

- **if, following an initial analysis, the Ombudsman assesses the existence of conditions of reliability and coherence in the content of the report received, it proceeds with the investigation and, with the support of the Compliance Function, informs the Anti-Corruption Committee;**
- **at the end of the investigations, the Internal Audit Function prepares a note for the proposal for archiving which it shares with the Ombudsman and the same is submitted to the Anti-Corruption Committee, who may: (i) request further investigations/insights; (ii) approve the proposal for archiving;**
- **if the assessment and/or audit phases reveal corrective actions on the Internal Control System, it is the responsibility of management to draw up a corrective action plan that will be monitored by the Internal Audit Function, which will update the Reporting File and inform the competent Supervisory Body and/or the Anti-Corruption Committee, as part of the reporting activity;**
- **The Internal Audit Function prepares a quarterly report on the reports which is shared with the Anti-Corruption Committee for the aspects strictly within its remit.**

[152] In this regard, the Code of Ethics stipulates, inter alia, that Snam repudiates corruption of any kind (in any form whatsoever with reference to any public or private party) and that corrupt practices, illegitimate favours, collusive behaviour, and solicitation, directly and/or through third parties, of personal and career advantages for oneself or others, are prohibited without exception.

In the event that the alleged illicit behaviours found are not considered to be subject to disciplinary action, the Human Resources Function, after consulting the Internal Audit, informs the Anti-Corruption Committee for the aspects falling strictly within its remit.

THE ROLE OF THE INTERNAL AUDIT FUNCTION

The Internal Audit Function ensures the preparation of a quarterly report on the reports. The report contains the indication of the Report File opened in the reference quarter as well as those reports proposed for archiving.

The report, submitted to the Ombudsman, is forwarded to the Supervisory Body, to the person who holds the institutional role of Guarantor of the Code of Ethics and/or, for aspects of strict competence, to the Anti-Corruption Committee and for information to the following persons: Chairman of Snam, Chief Executive Officer of Snam, Board of Statutory Auditors of Snam, Control, Risk and Related Party Transactions Committee, Independent Auditors of Snam, Chief Legal Officer & General Counsel of Snam, Chief Financial Officer and Manager responsible for the preparation of the financial reports of Snam, Chief People & Organization Officer of Snam.

With reference to reports concerning controlled companies, the Report, for the part of competence, is transmitted to the Managing Directors and Chairpersons of each interested subsidiary, as well as to the relevant Control and Supervisory Bodies.

Furthermore, the Internal Audit Function periodically reports to the administrative, management and control bodies of Snam and checks for any feedback and/or updates regarding reports within its strict competence.

For more information on the actions carried out during the year by Internal Audit, please refer to the chapter 'Governance, The control system, Internal Audit activities'.

Snam has always paid particular attention to the fight against corruption by adopting a 'zero tolerance' approach towards any form of corruption and requiring the collaboration not only of its People but also of all Business Associates, so that lawful, correct and transparent behaviour is always adopted in the conduct of its activities.

Snam firmly believes that reputation is one of the fundamental elements for both sustainable growth and ethical management of business activities. In fact, the so-called 'reputational risk' is among the risks most likely to negatively influence Snam's ability to maintain existing commercial relationships or establish new ones, as - both from a current and prospective point of view - it is capable of determining a decline in profits or capital in the face of a negative perception of the company's image by third parties, be they customers, business associates, shareholders/investors, or employees (stakeholders).
With particular attention to the selection of suppliers and business associates, the Anti-Bribery Policy and Guidelines also act to protect the Group's reputation. For this reason, Snam has established a real compliance asset, based on three specific levels of action:

ANTI-CORRUPTION DUE DILIGENCE	Before entering into any type of relationship with a Business Associate, the Function concerned must request Due Diligence.
ETHICAL AND INTEGRITY AGREEMENT	When business associates are suppliers or subcontractors, they are required to share and respect the company's inalienable principles of legality, responsibility and business ethics in the management of their activities.
CONTRACTUAL CLAUSES	The contractual clauses commit Business Associates to respect the principles of the Code of Ethics, Anti-Corruption Policy, Anti-Corruption Guidelines and Rules, and provide the Company's right to terminate the relationship in the event of breach of the signed obligations and applicable regulations.

The system of analysis of suppliers, subcontractors and other business associates implemented by Snam, who in various capacities may have relationships with the Group, therefore represents a preventive and fundamental protection for the need to 'KYC'[153]. Furthermore, in the full awareness that the fight against corruption can only be effective if shared and pursued with its third parties and the benefits that can result from it along the entire value chain, Snam, in 2024, introduced the 'Supplier Code of Ethics', aimed at defining essential and indispensable ethical principles. With specific regard to suppliers and subcontractors: prior to establishing any contractual relationship, appropriate reputational due diligence is requested and carried out.
This verification activity is carried out - in a first phase - in open source intelligence through the Counterpart Risk Management function, and is aimed at intercepting any indicators of anomaly and/or risk ('Red Flag') reputational and ascertain the possible existence of negative events involving potential suppliers and subcontractors of Snam. In compliance with the relevant company regulations, it is specified that suppliers are subjected to a broader analysis (so-called **compliance verification**) including not only the aforementioned reputational verification but also verification activities concerning: (i) technical adequacy; (ii) compliance with environmental, occupational safety and human rights protection regulations and (iii) economic/financial soundness. The evaluation of potential red flags and related risk factors is entrusted to the analysis of a multifunctional team made up of internal company resources and called the Compliance Team.

Regarding associated businesses: before establishing any type of relationship, an anti-corruption due diligence is requested and carried out, also delegated to the Counterpart Risk Management function, always in order to intercept any indicators of anomaly and/or risk ('red flag'), leaving the analysis and legal assessment of the risks and indicators detected to the Business Integrity & Compliance function, which is also handled through the execution of a subsequent investigation phase conducted in agreement with the business involved from time to time and ensuring correct segregation of the activities carried out through the involvement of different company functions.

[153] KNC = Know Your Customer.

In the context of contractual documentation relating to M&A transactions: (i) 33% of associated businesses[154] have signed declarations in which they undertake to comply with the Snam Group's Anti-Corruption Guidelines, Code of Ethics and 231 Model, and (ii) in any case, 100% of associated businesses issue compliance declarations and guarantees (Rep&War Compliance) through which these business associates guarantee, inter alia, compliance with applicable anti-corruption regulations.

In particular, 6,058 audits were carried out during the year, including 2,130 reputational audits on suppliers and subcontractors (1,687 with reputational, economic-financial, technical and HSEQ analysis), as a result of which the Multifunctional Team, also thanks to the support of the preliminary investigation activities carried out by the Technical Secretariat, ordered 187 measures, 53 of which were negative. The remaining 3,928 audits refer to reputational audits and anti-corruption due diligence carried out on behalf of other group companies and are broken down as follows: Energy Efficiency 1,829 audits, Biomethane 731, Hydrogen Business Unit 208, Business Development 101, Greenture (formerly Snam 4 Mobility) 87, Arbolia 2, Global Solution 21, Foundation 189 and Other 760.

AUDITS ON SUPPLIERS AND SUBCONTRACTORS

Breakdown by type	
Suppliers	1,687
Subcontractors	386
Awards/Stipulations/Tenders	57
Measures taken [1]	
Reputation Alerts	**8**
of which reputational alert extensions	2
Suspension of qualification	**2**
of which extensions of suspension of qualification	1
Denials/revocation of qualifications	**43**
Clearances/positive outcomes	**126**
of which there is no obstacle to the qualification	113
of which subcontracting authorisations	13

The data is generated through Robotic Process Automation and verified with the Snam IT system.
[1] In addition to the listed measures, there are 8 more measures, which include: 5 reputational alert revocations; 3 suspension revocations.

In 2024, 23 operations were assessed[155] to determine corruption risks, equal to 46% of the total number of sensitive activities identified as susceptible to corruption risks. The analysis revealed the following corruption-related risks:

- management of relationships with public and private entities with reference to their respective areas of expertise (controls, visits, inspections, relationships with financial administration, supervisory authorities, etc.);
- management of relationships with public and private entities relating to the negotiation, stipulation and/or execution of contracts/agreements which are reached through negotiated procedures/public tender procedures;
- management of relationships with public bodies for obtaining authorisations, licences and administrative provisions for the exercise of business activities;
- management of the procurement of consultancy and professional services/performances;
- management of the procurement of goods, works and services (including the process of awarding/signing contracts as a contracting entity);
- management of collections, payments and petty cash;
- qualification, management, development and evaluation of suppliers;
- selection, hiring and personnel management.

All the above-mentioned risks are provided with specific mitigation and control measures described in this chapter 'Business Conduct' and in the chapter 'Workers in the Value Chain, Actions and metrics'.

Training on active and passive corruption

In line with previous years, with a view to raising the awareness of the corporate population on issues of business ethics, legality and anti-corruption, a training cycle has been ensured for 2024 as well, which will contribute to increasing the awareness of employees in recognising, preventing, suppressing and reporting possible cases of corruption in the various business contexts.

In 2024, all members of the Board of Directors were informed and trained on anti-corruption policies and procedures. In particular, 100% of the members of the administrative, management and control bodies of Snam and its subsidiaries were trained on the prevention and identification of active and passive corruption and on the whistleblower channel.

100% of employees received notification, while 54% of them (equal to 2,120 people) were trained on anti-corruption policies and procedures, to whom 551 hours of training were provided on Anti-Corruption, Code of Ethics and 231 Model.

With particular reference to the functions at risk of corruption, pursuant to ISO 37001, annually, with the support of an external consultant, the list of functions and persons with higher than low risks is drawn up. The persons on the list are included in the training programmes[156]. In 2024, 100% of them were trained in these matters.

[154] The business associates considered in the reporting are part of the Energy Transition and Gas Infrastructure M&A transactions that took place in 2024
[155] The operations assessed correspond to the Sensitive Activities identified within 231 Model.
[156] In any case, the training programme, on a three-year basis, includes training for all company personnel and not just those with higher than low risk.

In particular, all new hires received specific training material on anti-corruption during the onboarding phase, and training modules (E-Game) on anti-corruption and whistleblowing were provided - containing important principles pursuant to Legislative Decree 231/01 - intended, in the reference period, primarily for Directors, statutory auditors, members of the Supervisory Bodies, managers, executives and employees.

The company population[157] involved was identified in accordance with ISO 37001:2016, with specific prioritisation procedures by the companies in line with the objective of promoting the 'virtuous' use of reports and of raising awareness, informing and training employees with respect to issues related to the prevention of corruption contained in the Anti-Corruption Policy.

The Snam City e-game is an information platform made up of four modules (called 'neighbourhoods'), focused on four thematic areas: Anti-corruption, Whistleblowing, Antitrust and Market Abuse. In the period between November and December 2024, the e-game was extended to a large corporate population - approximately 2,500 people including Managers, Executives and Employees - and to all the directors and auditors of Snam and the Group.

Incidents of corruption or bribery

During 2024, there were no cases of active or passive corruption, nor convictions for violations of the laws against corruption or bribery

The stages in the fight against corruption and the events of 2024

MILESTONES IN THE FIGHT AGAINST CORRUPTION

2014	2017	2019	2020
Snam starts its cooperation with Transparency International Italia as a member of the Business Integrity Forum (BIF). The collaboration aims to develop a partnership within the Global Corporate Supporters Forum.	Snam joins the Business at OECD Committee.	Snam is the first Italian company to join the Leadership as Vice-Chair within the Anticorruption Committee. In addition, it is presented as a 'Tangible example' of a company that, through concrete actions, has distinguished itself in the fight against corruption at the B20 Summit under the Japanese Presidency. Lastly, the Company was involved in the Partnering Against Corruption Institute (PACI) initiatives set up by the World Economic Forum	Snam becomes a permanent member of the Corporate Governance Committee of the (Business at OECD) BIAC.

Since 2020, Snam has been an active member of the **B20 Forum's Integrity & Compliance Taskforce** and participates in its work every year. In continuity with the previous editions (Saudi Arabia, 2020; Italy, 2021; Indonesia, 2022), in 2024 Snam participated in the discussions of the B20 Integrity & Compliance Task Force and in particular in the drawing up of the related Policy Paper, intended for G20 members and aimed at developing proposals and recommendations for political leaders in various strategic sectors.

[157] The course was administered to employees of Snam and Snam Rete Gas, to managers and executives of Snam, Snam Rete Gas, Bionerys, Bioenerys Agri, Bioenerys Ambiente, Renovit, Renovit Building Solutions, Renovit Public Solutions, Renovit Business Solution.

During 2024, Snam continued to be active in multilateral activities, participating in various institutional events and contributing to numerous working groups, including:

OECD

Business at OECD (BIAC)

- Participation in the Bureau Meeting, where strategic issues for the BIAC Anti-Corruption Committee were illustrated, with a focus on the ethical implications related to the development of AI technologies. On these issues, Snam contributed by highlighting how sustainable governance can also be developed through the technological and scientific development of infrastructures, i.e. the digitalisation and optimisation of asset management systems and industrial processes.
- Participation in the project 'AI-driven Anti-corruption Efforts, Use-cases from the Private Sector', in which the methods of implementing AI in the context of reputational due diligence were shared, as a use case for the development of anti-corruption strategies at a global level.

Since 2020, Snam has also been a member of BIAC committees in the various Policy Groups deemed relevant according to the subject area involved (Corporate Governance and Responsible Business Conduct and, from 2023, also Economic Policy and Regulation). The purpose of this participation is to promote dialogue with the institutions involved, also with a view to sharing best practices, and to monitor the constant and continuous updating of the documents and topics covered. In particular, during 2024 Snam participated in the work of the following committees:

- Corporate Governance Committee, within which he followed the activities of the OECD Working Party on State Ownership and Privatisation Practices
- Responsible Business Conduct Committee, within which it followed the updating of the 'AI Principles' document;
- Governance and Regulatory Policy Committee, where it participated in the preparation of the Recommendation on Principles for Transparency and Integrity in Lobbying and Influence;
- Anti-Corruption Committee in which Snam, also in view of its role, played a leading role in a series of initiatives ascribable to the more general project conducted at BIAC on the role of education and AI systems in the fight against corruption (through its contribution to the preparation of the applicable paper and by acting as a role model also thanks to the sharing of the use cases).

Other OECD events:

- Compliance without borders, an innovative programme developed under the chairmanship of the B20 in Argentina and indicated as best practice in subsequent B20s. As part of this initiative, Snam participated in a peer-learning programme with other entities, engaging in an exchange and comparison of best practices and conduct in the field of anti-corruption.

TRANSPARENCY INTERNATIONAL ITALY

Business Integrity Forum of Transparency International Italia

- Participation of the Business Integrity & Compliance function in the round table of the BIF National Event, entitled 'Business Ethics and Sustainability & Compliance' held in June 2024 at the Snam headquarters, in which the new challenges of corporate compliance in terms of sustainability were analysed, starting from the CSRD, to arrive at the issues of human rights and environmental rights referred to in the CSDDD;
- In February 2025, the Business Integrity & Compliance function participated in the presentation of the 2024 edition of Transparency International's Corruption Perception Index, a measurement of the perception of corruption in the public sector and politics.

Political influence and lobbying activities

Snam's commitments in terms of lobbying and relations with associations, which are characterised by transparency, loyalty and fairness, are also reflected in its business conduct. In this regard, in 2023, Snam adopted a Climate Lobbying policy (**Snam's climate commitment and advocacy position - Involvement in Stakeholders' Associations and Coalitions**), which describes the principles underlying the Group's climate strategy, its advocacy position and its membership of associations.

The Climate Lobbying Policy applies to the entire Snam Group, excluding corporate affiliates or other jurisdictions, and has been drafted in line with the principles contained in the Snam Code of Ethics, the certified anti-corruption management system and Model 231.

The key factors driving Snam's climate advocacy are aligned with the Group's strategy in terms of:

- **alignment with the goals of the Paris Agreement to achieve Net Zero by 2050;**
- **investment in a multi-molecule, renewable and low-carbon gas infrastructure along the entire value chain as a key factor for the energy transition;**
- **development of green gases;**
- **energy efficiency and deployment of low and zero carbon technologies;**
- **support for transparency in reporting on climate-related aspects.**

For more information, please refer to Snam's climate commitment and advocacy position, published in March 2024.

In addition, Snam is registered, at the national level, in the Transparency Register established by the Ministry of Economic Development (MISE) and, at the European level, in the Transparency Register of the European Parliament and the Commission[158], and also adheres to the relevant Code of Conduct governing relations with EU institutions.

Management of relationships with suppliers

During 2024 the **Supplier Code of Ethics**, which sets out the principles and values that guide Snam's actions towards its suppliers and external collaborators, on issues such as respect for human rights, sustainability, protection of the environment and the territory, privacy and cyber security. At the same time, suppliers, in turn, undertake to share, respect and promote the principles listed in the Snam Supplier Code of Ethics among their suppliers and subcontractors.

With particular reference to Snam's policies to avoid late payments, the Group defines the details of payment terms within the contractual clauses, which do not differ specifically for SMEs. Snam ensures on-time payments by adopting ERP systems[159], which allow you to monitor compliance with invoice payment dates. In addition, Snam's Supplier Portal has introduced a new feature that helps suppliers correctly time invoices and informs them of the payment value date.

With particular reference to Bioenerys, the Company, within the contractual standards, has inserted clauses that penalise, through the payment of default interest, delays in payments.

For more information on the company's approach to relations with its suppliers, please refer to the chapter 'Workers in the value chain, Actions and metrics'.

Payment practices

In the context of supplier relationship management, payment practices are critical to ensuring ethical and trust-based relationships. Therefore, Snam carefully monitors the efficiency and punctuality of payments to suppliers using appropriate tools.

In most cases, the standard payment terms are set at 30 days, which mainly concern invoices relating to the supply of electricity and methane for the normal operation of the infrastructure, which amount to approximately 55% of the total. The remaining ones are partly made up of invoices relating to the procurement of goods, works and services, with due dates between 30 and 90 days, and another part with due dates less than 30 days or more than 90 days.
With reference to the biomethane business, almost all of the documents (93%) relate to the procurement in the strict sense of goods, works and services needed to run the relevant business:

- 62% relating to the operation of biomethane/electricity production plants from waste treatment, with expiry days tending to be a maximum of 90 days;
- 27% relating to the operation of biogas/biomethane production plants deriving from the processing of agricultural and agro-industrial waste, with expiry days tending to be a maximum of 60 days;
- 11% related to the management of Service and EPC orders, with expiry days tending to be a maximum of 60 days.

For Renovit Group companies, out of a total of about 5,000 POs, orders for the procurement of goods, works and services have an average payment term of 43 days. Specifically, the percentages are divided into:

- Renovit Building Solutions (management of orders in the residential area 'focus 110'): 90% of the orders are between 10 and 60 days and 10% between 90 and 180 days;
- Renovit Business Solutions (order management in the tertiary and industrial sectors): 96% of the orders are between 10 and 60 days and 4% between 90 and 180 days;
- Renovit Public Solutions (public administration contract management): 78% of the orders are between 10 and 60 days and 22% between 90 and 180 days;
- Renovit SpA (mainly indirect purchases): 100% of the orders are between 10 and 60 days.

[158] Snam is registered in the EU Transparency Register under the identification number: 284336314886-25.
[159] Enterprise Resource Planning.

The average time taken by a company to pay an invoice is 64 days and the percentage of payments that respect the standard terms is 55%.[160]

In 2024, the number of legal proceedings currently pending due to late payments is 14[161], relating to proceedings challenging injunctions served on Renovit companies for non-payments following the execution of energy efficiency measures.

[160] The average invoice payment time indicator is calculated as: payment time = balance date-invoice date. The indicator for the percentage of payments meeting the standard is calculated as: % payments meeting standard deadlines = (total no. of invoices paid by due date)/(total no. of invoices paid). The figures have not been weighted on the amount of the invoices. For the purpose of calculating the average time taken to pay invoices as well as to determine the percentage of payments made within the contractually negotiated timeframe for the financial year 2024, a limited sampling exercise was performed: the calculation was performed on almost the entire consolidated scope, excluding only invoices of non-relevant companies (International BV and Gasrule) and companies of the Bioenerys group for which the cost/benefit ratio in retrieving data is too high, the number of excluded invoices accounts for 2.3% of the total. In 2024, several payment deadlines coincided with holidays (Saturday and Sunday), which caused them to be postponed to the following Monday, thus generating an impact on the calculation of the indicators.

[161] The data refer to the number of injunctions for non-payment in which Snam is enjoined.

KEY PERFORMANCE INDICATORS

KEY PERFORMANCE INDICATORS

ESRS / Other entity-specific disclosures	INDICATOR	UNITS OF MEASUREMENT	2022	2023	2024
Key performance indicators					
G1-3	the percentage of functions-at-risk covered by training programmes	%	100	100	100
G1-4	Number of convictions for violations of laws against corruption or bribery	no.	0	0	0
	Amount of fines imposed for violation of laws against corruption or bribery	€ million	0	0	0
G1-6	Average time taken to pay invoices [1][2]	no.	-	-	64
	Percentage of invoice payments that meet standard terms [1][3]	%	-	-	55
	the number of legal proceedings currently outstanding for late payments [4]	no.	0	0	14
Other performance indicators					
GRI 205-3	**Reports received on corruption and under investigation [5]**	**no.**	**0**	**1**	**0**
	Reports received in previous years on corruption and under investigation	no.	0	0	0
	Reports received on corruption and dismissed as unfounded [6]	no.	0	2	0
	Reports received on corruption and dismissed with managerial interventions [7]	no.	2	0	1
	Reports received in previous years on corruption and dismissed as unfounded	no.	1	0	1
	Reports received in previous years on corruption and dismissed with managerial interventions	no.	2	0	0

Notes: the data refer to the entire Snam Group, unless otherwise indicated. For more information on the scope, please refer to the chapter 'Introduction and guide to reading the document, General basis for the preparation of the Consolidated Sustainability Statement'.
[1] For the purpose of calculating the average time taken to pay invoices, as well as for determining the percentage of payments made within the contractually negotiated timeframe for the financial year 2024, a limited sampling exercise was performed: The calculation was performed on almost the entire consolidated perimeter, excluding only the invoices of International BV and Gasrule (0.08% of the total) and some of the companies of the Bioenerys group (whose invoices are handled by external accountants) due to low volumes and the difficulty in finding the data.
In 2024, several payment deadlines coincided with holidays (Saturday and Sunday), which caused them to be postponed to the following Monday, thus generating an impact on the calculation of the indicators.
[2] The indicator for the average invoice payment time is calculated by taking into account the entirety of the invoices balanced in the system in the year 2024, and thus actually paid in that year. In detail, the following are included in the KPI calculation:
- invoices fully paid;
- partially paid invoices for which the portion of the amount attributable to the so-called 'tenth guarantee' remains outstanding. The latter does not affect the KPI calculation;
- offsets (excluding those relating to shippers).

The following are, however, to be considered excluded from the KPI calculation:
- intra-group invoices;
- invoices subject to litigation;
- offsets and shipper-related items;
- invoices for reversals/credits;
- credit notes.

Moreover, there is no weighting on the amount of the invoices.
The average invoice payment time indicator is calculated as follows: payment time = balance date-invoice date.
Below are the calculation methods for some specific cases:
- invoices paid in full in several instalments, the average payment time is calculated from the date of the document (invoice date) to the date of the last payment instalment;
- Invoices characterised by the simultaneous presence of different VAT regimes (taxable, exempt, etc.) and guarantee tenths are initially entered in the accounts without identification of the guarantee tenth part. Subsequently, through an accounting transfer operation, the payable portion is extracted, distinguishing it from the portion to be held in abeyance as a guarantee share;
- offsets (excluding those relating to shippers):
  - partials: the average payment time is calculated from the date of the invoice document until the date of payment of the last instalment (balance date);
  - totals: The average payment time is calculated from the date of the invoice document to the date of execution of the set-off (balance date).

[3] The indicator for the percentage of payments meeting the standard is calculated as follows: % payments meeting standard deadlines = (total no. of invoices paid by due date)/(total no. of invoices paid). The resulting calculation is not weighted on the amount of the invoices. The data underlying the calculation of this KPI are the same as for the previous KPI on average payment time.
[4] Proceedings concerning opposition to injunctions served on Renovit companies, relating to non-payment for energy efficiency measures.
[5] With reference to the 2023 figure, these are reports not strictly related to corruption issues, but nevertheless with a relevant profile.
[6] With reference to the 2023 figure, these are reports not strictly related to corruption issues, but nevertheless with a relevant profile.
[7] 'Managerial interventions' also means organisational/procedural interventions relating to actions to improve the Internal Control and Risk Management System (ICRMS).

10.5 ANNEXES

Annex 1 – Management systems

In 2024, Snam continued its efforts to expand and maintain management systems that cover specific issues such as occupational health and safety, the environment and the quality of services provided. It is in this direction that, during the year, Snam implemented all the necessary activities to extend management system certifications to the new companies entering the consolidation scope, as well as to maintain and update existing certifications.

CERTIFICATION	SCOPE OF APPLICATION	COMPANY	YEAR OF FIRST CERTIFICATION / FIRST ACCREDITATION
ISO 50001 Energy management systems	Company	Snam	2023
	Company	GNL Italia	
	Company	Greenture	
	Company	Renovit	2024
	Company	Renovit Public Solutions S.p.a. (ex Mieci)	
	Company	Renovit Building Solutions S.p.A. (ex Evolve)	
	Company	Renovit Business Solutions S.r.l. (ex TEP)	
	Company	Snam FSRU Italia S.r.l.	
ISO 22301 Business continuity	Natural gas transportation dispatching activities	Snam Rete Gas	2015
	Business continuity management for the design, development, centralised management of process and remote control systems for natural gas transportation dispatching	Snam	2018
ISO 27001 Information Security	Information security management for the design, development, centralised management of process and remote control systems for natural gas transportation dispatching	Snam	2014
ISO 9001 Quality	Company	Renovit Building Solutions S.p.A. (ex Evolve)	2003
	Design and provision of natural gas measurement and metering service	Stogit	2008
	Company	Renovit Business Solutions S.r.l. (ex TEP)	2010
	Company	Renovit Public Solutions S.p.a. (ex Mieci)	2011
	Company	Snam	2016
	Company	Snam Rete Gas	
	Company	ITG	2018
	Company	Greenture	
	Company	Cubogas	
	Company	GNL Italia	2020
	Company	Renovit	2021
	Company	Bioenerys	2021
	Company	Bioenerys Agri [1]	2022
	Company	Bioenerys Ambiente [1]	2023

ISO 14001 Environment	Company	GNL Italia	2000
	Company	Stogit	2002
	Company	ITG	2010
	Company	Snam Rete Gas	2013
	Company	Renovit Building Solutions S.p.A. (ex Evolve)	
	Company	Renovit Public Solutions S.p.a. (ex Mieci)	2014
	Company	Snam	2015
	Company	Greenture	2018
	Company	Cubogas	
	Company	Bioenerys	2021
	Company	Renovit	
	Company	Renovit Business Solutions S.r.l. (ex TEP)	
	Company	Bioenerys Ambiente [1]	2023
ISO 45001 Occupational Health and Safety	Company	ITG	2009
	Company	Snam Rete Gas	2010
	Company	Snam	2012
	Company	GNL Italia	2012
	Company	Stogit	2012
	Company	Greenture	2018
	Company	Cubogas	2018
	Company	Bioenerys	2021
	Company	Renovit Building Solutions S.p.A. (ex Evolve)	
	Company	Renovit Public Solutions S.p.a. (ex Mieci)	
	Company	Renovit	
	Company	Renovit Business Solutions S.r.l. (ex TEP)	2022
	Company	Bioenerys Agri [1]	
	Company	Bioenerys Ambiente [1]	2024
ISO 17025 Competence of testing and calibration laboratories	Natural gas mixture calibration centre	Snam Rete Gas	2002
	Testing laboratory (LAB 764 Piped gaseous flows)		2007
UNI 11352 Energy management for companies providing energy services	Provision of energy services, including the financing of improvement work and the purchase of energy carriers	Renovit Building Solutions S.p.A. (ex Evolve)	2012
	Provision of energy services, including the financing of improvement work and the purchase of energy carriers	Renovit Business Solutions S.r.l. (ex TEP)	2013
	Provision of energy services, including the financing of improvement work and the purchase of energy carriers	Renovit Public Solutions S.p.a. (ex Mieci)	2018
SA 8000 Social Responsibility	Company	Renovit Building Solutions S.p.A. (ex Evolve)	2018
	Company	Renovit Public Solutions S.p.a. (ex Mieci)	2021

SOA Certificate of qualification for the execution of public works	Company	Renovit Building Solutions S.p.A. (ex Evolve)	2007
	Company	Renovit Public Solutions S.p.a. (ex Mieci)	2016

[1] Controlled by Bioenerys S.r.l.

Below is the percentage of employees and companies covered by management systems certified according to ISO 45001, ISO 14001 and ISO 9001. The tables also show the percentage of companies covered by audits on the same management systems:

% employees covered by ISO 45001	99.54	% Companies covered by ISO 45001	76.47	% Companies covered by ISO 45001 audits	76.47
% employees covered by ISO 14001	97.64	% Companies covered by ISO 14001	73.53	% Companies covered by ISO 14001 audits	73.53
% employees covered by ISO 9001	99.54	% Companies covered by ISO 9001	76.47	% Companies covered by ISO 9001 audits	76.47

Notes: the data refer to the entire Snam Group, unless otherwise indicated. For more information on the scope, please refer to the chapter 'Introduction and guide to reading the document, General basis for the preparation of the Consolidated Sustainability Statement'.

Annex 2 – Data and performance indicators

DATA AND PERFORMANCE INDICATORS BY BUSINESS SECTOR

ESRS / Other entity-specific disclosures	INDICATOR	UNITS OF MEASUREMENT	2022	2023	2024
NATURAL GAS TRANSPORTATION [1]					
E1-5	Energy consumption	MWh	2,979,722	3,162,737	2,253,587
GHG emissions					
E1-6	Gross Scope 1 GHG emissions [2][[3][4]	tCO_2e	946,743	904,807	650,776
	Gross market-based Scope 2 GHG emissions [3][5][6]	tCO_2e	9,294	7,702	7,613
	Gross location-based Scope 2 GHG emissions [3][5][7]	tCO_2e	10,333	11,364	11,723
	Natural gas emissions [8]	10^6 m^3	18	14	10
GRI 305-4	Natural gas emissions/gas injected into the network [8]	%	0.024	0.022	0.017
E1-6	Gross indirect GHG emissions (Scope 3) [9]	tCO_2e	-	-	1,184,998
E2-4	NO_x emissions[10]	t	366	352	243
Health and safety					
GRI 403-9	Employee accidents	no.	0	6	2
	of which fatal	no.	0	0	0
	Contractor accidents	no.	2	1	7
	of which fatal	no.	1	0	0
	Employee Frequency Index [11]	-	0	2	0.63
	Employee Severity Index [12]	-	0.003	0	0.04
	Contractor Frequency Index [11]	-	0.32	0.12	0.82
	Contractor Severity Index [12]	-	1.24	0	0.04
NATURAL GAS STORAGE [13]					
E1-5	Energy consumption	MW	1,378,056	951,405	1,001,371
GHG emissions					
E1-6	Gross Scope 1 GHG emissions [2][[3][4]	tCO_2e	364,691	276,156	285,666
	Gross market-based Scope 2 GHG emissions [3][5][6]	tCO_2e	11,071	10,085	10,869
	Gross location-based Scope 2 GHG emissions [3][5][7]	tCO_2e	10,158	8,604	10,597
	Natural gas emissions [8]	10^6 m^3	6	5	4.779
	Gross indirect GHG emissions (Scope 3) [9]	tCO_2e	-	-	128,241
E2-4	NO_x emissions[10]	t	110	81	88
GRI 305-4	Emissions of stored natural gas / stored gas	%	0.036	0.048	0.046
	Stored NO_x/gas emissions	$kg/10^6m^3$	11	12	12
Health and safety					
GRI 403-9	Employee accidents	no.	0	0	0
	of which fatal	no.	0	0	0
	Contractor accidents	no.	4	0	0
	of which fatal	no.	0	0	0
	Employee Frequency Index [10]	-	0	0	0
	Employee Severity Index [11]	-	0	0	0
	Contractor Frequency Index [10]	-	4.18	0	0
	Contractor Severity Index [11]	-	0.28	0	0
REGASIFICATION OF LIQUEFIED NATURAL GAS [13]					
E1-5	Energy consumption	MW	307,778	446,555	377,154
GHG emissions					
E1-6	Gross Scope 1 GHG emissions [2][[3][4]	tCO_2e	117,749	133,423	136,929
	Gross market-based Scope 2 GHG emissions [3][5][6]	tCO_2e	9	10	11
	Gross location-based Scope 2 GHG emissions [3][5][7]	tCO_2e	7,885	9,922	6,003
	Natural gas emissions [8]	10^6 m^3	3	3	3
E1-6	Gross indirect GHG emissions (Scope 3) [9]	tCO_2e	-	-	67,445
E2-4	NO_x emissions[10]	t	60	91	83
Health and safety					
GRI 403-9	Employee accidents	no.	0	0	0
	of which fatal	no.	0	0	0
	Contractor accidents	no.	0	1	0
	of which fatal	no.	0	0	0
	Employee Frequency Index [11]	-	0	0	0
	Employee Severity Index [12]	-	0	0	0
	Contractor Frequency Index [11]	-	0	4.5	0
	Contractor Severity Index [12]	-	0	0	0

ESRS / Other entity-specific disclosures	INDICATOR	UNITS OF MEASUREMENT	2022	2023	2024
ENERGY TRANSITION BUSINESSES [15]					
E1-5	Energy consumption	MW	300,278	398,101	530,766
GHG emissions					
E1-6	Gross Scope 1 GHG emissions [2][[3][4]	tCO_2e	54,861	70,604	101,207
	Gross market-based Scope 2 GHG emissions [3][5][6]	tCO_2e	11,674	8,559	349
	Gross location-based Scope 2 GHG emissions [3][5][7]	tCO_2e	8,763	10,282	7,769
	Natural gas emissions [8]	10^6 m^3	0	0	0
	Gross indirect GHG emissions (Scope 3) [9]	tCO_2e	-	-	314,161
E2-4	NO_x emissions[10]	t	16	53	17
Health and safety					
GRI 403-9	Employee accidents	no.	3	6	7
	of which fatal	no.	0	0	0
	Contractor accidents	no.	7	7	4
	of which fatal	no.	0	0	0
	Employee Frequency Index [11]	-	3.3	8.15	8.08
	Employee Severity Index [12]	-	0.11	0	0.26
	Contractor Frequency Index [11]	-	2	1.7	1.15
	Contractor Severity Index [12]	-	0	0.0	0.02

[1] Snam Rete Gas S.p.A., Infrastrutture Trasporto Gas S.p.A., Enura S.p.A., Asset Company 2 S.r.l
[2] the CO_2e assessment of CH_4 emissions considera the Global Warming Potential (GWP) of 29.8, in accordance with the Sixth Assessment Report' of the Intergovernmental Panel on Climate Change (IPCC) '.
[3] Source of emission factors: ISPRA 2024.
[4] The calculation of Scope 1 GHG emissions is based on international standards such as the GHG Protocol, the UNEP OGMP 2.0 protocol and Defra for the reporting of HFC gases. CO_2 emissions are calculated based on fossil fuel consumption, while methane emissions are estimated through direct measurements and engineering calculations, including Leak Detection and Repair (LDAR) systems and the use of drones for emission data reconciliation. Significant assumptions include the adoption of specific emission factors for natural gas. The calculation tools used include the use of corporate applications for emissions reporting that allow for obtaining accurate and up-to-date emissions data.
[5] Snam uses Guarantees of Origin as a contractual instrument for the purchase of certified green electricity. Guarantees of Origin are certificates that attest to the renewable origin of the electricity purchased, allowing Snam to declare the use of electricity produced from renewable sources. This tool is essential to support Snam's goal of reducing Scope 2 emissions and achieving 100% green energy purchasing by 2027. The adoption of Guarantees of Origin guarantees the transparency and traceability of renewable energy, contributing to the company's sustainability strategy and energy transition.
[6] the Market-Based (MB) approach attributes a zero CO_2e emission factor to energy consumption from certified renewable sources (e.g. guarantees of origin); Significant assumptions include accurate traceability of energy sources and the adoption of calculation tools compliant with international standards, such as the GHG Protocol. The choice of these methodologies is motivated by the need to ensure transparent and comparable reporting of emissions, supporting Snam's objective of reducing Scope 2 emissions by increasing the use of electricity from renewable sources. [E1-6, AR 39]
[7] The Location-Based (LB) approach considers an average emission factor based on the national energy mix. Significant assumptions include accurate traceability of energy sources and the adoption of calculation tools compliant with international standards, such as the GHG Protocol. The choice of these methodologies is motivated by the need to ensure transparent and comparable reporting of emissions, supporting Snam's objective of reducing Scope 2 emissions by increasing the use of electricity from renewable sources.
[8] The figure includes point, air, fugitive and unburnt emissions.
[9] For more information on the emission factors used and the estimation methodologies applied, please refer to the chapter 'Introduction and guide to reading the document, Disclosures in relation to specific circumstances, Causes of uncertainty in the estimates and results'.
[10] Data for 2022 and 2023 have been restated.

[11] Number of recordable workplace injuries, per million hours worked. Hours worked for Group employees and non-employee workers when unavailable are based on the number of employees multiplied by an estimated monthly number of 140 hours. For managers, the estimate is the same, multiplying the average number of Senior Managers by a total number of hours equal to 150 hours/month. The data relating to hours worked is monitored by the Human Resources function, while the number of accidents is obtained from the accident register and the information system dedicated to monitoring such data.
[12] Number of lost working days (calendar days), related to non-commuting accidents with at least one day's absence, per thousand hours worked. Hours worked for Group employees and non-employee workers when unavailable are based on the number of employees multiplied by an estimated monthly number of 140 hours. For managers, the estimate is the same, multiplying the average number of managers by a total number of hours equal to 150 hours/month. The data are calculated including the contribution of fatal accidents, for each of which 7,500 days of absence were taken into account. With regard to hours worked, the hours for the month of December have been estimated as they are not available. The data relating to hours worked is monitored by the Human Resources function, while the number of days of absence is obtained from the accident register and the information system dedicated to monitoring such data.
[13] Stogit S.p.A..
[14] GNL Italia S.p.A., Snam FSRU Italia S.r.l..
[15] Bioenerys S.r.l., Bioenerys Agri S.r.l., Bioenerys Ambiente S.r.l.,, Renovit S.p.A., Renovit Business Solutions S.r.l.. (formerly TEP), Renovit Public Solutions S.p.a (formerly Mieci), T.Lux S.r.l., Renovit Building Solutions S.p.A. (formerly Evolve)

Annex 3 – Main Partnerships

Annex 4 – Models For Key Performance Indicators (KPIs) of Non-Financial Companies

Model – Share of turnover derived from products or services associated with economic activities aligned with the taxonomy - Disclosure for the year 2024

2024 Financial Year		2024		Criteria for substantial contribution						DNSH ('do no significant harm') criteria (h)									
Economic activities (1)	Code (a) (2)	Turnover (3)	Share of turnover, year 2024 (4)	Climate change mitigation (5)	Adaptation to climate change (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Adaptation to climate change (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Share of turnover aligned with (A.1.) or eligible for (A.2.) the taxonomy, year 2023	Qualifying activity category (19)	Transition activity category (20)
		€M	%	Yes; No; N/EL (b) (c)	Yes; No; N/EL (b) (c)	Yes; No; N/EL (b) (c)	Yes; No; N/EL (b) (c)	Yes; No; N/EL (b) (c)	Yes; No; N/EL (b) (c)	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	A	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (aligned with the taxonomy) (d)																			
Transmission and distribution networks for renewable and low-carbon gases	CCM 4.14	7	0.2%	Yes	N/EL	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	0.2%		
Renovation of existing buildings	CCM 7.2	62	1.7%	Yes	N/EL	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	20%		T
Manufacture of biogas and biofuels for use in transport and of bioliquids	CCM 4.13	55	1.5%	Yes	N/EL	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	—%		
Anaerobic digestion of bio-waste	CCM 5.7	24	0.7%	Yes	N/EL	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	2%		
Transport of CO_2	CCM 5.11	1	—%	Yes	N/EL	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	—%	A	
Electricity generation using solar photovoltaic technology	CCM 4.1	7	0.2%	Yes	N/EL	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	0.3%		
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	—	—%	Yes	N/EL	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	0.2%	A	
Professional services related to the energy performance of buildings	CCM 9.3	54	1.5%	Yes	N/EL	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	2%	A	
Installation and operation of electric heat pumps	CCM 4.16	2	0.1%	Yes	N/EL	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	—%		
Turnover of environmentally sustainable activities (aligned with the taxonomy) (A.1)		**212**	**5.9%**	**6%**	**-**	**-**	**-**	**-**	**-**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**26%***		
Of which enabling		55	1.5%	2%	-	-	-	-	-	Yes	Yes	Yes	Yes	Yes	Yes	Yes	2%	A	
Of which transitional		62	1.7%	2 %	-	-	-	-	-	Yes	Yes	Yes	Yes	Yes	Yes	Yes	20%		T

2024 Financial Year	2024			Criteria for substantial contribution						DNSH ('do no significant harm') criteria (h)									
Economic activities (1)	Code (a) (2)	Turnover (3)	Share of turnover, year 2024 (4)	Climate change mitigation (5)	Adaptation to climate change (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Adaptation to climate change (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Share of turnover aligned with (A.1.) or eligible for (A.2.) the taxonomy, year 2023	Qualifying activity category (19)	Transition activity category (20)
A.2 Activities eligible for the taxonomy but not environmentally sustainable (activities not aligned with the taxonomy) (e) (g)																			
		€M	%	*EL; N/EL (f)*	*EL; N/EL (f)*	*EL; N/EL (f)*	*EL; N/EL (f)*	*EL; N/EL (f)*	*EL; N/EL (f)*										
Anaerobic digestion of bio-waste	CCA **CCM** 5.7	11	0.3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								—%		
High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	CCA **CCM** 4.30	40	1.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1%		
Professional services related to the energy performance of buildings	**CCM** 9.3	30	0.8%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								—%		
Installation, maintenance and repair of energy efficiency equipment	CCA **CCM** 7.3	5	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Turnover from activities eligible for the taxonomy but not environmentally sustainable (activities not aligned with the taxonomy) (A.2)		86	2%	2%	-	-	-	-	-								2%**		
A. Turnover of taxonomy-eligible activities (A.1+A.2)		298	8%	8%	—%	—%	—%	—%	—%								28%		
B.TAXONOMY-INELIGIBLE ACTIVITIES																			
Turnover of taxonomy-ineligible activities		3,270	92%																
TOTAL		**3,568**	**100%**																

2024 Financial Year	2024			Criteria for substantial contribution						DNSH ('do no significant harm') criteria (h)									
Economic activities (1)	Code (a) (2)	Turnover (3)	Share of turnover, year 2024 (4)	Climate change mitigation (5)	Adaptation to climate change (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Adaptation to climate change (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Share of turnover aligned with (A.1.) or eligible for (A.2.) the taxonomy, year 2023	Qualifying activity category (19)	Transition activity category (20)

With respect to the activities of the Snam group considered Taxonomy-Eligible in 2023, the list has been updated for 2024 through the following changes:
- Activity 4.8 Production of electricity through bioenergy, present in 2023, has been excluded because in the immediate future the biomethane business will have all its activities aligned under Article 4.13 Production of biogas and biofuels for transportation and bioliquids, as it is no longer expected to produce electricity through bioenergy;
- Activity 5.12 Underground permanent geological storage of CO2, present in 2023, was excluded in preference to the use of Article 5.11 Transport of CO2.

** With respect to the activities considered Taxonomy-Eligible of the Snam group in 2023, the list has been updated through the following changes for 2024, the activity 4.8 Production of electricity through bioenergy, present in 2023, has been excluded because in the immediate future the biomethane business will have all of its activities aligned under Article 4.13 Production of biogas and biofuels for transport and bioliquids, as it is no longer expected to produce electricity through bioenergy.

(a) The code contains the abbreviation of the objective to which the economic activity can make a substantial contribution, and the section number of the activity in the corresponding annex of the objective, i.e:
- •climate change mitigation: CCM
- •adaptation to climate change: CCA
- •water and marine resources: WTR
- •circular economy: CE
- •prevention and reduction of pollution: PPC
- •biodiversity and ecosystems: BIO

(b) Yes - The activity is taxonomy eligible and aligned with the taxonomy with respect to the relevant environmental objective No - The activity is taxonomy eligible but is not taxonomy aligned with the relevant environmental objective N/AM - Not eligible; the activity is not eligible for taxonomy for the relevant objective

(c) If the economic activity contributes substantially to more than one environmental objective, non-financial enterprises indicate, in bold, the most important environmental objective for the purpose of calculating the KPIs of financial enterprises, avoiding double counting. If the use of financing proceeds is not known, financial companies calculate in their KPIs the financing of economic activities that contribute to more than one environmental objective within the most important environmental objective indicated in bold in this model by non-financial companies. An environmental target may only be indicated in bold once in a row to avoid double counting of economic activities in the KPIs of financial enterprises. This does not apply to the calculation of economic activities aligned to the taxonomy for financial products as defined in Article 2(12) of Regulation (EU) 2019/2088. Non-financial enterprises also report the degree of eligibility and alignment by environmental objective, including the alignment to each environmental objective of activities that contribute substantially to several objectives, using the following template:

	Share of turnover/total turnover	
	Aligned to taxonomy by objective	**Eligible for taxonomy by objective**
CCM	6%	2%
CCA	—%	2%
WTR	—%	—%
CE	—%	—%
PPC	—%	—%
BIO	—%	—%

(d) An activity may be aligned with one or more environmental objectives for which it is eligible.

(e) An activity may be permissible that is not aligned with the relevant environmental objectives.

(f) AM - Activity eligible for taxonomy for the relevant objective N/AM - Activity not eligible for taxonomy for the relevant objective

(g) Activities are indicated in section A.2 of this template only if they are not aligned with any environmental objective for which they are eligible. Activities that align with at least one environmental objective are indicated in section A.1 of this template.

(h) In order for an activity to be included in Section A.1, it must comply with all DNSH criteria and the relevant minimum safeguards. For the activities listed in Section A.2, non-financial corporations may complete columns 5 to 17 on a voluntary basis. Non-financial corporations may indicate in Section A.2 the substantial contribution and the DNSH criteria met or not met, using: (a) for substantial contribution - codes Yes/No and N/ AM instead of AM and N/AM and (b) for DNSH - codes Yes/No.

Model - Share of capital expenditure (CapEx) arising from products or services associated with economic activities aligned with the taxonomy - Disclosure for the year 2024

2024 Financial Year	2024			Criteria for substantial contribution						DNSH ('do no significant harm') criteria (h)									
Economic activities (1)	Code (a) (2)	CapEx (3)	Share of CapEx, year 2024 (4)	Climate change mitigation (5)	Adaptation to climate change (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Adaptation to climate change (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Share of CapEX aligned with (A.1.) or eligible for (A.2.) the taxonomy, year 2023 (18)	Qualifying activity category (19)	Transition activity category (20)
		€M	*%*	*Yes; No; N/AM (b) (c)*	*Yes; No; N/AM (b) (c)*	*Yes; No; N/AM (b) (c)*	*Yes; No; N/AM (b) (c)*	*Yes; No; N/AM (b) (c)*	*Yes; No; N/AM (b) (c)*	*Yes/No*	*Yes/No*	*Yes/No*	*Yes/No*	*Yes/No*	*Yes/No*	*Yes/No*	*%*	*A*	*T*
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (aligned with the taxonomy) (d)																			
Transmission and distribution networks for renewable and low-carbon gases	CCM 4.14	648	22%	Yes	N/EL	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	20%		
Renovation of existing buildings	CCM 7.2	21	1%	Yes	N/EL	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	0.8%		T
Construction of new buildings	CCM 7.1	83	3%	Yes	N/EL	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	0.7%		
Data-driven solutions for GHG emissions reductions	CCM 8.2	1	0.03%	Yes	N/EL	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	0.03%	A	
Electricity generation from bioenergy	CCM 4.8	—	—%	Yes	N/EL	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	0.02%		
Manufacture of biogas and biofuels for use in transport and of bioliquids	CCM 4.13	68	2%	Yes	N/EL	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	1%		
Anaerobic digestion of bio-waste	CCM 5.7	15	1%	Yes	N/EL	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	3%		
Manufacture of equipment for the production and use of hydrogen	CCM 3.2	2	0.1%	Yes	N/EL	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	0.03%	A	
Close to market research, development and innovation	CCM 9.1	3	0.1%	Yes	N/EL	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	0.01%	A	
Transport of CO_2	CCM 5.11	45	2%	Yes	N/EL	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	2%	A	
Electricity generation using solar photovoltaic technology	CCM 4.1	10	0.3%	Yes	N/EL	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	0.5%		
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	—	—%	Yes	N/EL	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	0.03%	A	

2024 Financial Year		2024		Criteria for substantial contribution						DNSH ('do no significant harm') criteria (h)									
Economic activities (1)	Code (a) (2)	CapEx (3)	Share of CapEx, year 2024 (4)	Climate change mitigation (5)	Adaptation to climate change (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Adaptation to climate change (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Share of CapEX aligned with (A.1.) or eligible for (A.2.) the taxonomy, year 2023 (18)	Qualifying activity category (19)	Transition activity category (20)
Professional services related to energy performance of buildings	CCM 9.3	8	0.3%	Yes	N/EL	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	0.5%	A	
Flood prevention and protection infrastructure	CCA 14.2	15	1%	N/EL	Yes	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	—%	A	
CapEX of environmentally sustainable activities (aligned with taxonomy) (A.1)		**919**	**31%**	**31%**	**1%**	-	-	-	-	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**29%**		
Of which enabling		**74**	**3%**	**2%**	**1%**	-	-	-	-	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**3%**	**A**	
Of which transitional		**21**	**1%**	**0.01**	-	-	-	-	-	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**1%**		**T**
A.2 Activities eligible for the taxonomy but not environmentally sustainable (activities not aligned with the taxonomy) (e) (g)																			
		€M	%	EL; N/AM (f)	EL; N/AM (f)	EL; N/AM (f)	EL; N/AM (f)	EL; N/AM (f)	EL; N/AM (f)										
Transmission and distribution networks for renewable and low-carbon gases	**CCM** - CCA 4.14	1,147	39%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								22%		
Renovation of existing buildings	**CCM** - CCA 7.2	22	1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.8%		
Transport by motorbikes, passenger cars and light commercial vehicles	**CCM** - CCA 6.5	3	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								—%		
Data processing, hosting and related activities	**CCM** - CCA 8.1	16	1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.3%		
Data-driven solutions for GHG emissions reductions	**CCM** 8.2	3	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.9%		
Manufacture of biogas and biofuels for use in transport and of bioliquids	**CCM** - CCA 4.13	—	—%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								2%		
Anaerobic digestion of bio-waste	**CCM** - CCA 5.7	3	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.08%		
Installation and operation of electric heat pumps	**CCM** - CCA 4.16	—	—%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.1%		

2024 Financial Year	2024			Criteria for substantial contribution						DNSH ('do no significant harm') criteria (h)									
Economic activities (1)	Code (a) (2)	CapEx (3)	Share of CapEx, year 2024 (4)	Climate change mitigation (5)	Adaptation to climate change (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Adaptation to climate change (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Share of CapEX aligned with (A.1.) or eligible for (A.2.) the taxonomy, year 2023 (18)	Qualifying activity category (19)	Transition activity category (20)
High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	**CCM** - CCA4.30	7	0.2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.3%		
Professional services related to energy performance of buildings	**CCM** 9.3	—	—%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.05%		
Cogeneration of heat/cool and power from renewable non-fossil gaseous and liquid fuels	**CCM** - CCA 4.19	—	—%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								—%		
CapEx of activities eligible for the taxonomy but not environmentally sustainable (activities not aligned with the taxonomy) (A.2)		**1,201**	**41%**	**41%**	**-**	**-**	**-**	**-**	**-**								**27%**		
A. CapEx of activities eligible for the taxonomy (A.1+A.2)		**2,120**	**72%**	**72%**	**1%**	**—%**	**—%**	**—%**	**—%**								**55%**		
B.TAXONOMY-INELIGIBLE ACTIVITIES																			
CapEx of activities not eligible for the taxonomy		**824**	**28%**																
TOTAL		**2,944**	**100%**																

(a) The code contains the abbreviation of the objective to which the economic activity can make a substantial contribution, and the section number of the activity in the corresponding annex of the objective, i.e:
- Climate change mitigation CCM
- adaptation to climate change: CCA
- water and marine resources: WTR
- Circular economy: CE
- Pollution prevention and control: PPC
- Biodiversity and ecosystems: BIO

(b) **Yes** - The activity is eligible and aligned with the taxonomy with respect to the relevant environmental objective
No - The activity is eligible for taxonomy but is not aligned with the taxonomy with respect to the relevant environmental objective
N/AM - Ineligible; the activity is not eligible for taxonomy for the relevant objective

(c) If the economic activity contributes substantially to more than one environmental objective, non-financial enterprises indicate, in bold, the most important environmental objective for the purpose of calculating the KPIs of financial enterprises, avoiding double counting. If the use of financing proceeds is not known, financial companies calculate in their KPIs the financing of economic activities that contribute to more than one environmental objective within the most important environmental objective indicated in bold in this model by non-financial companies. An environmental target may only be indicated in bold once in a row to avoid double counting of economic activities in the KPIs of financial enterprises. This does not apply to the calculation of economic activities aligned to the taxonomy for financial products as defined in Article 2(12) of Regulation (EU) 2019/2088. Non-financial enterprises also report the degree of eligibility and alignment by environmental objective, including the alignment to each environmental objective of activities that contribute substantially to several objectives, using the following template:

	Share of CapEx/Total CapEx	
	Aligned to taxonomy by objective	**Eligible for taxonomy by objective**
CCM	31%	41%
CCA	1%	41%
WTR	—%	—%
CE	—%	—%
PPC	—%	—%
BIO	—%	—%

(d) An activity may be aligned with one or more environmental objectives for which it is eligible.

(e) An activity may be permissible that is not aligned with the relevant environmental objectives.

(f) AM - Activity eligible for taxonomy for the relevant objective N/AM - Activity not eligible for taxonomy for the relevant objective

(g) Activities are indicated in section A.2 of this template only if they are not aligned with any environmental objective for which they are eligible. Activities that align with at least one environmental objective are indicated in section A.1 of this template.

(h) In order for an activity to be included in Section A.1, it must comply with all DNSH criteria and the relevant minimum safeguards. For the activities listed in Section A.2, non-financial corporations may complete columns 5 to 17 on a voluntary basis. Non-financial corporations may indicate in Section A.2 the substantial contribution and the DNSH criteria met or not met, using: (a) for substantial contribution - codes Yes/No and N/ AM instead of AM and N/AM and (b) for DNSH - codes Yes/No.

Model - Share of operating expenses (OpEx) arising from products or services associated with economic activities aligned with the taxonomy - Disclosure for the year 2024

2024 Financial Year		2024		Criteria for substantial contribution						DNSH ('do no significant harm') criteria (h)									
Economic activities (1)	Code (a) (2)	OpEx (3)	Share of OpEx, year 2024 (4)	Climate change mitigation (5)	Adaptation to climate change (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Adaptation to climate change (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Share of CapEX aligned with (A.1.) or eligible for (A.2.) the taxonomy, year 2023 (18)	Qualifying activity category (19)	Transition activity category (20)
		€M	%	Yes; No; N/AM (b) (c)	Yes; No; N/AM (b) (c)	Yes; No; N/AM (b) (c)	Yes; No; N/AM (b) (c)	Yes; No; N/AM (b) (c)	Yes; No; N/AM (b) (c)	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	A	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (aligned with the taxonomy) (d)																			
Manufacture of biogas and biofuels for use in transport and of bioliquids	CCM 4.13	11	6%	Yes	N/EL	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	—%		
Anaerobic digestion of bio-waste	CCM 5.7	8	5%	Yes	N/EL	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	5%		
Close to market research, development and innovation	CCM 9.1	1	1%	Yes	N/EL	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	0.8%	A	
Electricity generation using solar photovoltaic technology	CCM 4.1	5	3%	Yes	N/EL	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	4%		
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	—	—%	Yes	N/EL	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	2%	A	
Professional services related to energy performance of buildings	CCM 9.3	36	20%	Yes	N/EL	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	34%	A	
Installation and operation of electric heat pumps	CCM 4.16	1	1%	Yes	N/EL	N/EL	N/EL	N/EL	N/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	—%		
Operating expenses of environmentally sustainable activities (aligned with taxonomy) (A.1)		**62**	**35%**	**35%**	**-**	**-**	**-**	**-**	**-**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**47%***		
Of which enabling		**37**	**21%**	**21%**	**-**	**-**	**-**	**-**	**-**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**37%**	**A**	
Of which transitional		**—**	**—%**	**-**	**-**	**-**	**-**	**-**	**-**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**—%**		**T**

2024 Financial Year	2024			Criteria for substantial contribution						DNSH ('do no significant harm') criteria (h)									
Economic activities (1)	Code (a) (2)	OpEx (3)	Share of OpEx, year 2024 (4)	Climate change mitigation (5)	Adaptation to climate change (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Adaptation to climate change (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Share of CapEX aligned with (A.1.) or eligible for (A.2.) the taxonomy, year 2023 (18)	Qualifying activity category (19)	Transition activity category (20)
A.2 Activities eligible for the taxonomy but not environmentally sustainable (activities not aligned with the taxonomy) (e) (g)																			
		€M	%	EL; N/AM (f)	EL; N/AM (f)	EL; N/AM (f)	EL; N/AM (f)	EL; N/AM (f)	EL; N/AM (f)										
Transmission and distribution networks for renewable and low-carbon gases	CCA **CCM** 4.14	46.8	26%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								15%		
Installation and operation of electric heat pumps	CCA **CCM** 4.16	—	—%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								4%		
Anaerobic digestion of bio-waste	CCA **CCM** 5.7	4	2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								2%		
High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	CCA **CCM** 4.30	36	20%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								17%		
Professional services related to the energy performance of buildings	**CCM** 9.3	22	12%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Installation, maintenance and repair of energy efficiency equipment	CCA **CCM** 7.3	3	2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Operating expenses of activities eligible for the taxonomy but not environmentally sustainable (activities not aligned with the taxonomy) (A.2)		**112**	**63%**	**63%**	**-**	**-**	**-**	**-**	**-**								**42%****		
A.OpEx of activities eligible for taxonomy (A.1+A.2)		**174**	**98%**	**98%**	**—%**	**—%**	**—%**	**—%**	**—%**								**89%**		
B.TAXONOMY-INELIGIBLE ACTIVITIES																			
Operating expenses of activities not eligible for the taxonomy		**3**	**2%**																
TOTAL		**177**	**100%**																

2024 Financial Year	2024			Criteria for substantial contribution						DNSH ('do no significant harm') criteria (h)									
Economic activities (1)	Code (a) (2)	OpEx (3)	Share of OpEx, year 2024 (4)	Climate change mitigation (5)	Adaptation to climate change (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Adaptation to climate change (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Share of CapEX aligned with (A.1.) or eligible for (A.2.) the taxonomy, year 2023 (18)	Qualifying activity category (19)	Transition activity category (20)

With respect to the activities of the Snam group considered Taxonomy-Eligible in 2023, the list has been updated for 2024 through the following changes:
Activity 4.8 Production of electricity through bioenergy, present in 2023, has been excluded because in the immediate future the biomethane business will have all its activities aligned under Article 4.13 Production of biogas and biofuels for transportation and bioliquids, as it is no longer expected to produce electricity through bioenergy.

(a) The code contains the abbreviation of the objective to which the economic activity can make a substantial contribution, and the section number of the activity in the corresponding annex of the objective, i.e:
- Climate change mitigation: CCM
- adaptation to climate change: CCA
- water and marine resources: WTR
- Circular economy: CE
- Pollution prevention and control: PPC
- Biodiversity and ecosystems: BIO

(b) **Yes** - The activity is eligible and aligned with the taxonomy with respect to the relevant environmental objective
No - The activity is eligible for taxonomy but is not aligned with the taxonomy with respect to the relevant environmental objective
N/AM - Ineligible; the activity is not eligible for taxonomy for the relevant objective

(c) If the economic activity contributes substantially to more than one environmental objective, non-financial enterprises indicate, in bold, the most important environmental objective for the purpose of calculating the KPIs of financial enterprises, avoiding double counting. If the use of financing proceeds is not known, financial companies calculate in their KPIs the financing of economic activities that contribute to more than one environmental objective within the most important environmental objective indicated in bold in this model by non-financial companies. An environmental target may only be indicated in bold once in a row to avoid double counting of economic activities in the KPIs of financial enterprises. This does not apply to the calculation of economic activities aligned to the taxonomy for financial products as defined in Article 2(12) of Regulation (EU) 2019/2088. Non-financial enterprises also report the degree of eligibility and alignment by environmental objective, including the alignment to each environmental objective of activities that contribute substantially to several objectives, using the following template:

	Share of OpEx/ Total OpEx	
	Aligned to taxonomy by objective	**Eligible for taxonomy by objective**
CCM	35%	63%
CCA	—%	51%
WTR	—%	—%
CE	—%	—%
PPC	—%	—%
BIO	—%	—%

(d) An activity may be aligned with one or more environmental objectives for which it is eligible.

(e) An activity may be permissible that is not aligned with the relevant environmental objectives.

(f) AM - Activity eligible for taxonomy for the relevant objective N/AM - Activity not eligible for taxonomy for the relevant objective

(g) Activities are indicated in section A.2 of this template only if they are not aligned with any environmental objective for which they are eligible. Activities that align with at least one environmental objective are indicated in section A.1 of this template.

(h) In order for an activity to be included in Section A.1, it must comply with all DNSH criteria and the relevant minimum safeguards. For the activities listed in Section A.2, non-financial corporations may complete columns 5 to 17 on a voluntary basis. Non-financial corporations may indicate in Section A.2 the substantial contribution and the DNSH criteria met or not met, using: (a) for substantial contribution - codes Yes/No and N/ AM instead of AM and N/AM and (b) for DNSH - codes Yes/No.

ANNEX XII-TURNOVER

Model 1 - Nuclear and fossil gas activities

Line	Nuclear energy activities	Yes; No
1	The company carries out, finances or has exposures to research, development, demonstration and implementation of innovative power generation plants that produce energy from nuclear processes with a minimum amount of fuel cycle waste.	No
2	The company carries out, finances or has exposures to the construction and safe operation of new nuclear power plants for the generation of electricity or process heat, including for district heating purposes or for industrial processes such as hydrogen production, and improvements in their safety, with the aid of the best available technology.	No
3	The company carries out, finances or has exposures to the safe operation of existing nuclear power plants that generate electricity or process heat, including for district heating or industrial processes such as the production of hydrogen from nuclear energy, and improvements to their safety.	No
Line	**Fossil gas activities**	**Yes; No**
4	The company carries out, finances or has exposures to the construction or operation of power generation plants using gaseous fossil fuels.	No
5	The company carries out, finances or has exposures to the construction, upgrading and operation of combined heat/cooling and power generation plants using gaseous fossil fuels.	Yes
6	The company carries out, finances or has exposures to the construction, upgrading and operation of heat generation plants that produce heat/cooling using gaseous fossil fuels.	No

Model 2 - Economic activities aligned with the taxonomy (denominator)

Line	Economic activities	Amount and share (present information in monetary amounts and percentages)					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
5	Amount and share of the taxonomy-aligned economic activity in Section 4.30 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	—%	0	—%	0	-
7	**Amount and share of other taxonomy-aligned economic activities not included in lines 1 to 6 in the denominator of the applicable KPI**	212	6%	212	6%	0	-
8	**Total applicable KPI**	**3,568**	**100%**	**3,568**	**100%**	**0**	**-**

Model 3 - Taxonomy-aligned economic activities (numerator)

Line	Economic activities	Amount and share (present information in monetary amounts and percentages)					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
5	Amount and share of the taxonomy-aligned economic activity in Section 4.30 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0	—%	0	—%	0	—%
7	**Amount and share of other taxonomy-aligned economic activities not included in lines 1 to 6 in the numerator of the applicable KPI**	212	100%	212	100%	0	—%
8	**Total amount and share of taxonomy-aligned economic activities at the numerator of the applicable KPI**	**212**	**100%**	**212**	**100%**	**0**	**—%**

Model 4 - Economic activities eligible for the taxonomy but not aligned with the taxonomy

Line	Economic activities	CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
5	Amount and share of economic activity eligible for the taxonomy but not aligned with the taxonomy in section 4.30 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	40	1%	40	1%	0	-
7	**Amount and share of other economic activities eligible for the taxonomy but not aligned with the taxonomy not included in lines 1 to 6 in the denominator of the applicable KPI**	46	1%	46	1%	0	-
8	**Total amount and share of economic activities eligible for the taxonomy but not aligned with the taxonomy in the denominator of the applicable KPI**	**86**	**2%**	**86**	**2%**	**0**	**-**

Model 5 - Economic activities not eligible for the taxonomy

Line	Economic activities	Amount	%
5	Amount and share of the economic activity referred to in line 5 of model 1 that is not eligible for the taxonomy according to section 4.30 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	—%
7	**Amount and share of other economic activities not eligible for the taxonomy not included in lines 1 to 6 in the denominator of the applicable KPI**	3,270	92%
8	**Total amount and share of economic activities not eligible for the taxonomy in the denominator of the applicable KPI**	**3,270**	**92%**

ANNEX XII-CAPEX

Model 1 - Nuclear and fossil gas activities

Line	Nuclear energy activities	Yes; No
1	The company carries out, finances or has exposures to research, development, demonstration and implementation of innovative power generation plants that produce energy from nuclear processes with a minimum amount of fuel cycle waste.	No
2	The company carries out, finances or has exposures to the construction and safe operation of new nuclear power plants for the generation of electricity or process heat, including for district heating purposes or for industrial processes such as hydrogen production, and improvements in their safety, with the aid of the best available technology.	No
3	The company carries out, finances or has exposures to the safe operation of existing nuclear power plants that generate electricity or process heat, including for district heating or industrial processes such as the production of hydrogen from nuclear energy, and improvements to their safety.	No
Line	**Fossil gas activities**	**Yes; No**
4	The company carries out, finances or has exposures to the construction or operation of power generation plants using gaseous fossil fuels.	No
5	The company carries out, finances or has exposures to the construction, upgrading and operation of combined heat/cooling and power generation plants using gaseous fossil fuels.	Yes
6	The company carries out, finances or has exposures to the construction, upgrading and operation of heat generation plants that produce heat/cooling using gaseous fossil fuels.	No

Model 2 - Economic activities aligned with the taxonomy (denominator)

Line	Economic activities	Amount and share (present information in monetary amounts and percentages)					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
5	Amount and share of the taxonomy-aligned economic activity in Section 4.30 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	—%	0	—%	0	—%
7	**Amount and share of other taxonomy-aligned economic activities not included in lines 1 to 6 in the denominator of the applicable KPI**	919	31%	904	31%	15	100%
8	**Total applicable KPI**	**2,944**	**100%**	**2,929**	**100%**	**15**	**100%**

Model 3 - Taxonomy-aligned economic activities (numerator)

Line	Economic activities	Amount and share (present information in monetary amounts and percentages)					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
5	Amount and share of the taxonomy-aligned economic activity in Section 4.30 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0	—%	0	—%	0	—%
7	**Amount and share of other taxonomy-aligned economic activities not included in lines 1 to 6 in the numerator of the applicable KPI**	919	100%	904	100%	15	100%
8	**Total amount and share of taxonomy-aligned economic activities at the numerator of the applicable KPI**	**919**	**100%**	**904**	**100%**	**15**	**100%**

Model 4 - Economic activities eligible for the taxonomy but not aligned with the taxonomy

Line	Economic activities	CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
5	Amount and share of economic activity eligible for the taxonomy but not aligned with the taxonomy in section 4.30 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	7	—%	7	—%	0	-
7	**Amount and share of other economic activities eligible for the taxonomy but not aligned with the taxonomy not included in lines 1 to 6 in the denominator of the applicable KPI**	1,194	41%	1,194	41%	0	-
8	**Total amount and share of economic activities eligible for the taxonomy but not aligned with the taxonomy in the denominator of the applicable KPI**	**1,201**	**41%**	**1,201**	**41%**	**0**	**-**

Model 5 - Economic activities not eligible for the taxonomy

Line	Economic activities	Amount	%
5	Amount and share of the economic activity referred to in line 5 of model 1 that is not eligible for the taxonomy according to section 4.30 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	—%
7	**Amount and share of other economic activities not eligible for the taxonomy not included in lines 1 to 6 in the denominator of the applicable KPI**	824	28%
8	**Total amount and share of economic activities not eligible for the taxonomy in the denominator of the applicable KPI**	**824**	**28%**

ANNEX XII - OPEX

Model 1 - Nuclear and fossil gas activities

Line	Nuclear energy activities	Yes; No
1	The company carries out, finances or has exposures to research, development, demonstration and implementation of innovative power generation plants that produce energy from nuclear processes with a minimum amount of fuel cycle waste.	No
2	The company carries out, finances or has exposures to the construction and safe operation of new nuclear power plants for the generation of electricity or process heat, including for district heating purposes or for industrial processes such as hydrogen production, and improvements in their safety, with the aid of the best available technology.	No
3	The company carries out, finances or has exposures to the safe operation of existing nuclear power plants that generate electricity or process heat, including for district heating or industrial processes such as the production of hydrogen from nuclear energy, and improvements to their safety.	No
Line	**Fossil gas activities**	**Yes; No**
4	The company carries out, finances or has exposures to the construction or operation of power generation plants using gaseous fossil fuels.	No
5	The company carries out, finances or has exposures to the construction, upgrading and operation of combined heat/cooling and power generation plants using gaseous fossil fuels.	Yes
6	The company carries out, finances or has exposures to the construction, upgrading and operation of heat generation plants that produce heat/cooling using gaseous fossil fuels.	No

Model 2 - Economic activities aligned with the taxonomy (denominator)

Line	Economic activities	Amount and share (present information in monetary amounts and percentages)					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
5	Amount and share of the taxonomy-aligned economic activity in Section 4.30 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	—%	0	—%	0	-
7	**Amount and share of other taxonomy-aligned economic activities not included in lines 1 to 6 in the denominator of the applicable KPI**	62	35%	62	35%	0	-
8	**Total applicable KPI**	**177**	**100%**	**177**	**100%**	**0**	**-**

Model 3 - Taxonomy-aligned economic activities (numerator)

Line	Economic activities	Amount and share (present information in monetary amounts and percentages)					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
5	Amount and share of the taxonomy-aligned economic activity in Section 4.30 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0	—%	0	—%	0	-
7	**Amount and share of other taxonomy-aligned economic activities not included in lines 1 to 6 in the numerator of the applicable KPI**	62	100%	62	100%	0	-
8	**Total amount and share of taxonomy-aligned economic activities at the numerator of the applicable KPI**	**62**	**100%**	**62**	**100%**	**0**	**-**

Model 4 - Economic activities eligible for the taxonomy but not aligned with the taxonomy

Line	Economic activities	CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
5	Amount and share of economic activity eligible for the taxonomy but not aligned with the taxonomy in section 4.30 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	36	20%	36	20%	0	-
7	**Amount and share of other economic activities eligible for the taxonomy but not aligned with the taxonomy not included in lines 1 to 6 in the denominator of the applicable KPI**	75.8	43%	75.8	43%	0	-
8	**Total amount and share of economic activities eligible for the taxonomy but not aligned with the taxonomy in the denominator of the applicable KPI**	**111.8**	**63%**	**112**	**63%**	**0**	**-**

Model 5 - Economic activities not eligible for the taxonomy

Line	Economic activities	Amount	%
5	Amount and share of the economic activity referred to in line 5 of model 1 that is not eligible for the taxonomy according to section 4.30 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	—%
7	**Amount and share of other economic activities not eligible for the taxonomy not included in lines 1 to 6 in the denominator of the applicable KPI**	3	2%
8	**Total amount and share of economic activities not eligible for the taxonomy in the denominator of the applicable KPI**	**3**	**2%**

10.6 MANAGEMENT CERTIFICATION OF SUSTAINABILITY STATEMENT

(pursuant to Article 154-bis, paragraph 5 of Legislative Decree 58/98 (Consolidated Finance Act)

The undersigned Stefano Venier and Luca Passa, in their respective capacities as Chief Executive Officer and Manager responsible for preparing the corporate accounting documents of Snam SpA, certify, pursuant to Article 154-bis, paragraph 5-ter, of Legislative Decree no. 58 of 24 February 1998, that the sustainability statement included in the management report has been prepared:

a. in accordance with the reporting standards applied pursuant to Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 and Legislative Decree no. 125 of 6 September 2024;
b. with the specifications adopted pursuant to Article 8, paragraph 4, of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020.

19 March 2025

/Signature/Stefano Venier

Stefano Venier

Chief Executive Officer

/Signature/Luca Passa

Luca Passa

Manager responsible for preparing the Company's financial reports

10.7 INDEPENDENT AUDITORS' REPORT

Deloitte.

Deloitte & Touche S.p.A.
Via Santa Sofia, 28
20122 Milano
Italia

Tel: +39 02 83322111
Fax: +39 02 83322112
www.deloitte.it

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED SUSTAINABILITY STATEMENT PURSUANT TO ARTICLE 14-BIS OF LEGISLATIVE DECREE NO. 39 OF JANUARY 27, 2010

To the Shareholders of Snam S.p.A.

Conclusion

Pursuant to artt. 8 and 18, paragraph 1 of Legislative Decree no. 125 of September 6, 2024 (hereinafter also the "Decree"), we have carried out a limited assurance engagement on the consolidated sustainability statement of the Snam Group (hereinafter also the "Group") for the year ended on December 31, 2024, prepared pursuant to Art. 4 of the Decree, included in the specific section of the management report.

Based on the work performed, nothing has come to our attention that causes us to believe that:

- the consolidated sustainability statement of the Snam Group for the year ended on December 31, 2024 is not prepared, in all material respects, in accordance with the reporting principles adopted by the European Commission pursuant to the Directive (EU) 2013/34/EU (European Sustainability Reporting Standards, hereinafter also "ESRS");
- the information included in the paragraph "10.2 Environmental information - European Taxonomy for Environmentally Sustainable Activities" of the consolidated sustainability statement is not prepared, in all material respects, in accordance with art. 8 of Regulation (EU) No. 852 of June 18, 2020 (hereinafter also the "Taxonomy Regulation").

Basis for conclusion

We conducted the limited assurance engagement in accordance with the assurance standard of the sustainability report - "Principio di Attestazione della Rendicontazione di Sostenibilità - SSAE (Italia)". The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the level of assurance that would have been obtained had we performed a reasonable assurance engagement.

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Our responsibilities pursuant to that standard are further described in the paragraph *Auditor's responsibilities for the limited assurance of the consolidated sustainability statement* of this report.

We are independent in accordance with the independence and other ethical requirements applicable under Italian law to the limited assurance engagement of the consolidated sustainability statement.

Our firm applies International Standard on Quality Management (ISQM Italia) 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our conclusion.

Other matter

The comparative information for the years ended respectively on December 31, 2023 and December 31, 2022 presented in the consolidated sustainability statement have not been verified.

Responsibility of the Directors and the Board of Statutory Auditors of Snam S.p.A. for the consolidated sustainability statement

The Directors are responsible for developing and implementing the procedures performed to identify the information reported in the consolidated sustainability statement in accordance with the ESRS (hereinafter the "double materiality assessment process") and for disclosing this process in paragraph "10.1 General disclosures – Managing Impacts, Risks and Opportunities – Material Topics for Snam" of the consolidated sustainability statement.
The Directors are also responsible for the preparation of the consolidated sustainability statement, which includes the information identified as part of the double materiality assessment process, in accordance with the requirements of Art. 4 of the Decree, including:

- Compliance with ESRS.
- Compliance of the information included in the paragraph "10.2 Environmental information - European Taxonomy for Environmentally Sustainable Activities" with art. 8 of the Taxonomy Regulation.

Such responsibility involves designing, implementing and maintaining, within the terms established by the law, such internal control that the Directors determine necessary to enable the preparation of the consolidated sustainability statement in accordance with the requirements of the art. 4 of the Decree that is free from material misstatements, whether due to fraud or error. Furthermore, the abovementioned responsibility involves the selection and application of appropriate methods in elaborating information and making assumptions and estimates about specific sustainability information that are reasonable in the circumstances.

Deloitte.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the compliance with the provisions set out in the Decree.

Inherent limitations in the preparation of the consolidated sustainability statement

In reporting forward looking information in accordance with ESRS, the Directors are required to prepare the forward looking information on the basis of assumptions, as described in the consolidated sustainability statement, regarding events that may occur in the future and possible future actions of the Group, as indicated in the paragraph "10.1 General disclosures – Disclosures in relation to specific circumstances". Due to the inherent uncertainty regarding any future event, including whether these events will take place and their extent and timing, the variances between actual outcomes and forward looking information could be significant.

The information provided by the Group regarding Scope 3 emissions is subject to greater inherent limitations compared to those related to Scope 1 and 2 emissions. This is due to the lower availability and relative accuracy of the data used to define the information on Scope 3 emissions, both quantitative and qualitative, in relation to the value chain, as indicated in the paragraph "10.1 General disclosures – disclosures in relation to specific circumstances".

Auditor's responsibilities for the limited assurance of the consolidated sustainability statement

Our objectives are to plan and perform procedures to obtain limited assurance about whether the consolidated sustainability statement is free from material misstatements, whether due to fraud or error, and to issue an assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, could influence the decisions of users taken on the basis of consolidated sustainability statement.
As part of the limited assurance engagement in accordance with the Principio di Attestazione della Rendicontazione di Sostenibilità - SSAE (Italia), we exercise professional judgment and maintain professional skepticism throughout the engagement.

Our responsibilities include:

- Considering risks to identify and assess the disclosure where a material misstatement is likely to arise, either due to fraud or error.
- Designing and performing procedures to verify disclosures in the sustainability statement where material misstatements are likely to arise. The risk of not detecting a material misstatement due to fraud is higher than the risk of not identifying a material misstatement due to error, as fraud may involve collusion, falsifications, intentional omissions, misrepresentations, or the override of internal control.
- The direction, supervision and performance of the limited assurance engagement of the consolidated sustainability statement. We remain solely responsible for the conclusion on the consolidated sustainability statement.

Deloitte.

Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence as the basis for expressing our conclusion.

The procedures performed on the consolidated sustainability statement are based on our professional judgement and included inquiries, primarily with the personnel of the Group responsible for the preparation of information included in the consolidated sustainability statement, analysis of documents, recalculations and other procedures aimed to obtain evidence as appropriate.

Specifically, we performed the following main procedures partly in a preliminary phase before year end and then in a final phase up to the date of issuance of this report:

- Understanding the business model, the Group's strategies and the context in which the Group operates with reference to sustainability matters.
- Understanding the processes underlying the generation, collection, and management of qualitative and quantitative information included in the consolidated sustainability statement, including an analysis of the reporting perimeter.
- Understanding the process carried out by the Group for the identification and evaluation of material impacts, risks and opportunities, based on the principle of double materiality, with reference to sustainability matters.
- Identification of the information where a risk of material misstatement is likely to arise, taking into considerations, among others, risk factors related to the generation and collection of the information, to the existence of estimates and to the complexity of the related calculation methods, as well as qualitative and quantitative factors related to the nature of such information.
- Design and performance of procedures, based on the professional judgment of the auditor of the consolidated sustainability report, to respond to identified risks of material misstatement, also with the support of Deloitte specialists, with reference to specific environmental information.
- Understanding of the process set up by the Group to identify eligible economic activities and determine their aligned nature according to the requirements of the Taxonomy Regulation, and verifying the related information included in the consolidated sustainability statement.
- Comparison of the information reported in the consolidated sustainability statement with the information included in the consolidated financial statements pursuant to the applicable financial reporting framework, or with the accounting data used for the preparation of the financial statements, or with the management data accounting in nature.

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- Verification of the structure and presentation of the information included in the consolidated sustainability statement in accordance with ESRS, including the information related to the materiality assessment process.
- Obtaining the representation letter.

DELOITTE & TOUCHE S.p.A.

Signed by
Paola Mariateresa Rolli
Partner

Milan, Italy
April 10, 2025

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

10.8 CORRESPONDENCE TABLES

SASB Correspondence Table

SIZE	THEMATIC CATEGORY	DISCLOSURE	DESCRIPTION	REFERENCE DOCUMENT AND PARAGRAPH	NOTES / OMISSIONS
Environmental	GHG emissions	EM-MD-110a.1	Gross global Scope 1 emissions, percentage methane, percentage covered under emissions limiting regulations	Climate Change - Actions and metrics, GHG Emissions, GHG Emissions (Scope 1); Key performance indicators	
		EM-MD-110a.2	Presentation of the long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Strategy and Business Model - Sustainability Strategy, Carbon Neutrality Strategy and Net Zero Climate Change - Objectives	
	Air quality	EM-MD-120a.1	Emissions of the following pollutants: (1) NO_x (excluding N_2O), (2) SO_x, (3) volatile organic compounds (VOCs) and (4) particulate matter (PM10)	Pollution - Actions and metrics, Pollutant Emissions to Water, Air and Soil by Pollutant Type; Key performance indicators	
	Ecological impacts	EM-MD-160a.1	Description of environmental management policies and practices for active operations	Biodiversity and Ecosystems - Policies	
		EM-MD-160a.2	Percentage of land owned, leased and/or managed within protected areas or habitats with endangered species	Biodiversity and Ecosystems - Key Performance Indicators	
		EM-MD-160a.3	Impacted land area, percentage of impacted area restored	Biodiversity and ecosystems - Targets; Actions and metrics, Protecting Land and Biodiversity – Actions for 'Zero Net Conversion'; Key performance indicators	
		EM-MD-160a.4	Number and aggregate volume of hydrocarbon leaks, volume in the Arctic, volume in ecologically sensitive areas, and volume recovered		The indicator is not applicable for Snam.
	Competitive behaviour	EM-MD-520a.1	Total amount of monetary losses as a result of legal proceedings associated with federal pipeline and storage regulations	Notes to the consolidated financial statements - Note 27 - Criminal and tax disputes and proceedings with the regulatory authority ARERA	
	Operational Security, Emergency Preparedness and Response	EM-MD-540a.1	Number of recordable pipeline accidents, significant percentage	Notes to the consolidated financial statements - Note 27 - Criminal and tax disputes and proceedings with the regulatory authority ARERA	
		EM-MD-540a.2	Percentage of pipelines with (1) natural gas and (2) hazardous liquids inspected	Biodiversity and ecosystems - Actions and metrics, Protecting the territory and biodiversity - Actions for 'Zero Net Conversion'	5% of the natural gas transportation network inspected with smart pigs; 77% inspected by helicopter flyover; 33% inspected with leak detection technique and 16% with geological monitoring
		EM-MD-540a.3	Number of (1) accidental releases and (2) non-accidental releases (NARS) from rail transportation		The indicator is not applicable for Snam.
		EM-MD-540a.4	Presentation of management systems used to integrate a culture of safety and emergency preparedness throughout the value chain and throughout project lifecycles	Annex 1 – Management systems	

TCFD Correspondence Table

TCFD RECOMMENDATIONS	DISCLOSURE
GOVERNANCE **State the organisation's governance model in relation to climate change risks and opportunities**	
a) Describe the Board's oversight of climate-related risks and opportunities	Governance; Snam's Governance System
b) Describe the role of management in assessing and managing climate change risks and opportunities	Governance; Snam's Governance System Managing Impacts, Risks and Opportunities The ERM model for managing risks and opportunities
STRATEGY **State the current or potential impacts of climate change risks and opportunities on the organisation's business, strategy and financial planning**	
a) Describe the climate-related risks and opportunities the company has identified over the short, medium and long term	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities Anticipated financial effects from material physical and transition risks and potential climate-related opportunities, Climate change risks and opportunities
b) Describe the impact of climate change risks and opportunities on the organisation's business, strategy and financial planning	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities Anticipated financial effects from material physical and transition risks and potential climate-related opportunities, Climate change risks and opportunities
c) Describe the resilience of the company's strategy, taking into consideration different climate-related scenarios, including a '2°C or less' scenario	Strategy and Business Model, The Context Strategy and business model, The role of gas; Snam's scenarios Strategy and business model, Sustainability strategy; Carbon Neutrality and Net Zero strategy; Anticipated financial effects from material physical and transition risks and potential climate-related opportunities
RISK MANAGEMENT **State how the organisation identifies, assesses and manages climate change risks**	
a) State how the organisation identifies, assesses and manages climate change risks	Managing Impacts, Risks and Opportunities The ERM model for managing risks and opportunities
b) Describe the company's processes for managing climate-change risks	Managing Impacts, Risks and Opportunities The ERM model for managing risks and opportunities
c) Describe how the processes of identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	Managing Impacts, Risks and Opportunities The ERM model for managing risks and opportunities
METRICS AND TARGETS **Describe the metrics and objectives used to measure and manage material climate change risks and opportunities**	
a) State the metrics used by the organisation to assess climate change risks and opportunities in line with its risk management strategy and process	Strategy and business model - The sustainability strategy; Carbon Neutrality and Net Zero strategy; Climate change
b) State Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	Climate Change - Material Issues, Impacts, Risks and Opportunities Climate Change – Actions and metrics; GHG emissions Climate Change - Key Performance Indicators
c) Describe the targets used by the organisation to manage climate-change risks and opportunities and performance against targets	Strategy and business model - The sustainability strategy; Carbon Neutrality and Net Zero strategy; Climate Change - Targets

11 OTHER SUSTAINABILITY INFORMATION

GRI Standards Correspondence Table

TABLE LINKING GRI 11 TOPICS: OIL & GAS SECTOR AND SNAM'S MATERIAL TOPICS

Material Topics GRI 11: Oil and Gas Sector 2021		Snam main material topic
11.1	Greenhouse gas (GHG) emissions	Climate change
11.2	Climate adaptation, resilience and transition	Climate change
11.3	Air emissions	Pollution
11.4	Biodiversity	Biodiversity and ecosystems
11.5	Waste	Resource use and circular economy (non-material topic)
11.6	Water and water discharges	Water (material topic for the upstream value chain)
11.7	Closure and restoration	Own workforce
11.8	Asset integrity and critical event management	Energy security and accessibility
11.9	Occupational Health and Safety	Own workforce
11.10	Employment practices	Own workforce
11.11	Non-discrimination and equal opportunities	Own workforce
11.12	Forced labour and modern slavery	Workers in the value chain
11.13	Freedom of association and collective bargaining	Own workforce
11.14	Economic impacts	Affected communities
11.15	Local Communities	Affected communities
11.16	Rights over land and resources	Affected communities
11.17	Rights of indigenous peoples	-
11.18	Conflict and security	-
11.19	Anti-competitive behaviour	Business conduct
11.20	Anti-corruption	Business conduct
11.21	Payments to governments	Business conduct
11.22	Public policy	-
	-	Innovation and digitalisation
	-	Cyber security
	-	Relations with authorities and quality of services

DECLARATION OF USE	Snam has prepared 'in accordance' with GRI standards for the period 1 January 2024 - 31 December 2024
GRI 1 USED	GRI 1: Foundation 2021
GRI SECTOR STANDARDS APPLICABLE	GRI 11: Oil & Gas Sector Standards 2021

AR = Annual Financial Report;
CSR = Consolidated Sustainability Statement

GRI standards/other source	Disclosure	Reference document and paragraph	Omissions	Notes	GRI 11 REF. NO.
GENERAL INFORMATION					
GRI 2: General Disclosure 2021	2-1 Organisational details	CSR - Introduction and guide to reading the document, General basis for the preparation of the Consolidated Sustainability Statement AR - Snam profile, Snam's presence in Italy and in the international infrastructure system AR - 2024 Performance, Snam shareholding structure as of 31 December 2024		Snam S.p.A. Snam's head office is in San Donato Milanese (MI) https://www.snam.it/it/noi-snam/chi-siamo/presenza-sul-territorio.html	
	2-2 Entities included in the organisation's sustainability reporting	CSR - Introduction and guide to reading the document, General basis for the preparation of the Consolidated Sustainability Statement AR - Snam profile, Group structure as of 31 December 2024		The scope of reference of the information contained in the Consolidated Sustainability Statement coincides with the scope of consolidation of the Consolidated Financial Statement.	
	2-3 Reporting period, frequency and contact point	CSR - Introduction and guide to reading the document, General basis for the preparation of the Consolidated Sustainability Statement		The CSR is published annually. Reference for questions regarding the report or its contents: Matteo Tanteri, matteo.tanteri@snam.it	
	2-4 Restatements of information	CSR - Introduction and guide to reading the document, Disclosures in relation to specific circumstances		The reasons for the changes and the restatements of the previously published comparative data, where available, are clearly indicated as such also in correspondence with the data themselves.	
	2-5 External assurance	CSR - Introduction and guide to reading the document, General basis for the preparation of the Consolidated Sustainability Statement CSR - Independent Auditors' Report			

GRI standards/other source	Disclosure	Reference document and paragraph	Omissions	Notes	GRI 11 REF. NO.
GRI 2: General Disclosure 2021	2-6 Activities, value chain and other business relationships	CSR - Introduction and guide to reading the document, General basis for the preparation of the Consolidated Sustainability Statement CSR - Strategy and business model, Snam's business model CSR - Management of impacts, risks and opportunities, The material topics for Snam CSR - Workers in the value chain CSR - Business conduct, Actions and metrics, Management of relationships with suppliers			
	2-7 Employees	CSR - Strategy and business model, Snam's business model CSR - Own Workforce, Working conditions, Actions and metrics, Employee composition and turnover CSR - Own Workforce, Key performance indicators, Working conditions		The total number of employees by employment contract broken by geographic area is not significant, since Snam operates mainly in Italy. All Snam employees have employment contracts with an obligation to comply with a daily work schedule (minimum/maximum) based on the applicable national collective bargaining agreement and applicable laws.	
	2-8 Workers who are not employees	CSR - Own Workforce, Working conditions, Actions and metrics, Employee composition and turnover CSR - Own Workforce, Key performance indicators, Working conditions		The non-employee workers active in Snam's own workforce as of 31 December amount to 135 and are temporary workers, i.e. workers made available by companies that mainly carry out 'research, selection and supply of personnel', workers with a coordinated and continuous collaboration contract (so-called Co.Co.Co.) and interns.	
	2-9 Governance structure and composition	CSR - Governance, Snam's governance system			
	2-10 Nomination and selection of the highest governance body	CSR - Governance, Snam's governance system			
	2-11 Chair of the highest governance body			The Chairman of the Board of Directors is not a senior executive of Snam	
	2-12 Role of the highest governance body in overseeing the management of impacts	CSR - Governance, Snam's governance system CSR - Governance, Control system CSR - Management of impacts, risks and opportunities, The ERM model for managing risks and opportunities			
	2-13 Delegation of responsibility for managing impacts	CSR - Governance, Snam's governance system			

GRI standards/other source	Disclosure	Reference document and paragraph	Omissions	Notes	GRI 11 REF. NO.
GRI 2: General Disclosure 2021	2-14 Role of the highest governance body in sustainability reporting	CSR - Introduction and guide to reading the document CSR - Governance, Snam's governance system			
	2-15 Conflicts of Interest	CSR - Governance, Snam's governance system			
	2-17 Collective knowledge of the highest governance body	CSR - Governance, Snam's governance system			
	2-18 Evaluation of the performance of the highest governance body	CSR - Governance, Snam's governance system			
	2-19 Remuneration policies	CSR - Governance, Snam's remuneration and incentive system			
	2-20 Process to determine remuneration	CSR - Governance, Snam's remuneration and incentive system			
	2-21 Annual total compensation ratio	CSR - Own Workforce, Equal treatment and opportunities for all and skills development, Actions and metrics, Gender pay gap and annual total remuneration ratio CSR - Own Workforce, Key performance indicators, Equal treatment and opportunities for all and skills development	Point (b) is not available.		
	2-22 Statement on sustainable development strategy	CSR - Governance, Snam's governance system AR - Letter to stakeholders AR - Snam profile – Between purpose and ambition			

GRI standards/other source	Disclosure	Reference document and paragraph	Omissions	Notes	GRI 11 REF. NO.
GRI 2: General Disclosure 2021	2-23 Policy commitments	AR - The strategic plan CSR - Governance, The control system CSR - Strategy and business model, The sustainability strategy CSR - Management of impacts, risks and opportunities CSR - Internal regulatory system CSR - Innovation and digitalisation, Policies CSR Cyber security, Policies CSR Relations with authorities and quality of services, Policies CSR Energy security and accessibility to energy, Policies CSR Climate change, Policies CSR Pollution, Policies CSR Biodiversity and ecosystems, Policies, Progress of activities related to obtaining permits CSR Water, Policies CSR Own Workforce, Working conditions, Equal treatment and opportunities for all and skills development, Health and safety, Policies CSR - Workers in the Value Chain, Policies CSR - Affected Communities, Policies; Ensuring Transparency in Tax Matters CSR - Business Conduct, Policies			
	2-24 Integration of policy commitments	CSR - Internal regulatory system			
	2-25 Processes to remediate negative impacts	CSR - Affected communities			

GRI standards/other source	Disclosure	Reference document and paragraph	Omissions	Notes	GRI 11 REF. NO.
GRI 2: General Disclosure 2021	2-26 Mechanisms for seeking advice and raising concerns	CSR - Own Workforce, Complaints Mechanisms for the Workforce CSR - Workers in the Value Chain, Complaints Mechanisms for Workers in the Value Chain CSR - Affected Communities, Complaints Mechanisms for Affected Communities CSR - Business Conduct, Policies		https://www.snam.it/it/governance/controllo-interno-e-compliance/whistleblowing.html	
	2-27 Compliance with laws and regulations	CSR - Climate Change, Policies CSR - Business Conduct, Key Performance Indicators		In 2024, there were no significant cases of [1]non-compliance with laws and regulations. Notes: • the data refer to the entire Snam Group, unless otherwise indicated. For more information on the scope, please refer to the chapter 'Introduction and guide to reading the document, General basis for the preparation of the Consolidated Sustainability Statement'; • for reporting data on significant cases of non-compliance with laws and regulations, Snam's Legal Department has verified whether, during the reporting period, Snam or companies in the Snam Group have been the recipients of financial penalties or fines or non-pecuniary sanctions by the relevant authorities, also checking the income statement of individual Group companies. [1] 'Significant cases' are defined as cases with a financial impact exceeding 1 million euros.	
	2-28 Association membership			https://www.snam.it/content/dam/snam/pages-attachments/it/governance/documents/Associazioni.pdf	
	2-29 Approach to stakeholder involvement	CSR - Managing Impacts, Risks and Opportunities Stakeholder relations CSR - Own Workforce, Communication and involvement of Snam people CSR - Workers in the value chain, Involvement of workers in the value chain CSR - Affected communities, Involvement of affected communities			
	2-30 Collective bargaining agreements	CSR - Own Workforce, Working Conditions, Actions and metrics, Industrial Relations		100%. The following contracts apply to Snam Group non-managerial personnel: Energy and Oil Contract, CCNL Tertiary and distribution and services CONFCOMMERCIO, Metalworkers Contract - Industrial companies; Metalworkers Contract - Small and medium industry, CONFAPI Metalworkers Contract. For managerial staff, the following contracts apply: Contract for Managers of companies producing goods and services.	

GRI standards/other source	Disclosure	Reference document and paragraph	Omissions	Notes	GRI 11 REF. NO.
GRI 201: Economic Performance 2016	201-1 Economic value directly generated and distributed	CSR - Affected communities, Actions and metrics, Added Value	Evg&D is not reported separately at country, region and market level because it is not applicable.	In 2024, the gross global Added Value produced by the Company amounted to €3,970 million, down €655 million, or 14.1%, compared to 2023 (€4,625 million), following the decrease in revenues from the energy efficiency business, mainly due to legislative interventions that introduced significant changes to the Superbonus regime with the aim of containing the financial impact on the State budget, partly offset by the growth in regulated revenues linked to the implementation of investments, the increase in WACC and the effects of the application of ROSS (Regulation by Expenditure and Service Objectives), compared to a 2023 significantly positively impacted by the effects of the energy transition businesses. 30.3% of the gross global Added Value produced was reinvested within the Group and was employed for the amortisation of Group assets in the measure of 85.6% (85.7% in 2023). With regard to the main stakeholders, 2024 shows an increase in the value distributed to funding bodies compared to 2023 (11.2%; +5.3 percentage points compared to 2023), following the increase in net financial debt to cope with new investments as well as the higher average cost of debt, attributable to the changed interest rate scenario. The value distributed to shareholders through the distribution of dividends records an increasing incidence compared to 2023 (24.6%; +4.1% compared to 2023), against a rising unit dividend (+3% compared to 2023), in line with the dividend policy announced to the market. With reference to employees, there is an impact on the distributed Added Value equal to 7.9% (6.1% in 2023) through direct remuneration, consisting of wages, salaries and severance pay, and indirect remuneration, consisting of social charges and costs for personnel-related services (canteen services, welfare), growth due to the growth of regulated businesses. The value allocated to the public administration through direct and indirect taxes accrued in the period was 12.6% (9.6% in 2023), compared to the lower taxable gain in 2024. Finally, an amount of €7 million was allocated to local communities (0.2% of the value generated), and is represented by donations and environmental offsets made in accordance with the law. **Direct economic value generated and distributed - 2024 (€ mln)** **Added Value produced (A)[1] - 3,970** **Distributed Added Value (B) - 2,769** Employees [2] 315 Suppliers [3] 526 Local community Donations and sponsorships [4] and Statutory environmental offsetting 7 Lenders (Bond-holders and Banks) 444 Shareholders [5] 975	11.14.2 11.21.2

GRI standards/other source	Disclosure	Reference document and paragraph	Omissions	Notes	GRI 11 REF. NO.
GRI 201: Economic Performance 2016	201-1 Economic value directly generated and distributed	CSR - Affected communities, Actions and metrics, Added Value	Evg&D is not reported separately at country, region and market level because it is not applicable.	**Public Administration - 502** Direct taxes 486 Indirect taxes 16 **Added Value retained by the Company (A) - (B) - 1,201** Notes: the data refer to the entire Snam Group, unless otherwise indicated. For more information on the scope, please refer to the chapter 'Introduction and guide to reading the document, General basis for the preparation of the Consolidated Sustainability Statement'. [1] The figure excludes asset write-downs. [2] The figure includes staff-related service costs. [3] The 2022 figure has been restated. [4] Donations and sponsorships also include those given to the Snam Foundation. [5] The figure relating to the added value distributed to shareholders in 2024 refers to the dividend proposed by the Board of Directors and subject to approval by the Shareholders' Meeting of 14 May 2025.	
MATERIAL TOPICS					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	CSR - Management of impacts, risks and opportunities, Material topics for Snam			
	3-2 List of material topics	CSR - Management of impacts, risks and opportunities, Material topics for Snam			
CLIMATE CHANGE					
GRI 3: Material Topics 2021	3-3 Management of material topics	CSR - Managing impacts, risks and opportunities, The ERM model for managing risks and opportunities CSR - Climate change, Actions and metrics			11.1.1 11.2.1
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	CSR - Climate change, Actions and metrics, Energy consumption and mix CSR - Climate change, Key performance indicators CSR - Annex 2 - Data and performance indicators		Coefficients used for the CO_2 emission inventory in the UNFCCC ETS national inventory and for Energy Manager Fire reporting.	11.1.2
	302-2 Energy consumption outside of the organisation		Information not available.		11.1.3

GRI standards/other source	Disclosure	Reference document and paragraph	Omissions	Notes	GRI 11 REF. NO.
GRI 302: Energy 2016	302-3 Energy intensity	CSR - Climate change, Actions and metrics, Energy consumption and mix, Energy intensity by net revenues CSR - Climate change, Key performance indicators		**Energy consumption for transport (fuel gas) / gas fed into the grid (TJ/mln m^3)** - 2022: 0.234; 2023: 0.279; **2024: 0.131** **Transportation energy consumption (total fuel gas) / compressed gas (%)** - 2022: 0.25; 2023: 0.31; **2024: 0.26** **Energy consumption/compressed energy (%)** - 2024: 0.28%	11.1.4
GRI 305: Emissions 2016	305-1 Direct GHG emissions (Scope 1)	CSR - Climate Change, Actions and metrics, GHG Emissions, GHG Emissions (Scope 1) CSR - Climate Change, Key Performance Indicators CSR - Annex 2 - Data and Performance Indicators		Source of emission factors: Table of UNFCC 2024 national standard parameters from source ISPRA 2024. It is specified that the emission factor considered is the most recent one, relating to the year 2022.	11.1.5
	305-2 Indirect GHG emissions from energy consumption (Scope 2)	CSR - Climate Change, Actions and metrics, GHG Emissions, GHG Emissions (Scope 2) CSR - Climate Change, Key Performance Indicators CSR - Annex 2 - Data and Performance Indicators		The Location-Based approach considers an average emission factor based on the national energy mix. The Market Based approach assigns a CO_2e emission factor of zero for energy consumption from certified renewable energy sources, such as guarantees of origin, and a Residual Mix factor representing the average composition of electricity fed into the grid, cleared of energy quotas already allocated to specific renewable energy contracts. Source of emission factors: For Scope 2 emissions Location Based ISPRA 2024. It is specified that the emission factor considered is that relating to the year 2022; for Scope 2 Market Based European Residual mix 2023 emissions (source AIB - Association of Issuing Bodies 2023). It is specified that the emission factor considered is that relating to the year 2023.	11.1.6
	305-3 Other indirect GHG emissions (Scope 3)	CSR - Climate Change, Actions and metrics, GHG Emissions, GHG Emissions (Scope 3) CSR - Climate Change, Key Performance Indicators CSR - Annex 2 - Data and Performance Indicators		Source of emission factors: Trucost dataset (S&P), DEFRA 2024 (WTT - fuels + WTT heat & steam + Business travel-land; Bioenergy - Biomethane (compressed)), Ecoinvent 3.11, ISPRA 2024, BEIS DEFRA 2024 - Outside of scope - Biomethane (compressed) GWP of N2O: 273 $kgCO_2e$/ kg N_2O (6^{th} Assessment Report of the IPCC)	11.1.7
	305-4 GHG emission intensity	CSR - Climate Change, Actions and metrics, GHG Emissions CSR - Climate Change, Key Performance Indicators CSR - Annex 2 - Data and Performance Indicators		**Total CO_2 emissions from transport/compressed gas (kg/10^6m^3)** - 2022: 5,053; 2023: 6,306; **2024: 5,812** **Natural gas emissions from transport / network length (m^3/km)** - 2022: 444; 2023: 429; **2024: 317** **CO_2 emissions comb. (fuel gas) / gas fed into the grid (kg/10^6m^3)** - 2024: 10,5	11.1.8

GRI standards/other source	Disclosure	Reference document and paragraph	Omissions	Notes	GRI 11 REF. NO.
GRI 305: Emissions 2016	305-5 Reduction of GHG emissions	CSR - Climate Change, Actions and metrics, GHG Emissions CSR - Climate Change, Key Performance Indicators			11.2.3
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	CSR - Managing impacts, risks and opportunities, The ERM model for managing risks and opportunities CSR - Climate change, Actions and metrics, Anticipated financial effects from material physical and transition risks and potential climate-related opportunities			11.2.2
POLLUTION					
GRI 3: Material Topics 2021	3-3 Management of material topics	CSR - Pollution			11.3.1
GRI 305: Emissions 2016	305-6 Emissions of ozone-depleting substances (ODS)			Negligible quantity.	
	305-7 Nitrogen oxides (NO_x), sulphur oxides (SO_x) and other significant emissions	CSR - Pollution, Actions and metrics CSR - Pollution, Key performance indicators CSR - Annex 2 - Data and performance indicators		**Total NO_x emissions / compressed gas ($kg/10^6m^3$)** - 2022: 3.4; 2023: 3.5; **2024: 3.1** Data for 2022 and 2023 have been restated.	11.3.2
BIODIVERSITY AND ECOSYSTEMS					
GRI 3: Material Topics 2021	3-3 Management of material topics	CSR - Biodiversity and ecosystems			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	CSR - Biodiversity and Ecosystems, Actions and metrics CSR - Biodiversity and Ecosystems, Key Performance Indicators			11.4.2
	304-2 Significant impacts of activities, products and services on biodiversity	CSR - Biodiversity and ecosystems			11.4.3
	304-3 Protected or restored habitats	CSR - Biodiversity and ecosystems, Actions and metrics, Protecting the territory and biodiversity - Actions for 'Zero Net Conversion'			11.4.4

GRI standards/other source	Disclosure	Reference document and paragraph	Omissions	Notes	GRI 11 REF. NO.
GRI 304: Biodiversity 2016	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	CSR - Biodiversity and ecosystems, Actions and metrics, Protecting the territory and biodiversity - Actions for 'Zero Net Conversion'			11.4.5
WATER					
GRI 3: Material Topics 2021	3-3 Management of material topics	CSR - Water			11.6.1
GRI 303: Water and water discharges 2018	303-1 Interactions with water as a shared resource	CSR - Water, Actions			11.6.2
	303-2 Management of water discharge-related impacts	CSR - Water			11.6.3
	303-3 Water withdrawal	CSR - Water, Actions CSR - Water, Key Performance Indicators			11.6.4
	303-4 Water discharge	CSR - Water, Actions CSR - Water, Key Performance Indicators			11.6.5
	303-5 Water consumption	CSR - Water, Actions CSR - Water, Key Performance Indicators			11.6.6
Own Workforce - HEALTH AND SAFETY					
GRI 3: Material Topics 2021	3-3 Management of material topics	CSR - Own Workforce, Health and safety CSR - Annex 1 - Management systems			11.9.1
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	CSR - Own Workforce, Health and Safety, Policies CSR - Own Workforce, Health and Safety, Actions and metrics CSR - Annex 1 - Management Systems			11.9.2
	403-2 Hazard identification, risk assessment and incident investigation	CSR - Own Workforce, Health and Safety, Policies CSR - Own Workforce, Health and Safety, Actions and metrics			11.9.3

GRI standards/other source	Disclosure	Reference document and paragraph	Omissions	Notes	GRI 11 REF. NO.
GRI 403: Occupational Health and Safety 2018	403-3 Occupational health services	CSR - Own Workforce, Health & Safety, Actions & Metrics			11.9.4
	403-4 Worker participation, consultation, and communication on occupational health and safety	CSR - Own Workforce, Working Conditions, Actions and metrics, Industrial Relations CSR - Own Workforce, Health and Safety, Actions and metrics		Worker representation is also ensured by law (ref. TU Legislative Decree 81/2008) and by national contracts.	11.9.5
	403-5 Worker training on occupational health and safety	CSR - Own Workforce, Equal treatment and opportunities for all and skills development, Actions and metrics, Training, skills development and performance management CSR - Own Workforce, Health and safety, Actions and metrics CSR - Own Workforce, Key performance indicators, Equal treatment and opportunities for all and skills development			11.9.6
	403-6 Promotion of worker health	CSR - Own Workforce, Health and Safety, Policies CSR - Own Workforce, Health and Safety, Actions and metrics			11.9.7
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	CSR - Own Workforce, Health and Safety, Policies CSR - Own Workforce, Health and Safety, Actions and metrics			11.9.8
	403-8 Workers covered by an occupational health and safety management system	CSR - Own Workforce, Health and safety, Actions and metrics CSR - Annex 1 - Management systems		As at 31 December 2024, the percentage of employees covered by an occupational health and safety management system was 99.5%.	11.9.9
	403-9 Occupational accidents	CSR - Own Workforce, Health and safety, Actions and metrics CSR - Own Workforce, Key performance indicators, Health and safety CSR - Annex 2 - Data and performance indicators		Injuries involved 2 and 21 men. There were no fatal accidents for employees and contractors. No employee injuries were reported as serious, whereas among contractors three serious injuries were recorded with an initial prognosis of more than 30 days. The recordable accident rate, which coincides with total accidents, is 1.66 for employees and 0.91 for contractors. The rates are calculated as the ratio of the number of accidents of the related type to the number of hours worked in the related category, multiplied by 1,000,000. The hours worked by employees and contractors taken into account for the calculation are approximately 6 and 14 million hours, respectively. Hours worked for Group employees and non-employee workers when unavailable are based on the number of employees multiplied by an estimated monthly number of 140 hours. For managers, the estimate is the same, multiplying the average number of managers by a total number of hours equal to 150 hours/month. The data relating to hours worked is monitored by the Human Resources function, while the number of accidents is obtained from the accident register and the information system dedicated to monitoring such data.	11.9.10

GRI standards/other source	Disclosure	Reference document and paragraph	Omissions	Notes	GRI 11 REF. NO.
GRI 403: Occupational Health and Safety 2018	403-10 Occupational Diseases	CSR - Own Workforce, Health & Safety, Actions & Metrics		Contractors, like employees, are not exposed to risks that will generate occupational diseases over time. Moreover, considering the fact that health surveillance protocols are implemented for contractors by the employer of the contracting companies, the collection of data on the occupational diseases of contractors is not applicable.	11.9.11
OWN WORKFORCE - WORKING CONDITIONS					
GRI 3: Material Topics 2021	3-3 Management of material topics	CSR - Own Workforce, Working conditions			11.7.1 11.10.1
GRI 201: Economic Performance	201-3 Defined benefit plan obligations and other retirement plans			Snam has fulfilled its social security obligations under the law and the applicable labour contracts in 2024. The active supplementary pension funds are, for non-management personnel, Fondenergia, Cometa, Fon.Te and Fondapi, and for managers, PREVINDAI and FOPDIRE.	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	CSR - Own Workforce, Working conditions, Employee composition and turnover CSR - Own Workforce, Key performance indicators, Working conditions		The data by geographic area are not significant, as almost all employees are located in Italy.	11.10.2
GRI 401: Employment 2016	401-2 Benefits provided to fulltime employees that are not provided to temporary or part-time employees	CSR - Own Workforce, Working conditions, Workforce covered by social protection systems and corporate welfare		There are no differences in access to company benefits.	11.10.3
	401-3 Parental leave	CSR - Own Workforce, Working conditions, Workforce covered by social protection systems and corporate welfare, Family leave CSR - Own Workforce, Key performance indicators, Working conditions			11.10.4 11.11.3
GRI 402: Labour/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	CSR - Own Workforce, Working Conditions, Actions and metrics, Industrial Relations		The notice period is that provided for by law and/or the collective bargaining agreement applied.	11.10.5 11.7.2
OWN WORKFORCE - EQUAL TREATMENT AND OPPORTUNITIES FOR ALL AND SKILLS DEVELOPMENT					
GRI 3: Material Topics 2021	3-3 Management of material topics	CSR - Governance CSR - Own Workforce, Equal treatment and opportunities for all and skills development, Actions and metrics			11.11.1

GRI standards/other source	Disclosure	Reference document and paragraph	Omissions	Notes	GRI 11 REF. NO.
GRI 202: Market Presence 2016	202-2 Proportion of senior managers hired from the local community			Data on the proportion of senior managers from the local community are not significant, as almost all employees are located in Italy.	11.11.2 11.14.3
	404-1 Average hours of training per year per employee	CSR - Own Workforce, Equal treatment and opportunities for all and skills development, Actions and metrics, Training, skills development and performance management CSR - Own Workforce, Key performance indicators, Equal treatment and opportunities for all and skills development			11.10.6 11.11.4
GRI 202: Market Presence 2016	404-2 Employee skills upgrading and transition assistance programmes	CSR - Own Workforce, Working conditions, Actions and metrics, Industrial relations CSR - Own Workforce, Equal treatment and opportunities for all and skills development, Actions and metrics, Training, skills development and performance management			11.7.3 11.10.7
	404-3 Percentage of employees receiving regular appraisals of their performance and professional development	CSR - Own Workforce, Equal treatment and opportunities for all and skills development, Actions and metrics, Training, skills development and performance management CSR - Own Workforce, Key performance indicators, Equal treatment and opportunities for all and skills development			
GRI 405: Diversity and Inclusion 2016	405-1 Diversity of governance bodies and employees	CSR - Governance, Snam's governance system CSR - Own Workforce, Equal treatment and opportunities for all and skills development CSR - Own Workforce, Key performance indicators, Equal treatment and opportunities for all and skills development		In line with 2023, in 2024, 2 Board members belong to the 30-50 age group and 7 to the >50 age group. Employees under the age of 30: 0 managers, 3 middle managers, 411 white-collar workers, 334 blue-collar workers. Employees aged between 30 and 50: 69 managers, 439 middle managers, 1,033 white-collar workers, 299 blue-collar workers. Employees over the age of 50: 61 managers, 261 middle managers, 688 white-collar workers, 303 blue-collar workers.	11.11.5
	405-2 Ratio of basic salary and remuneration of women to men	CSR - Own Workforce, Equal treatment and opportunities for all and skills development, Actions and metrics, Gender pay gap and annual total remuneration ratio CSR - Own Workforce, Key performance indicators, Equal treatment and opportunities for all and skills development		The gender pay gap takes into account the entire company population, excluding the CEO, since there is no female equivalent in the same role who is comparable.	11.11.6

GRI standards/other source	Disclosure	Reference document and paragraph	Omissions	Notes	GRI 11 REF. NO.
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	CSR - Own Workforce, Working conditions, Actions and metrics, Respect for human and workers' rights CSR - Own Workforce, Key performance indicators, Working conditions		During 2024, no incidents of discrimination occurred, while two reports were received through Snam's whistleblowing channel regarding alleged violations of the company's Code of Ethics.	11.11.7
WORKERS IN THE VALUE CHAIN					
GRI 3: Material Topics 2021	3-3 Management of material topics	CSR - Workers in the value chain CSR - Business conduct			11.12.1 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	CSR - Workers in the value chain, Actions			11.13.2
GRI 409: Forced or Compulsory Labour 2016	409-1 Operations and suppliers at significant risk of incidents of forced or compulsory labour	CSR - Management of impacts, risks and opportunities, The material topics for Snam CSR - Workers in the value chain			11.12.2
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	CSR - Strategy and business model, The Sustainability Scorecard CSR - Workers in the value chain, Objectives CSR - Workers in the value chain, Actions	Information on new suppliers assessed according to social criteria is not available. Snam reports the KPI relating to 'ESG criteria in purchasing procedures' in the Sustainability Scorecard for all suppliers. In addition, Snam indicates the qualified suppliers assessed on sustainability issues over the three-year reporting period (in 'Key performance indicators' of the 'Workers in the value chain' chapter)		11.10.8 11.12.3

GRI standards/other source	Disclosure	Reference document and paragraph	Omissions	Notes	GRI 11 REF. NO.
GRI 414: Supplier Social Assessment 2016	414-2 Negative social impacts in the supply chain and actions taken	CSR - Workers in the value chain, Material topics, impacts, risks and opportunities CSR - Workers in the value chain, Actions			11.10.9
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	CSR - Workers in the value chain, Actions, Procurement of goods, works and services in the energy transition			11.14.6
AFFECTED COMMUNITIES					
GRI 3: Material Topics 2021	3-3 Management of material topics	CSR - Affected communities			11.14.1 11.15.1 11.16.1
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	CSR - Strategy and business model, Snam business model AR - Snam profile AR - Strategic plan			11.14.4
	203-2 Indirect Economic Impacts	CSR - Affected communities, Actions and metrics			11.14.5
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	CSR - Affected communities, Involvement of Communities of Interest CSR - Communities of Interest, Actions and metrics			11.15.2
	413-2 Operations with significant potential and actual negative impacts on local communities	CSR - Environmental Information CSR - Energy Security and Accessibility, Actions CSR - Affected Communities, Actions and metrics			11.15.3
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	CSR - Biodiversity and ecosystems, Actions and metrics, Protecting the territory and biodiversity - Actions for 'Zero Net Conversion'			11.3.3
BUSINESS CONDUCT					
GRI 3: Material Topics 2021	3-3 Management of material topics	CSR - Governance CSR - Management of impacts, risks and opportunities, ERM model for managing risks and opportunities CSR - Business conduct			11.20.1 11.21.1

GRI standards/other source	Disclosure	Reference document and paragraph	Omissions	Notes	GRI 11 REF. NO.
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	CSR - Business Conduct, Actions and metrics, Prevention and Detection of Corruption and Bribery, Systems to Prevent, Detect Allegations or Incidents of Active and Passive Corruption		23 sensitive activities identified as susceptible to corruption risks - equal to 46% of the total - have been assessed for corruption risks	11.20.2
	205-2 Communication and training on anti-corruption policies and procedures	CSR - Business Conduct, Actions and metrics CSR - Business Conduct, Key Performance Indicators		All members of the Board of Directors were informed and trained on anti-corruption policies and procedures, while 100% of employees were informed and 54% (or 2,120 people) were trained in these matters.	11.20.3
	205-3 Ascertained incidents of corruption and actions taken	CSR - Business Conduct, Actions and metrics CSR - Business Conduct, Key Performance Indicators		During 2024, there were no cases of corruption or bribery	11.20.4
GRI 201: Economic Performance 2016	201-4 Financial assistance received from government			Not applicable.	11.21.3
GRI 207: Taxes 2019	207-1 Approach to taxation	CSR - Affected communities, Actions, Ensuring transparency in tax matters			11.21.4
	207-2 Tax governance, control and risk management	CSR - Affected communities, Actions, Ensuring transparency in tax matters			11.21.5
	207-3 Stakeholder engagement and management of concerns related to tax	CSR - Affected communities, Actions, Ensuring transparency in tax matters			11.21.6
	207-4 Country-by-country reporting	CSR - Affected communities, Actions, Ensuring transparency in tax matters			11.21.7
206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	GRI 206: Anti-competitive behaviour 2016	Business Conduct, Key Performance Indicators		There have been no cases of legal actions for anti-competitive behaviour, antitrust and monopolistic practices	11.10.2
ENERGY SECURITY AND ACCESSIBILITY					
GRI 3: Material Topics 2021	3-3 Management of material topics	CSR - Energy security and accessibility			11.8.1
GRI 306: Water Discharges and Waste 2016	306-3 Significant spills			No significant spills occurred during 2024.	11.8.2

SNAM'S MATERIAL TOPICS NOT ASSOCIATED WITH GRI TOPIC STANDARD INDICATORS

GRI standards/other source	Disclosure	Reference document and paragraph	Omissions	Notes	GRI 11 REF. NO.
INNOVATION AND DIGITALISATION					
GRI 3: Material Topics 2021	3-3 Management of material topics	CSR - Innovation and digitalisation			
CYBER SECURITY					
GRI 3: Material Topics 2021	3-3 Management of material topics	CSR - Cyber security			
RELATIONS WITH THE AUTHORITIES AND QUALITY OF SERVICES					
GRI 3: Material Topics 2021	3-3 Management of material topics	CSR - Relations with authorities and quality of services			

GRI 11 TOPICS: OIL AND GAS SECTOR 2021 CONSIDERED NO-MATERIAL

Topic	Motivation
Rights of indigenous peoples	Not applicable. Given the geographical context in which Snam operates, the topic is not material.
Conflict and security	Not applicable. Given the geographical context in which Snam operates, the topic is not material.
Public policy	Not applicable. Snam does not make contributions to political parties.

Other entity-specific indicators

Other performance indicators - Industrial relations	UNITS OF MEASUREMENT	2022	2023	2024
Total pending litigations as at 31.12	no.	14	13	17
of which opened in the reference year	no.	9	10	17
of which closed in the reference year	no.	13	11	13
Meetings/talks held between the Unitary Union Representative Body (or trade unions) and the undertaking [1]	no.	143	139	176
Employees registered with trade unions	no.	719	693	776
Percentage of employees registered with trade unions [2]	%	20	18	20

[1] The number of meetings and gatherings held with trade union organisations during 2024 was calculated from the tracking of activities in the IT systems.
[2] The number of employees registered with trade unions was calculated from the application used for personnel management.

Other performance indicators - Relation with the authorities	UNITS OF MEASUREMENT	2022	2023	2024
Natural gas transportation [1]				
Responses to consultation documents and service proposals	no.	11	8	10
Tariff proposals	no.	7	6	4
Data collection	no.	185	180	171
Investigations [2]	no.	0	0	0
Proposals to amend/update codes and contractual documents [3]	no.	4	3	4
Proposals to amend/update codes and contractual documents (approved)	no.	4	3	4
Natural gas storage [1]				
Responses to consultation documents and service proposals	no.	2	0	0
Tariff proposals	no.	2	1	1
Data collection	no.	122	57	41
Proposals to amend/update codes and contractual documents [3]	no.	1	0	1
Proposals to amend/update codes and contractual documents (approved)	no.	1	0	0
Regasification of Liquefied Natural Gas [1]				
Responses to consultation documents and service proposals	no.	2	1	2
Tariff proposals	no.	3	6	6
Data collection	no.	21	22	24
Proposals to amend/update codes and contractual documents [3]	no.	2	6	6
Proposals to amend/update codes and contractual documents (approved)	no.	2	5	4
Snam's contributions in Europe				
Responses to Public Consultations [4]	no.	19	10	21
Others (Position papers; Statements; Open letters; Recommendations)	no.	7	5	5

Other performance indicators - Quality of service	UNITÀ DI MISURA	2022	2023	2024
Natural gas transport				
Active shipper customers	no.	250	351	345
New connection contracts for delivery, redelivery or interconnection points	no.	65	141	258
Contracted transport capacity/Available transport capacity (foreign entry points)	%	52	39	25
Meeting the time schedule for issuing the connection offer	%	100	100	100

Meeting performance times for services subject to specific commercial quality standards	%	100	100	100
Storage of natural gas				
Active shipper customers	no.	66	67	75
Contracted storage capacity/Available storage capacity	%	94	100	100
Meeting performance times for services subject to specific commercial quality standards	%	100	100	100
Total capacity not made available due to service interruptions/reductions	%	0	0	0
Regasification of Liquefied Natural Gas				
Active shipper customers (GNL Italia)	no.	8	7	5
Meeting the maximum period of interruption/reduction of Terminal capacity for maintenance work (GNL Italia)	%	100	100	100

Notes: the data refer to the entire Snam Group, unless otherwise indicated. For more information on the scope, please refer to the chapter 'Introduction and guide to reading the document, General basis for the preparation of the Consolidated Sustainability Statement'.
[1] The KPIs below the section represent the number of formal communications sent by Snam to the Authority.
[2] Information transmitted to the Authority during the year with reference to investigations within the sector. Includes fact-finding investigations.
[3] Also includes proposals still under evaluation by ARERA, including conventions and contractual documents with operators in regulated services.
[4] Number of contributions transmitted by Snam to relevant institutional subjects for open consultations at EU level (EC, ACER, etc.), through associations or directly.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated statement of financial position

(million euros)	Notes	As of December 31, 2023 Total	of which with related parties	As of December 31, 2024 Total	of which with related parties
ASSETS					
Property, plant and equipment	(8)	18,941		20,746	
Intangible assets and goodwill	(9)	1,449		1,560	
Investments accounted for using the equity method	(10)	3,019		3,259	
Other non-current financial assets	(11)	161	93	147	97
inventories	(12)	363		363	
Deferred tax assets	(19)	375		451	
Other non-current assets	(13)	281	1	782	1
Total non-current assets		**24,589**		**27,308**	
Cash and cash equivalents	(14)	1,382		1,806	
Current inventories	(12)	2,810		2,190	
Trade and other receivables	(15)	4,505	659	3,483	663
Current income tax assets	(16)	15		37	
Other current financial assets	(11)	2		353	
Other current assets	(13)	222		612	
Total current assets		**8,936**		**8,481**	
TOTAL ASSETS		**33,525**		**35,789**	

(million euros)	Notes	As of December 31, 2023 Total	of which with related parties	As of December 31, 2024 Total	of which with related parties
LIABILITIES AND EQUITY					
Non-current financial liabilities	(17)	11,740	500	14,807	700
Provisions for risks and charges	(18)	663		873	
Deferred tax liabilities	(19)	59		68	
Employee benefits	(20)	28		44	
Other non-current liabilities	(21)	1,211		838	
Total non-current liabilities		**13,701**		**16,630**	
Current financial liabilities	(17)	4,912	4	3,554	5
Trade payables and other payables	(22)	6,466	619	5,992	693
Current income tax liabilities	(16)	53		68	
Other current liabilities	(21)	713	1	572	1
Total current liabilities		**12,144**		**10,186**	
TOTAL LIABILITIES		**25,845**		**26,816**	
Share capital	(23.1)	2,736		2,736	
Treasury shares	(23.2)	(30)		(27)	
Share premium reserve	(23.3)	611		611	
Other reserves	(23.4)	(10)		953	
Retained earnings	(23.5)	4,328		4,656	
Equity attributable to owners of the parent company		**7,635**		**8,929**	
Non-controlling interests		**45**		**44**	
TOTAL EQUITY	**(23)**	**7,680**		**8,973**	
TOTAL LIABILITIES AND EQUITY		**33,525**		**35,789**	

The Notes are an integral part of the Consolidated Financial Statements.

CONSOLIDATED INCOME STATEMENT

		For the year ended December 31, 2023		For the year ended December 31, 2024	
(million euros)	Notes	Total	of which with related parties	Total	of which with related parties
Revenues	(28.1)	4,244	2,129	3,548	1,955
Other operating income	(28.2)	44	1	20	2
Total operating revenues and income		**4,288**		**3,568**	
Costs for purchase of raw materials, consumables and finished goods	(29.1)	(1,137)	(142)	(248)	(16)
Costs for services	(29.2)	(287)	(142)	(184)	(30)
Personnel costs	(29.3)	(248)	5	(283)	4
Other operating costs	(29.4)	(219)	(3)	(148)	(3)
Total operating costs		**(1,891)**		**(863)**	
Depreciation, amortization and impairment of assets	**(30)**	**(1,126)**		**(1,029)**	
OPERATING RESULT		**1,271**		**1,676**	
Financial income		93	8	195	5
Financial expenses		(314)	(18)	(526)	(31)
Total net financial expenses	**(31)**	**(221)**		**(331)**	
Share of profit of investments accounted for using the equity method		410		343	
Other income (expenses) from equity investments		74		(9)	
Total net income (expenses) from equity investments	**(32)**	**484**		**334**	
PROFIT BEFORE TAXES		**1,534**		**1,679**	
Income taxes	(33)	(389)		(422)	
PROFIT FOR THE YEAR		**1,145**		**1,257**	
- profit attributable to owners of the parent company		1,135		1,259	
- non-controlling interests		10		(2)	
Earnings per share (amounts in euros per share)	**(34)**				
- basic		0.338		0.373	
- diluted		0.338		0.373	

The Notes are an integral part of the Consolidated Financial Statements.

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

(million euros)	Notes	For the year ended December 31, 2023	For the year ended December 31, 2024
PROFIT FOR THE YEAR		1,145	**1,257**
OTHER COMPONENTS OF COMPREHENSIVE INCOME STATEMENT	**(33.2)**		
Cash flow hedge – effective portion of the change in fair value		10	(20)
Investments accounted for using the equity method - portion of other components in the comprehensive income statement (*)		(49)	(7)
Tax effect		(3)	5
Total components which may be reclassified subsequently in income statement for the year, net of tax effect		**(42)**	**(22)**
Actuarial gains (losses) from remeasurement of defined benefit plans for employees		(2)	
Share of other comprehensive income of associates/joint ventures or investments accounted for using the equity method		(1)	(1)
Fair value gain/(loss) on investments in equity instruments designated as at FVTOCI		(3)	31
Total components will not be reclassified subsequently in income statement for the year, net of tax effect		**(6)**	**30**
TOTAL OTHER COMPONENTS IN THE COMPREHENSIVE INCOME STATEMENT, NET OF TAX EFFECT		**(48)**	**8**
TOTAL COMPREHENSIVE INCOME STATEMENT		**1,097**	**1,265**
- profit attributable to owners of the parent company		1,087	1,267
- non-controlling interests		10	(2)

(*) The figure refers to the fluctuation in the fair value of derivative hedges, as well as the variation in investments in jointly controlled companies and associated companies.

The Notes are an integral part of the Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

		Equity attributable to owners of Snam															
					Other reserves						Retained earnings						
(million euros)	Notes	Share capital	Treasury shares	Share premium reserve	Legal reserve	Cash flow hedge reserve	Reserve for defined benefit plans for employees	Fair value reserve for equity investments	Reserve for business combinations under common control	Other	Retained earnings	Interim dividend	Profit for the year	TOTAL	NON-CONTROLLING INTERESTS	TOTAL EQUITY
BALANCE AS OF DECEMBER 31, 2022 (a)		**2,736**	**(33)**	**611**	**547**	**(39)**	**(4)**	**(12)**	**(674)**	**212**	**3,822**	**(369)**	**671**	**7,468**	**56**	**7,524**
- Net profit for the year ended December 31, 2023													1,135	1,135	10	1,145
- Other components of comprehensive income, net of tax effect						7	(2)	(3)		(50)				(48)		(48)
Total comprehensive income statement for the year 2023 (b)						**7**	**(2)**	**(3)**		**(50)**			**1,135**	**1,087**	**10**	**1,097**
- Dividend for the year 2022 (€0.2751 per share), net of interim dividend (€0.11 per share)											(251)	369	(671)	(553)		(553)
- Interim dividend 2023 (€0.1128 per share)												(378)		(378)		(378)
- Share-based payments										5				5		5
- Allocation of treasury shares for share incentive plan			6							(6)						
- Share buybacks			(3)											(3)		(3)
Total transactions with shareholders and other holders of equity instruments (c)			**3**							**(1)**	**(251)**	**(9)**	**(671)**	**(929)**		**(929)**
- Acquisition of controlling interest, with other minor shareholders															(15)	(15)
- Acquisition of non-controlling interests without change of control															(6)	(6)
- Other changes										9				9		9
Total other changes (d)										**9**				**9**	**(21)**	**(12)**
BALANCE AS OF DECEMBER 31, 2023 (e=a+b+c+d)	**(23)**	**2,736**	**(30)**	**611**	**547**	**(32)**	**(6)**	**(15)**	**(674)**	**170**	**3,571**	**(378)**	**1,135**	**7,635**	**45**	**7,680**

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

		Equity attributable to owners of Snam															
					Other reserves							Retained earnings					
(million euros)	Notes	Share capital	Treasury shares	Share premium reserve	Legal reserve	Reserve for perpetual subordinated bonds	Cash flow hedge reserve	Reserve for defined benefit plans for employees	Fair value reserve for equity investments	Reserve for business combinations under common control	Other	Retained earnings	Interim dividend	Profit for the year	TOTAL	NON-CONTROLLING INTERESTS	TOTAL EQUITY
BALANCE AS OF DECEMBER 31, 2023 (e)	**(23)**	**2,736**	**(30)**	**611**	**547**		**(32)**	**(6)**	**(15)**	**(674)**	**170**	**3,571**	**(378)**	**1,135**	**7,635**	**45**	**7,680**
- Net profit for the year ended December 31, 2024														1,259	1,259	(2)	1,257
-Other components of comprehensive income, net of tax effect							(15)		31		(8)				8		8
Total comprehensive income statement for the year ended December 31, 2024 (f)							**(15)**		**31**		**(8)**			**1,259**	**1,267**	**(2)**	**1,265**
- Dividend for the year 2023 (€0.2820 per share), net of interim dividend (€0.1128 per share)	(23.6)											190	378	(1,135)	(567)		(567)
- 2024 interim dividend (€0.1162 per share)	(23.6)												(390)		(390)		(390)
- Perpetual subordinated bond issue	(23.4)					1,000									1,000		1,000
- Perpetual subordinated bond coupons												(8)			(8)		(8)
- Share-based payments											7				7		7
- Allocation of treasury shares for share incentive plan	(23.2)		5								(5)						
- Share buybacks	(23.2)		(2)												(2)		(2)
Total transactions with shareholders and other holders of equity instruments (g)			**3**			**1,000**					**2**	**182**	**(12)**	**(1,135)**	**40**		**40**
- Acquisition of non-controlling interests without change of control																1	1
- Costs for the perpetual subordinated bond issue												(13)			(13)		(13)
- Reclassification of the equity investment valuation reserve FVTOCI									(47)			47					
Total other changes (h)									**(47)**			**34**			**(13)**	**1**	**(12)**
BALANCE AS OF DECEMBER 31, 2024 (i=e+f+g+h)	**(23)**	**2,736**	**(27)**	**611**	**547**	**1,000**	**(47)**	**(6)**	**(31)**	**(674)**	**164**	**3,787**	**(390)**	**1,259**	**8,929**	**44**	**8,973**

The Notes are an integral part of the Consolidated Financial Statements

CONSOLIDATED CASH FLOW STATEMENT

(million euros)	Notes	2023	2024
PROFIT FOR THE YEAR		**1,145**	**1,257**
Adjustment for the year to cash flows from operating activities:			
- Depreciation, amortization and impairment of assets	—	1,126	1,029
- Share of profit or loss of investments accounted for using the equity method	—	(410)	(343)
- Dividends		(5)	
- Capital gains on disposal of equity investments and other income from equity investments		(76)	(3)
- (Gains)/Losses arising from the disposal of fixed assets		10	13
- Allocations to provisions for risks and charges		47	144
- Interest income		(90)	(195)
- Interest expense		258	428
- Income taxes	—	389	422
- Other changes		5	6
Change in net working capital:			
- Inventories		401	621
- Trade receivables		(413)	128
- Trade payables		(584)	(6)
- Provisions for risks and charges		(14)	(30)
- Other assets and liabilities		(1,672)	(1,477)
Cash flow from net working capital		(2,282)	(764)
Change in liabilities for employee benefits		(3)	(3)
Dividends cashed in		205	278
Interest cashed in		35	81
Interest paid		(217)	(359)
Income taxes paid net of tax receivables reimbursed		(272)	(177)
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		**(135)**	**1,814**
- of which with related parties	**(36.3)**	**1,961**	**1,956**
Investments:			
- Property, plant and equipment (*)		(1,543)	(2,538)
- Intangible assets		(253)	(277)
- Acquisition of subsidiaries and business units, net of cash and equivalents acquired		(402)	
- Equity investments (including equity investments accounted for fair value through OCI)		(432)	(176)
- Changes of payables related only to capital expenditures		120	290
Cash flow from investments		(2,510)	(2,701)
Divestments:			
- Property, plant and equipment		1	4
- Intangible assets			1
- Consolidated companies and branches of business, net of liquidity sold			3
- Proceeds on disposal of equity investments (including equity investments classified as non-current financial assets)		251	8
- Non-current financial receivables		27	4
Cash flow from divestments		279	20
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		**(2,231)**	**(2,681)**
- of which with related parties	**(36.3)**	**(559)**	**(600)**
Proceeds from non-current financial payables		2,560	4,439
Repayment of non-current financial payables		(1,290)	(1,902)
Increase (decrease) short-term financial payables		1,669	(910)
Repayment of financial liabilities for leased assets		(13)	(15)
Increase (decrease) short-term financial receivables			(350)
Share buybacks		(3)	(2)
Dividends paid	(23.6)	(933)	(946)
Capital contribution from non-controlling interests			1
Change in cash and cash equivalents relating to assets held for sale and directly associated liabilities		1	
Issuance of perpetual hybrid bonds			987
Coupon payment of perpetual hybrid bonds			(11)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		**1,991**	**1,291**
- of which with related parties	**(36.3)**	**300**	**200**
NET CASH FLOW FOR THE PERIOD		**(375)**	**424**
Cash and cash equivalents at the beginning of the year	—	1,757	1,382
Cash and cash equivalents at the end of the year	—	1,382	1,806
CHANGE IN CASH AND CASH EQUIVALENTS		**(375)**	**424**

The Notes are an integral part of the Consolidated Financial Statements

(*) The flow includes: (i) the change in inventories of piping and related ancillary materials used in plant construction activities, referring to the natural gas transportation segment (€45 million and €-44 million for 2024 and 2023 respectively; (ii) subsidies on works for interference with third parties, so-called compensation (€52 million and €22 million for 2024 and 2023 respectively).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1) COMPANY INFORMATION

The Snam Group, which comprises Snam S.p.A., the Italian parent company, and its subsidiaries (collectively known as 'Snam', the 'Snam Group', the 'Group' or the 'group'), is a leading integrated group in the regulated gas industry, specializing in transportation, regasification, and storage. It is a significant player in the industry, particularly in terms of its regulatory asset base (RAB).

In addition to Italy, through its international subsidiaries, Snam also operates infrastructure in Austria, Tunisia, Egypt, the United Arab Emirates, France, Greece and the United Kingdom. Snam invests in innovation and in development of new energy transition businesses, from sustainable mobility to biomethane and energy efficiency. It also seeks to enable and promote the development of CCS and hydrogen to move forward the decarbonization of the energy sector and industry.

Snam S.p.A. is a joint-stock company incorporated under Italian lawa and listed on the Milan Stock Exchange, with registered offices in San Donato Milanese (Milan) - Italy, in Piazza Santa Barbara no. 7. In compliance with the provisions of Article 2428, paragraph 5 of the Italian Civil Code, it is certified that Snam has no secondary offices.
With a resolution of 1 August 2019, the Board of Directors of CDP S.p.A., which, through its subsidiary CDP Reti S.p.A., holds a 31.4% stake in Snam S.p.A., reclassified the investment relationship in the company, which already qualifies as de facto control under IFRS 10 - Consolidated financial statements from 2014, as a de facto control pursuant to Article 2359, paragraph 1, no. 2) of the Italian Civil Code and Article 93 of the TUF.

CDP S.p.A. has neither formalised nor exercised management and coordination activities over Snam S.p.A..

2) BASIS OF PREPARATION, MACROECONOMIC BACKGROUND AND EFFECTS OF CLIMATE CHANGE-RELATED MATTERS

2.1 Basis of presentation

These consolidated financial statements:

a) have been prepared in accordance with the IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) and adopted by the European Commission pursuant to Article 6 of Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 and pursuant to Article 9 of Legislative Decree 38/2005;
b) have been prepared based on a going-concern basis, utilizing the historical cost method, taking into account any necessary value adjustments, barring those items that are required to be measured at fair value, in compliance with IFRS, as outlined in the measurement criteria; given the nature of Snam's core operations, which do not require continuous operational activities, there are no factors that necessitate a detailed examination regarding the validity of the going concern assumption;
c) have been approved and authorized for publication by the Board of Directors of Snam S.p.A. in its meeting of 19 March 2025, and have been audited by Deloitte & Touche S.p.A.;
d) are denominated in euros; given their magnitude, the figures in the financial statements and corresponding notes are expressed in millions of euros, unless stated otherwise.

2.2 Macroeconomic context

The global geopolitical environment at the end of 2024 remains unstable and characterised by a high degree of uncertainty. The persistent conflicts in several areas of the world, such as Ukraine and the Middle East, as well as trade tensions that have become relevant again in the wake of the US elections in November 2024, continue to fuel strong instability in the financial markets with repercussions on the real economy.

In 2024, energy commodity prices in Europe, while remaining well below the record levels of 2022, showed an upward trend. On the Amsterdam spot market (TTF), the price of natural gas, from the lows of February 2024 (around 23 €/MWh), rose continuously, to between 45 and 50 €/MWh in late 2024 and early 2025, reaching the highest values since October 2023. This trend was influenced by multiple factors, both climatic, such as colder-than-average temperatures in Europe and low wind power generation, which increased the demand for gas, and contingent factors, such as the non-renewal of the agreement for the transit of gas flows in Ukraine.

These phenomena, in addition to fuelling price dynamics, contributed to a faster erosion of European gas reserves than during the previous 12 months; the same trend, albeit with very limited impacts, was also recorded in Italy.

Overall inflation in the euro area for 2024 stood at 2.4% (source: Eurostat), still remaining above the targets set by the ECB, although signs of a slowdown on this front emerged during the course of the year. Thus, after a series of 10 consecutive hikes between July 2022 and September 2023, the ECB announced a first cut in market interest rates in June 2024 and then, at the last three meetings of the year, announced further cuts, setting interest rates respectively at 3% central bank deposits, 3.15% for main refinancing operations and 3.40% for marginal lending, as from 18 December 2024.

Although there are some encouraging signs, significant uncertainties and challenges for economic growth, both domestic and European, remain, related to ongoing conflicts and geopolitical tensions, as well as uncertainty over the evolution of international trade policies and protectionist measures that might be introduced.
Growth prospects remain fragile, and the emergence of new crisis fronts or the intensification of existing tensions could make the ECB's monetary policy easing path even more complex, with possible negative effects on overall economic activity.
In this scenario, the Group managed to operate seamlessly during 2024 and successfully implement the major investments planned.

Finally, it should be noted that the consistent increases in reference rates by the main central banks, starting from July 2022, have led to a general increase in the cost of debt which, in the case of Snam, went from an

average value of 2% at 31 December 2023 to an average value of 2.5% at 31 December 2024.

2.2.1 Gas infrastructure

In the Transportation, Regasification and Storage business, operations and investments continued uninterrupted during 2024. In particular, in December 2024, the FSRU BW Singapore reached Italian waters, allowing the country to benefit from an additional LNG import point from the second quarter of 2025 onwards.

2.2.2 Foreign and Italian subsidiaries

With reference to the Snam group's foreign subsidiaries, during 2024Russian gas supplies to Europe, while remaining at marginal levels compared to pre-conflict volumes, decreased further from January 2025 following the non-renewal of the agreement for the transit of gas flows through Ukraine.
Thanks to ongoing actions to diversify supply sources and investments in the security of supply in various countries, there has been no significant discontinuity or critical situations in the perimeter of Snam's international assets.
With reference to TAG (a joint venture) and GCA (associated company), we would like note the issue, by the Austrian regulator on 29 May 2024, of the Final Cost Decree and Tariff Ordinance (the 'Decree'), which defines the reference framework applicable to the new regulatory period (2025-2027).
The Decree has significantly modified the previous regulatory framework and, inter alia, in addition to providing for the elimination of volume risk for the two TSOs, it has also defined compensatory mechanisms for the companies, which will be operational from 2025. This change will enable TAG to achieve profitability after several years of negative results influenced by the changed procurement environment.

With reference to the situation in the Middle East, the conflict in the Gaza Strip does not have a direct impact on Snam's assets and the operation of the pipeline linking Israel and Egypt (EMG, an associated company).

No further major effects on the group's remaining activities are reported.

2.3 Climate change related matters

Evidence of the impact of climate change on different industrial sectors has increased considerably in recent years. Many economic sectors will be adversely affected by permanent changes in temperature, precipitation, sea level and more generally by the magnitude and frequency of extreme climate events.

In the energy sector, variations in average and extreme temperatures could lead to an increase in energy demand in summer periods and a decrease in demand in winter periods; the final balance will, of course, depend on geographical, socio-economic and technological factors. On the supply side, climate change could adversely affect the energy production infrastructure in some geographical areas.
In general, climate risks are systemic risks, which cascade throughout society. The World Economic Forum, in its annual 'Global Risks report', published in January 2025, considered extreme climate events to be among the greatest dangers to humanity, both in the short term (2 years) and in the long term (10 years).

The fight against climate change for an increasingly decarbonised economy is the main challenge facing the world today.

2.3.1 Managing climate change risks and opportunities in Snam

The energy and climate scenarios that form the backdrop to Snam's activities involve a series of risks and opportunities that must be identified, assessed and managed effectively and promptly. The assessment of the factors that may affect the business is, in fact, an essential condition to be able to continue to operate in the long term in a sustainable manner, namely directing strategies and monitoring changes in the boundary conditions of the same.

The risks and opportunities identified by Snam are taken into account in the definition of corporate strategy, with particular reference to objectives in the area of energy transition and decarbonisation and the reduction of greenhouse gas and methane emissions. As part of the integrated management of corporate risks, Snam adopts an Enterprise Risk Management Model (hereinafter ERM) within which the risks associated with climate change are also identified and managed, assessed taking into account the following time horizons:

- Short term (≤ 1 year): in the short-term, Snam creates value by pursuing its business in the manner established by the rules and procedures, with particular focus on risk management and operational efficiency. The main point of reference is the annual budget.
- Medium-term (≤ 5 years): in the medium term, the ability to carry out investment programmes, thereby ensuring a flow of resources and that favourable economic conditions are maintained, is also important. The main point of reference is the Strategic Plan, which covers a period of up to five years.
- Long-term (> 5 years): in the long-term, it is vital that the investment decisions and strategic choices made have interpreted trends in the best way possible. The main point of reference is the Ten-year transportation network development plan submitted to the Authority, which covers a period of 10 years.

Snam's ERM model envisages assessment cycles, the results of which are shared with the Leadership Team, the Control and Risk and Related-Party Transactions Committee, the Board of Statutory Auditors and the Supervisory Board. On an annual basis, the Board of Directors, together with the ESG Committee and Energy Transition Scenarios, is also updated on these topics in order to integrate climate change topics into the planning and definition of strategies for the management of ESG topics relevant to the Group.

The risks are explained in the Directors' Report, in the chapter 'Risk Factors and Uncertainty', and in the Consolidated Sustainability Report, in the chapter 'General disclosures, Impact, Risk and Opportunity Management', where a detailed analysis of climate change risks is provided.

2.3.2 Climate change related risks

Climate change means that companies are subject to two types of risks: physical risks, due directly to weather and climate variations, and transition risks, due to socio-economic changes in the business environment and attributable to climate transition.

The physical risks for Snam are divided into:

- acute risks, related to the increase in the severity of extreme weather phenomena, which may cause material damage to the infrastructure, with impacts on the continuity and quality of the service;
- chronic risks, the effect of acute phenomena becoming chronic.

Transition risks for Snam are divided into:

- regulatory risk, in terms of the tightening of the reference and emerging regulatory framework to accelerate the reduction of pollutant and climate changing emissions;
- market risk, in terms of increased penetration of renewable energies to the detriment of natural gas, alternative uses of gas and the development of new businesses (biomethane, etc.) and/or the CNG market, as well as the behaviour of consumers, financiers and investors, who are increasingly oriented towards sustainable products;
- technological risks, in terms of diffusion of new technologies fostering the use of intermittent energy sources and the need to adapt to new technological standards;
- reputational risk, in terms of consequences on the Group's image due to possible under-performance against declared sustainability targets and, more generally, due to pressure from stakeholders.

2.3.3 Actions undertaken by Snam: from the development of new businesses, directly associated with the commitment to energy transition, to interventions on regulated infrastructures.

With regard to physical risks, Snam continually monitors the integrity of its infrastructure and plants, as well as the state of health and conservation of the areas in which they are located, constantly updating the processes and systems used in order to identify, with increasing notice, any critical issues through the introduction of new technologies that can also reduce the environmental impact of the activities themselves.

These actions allow the company to limit its exposure to risks associated with natural events. In addition, in order to remedy unforeseeable extreme natural events, Snam has adopted innovative intervention strategies and action plans aimed at ensuring immediate safety and the restoration of activities in the shortest possible time.

Snam also has specific insurance contracts in place to cover some of these risks, in line with industry best practices.

With regard to energy transition risks, in recent years Snam has begun repurposing and modernising its infrastructure, consolidating the development of energy transition businesses, linked to the use of green and decarbonised gas, investing in innovation and digitalisation, and entering into a large number of partnerships. On the strength of these consolidated capacities, Snam has progressively integrated the energy transition businesses with those of the regulated sector, to the point of making them synergic and interconnected, with the aim of creating a multi-molecule pan-European infrastructure - modular, flexible and innovative - and capable of transporting and storing different types of gas, that ensures energy security at national and European level, guaranteeing diversified supplies over the long term.

In this context, in January 2025, the new 2025-2029 Strategic Plan and the medium-/long-term Vision for 2025-2034, were presented, in which Snam has underlined its contribution to supporting the great transformation underway in the energy sector, leveraging on the enabling role of infrastructure to achieve a fully decarbonised economy through a plan of increasing investments.

The pillars of Snam's Carbon Neutrality and Net Zero strategy are discussed in more detail in the chapter 'Sustainability strategy - The Carbon Neutrality and Net Zero strategy' in the 'General disclosures' section of the Consolidated Sustainability Report.

Considering the specific business and segments in which its operates, Snam believes that, at present, the Group has a limited exposure to the impact that possible climate risks could have on the valuation of non-current assets and other assets, including receivables, recognised in the financial statements.

Similarly, due to the systematic monitoring of its assets and the geographic areas where they are located, Snam is able to identify in advance possible situations that could potentially generate potential liabilities related to climate risks. In light of the above, it was not necessary to critically review the useful life of fixed assets in the financial statements.

Legislation introduced in response to climate change may give rise to new obligations that did not exist before. Moreover, as mentioned above, Snam has set challenging decarbonisation targets. However, the full implementation of this policy, also aimed at reducing CO_2 emissions, together with energy efficiency and mitigation measures to protect biodiversity, did not result in the need to recognise previously unrecognised liabilities. Therefore, it was not necessary to critically review the provisions in the financial statements.

In the area of loans and bond loans, the Group has a number of bank loans and bond loans in place that contain so-called "ESG-linked". These instruments have a premium/penalty mechanism, applicable to the payment of accrued interest, linked to the achievement of specific environmental, social and governance indicators (ESG targets).

In this context, the Group considers that there may be a risk, albeit insignificant, related to the achievement of ESG targets. Failure to meet these targets by a contractually pre-determined date would in fact result in a slight increase in the cost of debt. However, the impact of this risk on financial expenses would be negligible. The Group constantly monitors all activities related to climate change and does not detect any critical issues at present.

3) ACCOUNTING POLICIES AND INTERPRETATIONS APPLICABLE FROM THE FINANCIAL YEAR 2024

For the financial year ended 31 December 2024, the Group applied accounting policies in line with those of the previous year, with the exception of the accounting standards and interpretations which came into force in the year starting on 1 January 2024, which are described below.

With Commission Regulation (EU) 2023/2579, issued by the European Commission on 20 November 2023, the regulatory provisions contained in the following document were approved:

- 'Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback'. The purpose of the document is to clarify how the initial recognition and subsequent measurements by a seller-lessee in the context of a sale and leaseback transaction should take place.

With regulation No 2023/2822, issued by the European Commission on 19 December 2023, the regulatory provisions contained in the following documents were approved:

- 'Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current' and 'Non-Current Liabilities with Covenants'. The documents are intended to clarify how to classify payables and other short-term or long-term liabilities.

With Commission Regulation (EU) 2024/1317, issued by the European Commission on 15 May 2024, the regulatory provisions contained in the following documents were approved:

- 'Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements'. The amendment aims to add disclosure requirements and indications, requiring companies to provide qualitative and quantitative information on supply chain finance arrangements (supplier finance arrangements or reverse factoring).

The adoption of the amendments to IFRS 16 and IAS 1 had no material impact on the Group's consolidated financial statements. The information required by the amendment to IAS 7 is provided in Note 22 'Trade and other payables'.

4) FINANCIAL STATEMENTS

With reference to the consolidated financial statements, it should be noted that:

- the items in the Statement of financial position are classified by distinguishing assets and liabilities on a 'current/noncurrent basis'[162];
- The Income Statement has been presented separately from the Comprehensive Income Statement and classifies costs by type, since this is deemed to be the best way of representing the Group's operations and is in line with the established practice of companies operating in international markets;
- the Cash Flow Statement has been prepared using the 'indirect' method.

Moreover, pursuant to Consob resolution No. 15519 of 28 July 2006, any income and expense from non-recurring operations is shown separately in the income statement.
With regard to the same Consob resolution, the balances of receivables/payables and transactions with related parties, described in more detail in Note 36 – 'Transactions with related parties', are shown separately in the financial statements.

5) MATERIAL ACCOUNTING POLICIES

5.1 Consolidation criteria

Subsidiaries, joint ventures, associates and other significant equity investments are indicated separately in the appendix 'Equity investments of Snam S.p.A. as at 31 December 2024', which is an integral part of these notes. The same annex shows the changes in the scope of consolidation as of 31 December 2024 compared to 31 December 2023.

All the financial statements of the companies included in the scope of consolidation are expressed in euro, adjusted, where necessary, to make them consistent with the accounting policies applied by the Parent Company.

Fully consolidated subsidiaries

The Group defines another entity as a subsidiary when it:

- has the power to make decisions concerning the investee entity;
- is entitled to receive a share of or is exposed to the variable profits and losses of the investee entity;
- is able to exercise power over the investee entity in such a way as to affect the amount of its economic returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.
Figures relating to subsidiaries are included in the consolidated financial statements, based on uniform accounting policies, from the date on which the Company assumes direct or indirect control over them until the date on which said control ceases to exist. The assets, liabilities, income and expenses of consolidated companies are fully incorporated line-by-line in the consolidated Financial Statements (full consolidation method).
Unrealised gains from transactions between consolidated companies are derecognised, as are receivables, payables, income, expenses, guarantees, commitments and risks between consolidated companies. The portion pertaining to the Group of unrealised gains with companies valued using the equity method is derecognised. In both cases, intragroup losses are not derecognised because they are considered to represent the impairment loss on the transferred asset.

Changes in equity investments held directly or indirectly by the Company in subsidiaries that do not

[162]Assets and liabilities are classified as current if: (i) their realisation/settlement is part of the normal operating cycle of the company or in the 12 months after the financial year-end; (ii) they consist of the cash and cash equivalents without restrictions that would limit usage thereof in the 12 months following the closure of the year; or (iii) they are held mainly for trading.

result in a change in the qualification of the investment as a subsidiary are recorded directly in equity as transactions with shareholders. The book value of the equity attributable to Parent company shareholders and non-controlling interests are adjusted to reflect the change in the equity investment ownership. The difference between the book value of non-controlling interests and the fair value of the consideration paid or received is recorded directly under equity attributable to Parent company shareholders.

Otherwise, the selling of interests entailing loss of control requires the posting to the income statement of: (i) any capital gains or losses calculated as the difference between the consideration received and the corresponding portion of shareholders' equity transferred; (ii) the effect of the alignment to the fair value of any residual equity investment maintained; (iii) any amounts posted to other components in the comprehensive income statement relating to the former subsidiary that will be reclassified to the income statement. The fair value of any equity investment maintained at the date of loss of control represents the new reference value for the successive valuation of the equity investment according to the applicable valuation criteria.

Associates and joint ventures accounted for using the equity method

An associate is an investee in which the Group has significant influence, i.e., the power to participate in determining the financial and operating policies of the associate company, without, however, having control or joint control over it[163]. The investor is presumed to have significant influence (unless the contrary can be proven) if it owns, directly or indirectly through subsidiaries, at least 20% of the exercisable voting rights.

A joint venture is a joint arrangement in which the parties that hold this control have rights to the net assets subject to the arrangement and, therefore, have an interest in the jointly controlled corporate vehicle. Equity investments in associates and joint ventures are measured using the equity method, whereby the investments are initially recognised at cost and subsequently adjusted to take account of:

i. the investor's share in the economic results of the investee after the acquisition date;
ii. the investor's share of the other components in the comprehensive income statement of the investee.

Dividends distributed by the investee are recognised net of the book value of the equity investment. For the purposes of applying the equity method, the adjustments provided for the consolidation process are taken into account (see also the previous point on fully consolidated subsidiaries).

In the case of an associate relationship (or joint control) the cost of the investment is measured, in subsequent stages, as the sum of the fair values of the previously held interests and the fair value of the consideration transferred at the date the investment qualifies as an associate (or as jointly controlled). The effect of revaluing the book value of equity interests held prior to the assumption of the association (or joint control) is recognised in Other Comprehensive Income (OCI) or in profit or loss, depending on whether the equity interest is measured at fair value through other comprehensive income, or at fair value through profit or loss.

The sale of the investment that results in loss of joint control or significant influence over the investee determines the recognition of the following in the income statement: (i) any capital gains or losses calculated as the difference between the consideration received and the corresponding fraction of the book value of the investment sold; (ii) the effect of the alignment to the fair value of any residual equity investment maintained; (iii) any amounts posted to other components in the comprehensive income statement relating to the investee entity that will be reclassified to the income statement. The value of any equity investment maintained, aligned with the relative fair value at the date of loss of joint control or significant influence, represents the new reference value for the successive valuation according to the applicable valuation criteria.

If there is objective evidence of impairment, the Group performs an impairment test by comparing the book value with the relative recoverable value, recording this difference in the income statement under 'Share of profit or loss of investments accounted for using the equity method'. In the event that the Group's share of the loss exceeds the book value of the investment, the latter is written off and any excess is recognised in a special provision, if the investor is obliged to fulfil legal or implicit obligations of the investee company or otherwise cover its losses. When the reasons for the impairment losses no longer apply, equity investments are revalued up to the amount of the impairment losses entered, with the effect posted to the income statement under the above item.

Business combinations

Business combinations are transactions with which the group acquires control of a business. To determine whether a particular set of acquired assets and activities meets the definition of a 'business', the Group examines whether that set consists, at least, of inputs and processes applied to those inputs that have the ability to create outputs.

Business combinations are accounted for by applying the acquisition method, whereby the consideration transferred at the date of acquisition of control is equal to the fair value of the assets transferred, the liabilities incurred or taken on, and any equity instruments issued.

The consideration transferred also includes the current value of any deferred fixed payments and the fair value of any contingent considerations (e.g earn-outs). If the contingent consideration meets the definition of an equity instrument, it is classified as shareholders' equity and is not measured thereafter. Other contingent considerations are recognised as a liabilities and are measured at fair value at each financial year-end; changes in fair value are recognised in the income statement.

Costs directly attributable to the transaction, other than those related to the issue of debt or equity instruments, are recognised in the income statement when they are incurred.

The shareholders' equity of these associate companies is determined by attributing to each asset and liability its fair value at the date of acquisition of control. If positive, any difference from the consideration

[163] Joint control is an arrangement under which the unanimous consent of all parties sharing control is required for decisions on relevant activities.

transferred is posted to the asset item 'Goodwill'; if negative, it is posted instead to the income statement.

Where total control is not acquired, the share of equity attributable to non-controlling interests is determined based on the share of the current values attributed to assets and liabilities at the date of acquisition of control, net of any goodwill (the 'partial goodwill method'). Alternatively, the full amount of the goodwill generated by the acquisition is recognised, therefore also taking into account the portion attributable to non-controlling interests (the 'full goodwill method'); In this case, non-controlling interests are expressed at their total fair value, including the attributable share of goodwill. The choice of how to determine goodwill (Partial goodwill method or full goodwill method) is based on each individual business combination transaction.

If control is assumed in successive stages, the consideration transferred is determined by adding together the fair value of the equity investment previously held in the acquired company and the amount paid to acquire the additional equity investment. The difference between the fair value of the previously held equity investment (redetermined at the time of acquisition of control) and the relative book value is posted to the income statement. Upon acquisition of control, any components previously recognised under other components in the comprehensive income statement are posted to the income statement or to another item of shareholders' equity, if no provisions are made for classification in the income statement.

When the values of the assets and liabilities of the acquired entity are determined provisionally in the financial year in which the business combination is concluded, the figures recorded are adjusted, with retroactive effect, no later than 12 months after the acquisition date, to take into account new information about facts and circumstances in existence at the acquisition date.

Business combinations involving entities under joint control

Business combinations involving companies that are definitively controlled by the same company or companies before and after the transaction, and where such control is not temporary, are classed as 'Business combinations of entities under common control', whose accounting is not specifically disclosed in IFRS. In the absence of a reference accounting standard, the selection of an accounting standard for such transactions, for which a significant influence on future cash flows cannot be established, is guided by the principle of prudence, which leads to the application of the criterion of continuity of values of the net assets acquired. The assets are measured at the book values from the financial statements of the companies being acquired (or the vendor company) before the transaction or, alternatively, at the values from the consolidated financial statements of the common ultimate parent.

With regard in particular to the above transactions, relative to the sale of a business, the treatment of the difference between the contractually defined consideration and the carrying amounts of the transferred business is differentiated depending on the entities involved in the transfer.

With regard to contributions involving businesses under common control, on the other hand, irrespective of the pre-existing investment relationship, the transferee entity recognises the transferred business at its historical carrying value, increasing its own shareholders' equity by an equal amount; the transferring entity shall recognise the investment in the transferee entity at an amount equal to the increase in the latter's shareholders' equity. This accounting treatment refers to the proposal by Assirevi in the Preliminary Guidelines on IFRS (OPI No. 1 Revised) - 'Accounting treatment of business combinations of entities under common control in the separate and consolidated financial statements' issued in October 2016.

Accounting treatment of put options written on the shares of subsidiaries

Therefore, if the Group does not have the unconditional right to avoid delivery of cash or other financial instruments when a put option on shares in subsidiaries is exercised, a financial liability equal to the current value of the option exercise price is recognised and subsequent changes in the financial liability are recognised in the income statement. The same accounting treatment is applicable when, in addition to a put option, there is also the simultaneous presence of a symmetrical call option, the so-called 'symmetrical put and call options related to non-controlling interest'.

Snam considers that shares subject to put options (or symmetrical put and call options) have already been acquired by the Group, in cases where the economic benefits and risks associated with the actual ownership of the shares do not remain with the minority shareholders; therefore, in such circumstances, it does not recognise non-controlling interests in the consolidated financial statements.

5.2 Property, plant and equipment

Recognition and measurement

Property, plant and equipment are measured at cost, less accumulated depreciation and impairment losses. When a significant period of time is needed before the asset is ready for use, financial expenses incurred during the asset preparation period are also capitalised in the cost of the asset.

If there are current obligations for the decommissioning and removal of assets and restoration of the sites, the book value includes the estimated (discounted) costs to be incurred at the time that the structures are decommissioned, recognised as a contra-entry to a specific provision. The accounting treatment for revisions in these cost estimates, the passage of time and the discount rate are indicated in the Note 5.9 'Provisions for risks and charges, contingent liabilities and contingent assets'.

Subsequent costs of improvements, upgrades and transformations to/of property, plant and equipment are capitalised when it is likely that they will increase the future economic benefits expected. Costs are also capitalised when related to items purchased for security or environmental reasons which, although not directly improving the future economic benefits of existing assets, are necessary to carry out the company's operations.

Property, plant and equipment includes:

i. with regard to natural gas transportation, the value relating to the quantities of natural gas injected to bring natural gas pipelines into service. The valuation is carried out using the weighted average purchase price method. Specifically, the component of this quantity that can no longer be extracted (the 'initial line pack') is depreciated over the useful life of the plant to which it refers. On the contrary, the commercial component, which is eventually transferable to the market or can be put to alternative uses (the so-called 'Operating line pack'), is not subject to depreciation, since by its nature it cannot depreciate;
ii. in the context of natural gas storage, the part of the gas injected into the storage wells as cushion gas.

Recognition and measurement of leased assets

A contract is or contains a lease if it gives an entity the right to control the use of an identified asset for a certain period of time in exchange for a fee. For all leases with a term of more than 12 months and relating to assets that do not have a low value[164], an asset is recognised in the balance sheet on the effective date, i.e. when the asset is made available for use (i) within the item property, plant and equipment, which is representative of the right to use the asset, and (ii) a financial liability is recognised, which is representative of the obligation to make the payments under the contract.

In determining the duration of the lease, the group considers the non-cancellable period of the contract and, when it believes there is reasonable certainty, also the additional periods for the exercise of renewal options or the non-exercise of early termination options provided in the contract.

Liabilities for leases are recognised initially at an amount equal to the current value of the following lease payments not yet made at the lease commencement date:

(i) fixed (or substantially fixed) payments, net of any incentives to be received;
(ii) variable payments that depend on trends in rates or indices;
(iii) estimated future payments for any residual value guarantees, for the exercise of the purchase option and for any penalties related to the early termination of the contract, if the group considers the exercise of such options to be reasonably certain.

The current value of the payments is calculated using a discount rate equal to the group's marginal borrowing rate taking into account the frequency and duration of payments under the lease agreement.

Subsequent to initial recognition, the lease liability is measured at amortised cost and is redetermined, against the book value of the right-of-use asset, when there is a change in the lease payments due as a result of:

(i) contract renegotiations;
(ii) changes in rates or indices; or
(iii) changes in measurement made regarding the exercise of contractually-provided options (e.g. purchase of the leased asset or the extension or early termination of the contract). The right-of-use asset is initially recognised at cost, determined as the sum of the following components: the initial amount of the finance lease liability; the initial direct costs incurred by the lessee; any payments made on or before the lease commencement date, net of any incentives received by the lessor; and the best estimate of the costs that the group expects to incur for the decommissioning and removal of the asset as well as the eventual reclamation of the site (i.e. the costs to restore the asset to its contractual condition). After the initial recognition, the right-of-use asset is adjusted to take account of: depreciation and amortization expense; of any impairment losses and the related effects and any restatements of the financial lease liability.

Depreciation of property, plant and equipment

Starting when the asset is available and ready for use, owned and leased property, plant and equipment is systematically depreciated on a straight-line basis over its useful life, defined as the period of time in which it is expected that the company may use the asset. The amount to be depreciated is the book value, reduced by the projected net realisable value at the end of the asset's useful life, if this is significant and can be reasonably determined.

[164] The Group considers low-value goods to be all goods whose value is €25,000 or less, with the exception of cars, which are never considered as low-value goods.

The table below shows the annual depreciation rates used for the year in question, broken down into homogeneous categories, together with the relevant period of application[165]:

	Annual economic-technical depreciation rate (%)
Land	not depreciated
Buildings	2 or higher depending on the residual useful life
Plant and machinery – Transportation	
- Gas pipelines	2 or higher depending on the residual useful life
- Compression plants	5 or higher depending on the residual useful life
- Gas reduction and regulation plants	5 or higher depending on the residual useful life
- Radio links	25
- Monitoring and control instruments and systems	10 or higher depending on the residual useful life
Plant and machinery – Storage	
- Pipelines	2
- Treatment plants	4
- Compression plants	5
- Storage wells	1.66
- Monitoring and control instruments and systems	10 or higher depending on the residual useful life
Plant and machinery – regasification	
- Regasification plants	4 or higher depending on the residual useful life
- Tanks and oil pipelines	4 or higher depending on the residual useful life
Plant and machinery - Biogas/Biomethane	
- AGRI biogas/biomethane plants	3.7
- WASTE biogas/biomethane plants	4
Plant and machinery - Energy efficiency	
- Energy efficiency plants	5-10
Other plant and equipment	2.5-12.5
Other assets	
- Centralised IT infrastructures	20
- Measuring equipment	5-10
Industrial and Commercial Equipment	10-35
Rights of use for leased assets	< between the economic-technical life and contract duration

When an item recorded under property, plant and equipment consists of several significant components with different useful lives, a component approach is adopted, whereby each individual component depreciates separately.

5.3 Intangible assets and goodwill

Recognition and measurement of intangible assets and goodwill

Intangible assets are those non monetary assets without identifiable physical form, are controlled by the group and are capable of generating future economic benefits. They are recognised at cost net of amortization and any accumulated impairment losses.
Goodwill arising from the acquisition of subsidiaries is measured at cost less impairment losses.
Technical development costs are capitalised as intangible assets when: (i) the cost attributable to the intangible asset may be reliably determined; (ii) there is the intention, availability of financial resources and technical capacity to make the asset available for use or sale; and (iii) it can be shown that the asset is capable of producing future economic benefits.

Alternatively, costs for the acquisition of new knowledge or discoveries, investigations into products or alternative processes, new techniques or models, or the design and construction of prototypes, or incurred for other scientific research or technological developments, which do not meet the conditions for capitalisation are considered current costs and charged to the income statement for the period in which they are incurred.

The book value of the storage concessions, which represents the reserves of natural gas in the fields (so-called cushion gas), which does not undergo depreciation, as:
(i) the volume of this gas is not changed by the storage activity;
(ii) the economic value of the gas that can be recovered at the end of the concession, in accordance with the provisions of the Ministerial Decree of 3 November 2005 'Criteria for determining an adequate consideration for the remuneration of assets allocated to a concessionaire for the storage of natural gas' of the Ministry of Productive Activities (MAP), is not less than the value recorded in the financial statements.

[165] The application rate or internal could be higher depending on the residual life following business combination acquisitions and/or transactions.

Amortization of intangible assets with a finite useful life

Intangible assets with a finite useful life are amortised systematically over their useful life, which is understood to be the period of time in which it is expected that the company may use the asset.
The table below shows the annual depreciation rates used for the year in question, broken down into homogeneous categories, together with the relevant period of application:

	Annual economic-technical depreciation rate (%)
Storage concessions	not depreciated: the residual value is greater than the book value
Information systems	20-33
Other intangible assets	20 or depending on the duration of the contract

5.4 Public and private grants

Capital grants given by public authorities are recognised when there is reasonable certainty that the conditions imposed by the granting government agencies for their allocation will be met, and they are recognised as a reduction to the purchase or production cost of their related assets. Similarly, capital grants received from private entities are recognised in accordance with the same regulatory provisions.

Operating grants are recognised in the income statement on an accruals basis, consistent with the relative costs incurred.

5.5 Impairment of non-financial assets

Impairment of property, plant and equipment and intangible assets with a finite useful life.

At least once a year, non-financial, PPE and intangible assets with a finite useful life are analysed to uncover any indicators of impairment.

When there are indications that an impairment loss may exist or when events occur leading to the assumption of impairment of property, plant and equipment or intangible assets with a finite useful life, their recoverability is tested by comparing the book value with the related recoverable value, which is the fair value, net of disposal costs(see paragraph 5.8 'Significant accounting policies - Measurement at fair value'), or the value in use, whichever is greater.

The valuation is made on a per-asset basis or for the smallest identifiable set of assets that, through ongoing use, generates cash inflows largely independent of those of other assets or groups of assets (Cash Generating Unit - CGU).

The recoverable amount, in the value in use configuration, is determined by discounting projected cash flows resulting from the use of the asset and, if they are significant and can be reasonably determined, from its sale at the end of its useful life, net of any disposal costs.

This methodology is applied for the Biomethane Agri, Biomethane Waste, Greenture and ITG CGUs, as well as for the Energy Efficiency CGU grouping.

With reference to the Transportation (Snam Rete Gas), Regasification (FSRU Piombino and LNG) and Storage (Stogit) CGUs, the recoverable value was defined as corresponding to the estimated value of the Net Invested Capital recognised to these assets for tariff purposes (RAB - Regulatory Asset Base) by ARERA, the energy regulator, including lump-sum net working capital, net of adjustment items, including employee severance indemnity, the provision for decommissioning where applicable, and grants received.

Expected cash flows are determined on the basis of reasonable and documentable assumptions representing the best estimate of the future economic conditions of the business or group of businesses, with greater weight given to external indications. Discounting is done at a rate reflecting current market conditions for the time value of money and specific risks of the asset not reflected in the estimated cash flows.

If the book value of the asset or CGU is greater than its recoverable amount, an impairment loss is recognised in the income statement; a CGU's impairment losses are first recognised as a reduction in the book value of any goodwill (see next point 'Impairment of goodwill and intangible assets not yet available for use') allocated to it and then as a reduction in the book value of the other assets of the CGU, in proportion to their respective book values. The book value of each Cash Generating Unit (or grouping of CGUs), consistently with the prevailing valuation practice, is equal to the respective Net Invested Capital recorded at the level of Snam's consolidated financial statements at the reference date for carrying out the impairment test.

If the conditions for a previously effected impairment no longer apply, the book value of the asset (except for goodwill) is restored with recognition in the income statement (recovery of value), within the limits of the net book value that the asset in question would have had if the impairment had not been carried out and any related amortization had been carried out.

If certain specific assets owned by the Group are affected by unfavourable conditions of an operational or economic nature, such that their ability to contribute to the realisation of cash flows is impaired, they may be subject to an independent recoverability analysis and, if necessary, written down.

Impairment of goodwill and intangible assets not yet available for use

The recoverability of the book value of goodwill and intangible assets not yet available for use is tested at least annually, and in any case when events occur leading to an assumption of impairment.

Pursuant to the provisions of IFRS 3, in the context of business combinations, the acquirer, at the acquisition date, recognises all assets, liabilities and identifiable contingent liabilities under the acquisition at their fair values and any residual difference with respect to the acquisition cost, if positive, is recognised under Goodwill; if negative, it is recognised in the income statement.

For the purpose of impairment testing, goodwill is allocated, as of the acquisition date, to each Cash Generating Unit, or grouping of CGUs, that is expected to benefit from the synergies of the combination.

After its initial recognition, goodwill is not amortised but is instead subject to a recoverability test at least annually by determining the recoverable value of the CGU or group of CGUs to which it is allocated (following the procedures described in the note 'Impairment of PPE and intangible assets of finite useful life'); this is then compared to the book value of the CGU itself (or group of CGUs). The book value of each Cash Generating Unit (or grouping of CGUs), consistently with the prevailing valuation practice, is equal to the respective Net Invested Capital recorded at the level of Snam's consolidated financial statements at the reference date for carrying out the impairment test.

When the book value of the CGU (or group of CGUs), including the goodwill attributed to it, exceeds the recoverable value, the difference is subject to impairment, which is attributed by priority to the goodwill up to its amount; any surplus in the impairment with respect to the goodwill is attributed pro rata to the book value of the assets constituting the CGU (or group of CGUs). Goodwill write-downs are not reversed, even if the reasons for the write-down no longer apply in subsequent years.

Reduction in value of investments

In the presence of indications of impairment, or when events occur that lead to a presumed reduction in the value of investments, their recoverability is verified by comparing the book value with the relative recoverable value, represented by the greater of the fair value, net of disposal costs (see section 5.8 'Significant accounting policies - Fair Value Measurements'), and the value in use, determined through the application of the Dividend Discount Model (DDM) or the Discounted Cash Flow[166] (DCF) method (the present value of expected cash flows is determined as indicated in the previous section 'Impairment of property, plant and equipment and intangible assets with a finite useful life'). The application of the Dividend Discount Model (DDM) provides that the recoverable value, in the configuration of the value in use, is determined by discounting the expected dividend flows on the basis of the forecast plans of the investee companies drawn up according to reasonable and documentable assumptions, discounted at the cost of the capital ("Ke") which includes any specific risks not reflected in the estimated cash flows.

5.6 Inventories

Inventories, including compulsory inventories, are recorded at the lower of purchase or production cost and net realizable value, which is the amount that the entity expects to receive from their sale in the normal course of business, net of the estimated costs for the completion and the realisation of the sale.

The cost of natural gas inventories is determined using the weighted average cost method.

It should be noted that any transactions involving strategic gas, which are subject to prior authorisation by the Italian Ministry of Enterprises and Made in Italy (MiMIT), entail a withdrawal and subsequent replenishment of the quantities of gas from the strategic reserve, not resulting in any movement of the stock[167].

5.7 Financial instruments

Non-derivative financial assets - cash and cash equivalents

Cash and cash equivalents include cash amounts, on demand deposits, and other short-term financial assets with a term of less than three months, or convertible into cash within that period, and subject to an insignificant risk of change in value. They are recorded at nominal value, corresponding to the fair value.

Non-derivative financial assets - receivables and debt securities

Debt securities held by the group consist mainly of trade receivables, financial receivables and other receivables.

Initial recognition is at fair value, except for trade receivables without a significant financial component, whose initial recognition value is the transaction price as defined by IFRS 15.
Subsequent to initial recognition, financial assets represented by debt securities are measured on the basis of both the following:

- the business model identified for the management of financial assets (the so-called 'Business Model');
- the characteristics relating to the contractual cash flows of the financial asset, i.e., whether the cash flows generated by the financial asset consist solely of principal payments and accrued interest on the amount of principal to be repaid (the so-called 'Solely Payments of Principal and Interest' or SPPI).

Debt securities represented by trade and financial receivables are held for the purpose of collecting their contractual cash flows (the so-called 'Hold To Collect Business Model'). Therefore, if, on the basis of the type of instrument and contractual characteristics, these financial assets generate contractual cash flows representing only principal and interest payments, they are subsequently measured at amortised cost. Instead, financial assets whose cash flows do not meet SPPI requirements are classified and measured at fair value through profit or loss (so-called FVTPL).

In contrast, receivables from invoice rebates to customers in the energy efficiency business (so-called 'Ecobonus' and 'Superbonus' credits) - and which are converted into tax credits - if held with the objective of

[166] If the Discounted Cash Flow (DCF) method is used, the results are adjusted for the respective net financial positions.
[167] Meaning the risk, the timing or the amount of the future cash flows of the entity are not intended to change following these transactions (IFRS 15.9d)

realizing cash flows through sale (so-called 'Other' Business Model) are measured at fair value with the effects recognised in profit or loss (so-called FVTPL).

The rationale behind the determination of fair value is explained in Note 5.8 'Significant accounting policies' - 'Fair value measurement' respectively.

According to the amortised cost method the initial book value is then adjusted to account for repayments of principal, any impairments for credit losses and the amortization of the difference between the repayment amount and the initial book value.

Amortization is carried out using the effective internal interest rate, which represents the rate that would make the present value of projected cash flows and the initial recognition value equal at the time of the initial recording.

Financial assets measured at amortised cost are presented in the statement of financial position net of the related provision for impairment.
In order to measure expected losses (so-called 'Expected Credit Losses' or 'ECL'), trade receivables are measured using the so-called 'simplified approach' provided for by IFRS 9, or - due to the absence of a significant financial component - by estimating expected losses over the life of the receivable (so-called 'Lifetime ECL').

The assessment of the recoverability of trade receivables is made on both an individual and collective basis depending on the type of asset and counterparty and also whether there is reasonable and demonstrable information useful to make an assessment at the individual instrument level.

In particular, for trade receivables arising from regulated activities, which currently represent a significant part of receivables, the measurement of expected losses enhances the hedging and guarantee mechanisms established by the Authority, the Codes, and existing contractual agreements that are capable of significantly reducing the risks arising from possible customer default. For more details, see Note 26.3 'Financial Risk Management' - 'Credit Risk'.

For trade receivables related to unregulated activities, the group applies a specific definition of default, determined by taking into account the characteristics of the operating segments to which the subsidiaries belong as well as the riskiness of the receivables and customers being assessed. Therefore, beyond the time limit of default, trade receivables are assumed to be impaired (i.e. credit-impaired).
In particular, expected losses are generally determined on the basis of the product between:

i. the amount of the exposure to the counterparty at the time of default (the so-called 'Exposure At Default' or 'EAD');
ii. the probability that the counterparty will default on its payment obligations (the 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 (the so-called 'Loss Given Default' or 'LGD').

With regard to the ECL parameters listed above, the group considers the following assumptions:

i. PD is determined according to the type of counterparty on the basis of:
   - qualified external providers (e.g. for listed companies);
   - regional ratings (e.g. for public administration) by leading rating agencies;
   - average default rate calculated for groups of customers broken down by common credit risk (so-called 'cluster') considering historical data over a period of at least 24 months;
ii. the LGD is obtained on the basis of market standards that assess the recovery rate of the exposure depending on the region and sector of the counterparty (e.g. corporate, government and retail);
iii. the EAD is determined to be equal to the face value of the claim at the valuation date, less any related mitigating factors, including any guarantee received.

In the case of credit exposures in litigation and where detailed information is available on the recoverability of the exposure, analytical assessments are performed in order to better reflect the actual riskiness of the position in the determination of expected losses. The exposures for which credit recovery actions have been activated through legal/ court proceedings are defined as litigation.

Impairment of trade receivable and other receivables is recognised in the income statement, net of any write-backs, under the item 'Other operating expenses'.

Transferred financial assets are derecognised from the balance sheet assets when the contractual rights to obtain the cash flows associated with the financial instrument expire, or all risks and rewards associated with the transferred receivable are transferred to a third party in accordance with the guidance on derecognition of financial assets set forth in IFRS 9.

Non-derivative financial assets - minority investments

Financial assets representing minority investments, as they are not held for trading purposes, are measured at fair value alternatively with recognition of the effects: (i) in the income statement (so-called fair value measurement recognized in the income statement or FVTPL) or (ii) in the equity reserve that holds the other components of comprehensive income, without provision for their reclassification to the income statement in the event of realization (so-called fair value measurement recognized in the statement of comprehensive income or FVTOCI).
This classification can be made on a security-by-security basis, only upon initial recognition, and is irrevocable. Dividends, from profits or profit reserves, from these equity investments are recognised in the income statement under 'Income (expenses) from equity investments'. Valuation at cost of a minority investment is permitted in the limited cases where cost represents an adequate estimate of fair value.

Financial liabilities

Financial liabilities, unlike derivative instruments, including financial payables, trade payables and other payables, are initially recorded at fair value less any transaction-related costs; they are subsequently recognised at amortised cost using the effective interest rate for discounting purposes, as demonstrated in the previous point 'Non-derivative financial assets - debt securities'.

Financial liabilities are derecognized upon extinguishment or upon fulfilment, cancellation or maturity of the contractual obligation.

Offsetting of financial assets and liabilities

Financial assets and liabilities are offset in the statement of financial position when there is a currently legally enforceable right to set-off and the intention either to settle the relationship on a net basis (i.e. to realise the asset and settle the liability simultaneously).

Financial derivatives and hedge accounting

Financial derivatives, including embedded derivatives, are assets and liabilities recognised at fair value. Under the scope of the strategy and objectives defined for risk management, the qualification of transactions as hedging requires: (i) the verification of the existence of an economic relationship between the object hedged and the hedging instrument for the purpose of offsetting the changes in value and ensuring this offsetting capacity is not invalidated by the level of counterparty credit risk; (ii) the definition of a hedge ratio consistent with the risk management objectives, under the scope of the risk management strategy defined, where necessary activating the appropriate rebalancing actions. The amendments of the risk management objectives, the disappearance of the conditions indicated previously for the qualification of transactions as hedging or the activation of rebalancing operations cause the total or partial prospective discontinuation of the hedge.
In order to qualify a transaction as a hedge, at the start of the hedge a formal document is prepared that illustrates the strategies and objectives of the risk management and identifies the hedging instrument, the instrument hedged, the nature of the risk hedged and the methods through which the evaluation of whether the hedge relationship satisfies the hedge effectiveness requirements takes place.

When hedging derivatives hedge the risk of changes in the fair value of the hedged instruments ('fair value hedge'; e.g. hedge of the risk of fluctuations in the fair value of fixed-rate assets/liabilities), the derivatives are recognised at fair value with attribution of the effects on the income statement; by the same token, the hedged instruments are adjusted to reflect in the income statement the changes in fair value associated with the hedged risk, regardless of the provision of a different valuation criterion generally applicable to the instrument type.

The group subscribes to derivative instruments to cover the risk of changes in cash flows (cash flow hedges) as a result of fluctuations in interest rate or exchange rates. Changes in the fair value of hedging derivatives considered effective are initially recognised in the shareholders' equity reserve relating to other components in the comprehensive income statement and are subsequently reclassified to profit or loss in line with the economic effects produced by the hedged transaction. In the case of hedging future transactions that involve the recording of a non-financial asset or liability, the cumulative variations of the fair value of the hedge derivatives, recognised in shareholders' equity, are recognised in the adjustment of the book value of the non-financial asset/liability subject to hedging (basis adjustment).

The ineffective portion of the hedge and the changes in the fair value of derivatives that do not meet the qualifying conditions for hedging are recognised in the income statement.

Treasury shares

Treasury shares, including those held to service share-based payment plans (share incentive plans), are measured at cost and entered as a reduction of shareholders' equity. The economic effects arising from any subsequent sales are recognised in shareholders' equity.

Distribution of dividends

The distribution of dividends to the Company's shareholders entails the recording of a payable in the financial statements for the period in which distribution was approved by the Company's shareholders or, in the case of interim dividends, by the Board of Directors.

5.8 Fair value measurement

The fair value is the amount that may be received for the sale of an asset or that may be paid for the transfer of a liability in a regular transaction between market operators as at the valuation date (i.e. exit price).
The fair value of an asset or liability is determined by adopting the valuations that market operators would use to determine the price of the asset or liability. A fair value measurement also assumes that the asset or liability would be traded on the main market or, failing that, on the most advantageous market to which the Company has access.

The fair value of a non-financial asset is determined by considering the ability of market participants to generate economic benefits by deploying that asset to its highest and best use, or by selling it to another market participant who can use it to maximise its value. The maximum and best use of an asset is determined from the perspective of market operators, also hypothesising that the company intends to put it to a different use; the current use by the company of a non-financial asset is assumed to be the maximum and best use of this asset, unless the market or other factors suggest that a different use by market operators would maximise its value.

The fair-value measurement of a financial or nonfinancial liability, or of an equity instrument, takes into account the quoted price for the transfer of an identical or similar liability or equity instrument; if this quoted price is not available, the valuation of a corresponding asset held by a market operator as at the valuation date is taken into account. The fair value of financial instruments is determined by taking into account the credit risk of the counterparty of a financial asset (the so-called 'Credit Valuation Adjustment' (CVA) and the risk of default, by the entity itself, with respect to a financial liability (the so-called 'Debit Valuation Adjustment' - DVA).

When determining fair value, a hierarchy is set out consisting of criteria based on the origin, type and quality of the information used in the calculation. This classification aims to establish a hierarchy in terms of the reliability of the fair value, giving precedence to the use of parameters that can be observed on the market and that reflect the assumptions that market participants would use when valuing the asset/liability.

The fair value hierarchy includes the following levels:

- level 1: listed prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date;
- level 2: inputs, other than the quoted prices included in Level 1, that can be directly or indirectly observed for the assets or liabilities to be valued;
- level 3: inputs for assets or liabilities that are not based on observable market data.

In the absence of available market quotations, the fair value is determined by using valuation techniques suitable for each individual case that maximise the use of significant observable inputs, whilst minimising the use of non-observable inputs.

5.9 Provision for risks and charges, contingent liabilities and contingent assets

Provisions for risks and charges concern costs and charges of a certain nature which are certain or likely to be incurred, but for which the amount or date of occurrence cannot be determined at the end of the year.

The provisions are recognised when: (i) the existence of a current legal or implied obligation arising from a past event is probable; (ii) it is probable that the fulfilment of the obligation will involve a cost; (iii) the amount of the obligation can be reliably determined. Provisions are recognised at the value representing the best estimate of the amount that the organisation would rationally pay to settle the obligation or to transfer it to a third party at the end of the reporting period; provisions relating to onerous contracts are recognised at the lower of the cost of fulfilling the obligation, net of the expected economic benefits arising from the contract, and the cost of terminating the contract.

When the financial impact of time is significant, and the payment dates of the obligations can be reliably estimated, the provision is calculated by discounting the anticipated cash flows in consideration of the risks associated with the obligation at the Company's average debt rate; the increase in the provision due to the passing of time is posted to the income statement under 'Financial income (expense)'.

When the liability is related to items of property, plant and equipment (e.g. decommissioning and site restoration), the provision is recognised as a contra-entry to the related asset, and charged to the income statement through depreciation.

The costs that the company expects to incur to initiate restructuring programmes are recognised in the period in which the programme is formally defined, and the parties concerned have a valid expectation that the restructuring will take place.

Provisions are periodically updated to reflect changes in cost estimates, realisation times and the discount rate; revisions in provision estimates are allocated to the same item of the income statement where the provision was previously reported or, when the liability is related to property, plant and equipment (e.g. decommissioning and site restoration), as a contra-entry to the related asset, up to the book value; any surplus is posted to the income statement.

The notes to the financial statements describe contingent liabilities represented by: (i) possible (but not probable) obligations resulting from past events, the existence of which will be confirmed only if one or more future uncertain events occur which are partially or fully outside the Company's control; (ii) current obligations resulting from past events, the amount of which cannot be reliably estimated, or the fulfilment of which is not likely to involve costs.

Contingent assets, or possible assets that result from past events and whose existence will only be confirmed when one or more uncertain future events, not totally under the control of the business, occur or do not occur, are not recognised unless obtaining the related benefits is virtually certain. If obtaining the benefits is probable, the contingent assets are illustrated in the notes to the financial statements.

5.10 Non-current assets held for sale and discontinued operations

Non-current assets or disposal groups consisting of assets and liabilities are classified as held for sale if their book value will be recovered mainly by their sale rather than through continued use. This condition is regarded as fulfilled when the sale is highly probable and the asset or discontinued operations are available for immediate sale in their current condition. When there is a plan to sell a subsidiary that results in the loss of control, all of the assets and liabilities of that investee are classified as held for sale, regardless of whether a non-controlling interest is retained after the sale. Verification of compliance with the conditions for classifying an item as intended for sale entails management making subjective assessments by making reasonable and realistic assumptions based on available information.

Immediately prior to classification as held for sale, the assets and liabilities included in a disposal group are measured in accordance with the accounting standards applicable to them. Subsequently, non-current assets held for sale are not amortised or depreciated and are measured at the lower of book value and related fair value, less any sales costs (see section 5.8 'Accounting policies - Fair-value measurements' above).

The classification of investments accounted for using the equity method as held for sale implies the suspension of the application of this valuation criterion. Any negative difference between the book value of the non-current assets and their fair value less selling costs is posted to the income statement as an impairment loss; any subsequent recoveries in value are recognised up to the amount of the previously recognised impairment losses, including those recognised prior to the asset being classified as held for sale.

Non-current assets and disposal group-related assets and liabilities held for sale are recognised in the statement of financial position separately from the group's other assets and liabilities.

Non-current assets and disposal groups, classified as held for sale, constitute a discontinued operation if, alternatively:

i. they represent a significant autonomous business unit or a significant geographical area of operations;
ii. they are part of a plan to dispose of a significant autonomous business unit or a significant geographical area of operations; or
iii. they relate to a subsidiary acquired exclusively to be sold.

The economic results of discontinued operations, as well as any capital gains/losses realised on the disposal, are recorded separately in the Income Statement, net of related tax effects, including for the comparative periods.

When events occur that no longer permit non-current assets or disposal groups to be classified as held for sale, they are reclassified to the respective items in the statement of financial position and recognised at the lower of the following: the book value at the date of classification as held for sale; and (ii) the recoverable amount at the reclassification date.

5.11 Revenues

Revenues are measured for the amount equal to the fair value of the consideration which the business believes it has the right to in exchange for the goods and/or services promised to the customer, with the exception of amounts collected on behalf of third-parties. If there is a variable consideration, the business estimates the amount of the consideration it shall have the right to in exchange for the transfer of goods and/or services promised to the customer; in particular, the amount of the consideration may vary in the presence of discounts, refunds, incentives, price concessions, performance bonuses, penalties or if the price itself depends on the occurrence or non-occurrence of certain future events.
Revenues from the Snam Group's revenues from ordinary operations mainly refer to services related to transportation, dispatching and storage activities and liquefied natural gas regasification, which are recognised in the financial statements over the period in which the service is rendered, whether 'regulated' or 'unregulated'.

The recognition of revenues for regulated services is conditioned and influenced by the regulatory framework defined by ARERA, the energy regulator, therefore the economic conditions of the services provided are defined through regulatory schemes and not on a negotiation basis. Tariff revenues recognised in the income statement coincide with those recognised by the regulator (so-called 'revenue cap').

Within the Transportation business segment, the revenues recognised in the income statement are updated on the basis of the best estimate of the benchmarks included in the ROSS-Base methodology (Settlement by Objectives of Expenditure and Service). Based on this methodology, the amount of revenue allowed for each year will be defined by the end of the year following the reporting year. Any difference between the revenue recognised by the regulator and the accrued revenue is recognised in the line item 'Trade and other receivables', if positive, and in the line item 'Trade and other payables', if negative, inasmuch as it will be subject to cash settlement with the Energy and Environmental Services Fund (CSEA).

In the Regasification and Storage segments any difference between the revenue recognised by the regulator and the accrued revenue is recognised in the line item 'Trade and other receivables', if positive, and in the line item 'Trade and other payables', if negative, inasmuch as it will be subject to cash settlement with the Energy and Environmental Services Fund (CSEA).

Non-regulated revenues mainly involve: (i) fees for the construction of biogas and biomethane plants and for the sale of biomethane and electricity; (ii) technical/specialist services to unconsolidated foreign companies; (iii) the provision of services relating to energy efficiency projects; (iv) the sale of compressors for the automotive sector - CNG and compression services provided by refuelling stations. These revenues are recognised over the period of service provision.

With specific reference to the principle of neutrality defined by applicable regulations, transactions carried out on the balancing market generate neither costs nor revenue, as they are mere pass-through items. Any (positive or negative) differences from the usage of different prices for the transactions above will be neutralized by recognizing an asset or liability for CSEA, given that these differences are equalized by the latter.

5.12 Employee benefits

Short-term employee benefits

Short-term benefits for employee are recognised as a cost at the time when the service is rendered. The Group recognises a liability, classified under 'Trade payables and other payables' for the amount due to be paid when it has a current legal or constructive obligation to make such payments.

Post-employment benefits

Post-employment benefits are defined according to programmes, including non- formalised programmes, which, depending on their characteristics, are classed as 'defined-benefit' or 'defined-contribution' plans.

Defined benefit plans

The liability associated with defined-benefit plans is determined by estimating the present value of the future benefits accrued by the employees during the current year and in previous years, and by calculating the fair value of any assets servicing the plan. The present value of the obligations is determined based on actuarial assumptions and is recognised on an accruals basis consistent with the employment period necessary to obtain the benefits.
Actuarial gains and losses relating to defined-benefit plans arising from changes in actuarial assumptions or experience adjustments are recognised in the comprehensive income statement in the period in which they occurred,and are not subsequently recognised in the income statement. When a plan is changed, reduced or extinguished, the relative effects are recognised in the income statement.
Net financial expense represents the change that the net liability undergoes during the year due to the passing of time. Net interest is determined by applying to the liabilities, net of any plan assets, the discount

rate used for discounting the liabilities. The net financial expense of defined-benefit plans is recognised in 'Financial expense (income)'.

Defined contribution plans

In defined-contribution plans, the Company's obligation is calculated, limited to the payment of state contributions or to equity or a legally separate entity (fund), based on contributions due.
The costs associated with defined-benefit contributions are recognised in the income statement as and when they are incurred.

Other non-current benefits

Obligations relating to other long-term benefits are calculated using actuarial assumptions; the effects arising from the amendments to the actuarial assumptions or from the adjustments made based on past experience are recognised entirely in the income statement.

Benefits due for the termination of employment

Employee termination benefits are recognised as an expense when the Group is committed without recourse to offering such benefits or when the Group recognises restructuring costs, whichever is earlier.

Share-based payments (share-based incentive plan)

Employee benefits, consistent with the substantial nature of remuneration, include the cost of share-based incentive plans. The cost of the incentive is determined with reference to the fair value of the instruments granted and the forecast of the number of shares that will actually be granted; the portion pertaining to the financial year is determined pro rata temporis over the vesting period, i.e., the period between the grant date and the assignment date. The fair value of the shares underlying the incentive plan is calculated at the grant date taking into account the forecasts with regard to reaching the performance parameters associated with market conditions and is not adjusted in future financial years; when obtaining the benefit is also connected to conditions other than market conditions, the estimate relating to these conditions is reflected by adjusting the number of shares during the vesting period that are expected to effectively be allocated.

5.13 Accounting for environmental certificates - Emission trading systems

The European Emission Trading System, established to manage and trade emission allowances, sets an upper limit for greenhouse gas emissions produced over the course of a year, for which a certain number of emission allowances are issued free of charge by the competent national authorities. In the course of the year, depending on the actual greenhouse gas emissions produced, each company has the option to sell or the obligation to acquire emission allowances on the market for a consideration.
Allowances purchased for a consideration to offset emissions released into the atmosphere during the year are recognised in the income statement; any quotas purchased in excess of requirements are recognised under 'Other current assets', while any quotas allocated free of charge, not used in the year of allocation, are not recognised in the balance sheet as they are used for the following year's requirements.

In the case of any deficit emission allowances for which no market purchase has been made at the end of the reporting period, the cost and the corresponding liability are recognised at the end of the financial year at market value.

5.14 Foreign currency transactions

The criteria adopted by Snam to convert transactions in currencies other than the functional currency (the Euro) are summarised below:

- revenue and costs relating to transactions in currencies other than the functional currency are recognised at the exchange rate in effect on the day when the transaction was carried out;
- monetary assets and liabilities in currencies other than the functional currency are converted into Euro by applying the exchange rate in effect on the reporting date, allocating the effect to the income statement;
- non-monetary assets and liabilities in currencies other than the functional currency which are measured at cost are recognised at the initially recorded exchange rate; when the measurement is made at fair value or recoverable or realisable value, the exchange rate used is that in effect on the measurement date.

5.15 Income taxes

Current income taxes are calculated on the basis of estimated taxable income. Tax payables and receivables for current taxes are recognised at the value expected to be paid/recovered to/ from the tax authorities by applying the tax rates and regulations in force or substantially approved at the end of the reporting period. As far as corporate income tax (IRES) is concerned, Snam has opted for the national tax consolidation scheme, which 25 subsidiaries formally participate in. The expected liability is recognised under 'Current tax liabilities'.

The regulations governing Snam Group companies' participation in the national tax consolidation scheme require:

- subsidiaries with positive taxable income to pay the amount due to Snam. The taxable income of the subsidiary, used to determine the tax, is adjusted to account for the recovery of negative components that would have been non-deductible without the consolidation scheme (e.g. interest expense) and any negative taxable income relating to the subsidiary's equity investments in consolidated companies;
- subsidiaries with negative taxable income, if and insofar as they have prospective profitability which, without the national tax consolidation scheme, would have enabled them to recognise deferred tax assets related to the negative taxable income on the separate financial statements, receive from their shareholders – in the event that these are companies with a positive taxable income or a negative taxable income with prospective profitability – or from Snam in other cases, compensation amounting to the lower of the tax saving realised by the Group and the aforementioned deferred tax assets.

Regional production tax (IRAP) is recognised under the item 'Current tax liabilities' - 'Current tax assets'.

Deferred taxes are calculated on the timing differences between the values of the assets and liabilities entered in the balance sheet and the corresponding values recognized for tax purposes, based on the prevailing tax regulations and rates applicable in financial years in which the temporary difference will be cancelled, approved or essentially approved at the end of the relevant reporting period. Deferred tax assets are recognised when their recovery is considered probable; specifically, the recoverability of deferred tax assets is considered probable when taxable income is expected to be available in the period in which the temporary difference is cancelled, allowing for the activation of the tax deduction. Similarly, unused tax credits and deferred tax assets on tax losses are recognised within the limits of their recoverability; with reference to deferred tax assets, their recoverability is verified at least annually.

If there are uncertainties over the application of tax regulations: (i) in cases where it is deemed probable that the tax authorities will accept the uncertain tax treatment, the income taxes (current and/or deferred) to be recognised in the financial statements according to the tax treatment applied or which it is expected to apply during the tax return are calculated; (ii) in cases where it is not deemed probable that the tax authorities will accept the uncertain tax treatment, this uncertainty is reflected in calculating the (current and/or deferred) income taxes to be recognised in the financial statements.

Deferred tax assets and deferred tax liabilities are classified under non-current assets and liabilities and are offset at individual company level if they refer to taxes which can be offset and/or at the level of the consolidating company in the presence of the taxation regime set out in the national consolidation scheme. The balance of the offsetting, if it results in an asset, is recognised under the item 'Deferred tax assets'; if it results in a liability, it is recognised under the item 'Deferred tax liabilities'. When the results of transactions are recognised directly in equity, current and deferred taxes are also posted to equity.

Global Minimum Tax (Pillar II)

Effective from 1 January 2024, the Snam Group falls within the scope of the pillar-two income taxes provided for by Directive 2022/2523, adopted in Italy by Legislative Decree 209/2023 ('the Decree'), aimed at ensuring a minimum global level of taxation for multinational groups of companies.
Specifically, Snam, together with its 'minority subsidiaries' (i.e. other 'entities' consolidated item by item by CDP in which Snam holds a 'controlling interest'), qualifies as a 'minority subgroup' (see Article 38, paragraph 1, letter c, of the Decree), attributable to the CDP Group.
The latter has as its 'parent company', Cassa Depositi e Prestiti S.p.A. (CDP), which qualifies as an Ultimate Parent Entity - UPE - as it consolidates 'item by item' various 'entities' (including CDP Reti and Snam as well as other entities in which Snam holds a stake) and is not, in turn, consolidated 'item by item' by another 'entity'.

As required by paragraph 4.A of IAS 12, in derogation from the provisions of this standard, Snam has not detected or communicated information on deferred tax assets and liabilities relating to second pillar income taxes.

Based on the information gathered and processed in accordance with current regulations, a reasonable estimate was made of the Snam Group's exposure to pillar-two income taxes at 31 December 2024. The exposure estimate was not found to be material.
It should be noted that the above estimate was made taking into account the specific conditions in the Decree and in the OECD GloBE Rules for the treatment of 'Minority-Owned Subgroups' with regard to both the so-called 'simplified transitional arrangements' and the 'global minimum tax' (full compliance).

5.16 Segment reporting (operating segments)

The information on business segments was prepared in accordance with the provisions of IFRS 8 - 'Operating Segments'. The identification of the operating segments and the information presented are defined on the basis of the internal reporting used by Company's Chief Operating Decision Maker ("CODM") management for the allocation of resources to the various segments and for the analysis of their performance.

An operating segment is defined by IFRS 8 as the component of an entity: (i) that engages in business activities from which it may earn revenue and incur expenses (including revenue and expenses relating to transactions with other components of the same entity); (ii) that has operating results which are regularly reviewed by the entity's most senior decision-makers for the purpose of making decisions about resources to be allocated to the segment and assessing its performance; (iii) for which separate financial information is available.

With reference to the 2024 financial year, the business segments subject to reporting under IFRS 8 are represented by: (i) the Transportation segment, relating to natural gas transportation activities; (ii) the Regasification segment, relating to Liquefied Natural Gas regasification activities; (iii) the Storage segment, relating to natural gas storage activities; (iv) the Energy transition segment, relating to energy efficiency, biogas/ biomethane business and hydrogen start-up projects, as well as Carbon Capture and Storage (CCS) projects.
Activities related to the unregulated mobility and liquefaction business do not constitute a separately reported operating segment.

6) ASSUMPTIONS AND UNCERTAINTIES IN ESTIMATES

The application of generally accepted accounting principles for the preparation of financial statements involves management making accounting estimates based on complex and/or subjective judgements, estimates based on past experience and assumptions regarded as reasonable and realistic on the basis of the information known at the time of the estimate. The use of these accounting estimates affects the carrying value of assets and liabilities and the disclosure of contingent assets and liabilities at the end of the reporting period, as well as the amount of revenues and costs in the reporting period. Actual results may differ from those estimated due to the uncertainty surrounding the assumptions and conditions on which the estimates are based. Details are given below about the critical accounting estimates involved in the process of preparing the financial statements and interim reports, since they involve a high degree of recourse to subjective judgements, assumptions and estimates regarding matters that are by nature uncertain. Changes in the conditions forming the basis of the judgements, assumptions and estimates used could have a significant impact on subsequent results.

6.1 Impairment of non-financial assets

Non-financial assets are impaired when events or changes in circumstances give cause to believe that the book value is not recoverable. The events that can lead to an impairment of assets include changes in business plans, changes in market prices or a reduced use of plants. The decision on whether to apply impairment and the quantification of any such impairment depend on the Company's management assessment of complex and highly uncertain factors, such as future price trends, the impact of inflation and technological improvements on production costs, production profiles and conditions of supply and demand. The impairment is determined by comparing the carrying amount with the relevant recoverable amount, represented by the higher of fair value, net of disposal costs, and value in use determined by discounting the expected cash flows from the use of the asset, i.e. represented by the RAB in the context of regulated businesses. Expected cash flows are quantified in light of the information available at the time of the estimate on the basis of subjective judgments about the development of future variables, such as prices, costs, demand growth rates, and production profiles, and are discounted using a rate that takes into account the risk inherent in the activity concerned. The rationale behind the impairment test carried out by management in relation to property, plant and equipment, intangible assets, goodwill and investments accounted for using the equity method is illustrated in Notes 8 'Property, Plant and Equipment', 9 'Intangible assets and goodwill' and 10 'Investments accounted for using the equity method', respectively.

6.2 Impairment of financial assets

At each reporting date, assessments are made of the recoverability of financial assets in order to determine the value of expected credit losses (ECL).

In particular, the valuation of trade receivables is carried out using the simplified approach established by IFRS 9, which involves estimating the ECL over the life of the receivable.

For trade receivables related to regulated activities, the valuation takes into account the hedging and guarantee mechanisms established by the Authority, the Codes as well as existing contractual agreements with customers.

Impairment for trade receivables arising from unsettled assets is generally based on the ECL model and is performed through the use of both qualified external providers and by means of analysis - performed for uniform categories of counterparties - on observed historical data with respect to the recoverability of the receivable.

In general, for certain categories of credits characterised by peculiar risk elements (e.g. litigation or credit recovery practices through legal/judicial proceedings), specific assessments are carried out on individual credit positions.

The rationale behind the ECL model are explained in Note 5.7 'Significant Accounting Policies - Financial Instruments - Non-Derivative Financial Assets - Receivables and Debt Securities', respectively.

6.3 Provision for risks and charges

Provision for decommissioning and site restoration

The Snam Group incurs significant liabilities associated with obligations to remove and decommission plants or parts of plants. Estimating future decommissioning and restoration costs is a complex process and requires the assessment and judgement of the Company's management in placing a value on the liabilities that will be incurred many years in the future for compliance with decommissioning and restoration obligations, which often cannot be fully defined by laws, administrative regulations or contractual clauses. In addition, these obligations are affected by constant changes in technology and in decommissioning and restoration costs, as well as the constant growth of political and public awareness regarding matters of health and protection of the environment.

The critical nature of the accounting estimates for decommissioning and restoration costs also depends on the technique used to account for these costs, the present value of which is initially capitalised together with the cost of the asset to which they relate as a contra-entry to the provision for risks. Thereafter, the value of the provision for risks is updated to reflect the passing of time and any changes in the estimate as a result of changes in expected cash flows, the timing of their realisation and the discount rates applied.

The calculation of the discount rate to be used both in the initial valuation of the cost and in subsequent valuations is the result of a complex process which involves subjective judgements on the part of the Company's management.

With reference to the FSRU terminal in Ravenna, one of the provisions contained in the state concession granted by the Port Authorities for the Central-Northern Adriatic Sea (hereinafter the 'ADSP'), held by Snam FSRU Italia, is that the ADSP, at the end of the concession period, may forfeit existing works, or request the removal of the same at the expense and care of the concession holder.
Taking this into account, the Group examined the legal aspects of the concession deed and concluded that the risk for the company to incur potential restoration costs should be considered as possible.
It should also be noted that the terminal, together with the ancillary works falling within the perimeter of the concession, originally built in the 1980s, has been used to carry out different activities, according to the diverse needs that have emerged over time. This supports the conclusion reached by the Group that it is not possible to assign a different valuation to the current one, considering the historical and functional evolution of the works.
In addition, it should be noted that the Group has carried out a technical assessment to estimate possible restoration costs, quantifiable as approximately €170 million.
With regard to accounting profiles, since the conditions in IAS 37 were not met, the Group did not recognise any provision for the decommissioning and restoration of the Ravenna site.

Environmental liabilities

The Snam Group is subject, in relation to its activities, to numerous laws and regulations on environmental protection at European, national, regional and local level, including the laws which implement international conventions and protocols relating to the activities carried out. With reference to this legislation, when it is probable that the existence and amount of a large liability can be reliably estimated, provisions are made for the associated costs.

The group does not currently believe that there will be any particularly significant negative effects on the financial statements due to non-compliance with environmental regulations. Even taking into account the actions already undertaken, however, it cannot be excluded with certainty that Snam may incur further costs or liabilities, even of significant proportions, as the current state of knowledge does not allow for the effects of future developments to be considered, taking into account, among others, inter alia, the following aspects: (i) the possible emergence of contamination; (ii) the outcome of the refurbishment in progress and to be followed and the other possible effects arising from the application of the laws in force; (iii) the possible effects of new laws and regulations for environmental protection; (iv) the effects of any technological innovations for environmental reclamation; (v) the possibility of disputes and the difficulty of determining the possible consequences, also in relation to the liability of other parties and to possible compensation payments.

Provisions for legal and tax disputes

The estimation of the group's provisions for these purposes is the result of a complex process involving subjective judgements by Company management.

6.4 Investments and business combinations

Verification of the existence of control, joint control, considerable influence over another entity as well as, in the case of joint operations, verification of the existence of enforceable rights and obligations requires Corporate Management to exercise professional judgement taking into consideration the characteristics of the corporate structure and agreements between the parties as well as other facts and circumstances that are relevant for the purpose of this check. Similar considerations also apply in cases of a planned change in status following a loss of control, joint control or connection with the possible need to activate the classification as 'assets held for sale/ discontinued operation'.
The reporting of business combination transactions involves the allocation to the assets and liabilities of the acquired company of the difference between the acquisition cost and the net book value. For the majority of assets and liabilities, the difference is allocated by recognising the assets and liabilities at their fair value. The unallocated portion, if positive, is recognised as goodwill; if negative, it is allocated to the income statement. In the allocation process, the Snam Group draws on the available information and, for the most significant business combinations, on external valuations.

6.5 Employee benefits

Defined-benefit plans are valued on the basis of uncertain events and actuarial assumptions which include, inter alia, the discount rates, the expected returns on the assets servicing the plans (where they exist), the level of future remuneration, mortality rates, the retirement age and future trends in the healthcare expenses covered.

The main assumptions used to quantify defined-benefit plans are determined as follows: (i) the discount and inflation rates, based on which the obligation to employees might actually be fulfilled are based on the rates which mature on high-quality bonds and on inflation expectations; (ii) the level of future remuneration is determined on the basis of elements such as inflation expectations, productivity, career advancement and seniority; (iii) the future cost of healthcare services is determined on the basis of elements such as present and past trends in healthcare costs, including assumptions regarding the inflationary growth of costs, and changes in the health of the participating employees; (iv) the demographic assumptions reflect the best estimates of trends in variables such as mortality, turnover, invalidity and others in relation to the population of the participating employees.

Differences in the value of net liabilities (assets) in employee benefit plans, arising due to changes in the actuarial assumptions used and the difference between the actuarial assumptions previously adopted and actual events, occur routinely and are called actuarial gains and losses. Actuarial gains and losses relating to defined benefit plans are recognised in the comprehensive income statement. Actuarial assumptions are also used to determine obligations relating to other long-term benefits; to this end, the effects arising from changes to the actuarial assumptions or the characteristics of the benefit are fully recognised in the income statement.
Liabilities associated with redundancy incentives are also estimated by the Company.

6.6 Fair value

Calculating the fair value of financial and non-financial instruments is a structured process featuring the use of complex evaluation methodologies and techniques that involve collecting up to date information from the reference markets and/or using internal input data.

Similar to other estimates, calculating the fair value, albeit based on the best information available and on the adoption on adequate evaluation methodologies and techniques, it intrinsically features random elements and the exercising of professional judgement and could create forecasts with different values from those that will effectively be realised.

6.7 Classification and measurement of investments made for the development and maintenance of proprietary infrastructures

The Snam Group makes significant investments for the development and maintenance of its own infrastructures. Assessing the recoverability of the investments currently underway and the distinction of the costs as improvements, upgrades and transformations that increase the infrastructure and the expenses for ordinary maintenance and repairs which restore but do not increase the performance of the assets, includes valuation elements. These assessments are formulated on the basis of objective criteria that the Group has developed to facilitate an application consistent with its accounting policies.

7) ACCOUNTING STANDARDS PUBLISHED BY THE IASB BUT NOT YET IN FORCE

New accounting standards or amendments to current accounting standards published by the IASB that have an effective date after 31 December 2024 are illustrated below. The new accounting standards or amendments to the current accounting standards shown below are divided between documents that have been endorsed and those that have not yet been endorsed by the European Commission.

7.1 Accounting standards published by the IASB and endorsed by the European Commission but not yet in force

With Regulation (EU) 2024/2862, issued by the European Commission on 12 November 2024, the regulatory provisions contained in the document 'Amendments to IAS 21, The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability' were endorsed. The purpose of the amendment is to clarify how to measure a transaction in a foreign currency for which the exchange rate is not available. In particular, the circumstances in which the company must estimate a spot exchange rate and how it can do so are defined. The amendments enter into force on 1 January 2025.

The Group is analysing the standards and interpretations indicated, where applicable, in order to assess the effects of their application on the financial statements; however, the directors do not expect a significant effect on the Group's consolidated financial statements resulting from their adoption.

7.2 Accounting standards and interpretations published by the IASB and not yet endorsed by the European Commission

At the date of this document, the competent bodies of the European Union have not yet completed the approval process necessary for the adoption of the amendments described below.

- On 9 April 2024, the IASB published a new accounting standard called 'IFRS 18 - Presentation and Disclosure in Financial Statements'. The new accounting standard will replace IAS 1 (Presentation of Financial Statements) with the aim of improving the way companies communicate their financial reports. In particular, it will improve financial reporting through: (i) the request for additional subtotals within the income statement, (ii) the request for information on performance measures defined by management and (iii) the inclusion of new principles for the grouping of information reported in the financial statements. The amendments will enter into force from 1 January 2027 (subject to any subsequent postponements determined during the approval of the European Commission), but earlier application is however permitted.
- On 9 May 2024, the IASB published a new accounting standard called 'IFRS 19 - Subsidiaries without Public Accountability: Disclosures'. The new standard aims to simplify and reduce the cost of preparing financial information by subsidiaries, while maintaining the usefulness of their financial statements. The disclosure requirements in IFRS 19 are a reduced version of those in IFRS standards. The amendments will enter into force from 1 January 2027 (subject to any subsequent postponements determined during the approval of the European Commission), but earlier application is however permitted.
- On 30 May 2024, the IASB published an amendment called 'Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9, Financial and IFRS 7)'. The document clarifies some problematic aspects that emerged from the post-implementation review of IFRS 9, including the accounting treatment of financial assets whose returns vary upon the achievement of ESG objectives (e.g. green bonds). In particular, the IASB amended the requirements relating to: (i) the settlement of financial liabilities through an electronic payment system and (ii) the classification of ESG-type financial assets. The amendments will enter into force from 1 January 2026 (subject to any subsequent postponements determined during the approval of the European Commission), but earlier application of the amendment is however permitted.
- On 18 July 2024, the IASB issued the document 'Annual Improvements to IFRS Standards - Volume 11', containing changes, essentially of a technical and editorial nature, to the international accounting standards. The amendments to the accounting standards are effective for financial years beginning on or after 1 January 2026 (unless subsequently postponed by the European Commission during approval).
- On 18 December 2024, the IASB published an amendment entitled 'Contracts Referencing Nature-dependent Electricity - Amendments to IFRS 9 and IFRS 7'. The document, on Power Purchase Agreements (PPAs), provides: (i) new guidance on the 'own use exemption' for underwriters of PPAs and (ii) hedge accounting requirements for parties involved in PPAs. The amendments are effective for financial years beginning on or after 1 January 2026 (unless subsequently postponed by the European Commission during approval).

The Group is currently evaluating the possible effects deriving from the introduction of the amendments indicated.

8) PROPERTY, PLANT AND EQUIPMENT

	31.12.2023						
(million euros)	Land	Buildings	Plant and equipment	Industrial and Commercial Equipment	Other assets	Assets under construction and advances	Total
Historical Cost at 31.12.2022	**209**	**570**	**26,363**	**166**	**329**	**1,689**	**29,326**
Addition	12	2	45	8		1,454	1,521
Disposal			(9)	(1)		(1)	(11)
Change in the scope of consolidation	5	4	56			402	467
Other changes	1	16	1,222	2	34	(1,263)	12
Changes in rights of use for leased assets	12	6	(9)		2		11
Historical Cost at 31.12.2023	**239**	**598**	**27,668**	**175**	**365**	**2,281**	**31,326**
- of which rights of use for leased assets	34	37	2		4		77
Accumulated depreciation/amortization at 31.12.2022	**(5)**	**(179)**	**(10,913)**	**(92)**	**(152)**		**(11,341)**
Depreciation		(13)	(694)	(17)	(53)		(777)
Change in the scope of consolidation		(2)	(22)				(24)
Other changes		3	23	4			30
Depreciation of rights of use for leased assets	(3)	(5)			(1)		(9)
Accumulated depreciation/amortization at 31.12.2023	**(8)**	**(196)**	**(11,606)**	**(105)**	**(206)**		**(12,121)**
- of which rights of use for leased assets	(8)	(20)			(3)		(31)
Provision for impairment of assets at 31.12.2022	**(1)**	**(6)**	**(33)**	**(1)**		**(85)**	**(126)**
Impairment	(2)		(126)	(1)		(9)	(138)
Other changes						1	1
Rights of use for leased assets		(1)					(1)
Provision for impairment of assets at 31.12.2023	**(3)**	**(7)**	**(159)**	**(2)**		**(93)**	**(264)**
- of which rights of use for leased assets		(2)					(2)
NET BOOK VALUE AS AT 31.12.2022	**203**	**385**	**15,417**	**73**	**177**	**1,604**	**17,859**
NET BOOK VALUE AS AT 31.12.2023	**228**	**395**	**15,903**	**68**	**159**	**2,188**	**18,941**

	31.12.2024						
(million euros)	Land	Buildings	Plant and equipment	Industrial and Commercial Equipment	Other assets	Assets under construction and advances	Total
Historical Cost at 31.12.2023	**239**	**598**	**27,668**	**175**	**365**	**2,281**	**31,326**
Addition	3	3	19	8	1	2,601	2,635
Disposal			(15)				(15)
Other changes		45	1,079	11	35	(1,181)	(11)
Changes in rights of use for leased assets	21				6		27
Historical Cost at 31.12.2024	**263**	**646**	**28,751**	**194**	**407**	**3,701**	**33,962**
- of which rights of use for leased assets	55	37	1		11		104
Accumulated depreciation/amortization at 31.12.2023	**(8)**	**(196)**	**(11,606)**	**(105)**	**(206)**		**(12,121)**
Depreciation		(24)	(716)	(16)	(53)		(809)
Disposal			1				1
Other changes			24	2	3		29
Depreciation of rights of use for leased assets	(6)	(5)			(3)		(14)
Changes in rights of use for leased assets		3					3
Accumulated depreciation/amortization at 31.12.2024	**(14)**	**(222)**	**(12,297)**	**(119)**	**(259)**		**(12,911)**
- of which rights of use for leased assets	(15)	(22)			(4)		(41)
Provision for impairment of assets at 31.12.2023	**(3)**	**(7)**	**(159)**	**(2)**		**(93)**	**(264)**
Impairment			(16)			(28)	(44)
Other changes			(2)			5	3
Provision for impairment of assets at 31.12.2024	**(3)**	**(7)**	**(177)**	**(2)**		**(116)**	**(305)**
- of which rights of use for leased assets		(2)					(2)
NET BOOK VALUE AS AT 31.12.2023	**228**	**395**	**15,903**	**68**	**159**	**2,188**	**18,941**
NET BOOK VALUE AS AT 31.12.2024	**246**	**417**	**16,277**	**73**	**148**	**3,585**	**20,746**

Property, plant and equipment (€20,746 million) mainly relates to the infrastructure serving the transportation business (€15,437 million), such as pipelines, valve on-off points, sorting nodes, reduction plants and equipment, necessary for the operation of the network, and the propulsion units (compressors and turbines) of the units used for gas compression activities in the gas pipelines.

Investments[168] (2,635 million) mainly refer to the transportation and regasification sectors and concern:
- for the transportation sector, as well as investments for works to maintain the safety and quality levels of the plants, and connections, including the connection of the Ravenna regasification terminal to the gas transportation network, and the start of work on the Adriatic Line;
- for the regasification sector, work to upgrade the Ravenna FSRU and the terminal.

During the year, Snam capitalised financial expenses for € 46 million (€21 million in 2023).

Depreciation (€823 million) refers to economic-technical depreciation determined on the basis of the useful life of assets, i.e. their residual possibility of use by the company.

The impairment of assets (€44 million) are mainly related to the transportation sector and concern, in particular, certain sections of gas pipelines.

The value of the plant and machinery includes the estimate of the costs, discounted, that will be incurred for the removal of the structures and the restoration of the sites (€ 251 million, net of accumulated depreciation) mainly relating to storage (€203 million).

Other changes (-21 million euros) mainly refer to: (i) the effects deriving from the adjustment of the current value of the disbursements for the costs of dismantling and restoring the sites (+116 million euros), due to the higher estimated costs of carrying out the related work, partly offset by the higher expected discount rates; (ii) the change in inventories of piping and related ancillary materials used in plant construction activities, referring to the natural gas transportation segment (- €45 million); (iii) contributions on works for interference with third parties (so-called recharges; -52 million euros).

Contractual commitments for the acquisition of property, plant and equipment, as well as for the provision of services related thereto, are indicated in Note 25 'Guarantees and Commitments'.

No collateral is pledged on property, plant or equipment.

8.1 Plant, property and equipment by business segment

Property, plant and equipment by business segment are analysed as follows:

(million euros)	31.12.2023	31.12.2024
Historical cost	**31,326**	**33,962**
Transportation	24,872	26,497
Storage	4,520	4,891
Regasification	1,268	1,772
Energy Transition	601	693
Other segments	38	70
Amounts not allocated to segments	27	39
Accumulated depreciation/amortization and provision for impairment of assets	**(12,385)**	**(13,216)**
Transportation	(10,410)	(11,060)
Storage	(1,546)	(1,655)
Regasification	(121)	(160)
Energy Transition	(278)	(306)
Other segments	(12)	(12)
Amounts not allocated to segments	(18)	(23)
NET BOOK VALUE	**18,941**	**20,746**
Transportation	14,462	15,437
Storage	2,974	3,236
Regasification	1,147	1,612
Energy Transition	323	387
Other segments	26	58
Amounts not allocated to segments	9	16

[168] Investments by business segment are presented in chapter 7 'Business Segment Performance' of the Directors' Report.

9) INTANGIBLE ASSETS AND GOODWILL

	31.12.2023					
	Finite useful life				Indefinite useful life	
(million euros)	Industrial patent and intellectual property rights	Concessions, licences, trade marks and similar rights	Other Intangible Assets	Assets under construction and advances	Goodwill	Total
Historical Cost at 31.12.2022	**1,127**	**875**	**86**	**107**	**96**	**2,291**
Addition	1	4	2	246		253
Change in the scope of consolidation		52			24	76
Impairment			(2)		(40)	(42)
Other changes	76	4	11	(185)		(94)
Historical Cost at 31.12.2023	**1,204**	**935**	**97**	**168**	**80**	**2,484**
Accumulated depreciation/amortization at 31.12.2022	**(821)**	**(112)**	**(35)**			**(968)**
Depreciation	(116)	(11)	(12)			(139)
Other changes	94	1				95
Accumulated depreciation/amortization at 31.12.2023	**(843)**	**(122)**	**(47)**			**(1,012)**
Provision for impairment of assets at 31.12.2022	**(2)**					**(2)**
Impairment	(1)	(9)	(7)	(3)		(20)
Other changes	(1)					(1)
Provision for impairment of assets at 31.12.2023	**(4)**	**(9)**	**(7)**	**(3)**		**(23)**
NET BOOK VALUE AS AT 31.12.2022	**304**	**763**	**51**	**107**	**96**	**1,321**
NET BOOK VALUE AS AT 31.12.2023	**357**	**804**	**43**	**165**	**80**	**1,449**

	31.12.2024					
	Finite useful life				Indefinite useful life	
(million euros)	Industrial patent and intellectual property rights	Concessions, licences, trade marks and similar rights	Other Intangible Assets	Assets under construction and advances	Goodwill	Total
Historical Cost at 31.12.2023	**1,204**	**935**	**97**	**168**	**80**	**2,484**
Addition	198	10	15	54		277
Disposal				(1)		(1)
Change in the scope of consolidation		(8)				(8)
Other changes	10	(7)	(1)	(7)		(5)
Historical Cost at 31.12.2024	**1,412**	**930**	**111**	**214**	**80**	**2,747**
Accumulated depreciation/amortization at 31.12.2023	**(843)**	**(122)**	**(47)**			**(1,012)**
Depreciation	(136)	(13)	(12)			(161)
Other changes	(3)	3	2			2
Accumulated depreciation/amortization at 31.12.2024	**(982)**	**(132)**	**(57)**			**(1,171)**
Provision for impairment of assets at 31.12.2023	**(4)**	**(9)**	**(7)**	**(3)**		**(23)**
Impairment	(1)					(1)
Change in the scope of consolidation		8				8
Provision for impairment of assets at 31.12.2024	**(5)**	**(1)**	**(7)**	**(3)**		**(16)**
NET BOOK VALUE AS AT 31.12.2023	**357**	**804**	**43**	**165**	**80**	**1,449**
NET BOOK VALUE AS AT 31.12.2024	**425**	**797**	**47**	**211**	**80**	**1,560**

Industrial patent and intellectual property rights (€ 425 million) mainly relate to information systems and applications to support operations.

Concessions, licences, trademarks and similar rights (€ 797 million) mainly refer to concessions for natural gas storage activities (€658 million) and, in particular, the Settala (€226 million), Sergnano (€127 million) and Fiume Treste (€91 million) concessions. The value of storage concessions is represented by the reserves of natural gas in reservoirs (so-called 'Cushion Gas' [169]). Other intangible assets (€ 47 million) mainly include the fair value assigned, in previous years, under the Purchase Price Allocation (PPA), as governed by IFRS 3 'Business Combinations', relating in particular to the order backlog pertaining to the energy efficiency business (approximately €31 million). Amortization is based on the average duration of the contracts.

Goodwill (€ 80 million) is allocated to the ITG CGUs Transportation, Energy Efficiency and Agri Biomethane.

The investments (€ 277 million), mainly relate to the development of information systems in the transportation sector (€180 million)[170] andthe Carbon Capture Storage (CCS) project, concerning the capture and storage of CO_2 (€ 42 million).

Amortization and depreciation (€161 million) refer to economic-technical amortization determined on the basis of the useful life (finite useful life) of intangible assets, i.e. on the basis of their remaining use by the Group.

Contractual commitments for the purchase of intangible assets as well as for the provision of services related to their realisation are described in Note 25 'Guarantees and commitments'.

9.1 Intangible assets by business segment

Intangible assets by business segment are analysed as follows:

(million euros)	31.12.2023	31.12.2024
Historical cost	**2,484**	**2,747**
Transportation	1,110	1,291
Storage	891	911
Regasification	17	22
Energy Transition	305	308
Other segments	9	11
Amounts not allocated to segments	152	204
Accumulated depreciation/amortization and provision for impairment of assets	**(1,035)**	**(1,187)**
Transportation	(696)	(816)
Storage	(181)	(195)
Regasification	(8)	(11)
Energy Transition	(76)	(80)
Other segments	(8)	(9)
Amounts not allocated to segments	(66)	(76)
NET BOOK VALUE	**1,449**	**1,560**
Transportation	414	475
Storage	710	716
Regasification	9	11
Energy Transition	229	228
Other segments	1	2
Amounts not allocated to segments	86	128

9.2 Impairment test

As required by the relevant accounting standard (IAS 36), impairment testing must be performed at least annually for all CGUs (or groups of CGUs) to which goodwill has been allocated, as well as for CGUs (or groups of CGUs) with intangible assets that have an indefinite useful lives and intangible assets not yet available for use. For all remaining CGUs (or groupings of CGUs), impairment testing is performed only in the presence of impairment indicators. In a macroeconomic framework characterised by falling interest rates compared to 2023, with forecasts of further cuts in 2025, the level of inflation in 2024 still remained above the ECB's targets. Therefore, although no specific indicators of impairment were found, the test was performed for all the main CGUs and groupings of CGUs, in particular:

- for gas infrastructure, for the Snam Rete Gas, ITG, LNG, FSRU Piombino and Stogit CGUs; limited to the ITG CGU, goodwill of €27 million was allocated;
- for the sustainable mobility business, consisting of petrol stations, and micro-liquefaction plants, for the Greenture CGU;
- for the Biomethane Agri CGU[171], consisting of agricultural biomass treatment plants for the production of biogas/biomethane and related services, goodwill of €35 million was allocated;
- for the Biomethane Waste CGU[172], consisting of the FORSU treatment plants with reference to which, at 31 December 2024, there was no outstanding goodwill allocated against the impairment charges made;
- for the energy efficiency business, by the Energy Efficiency CGU grouping, consisting of the Renovit Business Solutions CGU (formerly TEP Energy Solution, Renovit Public Solutions, Renovit Building Solutions (formerly Evolve), as well as the sub-holding Renovit, to which goodwill totalling €18 million was allocated; this is due to the strong vertical integration between the companies in the management of know-how and technologies, which allows for the creation of important synergies in presenting a unified offer to the market.

The impairment test was performed on the basis of a similar CGU set-up as last year.

The recoverable amount of the Greenture CGU was determined, as the value in use, based on the cash flows of the 2025-2029 Corporate Plan, using the Discounted Cash Flow (DCF) Method. For the discounting of cash flows, the Weighted Average Cost of Capital (WACC) was used. The Terminal Value was calculated using the perpetuity method, applying a growth rate substantially in line with market evidence for the expected long-term inflation rate for the reference area, based on values provided by the International Monetary Fund (IMF).

With reference to the biomethane business, the recoverable value of the two CGUs identified, Biomethane Agri CGU and Biomethane Waste CGU, was determined, as the value in use, based on the Discounted Cash Flow (DCF) Method, using the 2025-2029 Plan approved by the Board. For the Agri Biomethane CGU, cash flows were determined considering a longer time horizon than the Plan's forecast data, in line with the duration of the period in which incentivised tariffs apply (i.e. until 2040), introduced by the Biomethane Decree (DM 15/09/2022). For the discounting of cash flows, the

[169] Cushion gas is not subject to amortization.
[170] Investments by business segment are presented in chapter 7 'Business Segment Performance' of the Directors' Report.
[171] At 31 December 2024, the Biomethane Agri CGU comprised nine companies.
[172] At 31 December 2024, the Biomethane Waste CGU comprised five companies.

Weighted Average Cost of Capital (WACC) was used. The terminal value was calculated using the perpetuity method, applying a growth rate no higher than the market evidence for the expected inflation rate in the long term, based on values provided by the IMF.

With regard to the Energy Efficiency business, the recoverable amount of the Energy Efficiency CGU grouping was determined, as the value in use, based on the Discounted Cash Flow (DCF) Method. The cash flows were determined considering a longer time horizon than the forecast figures of the 2025-2029 Plan approved by the Board, in line with the end of the expected period for the recovery of tax bonus-related returns (i.e. until 2034). For the discounting of cash flows, the Weighted Average Cost of Capital (WACC) was used. The terminal value was calculated using the perpetuity method, applying a growth rate in line with market evidence for the expected inflation rate in the long term, based on values provided by the IMF.

With reference to the Transportation (Snam Rete Gas), Regasification (FSRU Piombino and LNG) and Storage (Stogit) CGUs, the recoverable value was defined as corresponding to the estimated value of the Net Invested Capital recognised to these assets for tariff purposes (RAB - Regulatory Asset Base) by ARERA, the energy regulator, including lump-sum net working capital, net of adjustment items, including employee severance indemnity, the provision for decommissioning where applicable, and grants received.

With regard to the ITG CGU, the recoverable amount of this CGU was determined, as the value in use, based on the Discounted Cash Flow (DCF) Method, using the 2025-2029 Plan approved by the Board. The Terminal Value, consistent with the practice in the energy infrastructure sector, was estimated as the disposal value at the end of the plan time horizon, assuming the recognition of a premium in line with the market evidence examined at 31 December 2024.

For CGUs where the value in use is determined through the Discounted Cash Flow method, the reference discount rate is the Weighted Average Cost of Capital (WACC), corresponding to the weighted average cost of capital, determined, consistently with applicable doctrine and prevailing methodological practices, based on the following main assumptions:

- Risk Free Rate: the 10-year sovereign bond, issued by the reference country in which the assets belonging to the CGU (or the CGU grouping) operate, is used to determine the risk-free rate;
- Equity Risk Premium: the equity risk premium is determined by Snam on the basis of the main authoritative external industry sources;
- Beta Unlevered: this is calculated as the average figure taken from the panel of identified comparable companies specifically selected for each CGU;
- D/E: the debt-to-equity ratio is determined as an average parameter taken from the panel of comparable companies referred to each CGU, except where, in the absence of current or planned financial payables, zero leverage is used;
- Beta Relevered: this is calculated from the Beta Unlevered using Hamada's formula, which takes into account the tax effect, and the average D/E of the panel of comparable companies considered;
- Reference Rate for the cost of debt: this is calculated as the average of the swap rates of 10-year euro-denominated instruments;
- Credit Spread: this is determined as the average parameter taken from the panel of comparable companies specifically selected for each CGU.

Additional risks are also applied (Specific Risk Premium) aimed at reflecting, where applicable, within each discount rate, specific considerations related to aspects characterising a CGU (or grouping of CGUs) such as, for example, business risks or risks related to the stage of development of the activities performed.

The Snam methodology requires these values to be updated annually. As at December 31, 2024, the WACCs estimated by the Snam group and used in the impairment tests were between 4.96% and 7.42%.

For all CGUs and groupings of CGUs, the recoverable value as depicted above was higher than their net book value, including related goodwill.

As required by IAS 36, the CGUs subject to impairment testing, whose recoverable value was determined by discounting the expected cash flows from the use of the asset (as well as from its sale at the end of its useful life in some cases), were subjected to a sensitivity analysis of the recoverable value, in the worst-case scenario that envisages a 0.5 percentage point (equal to 50 bps) increase in the discount rate applied during the impairment test. This stress test did not show significantly different results and would lead, in only one case, limited to the Biomethane Waste CGU, to an impairment loss of approximately €10 million.

10) INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

(million euros)	31.12.2023	31.12.2024
SeaCorridor S.r.l.	648	602
Teréga Holding S.A.S.	430	436
TAG GmbH	228	236
AS Gasinfrastruktur Beteiligung GmbH	112	91
Terminale GNL Adriatico S.r.l.		211
OLT - Offshore LNG Toscana S.p.A.	33	57
Other	1	1
Total equity investments in companies under joint control	**1,452**	**1,634**
Trans Adriatic Pipeline A.G. (TAP)	404	398
Industrie De Nora S.p.A.	376	376
Italgas S.p.A.	313	332
Senfluga Energy Infrastructure Holdings S.A.	207	221
Galaxy Pipeline Assets HoldCo Limited	131	144
Interconnector Limited	68	70
East Mediterranean Gas Company	49	60
dCarbonX Limited	15	19
Other	3	4
Total equity investments in associates	**1,566**	**1,624**
Other	1	1
Total equity investments in subsidiaries	**1**	**1**
TOTAL INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD	**3,019**	**3,259**

The change during the year is shown in the table below.

(million euros)	Equity investments in companies under joint control	Equity investments in associates	Equity investments in subsidiaries (*)	Total
Balance at 01.01.2023	**797**	**1,511**	**5**	**2,313**
Acquisitions and subscriptions	411	10		**421**
Disposals and redemptions	(87)	(83)		**(170)**
Dividends received	(23)	(176)		**(199)**
Effect of accounting using the equity method				
- Amount recognised through profit and loss	83	328	(1)	**410**
- Amount recognised through comprehensive income	(12)	(38)		**(50)**
Other changes	283	14	(3)	**294**
Balance at 31.12.2023	**1,452**	**1,566**	**1**	**3,019**
Acquisitions and subscriptions	161	6		**167**
Disposals and redemptions	(2)			**(2)**
Dividends received	(143)	(166)		**(309)**
Effect of accounting using the equity method				
- Amount recognised through profit and loss	105	238		**343**
- Amount recognised through comprehensive income	(3)	(5)		**(8)**
Other changes	64	(15)		**49**
Balance at 31.12.2024	**1,634**	**1,624**	**1**	**3,259**

(*) Equity investments refer to unconsolidated subsidiaries valued using the equity method.

Acquisitions and subscriptions (€ 167 million) mainly concern the purchase, by Snam, through the exercise of its right of pre-emption, of an incremental share of the capital of Terminale GNL Adriatico Srl.
Following this operation, Snam's stake in the company that owns Adriatic LNG, the regasification terminal operating in the Italian waters off Porto Viro (Rovigo), goes from 7.30% to 30.00%. The right of first refusal was exercised following the signing of an agreement by VTTI, a Dutch energy storage and infrastructure company, to acquire a majority stake in the company.

Dividends received (€ 309 million) mainly concern: (i) the jointly controlled companies SeaCorridor (€95 million) and Teréga (€48 million); (ii) the associated companies TAP (€63 million), Italgas (€38 million), Galaxy Pipeline Assets HoldCo Limited (€29 million) and Senfluga (€16 million).

The effect of accounting using the equity method recognised in the income statement (€ 343 million) relates to the portion of the companies' net results for the period, resulting from positive results totalling € 365 million and negative results totalling €-22 million.

The effect of the measurement using the equity method recognised in the statement of comprehensive income (€-8 million) essentially relates to: (i) the change in the fair value of hedging derivatives (€-17 million), mainly attributable to the associated company TAP; (ii) exchange rate differences (€10 million), mainly attributable to the associated company Galaxy Pipeline Assets HoldCo.
Other changes (€ 49 million) mainly refer to the fair value of the share previously held in Terminale GNL Adriatico S.r.l..

Although Snam has not identified specific impairment indicators, it has conducted impairment tests on all the primary Cash Generating Units (CGUs), represented by the equity investments held in jointly controlled and associated companies. This was done to verify their recoverability by comparing their book value with their recoverable value, which is represented by the higher of the two between fair value and value in use. The scope of the CGUs represented by the equity investments held in companies under joint control and in associated companies is unchanged from 31 December 2023, with the exception of the Terminale GNL Adriatico S.r.l. in relation to the acquisition of an incremental portion of the capital (from 7.30% to 30.00%).
In particular, for carrying out the impairment test, the recoverable value of the equity investments was determined in the configuration of value in use on the basis of the Discounted Cash Flow (DCF) methodology, from which the net financial position of the investee was deducted, or the Dividend Discount Model (DDM) methodology, with the exception of equity in Italgas and Industrie De Nora, associated companies, for which the recoverable value, as they are listed companies, was determined on the basis of market quotations. In view of the stock market volatility experienced in 2024, due to macroeconomic uncertainties and geopolitical tensions, the recoverable amount was estimated based on an arithmetic mean of the closing stock market prices of the last six months of the year.

For the purpose of conducting the impairment test, cash flows and dividends resulting from the forecast plans approved by the Boards of the investees were considered. The Terminal Value was calculated using the perpetuity method, applying a growth rate in line with market evidence for the expected long-term inflation rate for the reference area, based on the values indicated by the IMF; or, for companies operating in regulated markets, the Terminal Value was placed equal to the estimated value of the Net Invested Capital recognized for tariff purposes (RAB - Regulatory Asset Base). Having specific regard to the investments in TAP and Galaxy, cash flows were determined by considering an extended time horizon compared to the forecast plan, to reflect the duration of existing contracts related to the use of the assets.

As at December 31, 2024, the Snam group estimated discount rates used in the preparation of the impairment tests ranged from 5.82% to 8.50% for CGUs measured using the DDM method, and between 4.49% and 9.69% for CGUs measured using the DCF method.

With reference to TAG (a joint venture) and GCA (associated company), we would like note the issue, by the Austrian regulator on 29 May 2024, of the Final Cost Decree and Tariff Ordinance (the 'Decree'), which defines the reference framework applicable to the new regulatory period (2025-2027).
The Decree has significantly modified the previous regulatory framework and, inter alia, in addition to providing for the elimination of volume risk for the two TSOs, it has also defined compensatory mechanisms for the companies, which will be operational from 2025. This change will enable TAG to achieve profitability after several years of negative results influenced by the changed procurement environment.
With regard to TAG, considering the uncertainties generated by the current geopolitical context, the limited visibility of developments in the regulatory framework beyond the short term and the further reduction in Russian gas supplies to Europe, taking place from January 2025 onwards, following the non-renewal of the agreement for the transit of gas flows through Ukraine, the company did not write-back the cost of the investment, which was subject to an impairment loss of 340 million euros at 31 December 2022.
Regarding equity investments, no collateral has been provided except as described in relation to the stake in TAP[173].
Consolidated companies, companies jointly controlled with other shareholders, associated companies and other significant equity investments are separately listed in the Annex to the notes to the consolidated financial statements 'Snam S.p.A. equity investments at 31 December 2024', which is an integral part of these notes.

In accordance with the requirements of IFRS 12 'Disclosure of Interests in Other Entities', the following is a summary of the financial data of companies under joint control and associated companies for the years ended December 31, 2023 and December 31, 2024.

10.1 Equity investments in companies under joint control

The economic and financial data for each company under joint control deemed significant, referring to the IFRS-compliant financial statement values of the investee companies[174], are reported below:

[173] For further information, see Note 25.1 'Guarantees given on behalf companies under joint control and associated companies'.
[174] It should be noted that, unless otherwise indicated, the financial statement values of companies under joint control, reported at 100%, have been supplemented to reflect the adjustments made by the parent company in application of the equity method valuation criterion. These figures refer to preliminary and/or approved reporting packages.

(million euros)	31.12.2023 Teréga Holding S.A.S.	TAG GmbH (formerly Trans Austria Gasleitung GmbH)	AS Gasinfrastruktur Beteiligung GmbH	SeaCorridor S.r.l.
Current assets	207	82	161	164
- of which cash and cash equivalents	98	22	14	104
Non-current assets	3,094	1,024	392	547
Total assets	**3,301**	**1,106**	**553**	**711**
Current liabilities	(140)	(82)	(3)	(54)
- of which current financial liabilities	(21)	(3)	(3)	
Non-current liabilities	(2,100)	(387)	(271)	(16)
- of which non-current financial liabilities	(1,790)	(246)	(27)	
Total liabilities	**(2,254)**	**(469)**	**(274)**	**(70)**
TOTAL NET ASSETS	**1,061**	**637**	**279**	**641**
Equity investment held by Snam Group % (*)	**40.50%**	**89.22%**	**40.00%**	**49.90%**
Total net assets attributable to the Snam Group	430	568	112	320
Goodwill and other adjustments of the Snam Group				328
Reductions/increases in value		(340)		
INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD	**430**	**228**	**112**	**648**
Operating revenues and income	474	410		456
Operating costs and expenses	(175)	(407)		(41)
Depreciation and impairment of assets	(111)	(64)		(23)
Operating profit	**188**	**(61)**		**392**
Financial income		1	6	9
Financial expenses	(29)	(7)	(8)	(12)
Share of profit or loss of investments accounted for using the equity method			50	38
Income taxes	(41)	16		(303)
PROFIT FOR THE YEAR	**118**	**(51)**	**48**	**124**
Other components of comprehensive income	(11)			
TOTAL COMPREHENSIVE INCOME STATEMENT	**107**	**(51)**	**48**	**124**
Equity investment held by Snam Group % (*)	**40.50%**	**89.22%**	**40.00%**	**49.90%**
Total comprehensive income statement held by Snam	43	(46)	19	62
Other Snam Group adjustments				(8)
SHARE OF TOTAL PROFIT OF INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD	**43**	**(46)**	**19**	**54**

(*) The shareholding in TAG GmbH is measured on the basis of the percentage of economic rights held (89.22%).

(million euros)	31.12.2024 Teréga Holding S.A.S.	TAG GmbH (formerly Trans Austria Gasleitung GmbH)	AS Gasinfrastruktur Beteiligung GmbH	SeaCorridor S.r.l.
Current assets	770	59	32	92
- of which cash and cash equivalents	675	6	32	89
Non-current assets	3,132	586	442	829
Total assets	**3,902**	**645**	**474**	**921**
Current liabilities	(664)	(292)	(247)	(84)
- of which current financial liabilities	(567)		(3)	
Non-current liabilities	(2,162)	(88)		(15)
- of which non-current financial liabilities	(1,841)			(1)
Total liabilities	**(2,826)**	**(380)**	**(247)**	**(99)**
TOTAL NET ASSETS	**1,076**	**265**	**227**	**822**
Equity investment held by Snam Group % (*)	**40.50%**	**89.22%**	**40.00%**	**49.90%**
Total net assets attributable to the Snam Group	436	236	91	410
Goodwill and other adjustments of the Snam Group				188
Reductions/increases in value				4
INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD	**436**	**236**	**91**	**602**
Operating revenues and income	485	203		332
Operating costs and expenses	(180)	(198)		(45)
Depreciation and impairment of assets	(109)	(2)		(42)
Operating profit	**196**	**3**		**245**
Financial income		4	7	6
Financial expenses	(30)	(7)	(7)	
Share of profit or loss of investments accounted for using the equity method			(51)	35
Income taxes	(43)			(189)
PROFIT FOR THE YEAR	**123**		**(51)**	**97**
Other components of comprehensive income				2
TOTAL COMPREHENSIVE INCOME STATEMENT	**123**		**(51)**	**99**
Equity investment held by Snam Group % (*)	**40.50%**	**89.22%**	**40.00%**	**49.90%**
Total comprehensive income statement held by Snam	50		(20)	49
Other Snam Group adjustments				
SHARE OF TOTAL PROFIT OF INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD	**50**		**(20)**	**49**

(*) The shareholding in TAG GmbH is measured on the basis of the percentage of economic rights held (89.22%).

Following the acquisition, in December 2024, of an incremental share in the capital of Terminale GNL Adriatico S.r.l. (from 7.3% to 30%), and following the analyses performed, the investment meets the conditions to be classified as an equity investment in jointly controlled companies, accounted for using the equity method.
Due to the timing of the transaction, Purchase Price Allocation (PPA) activities, to allocate the purchase price to the identifiable assets acquired and liabilities assumed are still ongoing. At 31 December 2024, the carrying value of the company in the consolidated financial statements of the Snam group, which does not reflect the effects of the PPA, amounted to € 211 million.

Teréga Holding S.A.S.

Teréga Holding S.A.S. is a company operating under French law which controls Teréga S.A. and Teréga Solutions S.A.S., through Teréga S.A.S., wholly owned by Teréga Holding S.A.S.

Teréga S.A. is engaged in the transportation and storage of natural gas in the South West of France. Natural gas transportation and storage activities in France are subject to regulation.

Teréga Solutions S.A.S. is a company engaged in non-regulated activities, with a focus on developing solutions that facilitate the transition to renewable energy: biomethane, hydrogen, multi-energy and digital.

At December 31, 2024, the company Teréga Holding S.A.S. was owned by Snam S.p.A. (40.50%), by Raffles Infra Holdings Limited (GIC) (31.50%), by Ouestgaz S.A.S. (EDF) (18.00%), Prévoyance Dialogue du Crédit Agricole SA (9.00%) and Crédit Agricole Assurances Retraite SA (1.00%).

Teréga Holding S.A.S.'s Consolidated Financial Statements include Teréga Holding S.A.S., Teréga S.A.S, Teréga S.A.,Teréga Solutions S.A.S. and other smaller companies.

Corporate governance regulations stipulate that decisions on certain matters of significant interest to the company require the affirmative vote of both Snam and GIC shareholders.

The interest payment to shareholders on the nominal value of the €470 million convertible debenture loan (of which Snam has subscribed €190 million) can be deferred at the discretion of the issuer, Teréga S.A.S.

TAG Gmbh

TAG GbmH (formerly Trans Austria Gasleitung GmbH) is a company governed by Austrian law, specializing in the transportation of natural gas. It owns the gas pipeline that connects the Slovakian-Austrian border to the Tarvisio entry point in Italy.

Natural gas transportation in Austria is a regulated activity.

At December 31, 2024 Snam S.p.A. held 84.47% of the share capital, entitling it to 89.22% of the economic rights. The remainder of the share capital (15.53%) is held by Gas Connect Austria GmbH (GCA).

The contractual agreements established between Snam, TAG and GCA also dictate that, in certain specific circumstances, if TAG is unable to self-finance, the other companies are obliged to provide financial support in accordance with the proportion of equity investment held by each shareholder.

Corporate governance regulations stipulate that decisions regarding certain significant activities must be unanimously agreed upon by all members of the Supervisory Board. This board comprises representatives from Snam and GCA, as well as employee representatives, as mandated by Austrian law.

AS Gasinfrastruktur Beteiligung GmbH

AS Gasinfrastruktur Beteiligung GmbH is an Austrian firm jointly controlled by Snam S.p.A. and the Allianz Group, holding stakes of 40.00% and 60.00% respectively.

The company wholly owns the Austrian firm, AS Gasinfrastruktur GmbH, which itself holds a 49.00% stake in Gas Connect Austria GmbH (GCA). The majority control of GCA, at 51.00%, is held by Verbund.

The corporate governance regulations of AS Gasinfrastruktur Beteiligung GmbH dictate that decisions at the management level must be made by a simple majority, requiring the affirmative vote of a Managing Director from both Snam and Allianz.

SeaCorridor S.r.l.

SeaCorridor, is the Italian joint venture established on 10 January 2023 by Snam S.p.A and Eni, which hold 49.90% % and 50.10 % of the share capital respectively.

At December 31, 2024, Eni and Snam exercised joint control over SeaCorridor, based on the principles of equal governance.

The operation has made it possible to synergistically value respective competences on a strategic route for the security of natural gas supply in Italy, favouring potential development initiatives in the hydrogen value chain also thanks to the natural resources of North Africa.

The company operates the two international gas pipeline groups connecting Algeria to Italy, namely the onshore pipelines extending from the Algerian-Tunisian border to the Tunisian coast (the so-called TTPC pipeline) and the offshore pipelines connecting the Tunisian coast to Italy (the so-called TMPC pipeline).

Terminale GNL Adriatico S.r.l.

Terminale GNL Adriatico S.r.l. is the owner of Italy's largest liquefied natural gas (LNG) regasification terminal located in the waters off Porto Tolle (Rovigo). In operation since November 2009, the Adriatic LNG regasification terminal ensures the import of around 15% of Italy's gas consumption.

In December 2024, following agreements signed in April 2024, Snam exercised a pre-emption right to increase its stake in Adriatic LNG from 7.30% to 30.00%. The remaining 70.00% of the company's capital is held by VTTI LNG Italy S.p.A.

Corporate governance rules stipulate that decisions on certain material activities must be taken with the unanimous consent of all members of the Board of Directors, composed of representatives of Snam and VTTI. The CEO is appointed by agreement between both partners.

Snam also exercises operational control over the company through the direct appointment of the Chief Operations Officer (COO), who is responsible for technical, commercial, operational and maintenance activities.

10.2 Equity investments in associates

The economic and financial data for equity investments in associates deemed significant, referring to the IFRS-compliant financial statement values of the investee companies[175], are shown below:

	31.12.2023					
(million euros)	**Trans Adriatic Pipeline**	**Italgas S.p.A.**	**Senfluga Energy Infrastructure Holdings S.A.**	**Interconnector Limited**	**Galaxy Pipeline Assets HoldCo Limited**	**Industrie De Nora S.p.A. (*)**
Current assets	643	1,243	403	226	193	688
Non-current assets	4,314	9,903	1,064	132	7,131	609
Total assets	**4,957**	**11,146**	**1,467**	**358**	**7,324**	**1,297**
Current liabilities	(489)	(1,807)	(242)	(81)	(44)	(162)
Non-current liabilities	(2,905)	(6,700)	(558)	(239)	(6,254)	(230)
Total liabilities	**(3,394)**	**(8,507)**	**(800)**	**(320)**	**(6,298)**	**(392)**
TOTAL NET ASSETS	**1,563**	**2,639**	**667**	**38**	**1,026**	**905**
- attributable to third parties		319	284	1		6
- attributable to the shareholders of the investee	1,563	2,320	383	37	1,026	899
Equity investment held by Snam Group %	**20.00%**	**13.47%**	**54.00%**	**23.68%**	**12.33%**	**21.59%**
Total net assets attributable to the Snam Group	313	313	207	9	126	194
Goodwill and other adjustments of the Snam Group	91			84	5	182
Reductions/increases in value				(25)		
INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD	**404**	**313**	**207**	**68**	**131**	**376**
Revenues	837	2,637	589	151		658
Operating profit	**501**	**681**	**212**	**76**		**97**
NET RESULT	**329**	**464**	**152**	**55**	**776**	**199**
Other components of comprehensive income	(122)	(16)	(13)	0	(42)	(16)
TOTAL COMPREHENSIVE INCOME STATEMENT	**207**	**448**	**139**	**55**	**734**	**183**
- attributable to third parties		27	52			1
- attributable to the shareholders of the investee	207	421	87	55	734	182
TOTAL COMPREHENSIVE INCOME OF THE GROUP	**207**	**448**	**139**	**55**	**734**	**183**
Equity investment held by Snam Group %	**20.00%**	**13.47%**	**54.00%**	**23.68%**	**12.33%**	**21.59%**
Total comprehensive income of the Snam Group	41	57	47	13	90	39
Other Snam Group adjustments				(2)		
SHARE OF TOTAL PROFIT OF INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD	**41**	**57**	**47**	**11**	**90**	**39**

(*) The economic-financial figures refer to the reporting package at 30 September 2024. The contribution recognised in 2024, for the purpose of the equity method measurement of the investment, also includes the share of the net result achieved in the fourth quarter of 2023.

[175] It should be noted that the financial statement values of associated companies, reported at 100%, have been supplemented to reflect the adjustments made by the parent company in application of the equity method valuation criterion. These figures refer to preliminary and/or approved reporting packages.

	31.12.2024					
(million euros)	**Trans Adriatic Pipeline**	**Italgas S.p.A.**	**Senfluga Energy Infrastructure Holdings S.A.**	**Interconnector Limited**	**Galaxy Pipeline Assets HoldCo Limited**	**Industrie De Nora S.p.A. (*)**
Current assets	572	1,601	268	264	194	685
Non-current assets	4,139	10,372	1,311	559	7,279	647
Total assets	**4,711**	**11,973**	**1,579**	**823**	**7,473**	**1,332**
Current liabilities	(528)	(2,204)	(215)	(296)	(46)	(249)
Non-current liabilities	(2,651)	(6,974)	(672)	(120)	(6,297)	(175)
Total liabilities	**(3,179)**	**(9,178)**	**(887)**	**(416)**	**(6,343)**	**(424)**
TOTAL NET ASSETS	**1,532**	**2,795**	**692**	**407**	**1,130**	**908**
- attributable to third parties		336	283	1		8
- attributable to the shareholders of the investee	1,532	2,459	409	406	1,130	900
Equity investment held by Snam Group %	**20.00%**	**13.46%**	**54.00%**	**23.68%**	**12.33%**	**21.59%**
Total net assets attributable to the Snam Group	306	331	221	96	139	194
Goodwill and other adjustments of the Snam Group	91	1			5	182
Reductions/increases in value	1			(26)		
INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD	**398**	**332**	**221**	**70**	**144**	**376**
Revenues	831	2,540	346	93	7	616
Operating profit	**516**	**782**	**140**	**62**	**285**	**82**
NET RESULT	**335**	**507**	**97**	**48**	**285**	**52**
Other components of comprehensive income	(49)	(11)	(5)	5	59	(6)
TOTAL COMPREHENSIVE INCOME STATEMENT	**286**	**496**	**92**	**53**	**344**	**46**
- attributable to third parties		28	35			
- attributable to the shareholders of the investee	286	468	57	53	344	46
TOTAL COMPREHENSIVE INCOME OF THE GROUP	**286**	**496**	**92**	**53**	**344**	**46**
Equity investment held by Snam Group %	**20.00%**	**13.46%**	**54.00%**	**23.68%**	**12.33%**	**21.59%**
Total comprehensive income of the Snam Group	57	63	31	13	42	10
SHARE OF TOTAL PROFIT OF INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD	**57**	**63**	**31**	**13**	**42**	**10**

(*) The economic-financial figures refer to the reporting package at 30 September 2024. The contribution recognised in 2024, for the purpose of the equity method measurement of the investment, also includes the share of the net result achieved in the fourth quarter of 2023.

Trans Adriatic Pipeline A.G. (TAP)

Trans Adriatic Pipeline A.G. Trans Adriatic Pipeline A.G. (TAP) is a Swiss company established with the purpose of designing, developing, constructing, and operating a gas pipeline from the Greek-Turkish border to Italy, specifically to the entry point in San Foca-Melendugno, traversing through Greece and Albania. The construction of the pipeline has been successfully completed, and the asset has been commercially operational since 15 November 2020.

At December 31, 2024, TAP was owned by Snam International B.V. (20.00%), AzTAP GmbH (20.00%), BP Pipelines TAP Limited (20.00%), Fluxys Europe B.V. (20%) and by Enagás Internacional S.L.U. (20.00%).

Under the existing corporate governance regulations, none of TAP's shareholders have the ability to exert control over the company, even jointly.

Italgas S.p.A.

Italgas S.p.A. is an Italian company controlling companies active in natural gas distribution in Italy and Greece, integrated water services, energy efficiency and information technology through the companies: Italgas Reti S.p.A., Medea S.p.A., Nepta S.p.A., Acqua S.r.l., Idrosicilia S.p.A., Idrolatina S.r.l., Acqua Campania S.p.A., L.A.C. Laboratorio Acqua Campania S.r.l., Toscana Energia S.p.A., Immogas S.r.l., Geoside S.p.A., Bludigit S.p.A., Italgas Newco S.p.A, Enaon Group.

At 31 December 2024, Italgas S.p.A. was an investee of Snam (13.46%%) and C.D.P. Reti S.r.l. (25.98%), with the remainder held by third-party shareholders. On 21 March 2023, Snam and CDP Reti signed a shareholders' agreement amending the agreement entered into on 20 October 2016. As an exception to the provisions concerning limitations on the transfer of the shareholding, for the entire duration of the validity of the agreement, Snam may transfer to third parties up to a maximum of 54,616,646 Italgas shares representing no more than 6.75% of the entire share capital of Italgas (the 'released shares') through one or more transfers (the 'permitted partial transfers').

Therefore, should Snam transfer all or part of the released shares through one or more permitted partial transfers: (i) CDP Reti shall not be entitled to exercise the right of pre-emption; (ii) approval (including the discretionary approval clause) or consent of CDP Reti will not be required to effect the permitted partial transfers; (iii) the transferees of the released shares will not be obliged to adhere to the pact and the purchase option agreement.

Senfluga Energy Infrastructure Holdings S.A.

Senfluga Energy Infrastructure Holdings S.A. is a company incorporated under Greek law owned by Snam S.p.A. (54.00%), Enagás Internacional S.L.U. (18.00%), by Fluxys Europe B.V. (18.00%) and by DAMCO Energy S.A. (10.00%), which owns a 66% stake in Hellenic Gas Transmission System Operator S.A. (DESFA), the Greek national operator in the natural gas infrastructure sector.

DESFA owns and operates a regulated high-pressure transportation network spanning approximately 1,500 km, in addition to a regasification terminal at Revithoussa. Since January 2022, DESFA has held 20% of Gastrade S.A., a company that is developing the FSRU at Alexandroupoli. Greece, a significant junction for diversifying procurement and establishing new natural gas routes in Europe, holds additional potential for development as a South-East European hub.

Under the existing corporate governance regulations, Snam does not have exclusive control over Senfluga (and, by extension, over DESFA), while Senfluga maintains exclusive control over DESFA.

Galaxy Pipeline Assets Holdco Limited

Galaxy Pipeline Assets Holdco Limited ('HoldCo') holds 100% of Galaxy Pipeline Assets Bidco Limited ('BidCo'), which in turn holds a 47.70% stake in ADNOC Gas Pipeline Assets LLC ('AssetCo'). Snam holds a 12.33% interest in the international consortium, consisting of GIP III Galaxy HoldCo II Limited (GIP), Infracore Investment Holdings Limited, Raffles Infra Holdings Limited, NH Galaxy Pipeline Holdco Limited, Galaxy Pipeline Assets Topco Limited.

AssetCo, a subsidiary of ADNOC (Abu Dhabi National Oil Company), maintains a twenty-year lease on ADNOC's strategic assets associated with gas and LNG transportation within the United Arab Emirates; the management and use of these assets are held by ADNOC for the same twenty-year term.

Snam is the sole industrial participant in the consortium, signifying a significant investment opportunity in a strategic infrastructure within the Gulf region.

The governance regulations stipulate that decisions on certain matters of significant interest to the company must be made by a supermajority vote or unanimously.

Interconnector Limited

Interconnector Limited is a company governed by English law, owning the bidirectional pipeline that connects the United Kingdom with Belgium and the broader European region.

At December 31, 2024 Interconnector Limited was an investee company of Snam International B.V. (23.68% %) and Fluxys UK Ltd (76.32 %).

Interconnector Limited directly owns 48.00% of the Dutch firm, Interconnector Zeebrugge Terminal B.V. (which is, in turn, owned 25.00% by Snam International BV), and holds an additional 1.00% indirectly through Interconnector Leasing Company Ltd.

The governance structure of Interconnector Limited is designed to, in certain instances, provide veto rights to Snam International B.V. This is intended to safeguard their investment and oversee certain decisions of significant importance to Snam International B.V.

Industrie De Nora S.p.A.

Industrie De Nora, established in 1923 in Italy, is a worldwide provider of pioneering technologies and solutions for water treatment. The Company holds substantial potential for growth, owing to its exposure to two major trends within the energy transition segment - the production of green hydrogen and water treatment.

At 30 June 2022, the company was listed on Euronext Milan, a regulated market that is organized and managed by Borsa Italiana S.p.A.

At December 31, 2024 Snam S.p.A. owned 21.59% of the share capital in Industrie De Nora, held through Asset Company 10 S.r.l.

10.3 Equity investments in companies under joint control and associated companies that are individually insignificant

In addition to the investments in the previously mentioned companies, the carrying values of the equity investments in a company under joint control and in two individually insignificant associated companies, which are accounted for using the equity method, are as follows:

(million euros)	2024
Aggregate value of jointly controlled and associated equity investments which are individually insignificant	**136**
Snam Group's share of profit/(loss) for the year	37
Share of other components in the comprehensive income statement attributable to the Snam Group	(3)
TOTAL SHARE OF COMPREHENSIVE INCOME STATEMENT ATTRIBUTABLE TO THE SNAM GROUP	**34**

11) OTHER CURRENT AND NON-CURRENT FINANCIAL ASSETS

	31.12.2023			31.12.2024		
(million euros)	Current	Non -current	Total	Current	Non -current	Total
Current financial receivables	2			350		**350**
Non-current financial receivables		102	**102**	3	108	**111**
Minority investments accounted for at FVTOCI		50	**50**		25	**25**
Securities and fund units		7	**7**		12	**12**
Other		2	**2**		2	**2**
TOTAL OTHER CURRENT AND NON-CURRENT FINANCIAL ASSETS	**2**	**161**	**163**	**353**	**147**	**500**

Current financial receivables, (equal to €350 million), refer to short-term bank deposits of the Parent Company.

Long-term financial receivables (€ 111 million) mainly concern the residual portion of the shareholders' loan to OLT Offshore LNG Toscana (OLT) (€87 million).

Equity investments measured at FVTOCI (€25 million) mainly relate to the valuation of the shares held by Snam in the capital of Storegga Limited (5.18% stake) for an amount of €14 million (unchanged from 31 December 2023) and ITM Power PLC (2.07% stake) for an amount of €6 million (€9 million at 31 December 2023).
Following the acquisition of an incremental share of the capital of Terminale GNL Adriatico S.r.l. (from 7.30% to 30.00%), Snam's stake in the company was reclassified from a stake valued at FVTOCI to a jointly controlled interest.

The changes that occurred during the year, with reference to investments valued at FVTOCI, are analysed as follows:

(million euros)	31.12.2023	31.12.2024
Opening balance	**52**	**50**
Acquisitions and subscriptions	4	2
Change in fair value recognised in other comprehensive income	(3)	31
Disposals and redemptions	(4)	(6)
Other changes	1	(52)
Closing balance	**50**	**25**

Other changes (52 million euros) relate to the fair value of the share previously held in Terminale GNL Adriatico S.r.l., which was requalified as a jointly controlled equity investment on 3 December 2024.

12) CURRENT AND NON-CURRENT INVENTORIES AND THIRD-PARTY NATURAL GAS IN STORAGE

	31.12.2023			31.12.2024		
(million euros)	Gross value	Provision for impairment losses	Net value	Gross value	Provision for impairment losses	Net value
Raw materials, consumables and finished goods	787	(15)	772	722	(13)	709
Finished products and goods	2,072	(34)	2,038	1,514	(33)	1,481
Total current inventories	**2,859**	**(49)**	**2,810**	**2,236**	**(46)**	**2,190**
Total non-current inventories - Compulsory inventories	**363**		**363**	**363**		**363**
TOTAL CURRENT AND NON-CURRENT INVENTORIES	**3,222**	**(49)**	**3,173**	**2,599**	**(46)**	**2,553**

Current inventories (€ 2,190 million, net of the provision for impairment losses) include purchases that are made to implement the following Authority resolutions: (i) resolution 165/2022/R/Gas, which provided for the procurement by Snam Rete Gas of volumes to cover system gas and gas for technical consumption of the storages (approximately 0.37 billion cubic metres for a total value of €411 million at December 31, 2024); (ii) resolutions 274/2022/R/Gas and 3/2023/R/Gas, which defined the provisions for gas procurement in the context of the last resort filling service (approximately 1.03 billion cubic metres for a total value of €1,445 million at December 31, 2024). The value of the inventories of gas purchased against these resolutions is counterbalanced, for the same amount, by financial statement liabilities[176].

The provision for impairment losses mainly relates to the write-down (€30 million), made in 2014, of 0.4 billion cubic metres of natural gas used in storage activities for strategic gas unduly withdrawn by some service users during 2010 and 2011.

Non-current inventories consist of the minimum quantities of natural gas that storage companies are obliged to hold pursuant to Presidential Decree 22 of 31 January 2001 (so-called 'compulsory stocks'). The quantities of gas in storage, corresponding to approximately 4.5 billion standard cubic metres of natural gas, are determined annually by the Ministry of the Environment and Energy Security (MASE)[177].

No collateral is pledged on inventories. There are no inventories pledged as security for liabilities, nor are any inventories carried at net realisable value.

12.1 Third-party natural gas in storage

Risks for third-party assets held in storage, amounting to €4,186 million (€3,302 million at December 31, 2023) relate to approximately 7.5 billion cubic metres of natural gas stored in storage facilities by customers benefiting from the service. The amount was determined by applying the average cost of wholesale supply published by ARERA equal to €0.55 per standard cubic metre (€0.44 per standard cubic metre at December 31, 2023) to the quantities of gas deposited.

[176] In relation to gas inventories, liabilities for the same amount were recognised, representing the Company's obligation to the regulator on the use of gas (Resolution 165/2022/R/gas, €524 million) and on the retrocession of amounts obtained from the sale of the relevant quantities of gas (Resolution 274/2022/R/Gas; €2,062 million, including €52 million relating to amounts arising from sales at the end of the year and not yet returned to CSEA).

[177] The Ministry of the Environment and Energy Security (MASE), in a communication of 31 January, published on 2 February 2024, confirmed the total volume of strategic storage for the 2024-2025 contractual year (1 April 2024-31 March 2025) at 4.62 billion cubic metres, or approximately 48,846 Giga Watt-hours - GWh, unchanged from the 2023-2024 thermal (1 April 2023 - 31 March 2024).

13) OTHER CURRENT AND NON-CURRENT ASSETS

	31.12.2023			31.12.2024		
(million euros)	**Current**	**Non-current**	**Total**	**Current**	**Non-current**	**Total**
VAT credits	31		**31**	137		**137**
Deferred charges	15	15	**30**	20	8	**28**
Guarantee and administrative deposits		18	**18**		18	**18**
Assets arising from contracts with customers	28		**28**	17		**17**
Regulatory assets	14	4	**18**	5	8	**13**
Fair value of cash flow hedge derivative (CFH) contracts	3		**3**			
Other tax credits	129	243	**372**	426	745	**1,171**
minor tax break bonuses	102	243	**345**	414	745	**1,159**
Other	2	1	**3**	7	3	**10**
TOTAL OTHER CURRENT AND NON-CURRENT ASSETS	**222**	**281**	**503**	**612**	**782**	**1,394**

VAT credits (€ 137 million) increased by €106 million due to higher credits arising from the subsidiaries Snam Rete Gas and Stogit, within the framework of the Group VAT regime.

Deferred charges (€ 28 million) mainly relate to up-front fees and substitute tax on revolving credit lines (€11 million).

Security and administrative deposits (€ 18 million) concern amounts paid in support of operating activities and mainly refer to the natural gas transportation sector.

Assets from contracts with customers (€ 17 million) refer to work performed on ongoing orders for biogas/ biomethane plants.

Other tax credits (€ 1,171 million) mainly concern credits from the Superbonus tax breaks and minor tax break bonuses related to energy efficiency projects (€ 1,159 million). Given its large fiscal capacity, the Snam Group plans to use these credits within the time frame established by current legislation.

Information on the risks that are hedged by financial derivatives and the policies adopted by the company to hedge against those risks can be found in Note 26.7 'Financial Risk Management - Fair Value of Financial Instruments'.

14) CASH AND CASH EQUIVALENTS

Cash and cash equivalents of €1,806 million (€1,382 million at December 31, 2023) mainly refer to the Parent Company's current accounts and bank deposits in euro (€1,628 million), which represent the use of liquidity held for the Group's financial needs, and cash received from subsidiaries (a total of €178 million).

The average yield on cash investments is approximately 4.0% and the investments are not subject to constraints on their use.

15) TRADE AND OTHER RECEIVABLES

(million euros)	**31.12.2023**	**31.12.2024**
Trade receivables, gross of the provision for bad debts	4,519	3,172
Provision for bad debts	(160)	(107)
Total trade receivables	**4,359**	**3,065**
Other receivables		
- Other receivables from the Energy and Environmental Services Fund (CSEA)	78	322
- Advances to suppliers	39	33
- Receivables from companies under joint control and associated companies		32
- Receivables for contributions from individuals	2	9
- IRES receivables for National Tax Consolidation from former parent company Eni	3	3
- Receivables from divestments activities	3	2
- Other	21	17
Total other receivables	**146**	**418**
TOTAL TRADE AND OTHER RECEIVABLES	**4,505**	**3,483**

Trade receivables (€ 3,065 million, net of the bad debt provision) mainly relate to: (i) transportation (€2,518 million, referring mainly to receivables from users for additional components and the default service totalling €1,850 million and receivables from gas system balancing activities amounting to €98 million), (ii) energy transition (€300 million) mainly for energy efficiency project receivables (€193 million) and (iii) natural gas storage (€222 million).

Trade receivables also include: (i) customer receivables related to energy efficiency projects pending conversion into Super-Ecobonus tax credits and other minor bonuses (€56 million). Given its large fiscal capacity, the Snam Group plans to use these credits within the time frame established by current legislation;
(ii) receivables related to the storage sector, including the credit for VAT invoiced to users in previous years for the use of strategic gas withdrawn and not restored (74 million euros; 77 million euros at December 31, 2023).

The fair value measurement of trade and other receivables does not produce significant effects considering the short period of time between the origination of the receivable and its maturity and the contractual terms.

The provision for bad debt (€-107 million) mainly relates to: (i) receivables arising from the balancing service, in relation to resolution 608/2015/R/gas by which the Authority had ordered the partial recognition, for the gas balancing manager (Snam Rete Gas), of uncollected receivables relating to the period from 1 December 2011 to 23 October 2012 (€70 million, including related interest)[178]; (ii) trade credits related to the energy efficiency business (€27 million), in order to reflect the risk that some credits deriving from the Superbonus and other minor bonuses do not transform into tax credits.
The reduction in the provision for bad debt (€-53 million) mainly relates to regulatory items, for which the Company, due to the analyses conducted, does not envisage credit risk. With reference to these items, the Company instead considered that the conditions existed to recognise a provision for risks (see Note 18 'Provisions for risks and charges').

Other receivables from CSEA (€ 322 million) mainly refer to receivables for balancing services (€154 million).

Receivables from jointly controlled companies and associates for dividends (€32 million) relate to a portion of the dividend not yet collected from the jointly controlled company SeaCorridor.

There are no receivables in currencies other than the euro.

Receivables from related parties are indicated in Note 36 'Transactions with related parties'.
Specific information on credit risk is provided in Note 26.3 'Financial risk management - Credit risk'.

16) CURRENT AND NON-CURRENT INCOME TAX ASSETS/LIABILITIES

(million euros)	31.12.2023	31.12.2024
- Receivables from the tax authorities for IRES (corporation tax)	7	32
- Receivables from the tax authorities for IRAP (regional trade income tax)	8	5
TOTAL CURRENT INCOME TAX ASSETS	**15**	**37**
- Payables to the tax authorities for IRES (corporation tax)	(43)	(53)
- Payables to the tax authorities for IRAP (regional trade income tax)	(9)	(15)
- Other tax liabilities	(1)	
TOTAL CURRENT INCOME TAX LIABILITIES	**(53)**	**(68)**

Current income tax liabilities (€ 68 million) mainly refer to the liability for current taxes accrued in 2024, relating to Snam S.p.A. and its subsidiaries, net of advances paid.

In relation to activities of a fiscal nature, it should be noted that, since the company constantly invests in Research and Development and Technological Innovation activities, subsequent to the end of the current financial year, the calculations relating to the tax credit accrued on an accrual basis pursuant to Law no. 160/2019, paragraphs 198-207, as amended by Law no. 178/2020 and Law no. 234/2021, will be finalised, and the preparation of the documentation supporting this credit (so-called 'Documentary expenses'). At the time of preparation of this document, no estimate of the amount of the tax credit was available.

Taxes for the year are illustrated in Note 33 'Income Taxes', to which reference is made.

[178] The Company has set aside a provision for bad debts of approximately 125 million euros, of which 35 million was then released following the Council of State ruling of 5 March 2020. During the financial year 2021, €20 million was written off due to the conclusion of bankruptcy proceedings concerning a user. At 31 December 2024, the value of the provision for bad debt amounted to €70 million (unchanged from 31 December 2023) and related to balancing receivables owing to the Company from certain customers with whom bankruptcy proceedings are in progress.

17) CURRENT AND NON-CURRENT FINANCIAL LIABILITIES

	31.12.2023						31.12.2024					
	Current financial liabilities	Non-current financial liabilities					Current financial liabilities	Non-current financial liabilities				
(million euros)	Short-term liabilities	Short-term portion of non-current financial liabilities	Non-current portion due within 5 years	Non-current portion due after 5 years	Total non-current portion	Total debt	Short-term liabilities	Short-term portion of non-current financial liabilities	Non-current portion due within 5 years	Non-current portion due after 5 years	Total non-current portion	Total debt
Bond loans		1,217	4,439	4,220	8,659	**9,876**		1,361	5,915	5,185	11,100	**12,461**
Bank loans	250	753	1,756	790	2,546	**3,549**	450	155	2,323	639	2,962	**3,567**
Euro Commercial Paper - ECP	2,679					**2,679**	1,570					**1,570**
Other lenders	2	3	500		500	**505**	1	4	699		699	**704**
Financial payables for leased assets		8	22	13	35	**43**		13	25	21	46	**59**
TOTAL CURRENT AND NON-CURRENT FINANCIAL LIABILITIES	**2,931**	**1,981**	**6,717**	**5,023**	**11,740**	**16,652**	**2,021**	**1,533**	**8,962**	**5,845**	**14,807**	**18,361**

17.1 Short-term financial liabilities

Short-term financial liabilities, amounting to € 2,021 million, essentially relate to the issue of Euro Commercial Paper (ECP) securities, placed with institutional investors (€ 1,570 million) and the use of uncommitted variable-rate bank credit lines (€ 450 million).

The weighted average interest rate on current financial liabilities is equal to 3.83% (3.86% for the financial year 2023).

There are no short-term financial liabilities denominated in currencies other than the euro.

17.2 Long-term financial liabilities and short-term portion of long-term financial liabilities

Long-term financial liabilities, including the short-term portion of long-term liabilities, amounted to a total of € 16,340 million and consisted of debenture loans (€ 12,461 million), bank loans (€ 3,117 million), term loans to the parent company Cassa Depositi e Prestiti (€ 703 million) and financial payables for leased assets (€ 59 million).

An analysis of the debenture loans, indicating the issuer, year of issue, currency, average interest rate and maturity, is shown in the following table.

(million euros)

	Nominal Value 31.12.2023	Nominal Value 31.12.2024	Rate (%)	Issue (year)	Maturity (year)	Balance at 31.12.2023	Balance at 31.12.2024
Euro Medium Term Notes (EMTN)							
Bond 3.25% (a)	365		3.250	2014	2024	376	
Bond 0.875%	1,250	1,250	0.875	2016	2026	1,249	1,250
Bond 1.250% (a)	267	267	1.250	2017	2025	270	270
Bond Floating (b)	106		0.836	2017	2024	107	
Bond 1.375% (a)	553	553	1.375	2017	2027	552	553
1.250% Bond (Climate Action Bond)	500	500	1.250	2019	2025	501	502
Bond 1.625%	250	250	1.625	2019	2030	252	253
Bond 0%	700		0.000	2019	2024	700	
Bond 1%	600	600	1.000	2019	2034	593	593
Bond 0.75% (Transition bond)	500	500	0.750	2020	2030	500	501
Bond 0% (Transition bond)	600	600	0.000	2020	2028	598	598
Bond 0% (Transition bond)	500	500	0.000	2021	2025	500	500
Bond 0.75% (Transition bond) - TAP (c)	250	250	0.750	2021	2030	257	256
Bond 0.625% (Transition bond)	500	500	0.625	2021	2031	496	496
Bond 0.75% (Dual tranche Sustainability-Linked Bond)	850	850	0.750	2022	2029	847	849
Bond 1.25% (Dual tranche Sustainability-Linked Bond)	650	650	1.250	2022	2034	651	651
Bond 3.375% (Taxonomy-Aligned Transition Bond)	300	300	3.375	2022	2026	299	300
Bond 4% (EU Taxonomy-Aligned Transition Bond)	650	650	4.000	2023	2029	644	645
Green Bond 3.375%		500	3.375	2024	2028		512
Bond 3.875% (Sustainability-linked)		1,000	3.875	2024	2034		1,025
Bond Floating (b)		750	3.462	2024	2026		754
Bond 3.375% (Dual tranche Sustainability-Linked Bond)		750	3.375	2024	2031		743
Bond 5.75% (Dual tranche Sustainability-Linked Bond)		723	5.750	2024	2036		722
Total Euro Medium Term Notes (EMTN)	**9,391**	**11,943**				**9,392**	**11,973**
Bond 3.250% (EU taxonomy-aligned convertible transition bond)	500	500	3.250	2023	2028	484	488
TOTAL BOND LOANS	**9,891**	**12,443**				**9,876**	**12,461**

(a) Liability Management 2022 bond loans.

(b) Floating rate bond loan, converted to a fixed rate through an Interest Rate Swap (IRS) hedging derivative contract.

(c) True-up bond loan.

(d) Bond loan with a nominal value of GBP 600 million, converted into euro through a Cross Currency Swap (CCS) hedging derivative contract. The nominal value indicated is obtained by conversion into euros at the year-end spot exchange rate.

There are no long-term bank loans denominated in currencies other than the euro.

The weighted average interest rate on drawn bank loans (excluding EIB loans) is equal to 3.52% (2.36% for the financial year 2023).
There are no breaches of clauses related to the financing contracts.
Snam also has undrawn committed credit lines totalling € 5.6 billion.

Financial covenants and negative pledge contractual clauses

At December 31, 2024, Snam had unsecured bilateral and syndicated loan agreements in place with banks and other financial institutions.

Some of these agreements require, inter alia, compliance with commitments typical of international practice, some of which are subject to specific materiality thresholds, such as: (i) negative pledge commitments under which Snam and its subsidiaries are subject to limitations on the creation of security interests or other liens over all or part of their respective assets, shares or commodities; (ii) pari passu and change of control clauses; (iii) limitations on certain extraordinary transactions that the company and its subsidiaries may carry out; (iv) limits on the indebtedness of subsidiaries.

Failure to comply with these covenants, as well as the occurrence of other events, such as cross-default events, may result in a default by Snam and, possibly, may cause the related loan to become due in advance. Exclusively for the EIB loans, the lender has the option to request additional guarantees if Snam's rating is lower than BBB (Standard & Poor's/Fitch) or lower than Baa2 (Moody's), with at least two of the three rating agencies.
The occurrence of one or more of the aforementioned scenarios could have negative effects on Snam Group's results, financial position and cash flow, resulting in additional costs and/or liquidity issues.

At December 31, 2024, the financial debt subject to these restrictive clauses amounted to approximately €3.8 billion.

Bonds issued by Snam at December 31, 2024, equal to a nominal value of approximately €12.4 billion, mainly referred to securities issued under the Euro Medium Term Notes programme[179]. The covenants established for the programme's securities are typical of international market practice and consist of, inter alia, negative pledge and pari passu clauses. Specifically, under the negative pledge clause, Snam and its material subsidiaries are subject to limitations to pledging or maintaining encumbrances on all or part of their assets or proceeds to guarantee present or future debt, unless this is explicitly permitted.

17.3 Analysis of net financial debt

An analysis of net financial debt with evidence of related party transactions is shown in the table below:

(million euros)	31.12.2023	31.12.2024
A. Cash	379	255
B. Cash equivalents	1,003	1,551
C. Other current financial assets		350
D. Liquidity (A + B + C)	**1,382**	**2,156**
E. Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	2,931	2,021
F. Current portion of non-current financial debt (*)	1,981	1,533
G. Current financial debt (E + F)	**4,912**	**3,554**
of which with related parties	4	4
H. Net current financial debt (G - D)	**3,530**	**1,398**
I. Non-current financial debt (excluding current portion and debt instruments) (*)	3,081	3,707
J. Debt instruments	8,659	11,100
K. Trade and other non-current payables		33
L. Non-current financial debt (I + J + K)	**11,740**	**14,840**
of which with related parties	500	699
M. Total financial debt (H + L)	**15,270**	**16,238**

(*) Includes financial payables for leased assets recognised in accordance with IFRS 16 'Leases', of which €46 million are non-current and €13 million are current portions of non-current financial payables.

[179] Issues outside the EMTN programme concern the EU taxonomy-aligned transition bond, convertible into Italgas shares, with a nominal value of €500 million, issued in 2023.

17.4 Reconciliation of net financial debt

In accordance with the provisions of IAS 7 'Statement of Cash Flows', the monetary and non-monetary changes in liabilities arising from financing activities and in the assets comprising net financial debt are shown below.

		Changes without impacts on cash flows					
(million euros)	31.12.2023	Changes in cash flows	IFRS 16 impact	Exchange Delta	Change in scope of consolidation	Other changes	31.12.2024
Cash and cash equivalents	1,382	428			(4)		1,806
Current financial receivables		350					350
Liquidity and financial receivables	**1,382**	**778**			**(4)**		**2,156**
Short-term financial payables	2,931	(910)					2,021
Non-current financial payables (*)	13,678	2,537		5		61	16,281
Trade payables and other payables						33	33
Financial payables for leased assets	43	(15)	31				59
Gross financial debt	**16,652**	**1,612**	**31**	**5**		**94**	**18,394**
Net financial debt	**15,270**	**834**	**31**	**5**	**4**	**94**	**16,238**

(*) Includes the short-term portions of non-current financial payables.

18) PROVISIONS FOR RISKS AND CHARGES

	31.12.2023							
				Uses				
(million euros)	Opening balance	Provisions	Increase for the passing of time	for costs	for surplus	Change in scope of consolidation	Other changes	Closing balance
Provision for decommissioning and site restoration	498		18	(2)		1	50	**565**
Provision for legal disputes	21	4		(1)	(4)			**20**
Provision for tax litigation	11	7						**18**
Early retirement fund	6	4		(4)				**6**
Other funds	38	23		(7)				**54**
CHARGES	**574**	**38**	**18**	**(14)**	**(4)**	**1**	**50**	**663**

	31.12.2024						
			Uses				
(million euros)	Opening balance	Provisions	Increase for the passing of time	for costs	for surplus	Other changes	Closing balance
Provision for decommissioning and site restoration	565		18	(4)		118	**697**
Provision for legal disputes	20	9		(2)	(3)		**24**
Provision for tax litigation	18			(1)			**17**
Early retirement fund	6	16		(5)			**17**
Other funds	54	87		(18)	(4)	(1)	**118**
TOTAL PROVISIONS FOR RISKS AND CHARGES	**663**	**112**	**18**	**(30)**	**(7)**	**117**	**873**

The provision for decommissioning and site restoration (€ 697 million) includes the estimated, discounted costs that will be incurred for the removal of structures and site restoration, referring mainly to the storage (€595 million) and natural gas transportation [180] (€69 million) sectors. The discounting was carried out using the rate corresponding to the yields of Euro Area Corporate Bonds with an 'AA' rating. The rate thus determined is between 2.6% and 3.4%, while the inflation rate is between 1.6% and 2.2%. The final maturity in chronological order for disbursements related to the decommissioning and restoration of storage sector sites refers to the Bordolano concession, in the year 2041.
Other changes (€ 117 million) mainly refer to the effects of higher estimated costs for the execution of works as well as the reduction of expected discount rates (€116 million).

Other provisions for risks and charges (€ 118 million) mainly relate to: (i) the estimate of charges related to regulatory items for which the company has assessed the existence of the conditions to recognise a provision for risks, instead of the provision for bad debts (€62 million); (i) the estimated charges that the Group's insurance company, Gasrule Insurance DAC, expects to incur for insured claims (€22 million); (i) the costs connected with the signing of settlement agreements, amending previous framework agreements for new investments and the purchase of shareholdings relating to the Biomethane - Waste business (€9 million); (iv) an estimate of probable tax liabilities (€7 million).

The sensitivity[181] on the discount rate represents the change in the value of the liability that is obtained with the year-end valuation data, by varying the discount rate, subject to the other assumptions.

(million euros)	Variation in the discount rate	
	10% reduction	10% increase
Change in provision for decommissioning and site restoration at 31.12.2024	30	(28)

19) DEFERRED TAX LIABILITIES/ASSETS

(million euros)	31.12.2023	31.12.2024
Deferred tax liabilities, before offsetting	141	149
Offsetting with deferred tax assets	(82)	(81)
DEFERRED TAX LIABILITIES	**59**	**68**
Deferred tax assets, before offsetting	(457)	(532)
Offsettable deferred tax liabilities	82	81
DEFERRED TAX ASSETS	**(375)**	**(451)**

Deferred tax liabilities and assets, before offsetting, are analysed below according to the nature of the most significant temporary differences:

	31.12.2023							
(million euros)	Opening balance	Changes recognised in the income statement	Impacts recognised in equity	Other changes	Change in scope of consolidation	Closing balance	of which: IRES, CORPORATION TAX	of which: IRAP, REGIONAL TRADE INCOME TAX
Depreciation and amortization carried out for tax purposes only	58					58	58	
Decommissioning and site restoration								
Revaluations of property, plant and equipment	46	(4)			3	45	43	2
Capitalisation of financial expenses	6					6	5	1
Write-down of excess receivables	3					3	3	
Other temporary differences	15	2		1	11	29	26	3
Deferred tax liabilities, before offsetting	**128**	**(2)**		**1**	**14**	**141**	**135**	**6**
Decommissioning and site restoration	(82)	(5)				(87)	(74)	(13)
Non-deductible depreciation and amortization	(235)	(32)				(267)	(265)	(2)
Provisions for risks and charges and other non-deductible provisions	(40)	(12)				(52)	(52)	
Non-repayable and contractual grants	(17)					(17)	(15)	(2)
Employee benefits	(4)	(1)				(5)	(5)	
Other temporary differences	(30)		2		(1)	(29)	(18)	(11)
Deferred tax assets, before offsetting	**(408)**	**(50)**	**2**		**(1)**	**(457)**	**(429)**	**(28)**

[180] The costs refer to the estimated charges for the removal of the Livorno LNG regasification terminal - OLT Offshore LNG Toscana connection works.
[181] For sensitivity purposes, only provisions for risks and charges with a significant accretion discount were considered.

	31.12.2024							
(million euros)	**Opening balance**	**Changes recognised in the income statement**	**Impacts recognised in equity**	**Other changes**	**Change in scope of consolidation**	**Closing balance**	**of which: IRES, CORPORATION TAX**	**of which: IRAP, REGIONAL TRADE INCOME TAX**
Depreciation and amortization carried out for tax purposes only	58					58	58	
Revaluations of property, plant and equipment	45	(3)				42	40	2
Capitalisation of financial expenses	6					6	5	1
Write-down of excess receivables	3					3	3	
Other temporary differences	29	13		(2)		40	39	1
Deferred tax liabilities, before offsetting	**141**	**10**		**(2)**		**149**	**145**	**4**
Decommissioning and site restoration	(87)	(3)				(90)	(77)	(13)
Non-deductible depreciation and amortization	(267)	(42)				(309)	(307)	(2)
Provisions for risks and charges and other non-deductible provisions	(52)	14				(38)	(32)	(6)
Non-repayable and contractual grants	(17)					(17)	(14)	(3)
Employee benefits	(5)	(11)				(16)	(13)	(3)
Other temporary differences	(29)	(28)	(5)			(62)	(58)	(4)
Deferred tax assets, before offsetting	**(457)**	**(70)**	**(5)**			**(532)**	**(501)**	**(31)**

20) EMPLOYEE BENEFITS

(million euros)	31.12.2023	31.12.2024
Employee severance indemnity (TFR)	21	21
Early retirement fund		15
Supplementary Healthcare Fund for Executives of Eni Companies (FISDE)	4	5
Employee benefits related to seniority bonuses	3	3
EMPLOYEE BENEFITS	**28**	**44**

Employee severance indemnity (€ 21 million), governed by Article 2120 of the Italian Civil Code, includes the estimated obligation, determined on the basis of actuarial techniques, related to the amount to be paid to employees upon termination of employment. The indemnity, which is paid in the form of a lump sum, is equal to the sum of allowances calculated on the salary items paid in respect of the employment relationship and revalued up to the time of its termination. Due to legislative changes introduced from 1 January 2007, for companies with more than 50 employees, a significant portion of the accrued severance indemnity is classified as a defined contribution plan, as the company's obligation is represented solely by the payment of contributions to pension funds, i.e., INPS. The liability relating to post-employment benefits prior to 1 January 2007 continues to represent a defined benefit plan to be measured using actuarial techniques.

The Early retirement fund (€15 million), concerns the employer's costs arising from the application of the implementation agreement, signed by Snam with trade union organisations on 10 December 2024, in relation to the pension advance for employees, governed by Article 4, paragraphs 1-7 of Law no. 92/2012 (the so-called 'Fornero Law')[182]. The agreement concerns a maximum of 80 Snam S.p.A. employees who have accrued the required retirement conditions, subject to verification by the Italian Social Security Institute, INPS, and provides, for beneficiary employees, to take advantage of the rule on reaching the requirements for retirement within four years from two exit 'time slots', identified in May and October 2025.

The FISDE fund (5 million) includes the estimated costs, determined on an actuarial basis, related to the contributions to be paid for the benefit of serving[183] and retired executives. This fund provides supplementary healthcare benefits to Eni Group executives[184] and retired executives whose last employment relationship was with the Eni Group in an executive capacity. FISDE is financed by the payment: (i) of contributions from member companies; (ii) of contributions from Members for themselves and their families; (iii) of ad hoc contributions for specific benefits. The amount of the liability and the cost of care are determined by taking as a reference for the estimated health care costs paid by the fund the contribution that the company pays to pensioners.
Employee benefits related to seniority bonuses (€3 million) are benefits paid in kind in the form of goods and/or services upon reaching a minimum period of service in the company.

[182] Limited to the scope of this implementation agreement, Snam undertook to pay the beneficiary employees, in addition to the compensation provided for in the agreement itself, an additional amount as a redundancy incentive (€2 million in total).
[183] For serving executives, contributions are calculated from the year in which the employee retires and refer to the years of service already rendered.
[184] The fund provides the same benefits to Snam Group executives.

The composition of and changes in liabilities for employee benefits, measured using actuarial techniques, are as follows:

	31.12.2023				31.12.2024				
(million euros)	EMPLOYEE SEVERANCE INDEMNITY	FISDE	Other liabilities	Total	EMPLOYEE SEVERANCE INDEMNITY	Early retirement fund	FISDE	Other liabilities	Total
EMPLOYEE BENEFITS AT THE BEGINNING OF THE YEAR	**20**	**4**	**3**	**27**	**21**		**5**	**3**	**29**
Costs related to current services (recognised under 'personnel costs')	1			1	3	15			18
Interest cost (recognised under financial expenses)	1			1					
Actuarial (gains)/ losses from past experience adjustments (recognised in other comprehensive income)	2			2					
Benefits paid	(3)			(3)	(3)				(3)
EMPLOYEE BENEFITS AT THE END OF THE YEAR	**21**	**4**	**3**	**28**	**21**	**15**	**5**	**3**	**44**

The table below shows the main actuarial assumptions used to value the liabilities at the end of the year and to determine the cost for the following year.

(million euros)	31.12.2023			31.12.2024		
	EMPLOYEE SEVERANCE INDEMNITY	FISDE	Other liabilities	EMPLOYEE SEVERANCE INDEMNITY	FISDE	Other liabilities
Discount rate (%)	3.4	3.4	3.4	3.3	3.3	3.0
Inflation rate (%) (*)	2.0	2.0	2.0	1.9	1.9	1.9

(*) With regard to other liabilities, the rate refers to seniority bonuses and early retirement.

The discount rate adopted was determined by taking into account bond yields of leading companies (Euro area corporate bonds and AA ratings).

The employee benefit plans recognised by Snam are subject, in particular, to interest rate risk, as a change in the discount rate could lead to a significant change in the liability.
The effects of a reasonably possible change in the discount rate at the end of the financial year are illustrated below. It should also be noted that any changes in mortality do not have a significant effect on the liability. The sensitivity on the discount rate represents the change in value of the liability that is obtained with the year-end valuation data, by varying the discount rate by a certain number of basis points, subject to other assumptions.

(million euros)	Variation in the discount rate	
Effect on net obligation at 31.12.2024	**0.5% reduction**	**0.5% increase**
Change in employee severance indemnity at 31.12.2024	1	(1)
Change in liabilities for FISDE at 31.12.2024		(1)

The maturity profile of employee benefit plan obligations is shown in the table below:

	31.12.2023				31.12.2024				
(million euros)	EMPLOYEE SEVERANCE INDEMNITY	FISDE	Other liabilities	Total	EMPLOYEE SEVERANCE INDEMNITY	FISDE	Early retirement fund	Other liabilities	Total
Within the next year	3			3	2		2		4
Within five years	8			8	8		13		21
Over five and up to ten years	7	1	1	9	9	1		1	11
Over ten years	3	3	2	8	2	4		2	8
EMPLOYEE BENEFITS	**21**	**4**	**3**	**28**	**21**	**5**	**15**	**3**	**44**

The weighted average duration of employee benefit plan obligations is shown below:

	31.12.2023			31.12.2024			
	EMPLOYEE SEVERANCE INDEMNITY	FISDE	Other liabilities	EMPLOYEE SEVERANCE INDEMNITY	FISDE	Early retirement fund	Other liabilities
Weighted average duration (years)	7	19	11	8	19	2	11

21) OTHER CURRENT AND NON-CURRENT LIABILITIES

	31.12.2023			31.12.2024		
(million euros)	Current	Non-current	Total	Current	Non-current	Total
Security deposits		1,040	**1,040**		707	**707**
Fuel gas	532	100	**632**	517	35	**552**
Regulatory liabilities	99	50	**149**	18	49	**67**
Other taxes	65		**65**	5		**5**
Fair value of non-hedging derivative contracts		14	**14**		24	**24**
Fair value of cash flow hedge derivative (CFH) contracts				8	16	**24**
IRPEF withholdings for employees	7		**7**	11		**11**
Liabilities for connection contributions		7	**7**		7	**7**
Other	10		**10**	13		**13**
TOTAL OTHER CURRENT AND NON-CURRENT LIABILITIES	**713**	**1,211**	**1,924**	**572**	**838**	**1,410**

Security deposits (€707 million) refer to payments received as guarantees, mainly from users of the balancing service, pursuant to Resolution ARG/gas 45/11 'Regulations on the balancing of the economic merit of natural gas'.

The item 'Fuel gas' (€552 million) mainly refers to the transportation sector and concerns the liability recognised for the volumes of gas to be used for the operation of the system, in compliance with the provisions of Resolution 165/2022/R/Gas 'Urgent provisions for the allocation of storage capacity pursuant to the Decree of the Ministry of Ecological Transition No. 138 of 1 April 2022'.
Regulatory liabilities (€ 67 million) mainly relate to the transportation sector, for penalties charged to users who exceeded their committed capacity, to be returned to the system through tariff adjustments.

The fair value of non-hedging financial derivative contracts (€ 24 million) relates to the embedded option component of the debenture loan convertible into Italgas S.p.A. ordinary shares.

Liabilities arising from the fair value measurement of cash flow hedge derivative contracts (€24 million) refer to: (i) 23 Interest Rate Swap (IRS) derivative contracts, used to hedge the risk of interest rate fluctuations against variable-rate loans (€22 million). Through derivative contracts, variable-rate liabilities are converted into fixed-rate liabilities from the effective date of the contract; (ii) 4, Over-The-Counter (OTC) commodity derivative contracts, used to hedge the risk of fluctuations in the price of natural gas and electricity (€1 million), related to the biomethane business; (iii) 3, Cross Currency Swap (CCS) contracts used to hedge cash flows on foreign currency bonds (€1 million).

The fair value of hedging derivative contracts, as well as the classification between current and non-current assets/liabilities, were determined on the basis of valuation models commonly used in the financial sector and on market parameters at the end of the period.

22) TRADE AND OTHER PAYABLES

(million euros)	31.12.2023	31.12.2024
Trade payables for the purchase of goods and services	987	987
Total trade payables	**987**	**987**
Other payables		
- Payables to the Cassa per i Servizi Energetici e Ambientali (CSEA)	4,037	3,269
- Payables for investment activities	938	1,238
- Interim dividend	378	390
- Payables to personnel	45	46
- Payables to social security institutions	25	26
- Others	56	36
Total other payables	**5,479**	**5,005**
TOTAL TRADE AND OTHER PAYABLES (*)	**6,466**	**5,992**

(*) Of which 229 million euros maturing in more than 12 months on 31 December 2024.

Trade payables for the purchase of goods and services (€ 987 million) are mainly related to the transportation sector (€629 million, of which €241 million from balancing activities) and the energy transition sector (€211 million).
Payables to CSEA (€ 3,269 million) mainly refer to: (i) tariff components, additional to the tariff (€1,795 million); (i) the retrocession of amounts obtained from the sale of gas volumes purchased for the last resort filling service in compliance with resolutions 274/2022/R/Gas and 3/2023/R/Gas (€1,445 million).
Liabilities for investment activities (€ 1,238 million) mainly relate to the transmission (€788 million) and natural gas storage (€105 million) sectors and also include estimated liabilities for contractually agreed earn-outs.
The interim dividend (€ 390 million) refers to the payable to shareholders for the 2024 interim dividend of €0.1162 per share, which was resolved on 6 November 2024. The interim payment was made starting from 22 January 2025.
As part of its supply chain support measures, with the aim of supporting its suppliers in the efficient management of liquidity, Snam has Supply Chain Finance (SCF) agreements in place. The agreements, which last for several years, provide for the possibility for participating suppliers of goods and services to request a credit institution to pay invoices in advance, through the assignment of all receivables owed by the same suppliers to Snam.
These agreements provide for Snam to reimburse the bank according to the original terms and conditions of the invoices, without issuing any guarantees or recognising any fees to the bank. Therefore, payables continue to meet the criteria for being classified under 'Trade and other payables' as they do not have to be classified as financial payables.

At 31 December 2024, the amount of trade payables included in supply chain financing agreements was €35 million. Based on the agreements currently in place, Snam does not have information on the timing with which the financial institution pays invoices to the supplier.
The payment terms for trade payables, on average 60 days end of month from the invoice date, are the same for participating suppliers and for similar suppliers not participating in these agreements.
Snam regularly monitors the Supply Chain Finance agreements in place in order to assess whether the resulting liabilities should be reclassified as financial liabilities in the event of substantial changes in contractual terms or significant risk transfer.
Payables to related parties are illustrated in Note 36 'Transactions with related parties'.

23) EQUITY

(million euros)	31.12.2023	31.12.2024
Share capital	**2,736**	**2,736**
Treasury shares	**(30)**	**(27)**
Share premium reserve	**611**	**611**
Legal reserve	547	547
Reserve for perpetual subordinated bonds		1,000
Cash flow hedge reserve	(32)	(47)
Reserve for defined benefit plans for employees	(6)	(6)
Fair value reserve for equity investments	(15)	(31)
Reserve for business combinations under common control	(674)	(674)
Other reserves	170	164
Total reserves	**(10)**	**953**
Profits from previous years	3,571	3,787
Interim dividend	(378)	(390)
Profit for the year	1,135	1,259
Total retained earnings	**4,328**	**4,656**
Shareholders' equity of the parent company	**7,635**	**8,929**
Non-controlling interests	**45**	**44**
TOTAL EQUITY	**7,680**	**8,973**

23.1 Share capital

The share capital at December 31, 2024 consisted of 3,360,857,809 shares without nominal value (unchanged from December 31, 2023), with a total value of €2,735,670,475.56 (unchanged from December 31, 2023).

23.2 Treasury shares

The negative reserve for the purchase of treasury shares (€27 million) includes the purchase cost of 6,461,439 treasury shares in the portfolio at December 31, 2024 (7,244,579 treasury shares, equal to 0.22 of the share capital at December 31, 2023) equal to 0.19% of the share capital, for a book value of 27 million (€30 million at December 31, 2023). The market value of treasury shares at December 31, 2024 amounted to approximately € 28 million.[185]
In compliance with the provisions of Article 2428 of the Italian Civil Code, the treasury shares held by the Company at December 31, 2024 are analysed in the table below:

		Number of shares	Average cost (euro)	Total cost (million euros)	Share Capital (%)
Treasury shares at 31 December 2022		**8,101,437**	**4.076**	**33**	**0.24**
Movements 2023					
Shares granted free of charge under the 2020-2022 Share-based incentive plan (2021 allocation)	(-)	1,468,158	4.069	6	
- 2023 Purchases (sell to cover)	(+)	611,300	4.725	3	
Treasury shares at 31 December 2023		**7,244,579**	**4.133**	**30**	**0.22**
Movements 2024					
Shares granted free of charge under the 2020-2022 Share-based incentive plan (2021 allocation)	(-)	1,268,719	4.133	5	
- 2024 Purchases (sell to cover)	(+)	485,579	4.282	2	
Treasury shares at 31 December 2024		**6,461,439**	**4.144**	**27**	**0.19**

[185] Calculated by multiplying the number of treasury shares by the period-end official price of € 4.277 per share.

The reduction in the number of treasury shares compared to December 31, 2023 is attributable to the free assignment of 1,268,719 shares to Snam executives following the end of the vesting period, as envisaged in the 2020-2022 long-term share-based Incentive Plan, and to the concurrent buy back by the assignee executives, of 485,579 shares to cover the amount of taxes owed by the assignees.

The Snam Ordinary Shareholders' Meeting, held on 7 May 2024, authorised, subject to revocation of the resolution to authorise a purchase of treasury shares by the Ordinary Shareholders' Meeting on 4 May 2023, for the part that remained non-executed, a share buy-back plan, to be carried out on one or more occasions through one or more primary intermediaries appointed by Snam Spa, for a maximum duration of 18 months from the Shareholders' Meeting, with a maximum disbursement of €500 million and up to a maximum limit of shares in portfolio equal to 3.27% of subscribed and paid-up share capital.

23.3 Share premium reserve

The share premium reserve at December 31, 2024 amounted to € 611 million (unchanged at December 31, 2023).

23.4 Other reserves

Legal reserve

The legal reserve at December 31, 2024 amounted to € 547 million (unchanged at December 31, 2023) and had already reached one fifth of the share capital, as required by Article 2430 of the Italian Civil Code.

Reserve for perpetual subordinated bonds

The reserve for perpetual subordinated bonds (€1,000 million) relates to the bond issue in September 2024, with a nominal value of €1 billion, a fixed annual coupon of 4.50%, which will be paid, upon fulfilment of the contractually agreed conditions, up to the first reset date (excluded) of 10 December 2029. From that date, unless fully redeemed, the bond will accrue interest equal to the five-year Euro Mid-Swap rate plus an initial margin of 216.2 basis points, increased by an additional margin of 25 basis points, starting from 10 December 2034, and by an additional 75 basis points as from 10 December 2049.

Cash flow hedge reserve

The cash flow hedge reserve (€-47 million, €-32 million at December 31, 2023, net of related tax effects) refers to the fair value measurement of hedging derivatives.
Changes in the reserve during the year are analysed below:

(million euros)	Gross reserve	Tax effect	Net reserve
BALANCE AT 01.01.2023	**(51)**	**12**	**(39)**
Changes in the financial year 2023	10	(3)	7
BALANCE AT 31.12.2023	**(41)**	**9**	**(32)**
Changes in the financial year 2024	(20)	5	(15)
BALANCE AT 31.12.2024	**(61)**	**14**	**(47)**

Reserve for defined benefit plans for employees

The reserve for defined employee benefit plans (€-6 million; unchanged at December 31, 2023) includes actuarial losses, net of the related tax effect, recognised in other comprehensive income, in accordance with IAS 19.

Fair value reserve for equity investments

The fair value reserve for equity investments (€-31 million; €-15 million at December 31, 2023) includes the change in fair value, net of tax effects, of non-controlling interests for which, upon initial recognition, Snam opted for measurement at FVTOCI ('fair value through other comprehensive income'). For more details, see Note 11 'Other current and non-current financial assets'.

Reserve for business combinations under common control

The reserve for business combinations under common control (-€674 million; unchanged at December 31, 2023), recognised as part of a business combination under common control (BCUCC) carried out in 2009 with the former parent company Eni, relates to the value arising from the difference between the purchase cost of the investment in Stogit and the related equity attributable to the group at the date the transaction was completed.

Other

Other reserves of € 164 million (€170 million at December 31, 2023) mainly refer to the portions of other comprehensive income of equity investments accounted for using the equity method, in particular, to changes in the fair value of hedging derivatives and exchange differences.

23.5 Retained earnings

Retained earnings (€ 4,656 million) include:

- profits from previous years, amounting to € 3,787 million (€3,571 million at December 31, 2023); the increase of €216 million is mainly due to the 2023 profit remaining after the distribution of the dividend (€190 million);
- the 2024 interim dividend (390 million, recognised as a reduction of shareholders' equity), equal to € 0.1162 per share, resolved on 6 November 2024 by the Board of Directors pursuant to Article 2433-bis, paragraph 5, of the Italian Civil Code. The interim payment was made on 22 January 2025, with ex-dividend date on 20 January 2025 and record date on 21 January 2025;
- profit for the financial year 2024, amounting to € 1,259 million;

23.6 Dividends declared and distributed and dividends to be distributed

On 7 May 2024, the Ordinary Shareholders' Meeting of Snam S.p.A. resolved to distribute an interim dividend of €0.1692 per share, payable as from 26 June 2024 with ex-dividend date on 24 June 2024 and record date on 25 June 2024 (€567 million). The dividend for the financial year 2023 is therefore determined between an interim dividend of €0.1128 per share (€378 million), already distributed in January 2024, and the balance of €0.2820 per share.
The Board of Directors, in its meeting of 19 March 2025, proposed to the Shareholders' Meeting convened for 14 May 2025, the distribution of a final dividend of €0.1743 per share, which will be payable as from 25 June 2025 (record date 24 June 2025), with ex-dividend date of 23 June 2025. The dividend for the financial year 2024 is therefore determined as equal to €0.1162 per share (390 million euro), already distributed in January 2025, and the balance of € 0.2905 per share.

24) NON-CONTROLLING INTERESTS OF SUBSIDIARIES

The economic and financial disclosures required by IFRS 12 for subsidiaries with significant non-controlling interests, with reference to the financial years ended December 31, 2023 and December 31, 2024.

	31.12.2023						
(million euros)	**Renovit S.p.A.**	**Renovit Building Solutions S.p.A. (formerly Evolve S.p.A.)**	**Renovit Public Solutions S.p.A.**	**Renovit Business Solutions S.r.l. (formerly TEP Energy Solution S.r.l.)**	**Other companies individually not relevant (*)**	**Intragroup eliminations consolidation adjustments**	**Total**
Total assets	101	624	219	911			
Total liabilities	(26)	(576)	(176)	(901)			
TOTAL NET ASSETS	**75**	**48**	**43**	**10**			
Non-controlling interests %	39.95%	39.95%	39.95%	39.95%			
- attributable to third parties	**30**	**19**	**17**	**4**	**4**	**(29)**	**45**
Net result	(3)	23	14	(12)			
OCI							
INCOME	**(3)**	**23**	**14**	**(12)**			
Non-controlling interests %	39.95%	39.95%	39.95%	39.95%			
- attributable to third parties	**(1)**	**9**	**6**	**(5)**		**1**	**10**

(*) It refers to two companies.

	31.12.2024						
(million euros)	Renovit S.p.A.	Renovit Building Solutions S.p.A. (formerly Evolve S.p.A.)	Renovit Public Solutions S.p.A.	Renovit Business Solutions S.r.l. (formerly TEP Energy Solution S.r.l.)	Other companies individually not relevant (*)	Intragroup eliminations consolidation adjustments	Total
Total assets	103	548	219	756			
Total liabilities	(30)	(505)	(174)	(738)			
TOTAL NET ASSETS	**73**	**43**	**45**	**18**			
Non-controlling interests %	39.95%	39.95%	39.95%	39.95%			
- attributable to third parties	**30**	**17**	**18**	**7**	**5**	**(33)**	**44**
Net result	(3)	(5)	2	7			
OCI							
INCOME	**(3)**	**(5)**	**2**	**7**			
Non-controlling interests %	39.95%	39.95%	39.95%	39.95%			
- attributable to third parties	**(2)**	**(2)**	**1**	**3**		**(2)**	**(2)**

(*) It refers to two companies.

25) GUARANTEES AND COMMITMENTS

The Group's guarantees and commitments are indicated below:

(million euros)	31.12.2023	31.12.2024
GUARANTEES GIVEN ON BEHALF OF COMPANIES UNDER JOINT CONTROL AND ASSOCIATED COMPANIES	**1,129**	**1,135**
of which:		
- associated company TAP	1,129	1,129
GUARANTEES GIVEN ON BEHALF OF SUBSIDIARIES	**371**	**604**
TOTAL GUARANTEES	**1,500**	**1,739**
GROUP COMMITMENTS FOR THE PURCHASE OF GOODS AND SERVICES (*)	**2,407**	**2,488**
COMMITMENTS FOR THE SUBSCRIPTION OF INVESTMENT FUND UNITS	**40**	**33**
COMMITMENTS FOR THE SUBSCRIPTION OF SHARES	**28**	**1**
TOTAL COMMITMENTS	**2,475**	**2,522**

(*) The value includes legally binding orders at the reporting date.

25.1 Guarantees given on behalf of companies under joint control and associated companies

Guarantees given on behalf of jointly controlled or associated companies (€ 1,135 million) which mainly refer to the guarantee issued on behalf of the associated company TAP. In particular, the Group has agreed to guarantee the repayment of TAP's outstanding loan (for an amount pro rata to the Group's equity interest in TAP), conditioned upon the occurrence of specific extraordinary events. The maximum amount of the Group's guarantee is € 1,129 million.
In addition, the financing agreements signed in connection with the TAP project financing also provide for certain customary restrictions, including limitations on the Group's ability to: (i) dispose of its shares in TAP within a certain timeframe; or (ii) pledge the shares held by Snam in TAP, for the entire duration of the relevant financing.

25.2 Guarantees given on behalf of subsidiaries

Guarantees given on behalf of subsidiaries (€ 604 million; 371 million at December 31, 2023) mainly refer to:

i. guarantees provided in favour of the Italian Revenue Agency, mainly on behalf of the subsidiaries Stogit, GNL, Greenture, Bioenerys Agri and Snam FSRU Italia (€256 million) for receivables used in the context of the group VAT settlement;
ii. guarantees in favour of the Ministry of the Environment and Energy Security (MASE), in the interest of Snam Rete Gas (€126 million), to obtain advances on the contributions provided by the REPowerEU for the construction of gas transportation infrastructure;
iii. indemnities issued in favour of third parties as a performance bond (€ 48million);
iv. the Parent Company Guarantee (PCG) issued in favour of the contractor BW Fleet Management AS in the interest of Snam FSRU Italia S.r.l., to guarantee obligations arising from the signing of the Development Agreement relating to the FSRU regasification vessel 'BW Singapore' (€33 million).

25.3 Group commitments for the purchase of goods and services

Commitments for the purchase of goods and services (€ 2,488 million; 2,407 million at December 31, 2023) mainly relating to contracts signed with suppliers for the purchase of goods and services related to the realization of tangible assets. The latter, due to the agreements in force between Snam FSRU Italia S.r.l. and the Port Authorities of the Northern Central Adriatic Sea, include €270 million earmarked for the construction of the breakwater in Ravenna, necessary for the protection of the FSRU BW Singapore.

25.4 Commitments to subscribe to investment fund units and shares

Commitments to subscribe to investment fund units (€ 33 million; € 40 million at December 31, 2023) concern: (i) Snam S.p.A.'s residual commitment to the Clean H2 Infra Fund (HY24) (€23 million), as part of the investment program that the fund proposes to carry out over a total of six years from the final closing date (December 13, 2023);
and
(ii) commitments to the CDP Corporate Partners I - Energy Tech Fund (€10 million), as part of the investment program that the fund proposes to carry out over a total of five years from the first closing date (18 May 2022). Such funds may be called up, even partially and in several tranches, upon the identification by the Fund of potential eligible investments pursuant to the Fund's Regulation.

25.5 Other commitments and related risks not valued

Other commitments and related risks not valued mainly refer to commitments undertaken at the time of closing equity purchase transactions, intended to operate also after the date of execution of such transactions.

At December 31, 2024, the commitment was still in place related to the contract for the purchase from Eni of Stogit, for commitments related to the occurrence of future events, such as: (i) the possible different valuation of the gas owned by Stogit, compared to the valuation recognised by ARERA, the energy regulator, that could arise in certain contractually defined circumstances; (ii) the possible transfer of storage capacity that should become freely available on a negotiated basis and no longer regulated, or the transfer of concessions, among those held by Stogit, at the time of the transfer of the shares that may be dedicated primarily to storage activities no longer subject to regulation

26) FINANCIAL RISK MANAGEMENT

26.1 Introduction

In the area of business risks, the main financial risks identified, monitored and, to the extent specified below, managed by Snam are as follows:

- the risk arising from exposure to interest rate fluctuations;
- the credit risk arising from the possibility of default by a counterparty;
- liquidity risk arising from a lack of financial resources to meet short-term commitments;
- the risk arising from exposure to exchange rate fluctuations;
- the risk arising from exposure to fluctuations in commodity prices.

The financial risk management and control activity, overseen by Snam through a specialist vertical approach, is aimed at defining an adequate financial structure and monitoring the corresponding risk limits, in order to preserve financial sustainability and rating. Snam therefore develops strategies, also through Key Risk Indicators (KRI), for optimising and controlling the risk profile, taking into account the context in which it operates, the Risk Appetite Framework and the overall value system produced by the Group's businesses.

In particular, in Snam, the financial risk management and control activity is structured on the basis of the following process:

- definition of appropriate KPIs and related limits;
- management;
- monitoring and reporting.

With regard to other risks that characterise operations, please refer to the chapter 'Risk and uncertainty factors' in the Directors' Report.

The following is a description of Snam's policies and principles for the management and control of financial risks, in accordance with the approach required by IFRS 7 - Financial Instruments: additional disclosures.

26.2 Risk of changes in interest rates

The risk of changes in interest rates relates to fluctuations in interest rates that affect the market value of the company's financial assets and liabilities, the level of net financial expenses, and, specifically, the level of revenues recognised in respect of regulated businesses.

One of Snam's objectives is to minimise interest rate risk in pursuing the objectives defined and approved in the Strategic Plan.

The Snam Group adopts a centralised operating organisational model. In accordance with this model, Snam's structures ensure that needs are covered through access to financial markets and the deployment of funds, in line with approved objectives, guaranteeing that the risk profile is maintained within defined limits. At December 31, 2024, the Snam Group had used external financial resources in the form of debenture loans, commercial papers and bilateral and syndicated loan agreements with banks and other lenders, in the form of financial debt and bank credit lines at interest rates indexed to market benchmark rates, and in particular the Europe Interbank Offered Rate (Euribor), and at fixed rates. The exposure to the risk of changes in interest rates at December 31, 2024, taking into account the hedging transactions put in place, was approximately 19% of the total exposure of the Group (30% at December 31, 2023). At 31 December 2024, Snam had Interest Rate Swap (IRS) derivative contracts in place with a notional total amount of €3,854 million, hedging the risk of interest rate changes on bank loans and variable-rate bonds.

Although the Snam Group has an active risk management policy, consistent with the revenue recognition mechanism, an increase in interest rates on unhedged variable-rate debt could have a negative impact on the Snam Group's business and financial position.
Despite considering the limited exposure to changes in interest rates, which is limited to 19% of the Group's total exposure and is mainly attributable to the Euribor rate, a possible change in the method of calculating the latter and the related 'fallback' clauses that may be formulated, could entail the need for the Snam Group to adjust the financial contracts that may be impacted by the aforementioned change and/or the management of forward-looking cash flows.

The following table shows the impact on equity and the net result for the year ended December 31, 2024 of a hypothetical positive and negative change of 25 basis points (bps) in interest rates actually applied during the year:

(million euros)	31.12.2024	
	Income statement result	
	Interest +25 bps	Interest -25 bps
Non-hedged variable-rate loans		
Effect of interest rate change	(13)	13
Impacts before tax effect	(13)	13
Tax effect	3	(3)
IMPACT NET OF TAX EFFECT	**(10)**	**10**

The effects on other components of comprehensive income, resulting from the above hypothetical change in variable-rate loans converted through IRS into fixed-rate loans, were less than €1 million.

26.3 Credit risk

Credit risk represents the company's exposure to potential losses arising from the failure of counterparties to meet their obligations. The non-payment or delayed payment of amounts due could adversely affect Snam's economic results and financial equilibrium. With regard to the risk of counterparty default in contracts of a commercial nature, credit management is entrusted to the responsibility of the business units and to Snam's centralised functions for activities related to credit recovery and any litigation management.

For trade receivables, provisions for bad debts reflect the value of expected losses over the life of the receivable and are determined on a collective basis according to the expected credit loss model, in line with the requirements of the relevant accounting standards, or on the basis of individual and analytical assessments for credit exposures that present specific risk elements (e.g., litigation or in the presence of detailed information available on the recoverability of the exposure). For further details, please refer to Note 5 'Significant Accounting Policies' - 5.7 'Non-derivative financial assets - receivables and debt securities'.

As far as regulated activities are concerned, which account for nearly all its operations, Snam provides its business services to some 600 operators in the gas sector, taking into account that the top 10 operators account for about 64% of the entire market (Eni, Edison and Enel Global Trading in the top three places). The rules for customer access to the services offered are laid down by the Authority and are set out in the Codes, i.e. in documents that establish, for each type of service, the rules governing the rights and obligations of the parties involved in the process of selling and providing the services themselves, and that define contractual clauses which significantly reduce the risks of non-compliance by customers. The Codes provide for the granting of guarantees to cover the obligations undertaken. In certain cases, if the customer has a credit rating issued by leading international bodies, the furnishing of these guarantees may be mitigated. The regulatory framework has also provided for specific clauses in order to guarantee the neutrality of the entity in charge of the Balancing activity, which has been carried out since 1 December 2011 by Snam Rete Gas in its capacity as a major transportation company. In particular, the current balancing regulation requires Snam, on the basis of economic merit criteria, to operate mainly by buying and selling via the GME balancing platform, in order to guarantee the resources necessary for the safe and efficient movement of gas from the entry points to the withdrawal points, to ensure the constant balance of the network. For regulated assets, the model for determining expected losses considers the guarantee and hedging mechanisms described above.

Snam's maximum exposure to credit risk at December 31, 2024 is represented by the book value of the financial assets recorded in the financial statements, detailed in Note 15 'Trade and other receivables'.

The breakdown of trade and other receivables by seniority is shown below, with an indication of the value net of the provision for bad debt:

	31.12.2023			31.12.2024		
(million euros)	Trade receivables (*)	Other receivables	Total	Trade receivables (*)	Other receivables	Total
Receivables not past due	**3,624**	**146**	**3,770**	**2,774**	**399**	**3,173**
Receivables past due	**735**		**735**	**291**	**19**	**310**
- 0 to 3 months	189		**189**	83	8	**91**
- 3 to 6 months	19		**19**	37	1	**38**
- 6 to 12 months	315		**315**	26	5	**31**
- over 12 months	212		**212**	145	5	**150**
Total trade and other receivables	**4,359**	**146**	**4,505**	**3,065**	**418**	**3,483**

(*) The exposure is net of past due and impaired loans amounting to € 107 million (160 million at 31 December 2023).

The net book value of trade receivables due at December 31, 2024 and not written down, amounting to € 291 million, mainly refers to trade receivables of companies operating in regulated businesses; in particular the item refers to: (i) the transportation segment (€166 million), mainly for receivables from users related to default service items. For these receivables, the hedging mechanisms provided for in the current regulatory framework are in place; (ii) the storage sector (€74 million), in particular VAT invoiced to users for the use of strategic gas unduly withdrawn and not restored by them within the deadlines established by the Storage Code during the 2010 and 2011 financial years. As provided for by regulations in force, VAT variation notes may be issued at the end of insolvency proceedings and enforcement procedures that have remained unsuccessful.

26.4 Liquidity risk

Liquidity risk is 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 cannot meet its payment obligations. This risk may have an impact on the economic result, in the event that the company is forced to incur additional costs to meet its commitments, or it may result, as an extreme consequence, in a situation of insolvency that jeopardises the continuity of the company's business.
Snam's Risk Management objective is to put in place, within the framework of the Strategic Plan, a regulated financial policy that, consistent with business objectives and the Risk Appetite Framework, guarantees an adequate level of liquidity for the Group, in line with the business profile and the regulatory context in which Snam operates. Therefore, the objective pursued is a policy that minimises the relative opportunity cost and maintains a balance in terms of duration and debt composition.

The financial market is characterised by a constant growth of financing sources linked to the achievement of certain objectives in terms of environmental sustainability. With a view to the correct management of liquidity risk, the diversification of funding sources, including the use of sustainable finance instruments, is therefore crucial to guaranteeing companies broad access to financial markets at competitive costs, with consequent positive effects on their financial position and performance.

For Snam, the failure to achieve certain ESG targets within the Group's sustainability strategy in the medium to long term could lead to higher financing costs or the lack of access to certain sources of financing in the future.
The mitigation of this risk also involves Snam's extreme attention to ESG issues, which traditionally constitute a significant part of the company's strategy. Consistent with this approach, Snam has made an increasing use of sustainable finance instruments, reaching around 84% of total 'committed' sources in 2024. With the presentation of the 2025-2029 Strategic Plan, the target was raised to 90% of total funding, to be achieved by 2029, compared to the previous target of 85% to be achieved by 2027.
In this regard, Snam is leveraging its Sustainable Finance Framework, published in February 2024, for the issue of green and sustainability-related financial instruments, with the aim of strengthening the Company's ongoing commitment to the energy transition.
In particular, in 2024, Snam issued the following on the bond market: (i) in February, a €1.5 billion sustainable bond, in dual tranches with the first €500 million Snam Green Bond, and a €1 billion Sustainability-Linked Bond (SLB); (ii) in April, a 750 million euros variable-rate bond; (iii) in September, the first perpetual subordinated bond issue with a nominal value of €1 billion and, finally, (iv) in November, a £600 million, €750 million dual tranche Sustainability-Linked bond issue. During the year, Snam also finalised with major relationship banks: (i) a revolving credit facility (RCF) for €5 billion in KPI-linked format and (ii) bank credit facilities (Term Loan) for €850 million, of which €750 million in KPI-linked format and €100 million undersigned with the European Investment Bank (EIB).
Lastly, at 31 December 2024, Snam had unused committed long-term credit lines worth approximately €5.6 billion, of which: (i) a RCF of €5.5 billion and (ii) an EIB loan for €100 million. At 31 December 2024, Snam had a Euro Medium Term Notes (EMTN) programme in place for a maximum total nominal value of €15 billion, used for approximately €11.9 billion and a Euro Commercial Paper Programme (ECP) for a maximum total nominal value of €3.5 billion, drawn for €1.6 billion.

Snam's liquidity, consisting of cash and cash equivalents and other current financial assets, refers mainly to current accounts and bank deposits with financial institutions with high credit ratings.
The Group's main long-term financial debts contain covenants typical of international practice concerning, inter alia, negative pledge and pari passu clauses. Failure to comply with these clauses, as well as the occurrence of other events, such as cross-default events, may result in Snam's default and, possibly, may cause the related loan to become due in advance, leading to additional costs and/or liquidity problems. Commitments do not include covenants requiring compliance with economic and/or financial ratios.
Among the factors that define the risk perceived by the market, creditworthiness, assigned to Snam by rating agencies, plays a decisive role since it influences the ability to access sources of financing and the related economic conditions. A worsening of this creditworthiness could, therefore, limit access to the capital market and/or increase the cost of financing sources, with consequent negative effects on the Group's financial position and performance.
Snam's long-term rating is equal to: (i) Baa2 with a stable outlook, confirmed on 16 December 2024 by Moody's Investor Services; (ii) BBB+ with a stable outlook, confirmed on 30 April 2024 by Standard & Poor's Global Rating ('S&P'); (iii) BBB+ with a stable outlook, confirmed on 10 March 2025 by Fitch Ratings ('Fitch'). Snam's long-term rating by Moody's, Fitch and Standard & Poor's is a notch higher than that of Italian sovereign debt. Based on the methodology adopted by Moody's and S&P, the downgrade of one notch from the current rating of the Republic of Italy would lead to a corresponding reduction of Snam's current rating.

Although the Snam Group has relationships with diversified counterparties with a high credit standing, based on a policy of managing and continuously monitoring their active credit risk, the default of an active counterparty or the difficulty of selling off assets on the market could have a negative impact on the Snam Group's financial position and performance.

Snam has Supply Chain Finance (SCF) agreements in place with leading banks to support its suppliers in the efficient management of liquidity. These agreements provide for Snam to reimburse the bank according to the original terms and conditions of the invoices, without issuing any guarantees or recognising any fees to the bank. The liabilities arising from these agreements meet the criteria for classification under the heading 'Trade and other payables'. The aforementioned agreements have no impact on the Group's cash flows.

With reference to the timing of payments in respect of trade and other payables, please refer to Note 22 'Trade and other payables' of the consolidated financial statements.

The following table shows the amounts of contractually due payments related to financial debts and liabilities for leased assets, including interest payments, and liabilities for derivative instruments:

			Contractual cash flows					
(million euros)	**Book value at 31.12.2023**	**Total flows**	**2024**	**2025**	**2026**	**2027**	**2028**	**After**
Bank loans	3,549	3,527	980	486	916	241	113	791
Debenture loans (*)	9,876	9,891	1,172	1,267	1,550	552	1,100	4,250
Euro Commercial Paper - ECP	2,679	2,681	2,681					
Interest on loans	1,034	1,034	247	202	171	116	91	207
Financial payables for leased assets	43	43	9	8	6	4	3	13
Other lenders	505	502	2			500		
Trade payables and other payables	6,466	6,466	6,422	43	1			
TOTAL CONTRACTUAL FLOWS OF FINANCIAL LIABILITIES	**23,118**	**24,144**	**11,513**	**2,006**	**2,644**	**1,413**	**1,307**	**5,261**

(*) Future payments include the cash flow generated by hedging derivative contracts.

			Contractual cash flows					
(million euros)	**Book value at 31.12.2024**	**Total flows**	**2025**	**2026**	**2027**	**2028**	**2029**	**After**
Bank loans	3,567	3,546	586	1,266	791	113	152	638
Debenture loans (*)	12,461	12,437	1,267	2,300	552	1,600	1,500	5,218
Euro Commercial Paper - ECP	1,570	1,585	1,585					
Interest on loans	2,007	2,007	364	332	253	216	181	661
Financial payables for leased assets	59	55	10	11	2	6	5	21
Other lenders	704	701	1		500	200		
Trade payables and other payables	5,992	5,992	5,990	2				
TOTAL CONTRACTUAL FLOWS OF FINANCIAL LIABILITIES	**24,353**	**26,323**	**9,803**	**3,911**	**2,098**	**2,135**	**1,838**	**6,538**

(*) Future payments include the cash flow generated by hedging derivative contracts.

26.5 Exchange rate risk

In relation to the risk of exposure to exchange rate fluctuations, Snam has in place Cross Currency Swap (CCS) derivative contracts for a notional total amount of approximately €723 million, to fully hedge the risk on a bond denominated in British Pounds (GBP 600 million).
The remaining exposure, due to the cases currently in place, is limited to the Group with reference to settlement risk, while there is still exposure to translation risk with some foreign subsidiaries that prepare their financial statements in currencies other than the euro. At present, it has been decided not to adopt specific hedging policies against these exposures. In this regard, it should be noted that the effects of exchange rate differences arising from the translation into the presentation currency (euro) of the functional currencies of these companies are recognised in the Statement of Comprehensive Income.

26.6 Commodity price fluctuation risk

Due to the context in which it operates, Snam is currently exposed to a limited extent to the risk deriving from fluctuations in raw material prices. There are still minor exposures in some business segments and essentially linked to the price of gas. Even in a context of limited impact at consolidated level, Snam's objective in managing this risk is aimed at protecting the value of cash flows and the related economic result from unfavourable movements in the price risk component to which it is exposed, by negotiating derivative instruments in order to mitigate the aforementioned risk.

26.7 Fair value of financial instruments

Below is the classification of assets and liabilities measured at fair value in the Statement of Financial Position in accordance with IFRS 13, according to the fair value hierarchy defined according to the significance of the inputs used in the valuation process. In particular, depending on the characteristics of the inputs used for valuation, the fair value hierarchy has the following levels:

a. Level 1: quoted prices (unmodified) in active markets for identical assets or liabilities that the entity can access at the measurement date;
b. Level 2: inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly (such as prices) or indirectly (derived from prices);
c. Level 3: inputs are unobservable inputs.

In connection with the above, assets and liabilities measured at fair value at December 31, 2024 are classified as follows:

	Notes	Fair Value				Fair Value			
(million euros)		**Balance at 31.12.2023**	**Level 1**	**Level 2**	**Level 3**	**Balance at 31.12.2024**	**Level 1**	**Level 2**	**Level 3**
Minority investments accounted for at FVTOCI	(11)	**50**	9		41	**25**	6		19
Contingent consideration (earn-out) (a)		**282**			282	**249**			249
Securities and fund units	(11)	**7**		7		**12**		12	
Assets for the fair value of cash flow hedge derivative (CFH) contracts	(13)	**4**		4					
- rates		**3**		3					
- commodities		**1**		1					
Liabilities for the fair value of non-hedging derivative contracts	(21)	**(14)**		(14)		**(24)**		(24)	
Liabilities for the fair value of cash flow hedge derivatives (CFH) contracts	(21)					**(24)**		(24)	

(a) This item is classified in Note 22 'Trade and Other Payables - Investment Payables'.

Minority shareholdings measured at FVTOCI (€25 million) mainly refer to the companies Storegga Limited, classified as level 3, and ITM Power, classified as level 1.

Contingent considerations (€ 249 million), classified as Level 3, refer to the estimated earn-outs contractually agreed upon in the context of transactions to acquire equity investments. The reduction is mainly attributable to the payment of the tranche relating to 2024.
Securities and fund units (€ 12 million), classified as level 2, relate to units in the Clean H2 Infra Fund (HY24) and CDP Corporate Partners I - Energy Tech Fund.
Financial derivative assets for hedging purposes (€ 24 million), classified as level 2, refer to derivative contracts used to hedge the risk of fluctuations in interest rates and exchange rates.
Financial derivative liabilities for non-hedging purposes (€ 24 million), classified as level 2, refer to the optional component embedded in the debenture loan convertible into Italgas S.p.A. ordinary shares.
During 2024, there were no transfers between the different levels of the fair value hierarchy.

The fair value of level 2 hierarchy classified instruments, were determined on the basis of valuation models commonly used in the financial sector and on market parameters at the end of the period.

26.8 Financial assets and financial liabilities not measured at fair value

The table below shows, for each class of assets and liabilities not measured at fair value in the Statement of Financial Position, but for which fair value must be disclosed, the fair value at the end of the period in which the valuation was made[186]:

(million euros)	**Balance at 31.12.2023**	**Fair value at 31.12.2023**	**Level 1**	**Level 2**	**Level 3**	**Balance at 31.12.2024**	**Fair value at 31.12.2024**	**Level 1**	**Level 2**	**Level 3**
Non-current financial receivables (a)	**82**	**83**		**83**		**87**	**89**		**89**	
Debenture loans (b)	**(9,769)**	**(8,977)**	**(8,977)**			**(11,706)**	**(11,147)**	**(11,147)**		
- fixed rate	(9,769)	(8,977)	(8,977)			(11,706)	(11,147)	(11,147)		
Bank loans (b)	**(1,326)**	**(1,251)**		**(1,251)**		**(675)**	**(640)**		**(640)**	
- fixed rate	(1,326)	(1,251)		(1,251)		(675)	(640)		(640)	

(a) For further details, please refer to Note 11 'Other current and non-current financial assets'.
(b) For further details, see Note 17 'Current and non-current financial liabilities'.

[186] Please note that assets and liabilities natively at variable interest rates and financial liabilities for leased assets were excluded from the table.

26.9 Other information on financial instruments

The value at which financial instruments are recognised and their economic and equity effects are analysed as follows:

	Notes		Income (expenses) recognised in			Income (expenses) recognised in	
(million euros)		Balance at 31.12.2023	Profit and loss account	Other components of comprehensive income	Balance at 31.12.2024	Profit and loss account	Other components of comprehensive income
Trade and other receivables at amortised cost	(15)	4,505	(61)		3,483	69	
Ecobonus/Sismabonus credits at amortised cost	(13)	345	13		1,159	52	
Financial receivables measured at amortised cost (a)	(11)	102	8		111	6	
Minority investments accounted for at FVTOCI	(11)	50	5	(3)	25		31
Hedging derivatives measured at fair value (b)	(13)	4		10	(24)		(20)
Non-hedging derivatives measured at fair value (a)	(21)	(14)	2		(24)	(10)	
Current and non-current financial liabilities measured at amortised cost (a)	(17)	(16,652)	(295)		(18,361)	(489)	
Trade and other payables at amortised cost	(22)	(6,466)	(17)		(5,992)	(8)	

(a) The economic effects were recognised under 'Net financial expenses'.

(b) The effects on the income statement relate to the ineffective portion, if any. The differentials related to the hedging portion were recognised to net the economic effects of the related hedged instrument.

27) CRIMINAL AND TAX LITIGATION AND PROCEEDINGS WITH THE REGULATORY AUTHORITY ARERA

Snam is a party in civil, administrative and criminal proceedings and in legal actions related to the normal course of its business. On the basis of the information currently available, taking into account the funds allocated and noting that in some cases it is not possible to make a reliable estimate of the possible burden, Snam believes that these proceedings and actions will not result in significant negative effects.

Below is a summary of the most significant proceedings and/or events with an impact on the Group's litigation. At 31 December 2024, risks for damages and disputes relating to litigation in progress, but where the risk of losing the case is not considered probable, amounted to €10 million.

27.1 Criminal litigation

Renovit Business Solution S.r.l. (formerly TEP Energy Solution S.r.l.) - Criminal proceedings pursuant to Italian Legislative Decree 231 of 2001

The former CEO and an employee of the subsidiary TEP Energy Solution S.r.l. (now Renovit Business Solution; hereinafter, TEP, as indicated in the investigation file), pursuant to Italian Legislative Decree 231/2001, are involved in criminal proceedings, pending before the Public Prosecutor's Office at the Court of Rome, originating from investigations concerning legal concessions obtained for building activities (so-called Superbonus tax relief and other minor tax relief bonuses) at a number of construction sites. The administrative offences referred to in articles 24, 25 quinquiesdecies, paragraph 1, letter d), and 26 of Legislative Decree 231/2001 are contested against the company TEP in relation to the crimes charged to the natural persons involved, which include (i) complicity in: attempted aggravated fraud to obtain public funding; attempt at undue compensation; ideological falsehood by a private individual; and ideological falsehood by a public official; and (ii) the issuing of invoices for non-existent transactions. In the course of the preliminary investigation, the preventive seizure of receivables included in invoices issued by TEP to an apartment building was ordered. On 24 June 2024, the notice of the conclusion of the preliminary investigation was served pursuant to Article 415bis of the Code of Criminal Procedure. The preliminary hearing was set for 9 July 2025 at the Court of Rome.

27.1.1 Other criminal litigation

The Group's companies, with particular reference to those active in regulated business, are also involved in several ongoing criminal proceedings, in which they are the plaintiff in relation to various alleged crimes, such as: aggravated theft, damage, fraud, receiving stolen goods, money laundering and criminal conspiracy. Among these, we recall the judgment currently pending before the Court of Appeal of Milan against Transport Users who in 2012 accrued a significant debt exposure towards Snam Rete Gas, as Balancing Manager, mainly attributable to illegitimate conduct of fraud and money laundering (so-called 'gas cheats'). In this proceeding, Snam Rete Gas joined the proceedings as a civil party against the defendants.
In the context of the Group's operations, some Group employees may be involved in criminal proceedings aimed at determining their possible personal liability, for example in the event of accidents at work, damage or environmental crimes. Currently, two criminal proceedings of this type are pending before the Court of Trani and the Court of Enna. Group companies are not involved in these proceedings under Italian Legislative Decree 231/2001.

27.2 Administrative proceeding

27.2.1 Regulatory administrative proceeding

Default transportation service

Following the proceedings already started in 2022 and concluded in 2023, on 28 October 2023 Acciaierie d'Italia S.p.A. filed a new appeal before the Lombardy-Milan Regional Administrative Court (Record no. 2075/2023) in which it requested the annulment, subject to suspension of the effectiveness with the adoption of single- and joint-body precautionary measures: (i) ARERA resolution no. 393/t2023/R/gas of 7 September 2023, concerning 'Urgent provisions regarding the transportation default service provided to Acciaierie d'Italia S.p.A.', which only partially upheld (until 30 September 2023) the request for a waiver of the sixty-day period provided for in resolution 249/2012/R/gas for the provision of the Transportation Default Service, submitted by Acciaierie d'Italia on 2 August 2023 with a request to extend the service until at least 31 December 2023, and (ii) the communication of Snam Rete Gas S.p.A. dated 19 October 2023, in which Acciaierie d'Italia was notified of the scheduling of the disk application procedures at the redelivery points for 8 November 2023. By precautionary decree of the President of the Regional Administrative Court of Lombardy-Milan No. 994 of 30 October 2023, the court, having considered the *periculum in mora* appreciable in relation to the date set for the termination of the redelivery points and the need to further investigate the *fumus boni iuris*, accepted the request for precautionary measures and set the council chamber for 8 November 2023. With precautionary-investigative order 1023 of 10 November 2023, the Regional Administrative Court of Lombardy-Milan accepted the precautionary request and set another council chamber for 10 January 2024. With order No. 24 of 15 January 2024, the aforesaid Regional Administrative Court rejected the precautionary request and set the hearing on the merits for 16 October 2024.

In the meantime, on 18 January 2024 Acciaierie d'Italia filed a precautionary appeal for the reform of the aforementioned order and set the council chamber for 13 February 2024. With order No. 532 of 15 February 2024, the Council of State accepted the precautionary appeal of Acciaierie d'Italia and suspended the Regional Administrative Court order No. 24 of 15 January 2024.

As mentioned above, on 16 October 2024, the hearing on the merits was held before the Lombardy-Milan Regional Administrative Court (TAR) and, pending the request for postponement submitted by Acciaierie d'Italia, the Court ordered the new hearing be set for the end of April 2025.

Measure

On 24 November 2023, Assogasmetano, Assopetroli-Assoenergia, Federmetano (representing companies operating in the automotive segment) filed an appeal before the Regional Administrative Court of Lombardy-Milan (G.R. No. 2337/2023), against ARERA and against Snam Rete Gas and Società Gasdotti Italia for the annulment, subject to precautionary suspension of 'resolution 433/2023/R/gas of 28 September 2023 entitled Approval of the proposed updates to the Network Code of Snam Rete Gas S.p.A. and Società Gasdotti Italia S.p.A. and amendments to the RMTG' as well as for the annulment of all further related measures including Resolution 512/2021/R/Gas, which provided for the regulation of the reorganisation of the metering service on the gas transportation network. In particular, the applicants have contested: (i) the application of certain fees associated with non-compliance with minimum functional requirements laid down in the regulation, the fulfilment of which, according to the applicants, is impossible de facto; as well as (ii) the obligation (sanctioned by the closure of the redelivery point) to sign the so-called metering agreement that would commit them to comply with the aforementioned requirements. At the outcome of the council chambers of 6 December 2023, the Regional Administrative Court of Lombardy-Milan, with order No. 1136 of 11 December 2023, rejected the interim application for relief of the trade associations, deeming the *periculum in mora* to be non-existent, also anticipating some considerations on the *fumus boni iuris*, on the basis of the elements acquired on a precautionary basis. The Regional Administrative Court of Milan has, in fact, pointed out: (i) a possible lack of uniformity of the interests of the individual members from which the claimants would derive a lack of legal powers; and (ii) a possible lateness of the appeal, given that resolution No. 433/2023/R/gas amended only certain aspects of Resolution No. 512/2021/R/gas, whereas the appellants' objections appear to have a more general scope.

In the meantime, with an appeal filed on 29 December 2023, Assogasmetano, Assopetroli-Assoenergia, Federmetano lodged a precautionary appeal before the Council of State for the reform of order No. 1136 of 11 December 2023. The precautionary appeal was registered under G.R. 10143/2023 and the council chambers was set for 23 January 2024. In its order No. 245 of 24 January 2024, the Council of State rejected the precautionary appeal, finding that the *periculum in mora* was non-existent and the objections on the lateness of the appeal in relation to resolution 512/2021/R/gas were not justified. We are still waiting for the date of the hearing to discuss the merits.

Odorisation

With resolution 250/2015/R/gas of 1 June 2015, ARERA amended Article 5 of resolution 602/2013/R/gas concerning the obligation for transportation companies to odorise end customers directly connected to the transportation network who use the redelivered gas not merely in a technological way. Snam Rete Gas challenged the aforementioned resolution before the Regional Administrative Court of Lombardy-Milan (G.R. No. 497/2020), believing that the deadline for implementing the plan could only be determined following the census of the affected redelivery points (to be carried out by 31 July 2015) and the transmission to ARERA (by 30 November 2015) of the adaptation plan, to be updated every six months. Having completed the census, during the transmission of the adjustment plan and subsequent updates, Snam Rete Gas once again referred to ARERA the unreasonableness of the aforementioned deadline, which instead the latter decided to confirm with resolution 484/2016/E/gas. Consequently, Snam Rete Gas, as part of the appeal with which it had challenged resolution 250/2015/R/gas, filed an appeal for additional grounds against Resolution 484/2016/E/gas requesting the suspension of the challenged resolutions. The Regional Administrative Court of Lombardy-Milan, with ruling No. 869 of 17 April 2019, upheld the appeal filed by Snam Rete Gas, declaring the unlawfulness of the deadline set by ARERA as manifestly unreasonable insofar as it did not take into account the complexity of the activities to be carried out by the transporter and the need for the cooperation of the end customers on whom the onus was, to ensure the use of gas in safe conditions for the workers concerned.

It should be noted that, by Ministerial Decree of 18 May 2018, the Ministry for Economic Development set the onus on end customers directly connected to the natural gas transportation network to ensure the use of gas in safe conditions where they use, partially, gas for domestic or similar uses, even if combined with technological uses. As a result of the activities functional to the implementation of the Decree, end customers have certified that they guarantee the safe use of gas in accordance with the Decree.

Within the framework of the Consultation Document (DCO 203/2019/R/Gas) preparatory to the revision of the regulation on the quality of the transmission

service, ARERA expressed its intention: (i) to confirm the regulatory framework set forth in the aforementioned Resolution 250/2015/R/Gas without providing a deadline by which to implement the plan, and (ii) to promote a regulatory amendment aimed at coordinating the regulation with the aforementioned Ministerial Decree. Following up on what had been anticipated in the DCO, with resolution 554/2019/R/gas, the Authority confirmed the previous regulatory regime (i.e. obligation to odorise gas of the transporter), thus once again proposing coordination with the obligations imposed by the aforementioned Decree. Therefore, pending a possible regulatory change, Snam Rete Gas has challenged resolution 554/2019/R/gas, again before the Regional Administrative Court of Lombardy-Milan, with a second appeal for additional reasons. The contested regulatory framework was further confirmed in resolution No. 589/2023/R/gas of 12 December 2023, with which, as a result of the consultation process set forth in DCO No. 451/2023/R/Gas, ARERA adopted the regulatory criteria for the quality of the natural gas transportation service for the sixth regulatory period (2024-2027). Snam Rete Gas has also challenged this further and more recent ARERA Resolution with a third appeal for additional reasons. We are still waiting for the hearing date to be set.
It should be noted that, on the subject of odorisation, ARERA sent the Ministry of the Environment and Energy Security a proposal for regulatory changes that would assign, in short, on the one hand, the responsibility for odorisation (or alternative methods) as envisaged *by law* to the end customer who uses natural gas, which is even technological in part, or where the customer carries out industrial or artisanal activities and, on the other hand, assign responsibility to the transporter for the other points or in the event of a request by the end customer. The outcome of this debate for a future regulatory change will consequently have an impact on the pending litigation.

27.2.2 Operational administrative proceeding

Decarbonisation project of the Region of Sardinia – Appeal of the Region of Sardinia
In relation to the decarbonisation project of the Region of Sardinia, the latter filed an appeal for the annulment of the Prime Ministerial Decree of 29 March 2022 and of ARERA resolution No. 279/2022/R/Com concerning the initiation of proceedings for the implementation of this Decree, brought against ARERA as well as Snam S.p.A.. The proceeding started on 27 July 2022 by the Region of Sardinia before the Lazio-Rome Regional Administrative Court (Record no. 12149/2022), which, following the hearing on 14 September 2022, dismissed the Region of Sardinia's appeal in its entirety with sentence No. 12149 of 26 September 2022.
On 26 October 2022, the Region of Sardinia filed before the Council of State an appeal, Record No. 8145/2022, requesting the annulment and/or the reform, subject to suspension, of the aforementioned ruling No. 12149. The Council of State, in order No. 5322/2022, granted the petition, finding that the precautionary requirements were favourable and could be adequately protected by the prompt settlement of the case on the merits, thus setting the hearing for 23 February 2023. In the meantime, the Municipality of Portoscuso filed its own action *ad adiuvandum* supporting the Region's arguments. At the beginning of February 2023, the Region of Sardinia, in agreement with the State Authorities referred to in the lawsuit, notified the Council of State that a renewed process of joint dialogue had been initiated between all the public entities in various capacities involved in the proceedings connected with the adoption and execution of the contested measures. Due to the addition of the constituted parties to the Region's motion for postponement, the hearing was postponed to 16 November 2023. At that hearing, the Council of State, noting the further request for adjournment due to pending institutional negotiations, ordered the adjournment to a date to be determined. Following the application to bring forward the case filed by the Municipality of Portoscuso (urging the Council of State to set a hearing to discuss the merits), the Council of State, noting the proceedings, set the public hearing for 21 November 2024. At that hearing, the Region of Sardinia and the Ministry filed for a joint adjournment following the resumption of negotiations. The Council of State, taking note of the application and its circumstances, granted the postponement to 13 March 2025. At the outcome of that hearing, the Attorney General, while acknowledging the ongoing negotiations with the Region of Sardinia, objected to a further postponement and requested that judgement be passed on the case. We therefore await the publication of the judgment.

Adriatic Line Project – Appeal of the Municipality of Sulmona
In relation to the Linea Adriatica project already mentioned in this financial report, one proceeding brought by the Municipality of Sulmona is pending.
The case, brought at the beginning of October 2023 and pending before the Regional Administrative Court of Abruzzo-L'Aquila (G.R. No. 307/2023), concerns the Sulmona gas compression plant and specifically the request for annulment of the ruling of acknowledgement of compliance with prescriptions No. A.12, A.16, A.19 and A.20 of the DM VIA No. 70/2011, issued by the Regional Coordination Committee for the Environmental Impact Assessment of the Abruzzo Region on 13 July 2023, No. 3968. No precautionary measure was requested, but instead an investigative request made, requesting the filing of the documents relating to the extension of the single authorisation. The action was not brought before the Regional Administrative Court of Lazio-Rome, as was the case for the previous (concluded and pending) rulings, and therefore a plea of lack of territorial jurisdiction was raised. The date of the hearing on the merits still has to be set.

FSRU project - Appeal by the Municipality of Savona
In relation to the FSRU project discussed on pages 26 and following of the 2023 Annual Financial Report, two appeals are pending.
With an appeal filed by the Municipality of Savona regarding the project to relocate the Piombino FSRU to the territory of Vado Ligure, the Municipality requested the annulment of the provision of 3 October 2023 containing the suspension of the Single Authorisation procedure to allow Snam FSRU Italia to submit the amendments. The appeal was filed before the Regional Administrative Court of Liguria-Genoa (G.R. No. 795/2023), which, following the objection of lack of jurisdiction raised by Snam FSRU Italia, with order No. 187 of 12 March 2024 declared itself incompetent in favour of the Regional Administrative Court of Lazio-Rome. The Municipality of Savona therefore took steps to resume the proceedings before the competent Regional Administrative Court (Record no. 3394/2024) and Snam FSRU Italia promptly filed an appearance. The Lazio-Rome Regional Administrative Court set the hearing for the discussion of the merits of the proceedings brought by the Municipality of Savona for 2 April 2025. Therefore, the time limits, as a result of being halved, pursuant to Article 119 of the Code of Civil Procedure, would expire as follows: (i) documents, 12 March 2025; (ii) briefs, 17 March 2025; (iii) rejoinders, 22 March 2025.

With an appeal filed at the end of October 2024, Snam FSRU Italia applied to the Lazio-Rome Regional Administrative Court to annul the warning notice of 22 August 2024 issued by MASE, following a report by ISPRA, for exceeding the emission limits concerning the FSRU at Piombino: (i) for sea water discharges and the parameters Aluminium and Copper (in any case these would be the heavy metals previously existing on the sea bed); (ii) for the continuously monitored value of the water temperature variation equal to -7° C on 2

July 2024, he value reported the day after the exceedance; (iii) NOX during the restart of engine number 3 after the installation of the formaldehyde catalyst, and finally (iv) for non-compliance with waste management requirements. Snam FSRU Italia complied with the requests, submitting its feedback on 18 September 2024. At the same time, considering the possible administrative sanctions indicated in the notice, pursuant to Article 29-quaterdecies of Italian Legislative Decree 152/2006, Snam FSRU Italia sent the Prefect of Livorno (within the term of 30 days from notification of the notice) the observations/defence briefs pursuant to Articles 17 and 18 of Law 689/1981 on administrative sanctions. On 4 October 2024, ISPRA sent its reply not accepting Snam's arguments for points (i), (ii) and (iii) above. We are waiting for the hearing to be set to discuss the merits, specifying that, in relation to this position, the outcomes of the preliminary investigation proceedings underway on the warning and those of the proceedings for the substantial amendment of the Integrated Environmental Authorisation for the FSRU of Piombino will be relevant, where various aspects are submitted to the competent authority for examination, including, among others, those referring to the warning.

Panigaglia regasification plant – Appeal against noise regulations

With reference to the regasification plant located in Panigaglia, which is fully described on page 26 and following of the 2023 Annual Financial Report, GNL Italia S.p.A. has filed an appeal against the Province of La Spezia and the Municipality of Porto Venere for the annulment of the provisions contained in the Integrated Environmental Authorisation for the Panigaglia plant, which require compliance with limit values that are not in line with current noise regulations (TAR Lazio-Rome Regional Administrative Court, Record 12796/2023). The contested measures contain requirements and forecasts regarding noise emissions detrimental to the company and the operation of the regasification plant. A hearing is currently being scheduled to discuss the merits of the case, while discussions with the entities and developments on the preliminary investigation plan continue, including at the services conference. With reference to these procedural aspects, in a GNL Italia memorandum issued on 17 June 2024 by the Province of La Spezia, a request was made to call a conference of services in order to amend the Integrated Environmental Authorisation, with specific reference to noise, as follows 1) to exclude the ship's acoustic contribution from the plant's noise assessments and 2) to revise the currently envisaged emission limits to be consistent with the national limits pursuant to Law 447/1995 and the Prime Ministerial Decree of 1.3.1991, as well as the Prime Ministerial Decree of 14.11.1997. The services conference was set for 5 July 2024, which resulted in the Province's instruction to GNL Italia to submit an application for a substantial amendment to the Integrated Environmental Authorisation, submitted by the Company at the beginning of August 2024. GNL Italia, having learnt that the new acoustic assessments of the Municipality of Portovenere were still being finalised, also requested the Province, in a note dated 5 August 2024, to postpone the deadline for the adjustment of the noise limits to 30 September 2024. The Province, in a communication dated 9 August 2024, responded to the above series of requests by initiating new proceedings, which are still ongoing. With a subsequent determination of 26 August 2024, the Province of La Spezia accepted GNL Italia's request to postpone the deadline for compliance with the requirement relating to 'Noise', contained in the Integrated Environmental Authorisation, setting it at 30 September 2025 (instead of 30 September 2024). At the end of October 2024 the second appeal was served against the Province's notice of initiation of the proceeding of 9 August 2024 for the substantial amendment of the Integrated Environmental Authorisation and the same determination of 26 August 2024, which reiterates the requirement to comply with the noise limits set forth in the zoning plan of the Municipality of Portovenere, albeit within a longer deadline, pursuant to Article 29-sexies, paragraph 3 bis of Legislative Decree 152/2006 and 'regardless of the other independently applicable regulatory provisions'.

27.2.3 Other administrative proceeding

Group companies are also involved in active administrative disputes in the regulatory field, including disputes on tariff determination criteria, in which Snam Rete Gas is the interested party.
The Group's companies are also involved in active administrative disputes in the operations area, including: (i) disputes relating to procurement, concerning requests for cancellation of provisions for the revocation or suspension of qualifications or from the Snam Group Vendor List or of award provisions; (ii) disputes in the biomethane segment, concerning requests for cancellation of authorisations for the construction and operation of biomethane plants.

27.3 Civil proceedings

27.3.1 Commercial proceedings and debt recovery

Civil litigation relating to Snam's regulated businesses (transportation, storage and regasification) concerns the management of commercial operations, the approval of contracts relating to transport services, requests for connection to the network, storage and regasification services, gas quality and all other regulated services. These are mainly ongoing proceedings against insolvent, bankrupt or otherwise insolvency clients, with whom disputes have arisen that could not be resolved on a commercial level.

Most of these judgments derive from actions undertaken by Snam Rete Gas to recover receivables deriving from balancing, transportation and default transportation services, provided by the same in consideration of the role of Balancing Manager recognised by ARERA as the largest transportation company throughout the country. The large-scale provision of such services by Snam Rete Gas to customers left without a gas supplier, to which Snam Rete Gas is required by law and in particular by ARERA Resolution 249/2012/R/Gas and subsequent amendments, has led to a significant increase in debt collection actions due to default. This increase has been particularly significant in recent years following the energy crisis caused by the Russian-Ukrainian conflict, which led to a significant increase in the cost of gas and, as a result, the termination of many contracts with transportation users (shippers).
With respect to this type of litigation, the following proceedings against the Group are reported.

Opposition by Romagas S.r.l. against an injunction obtained by Snam Rete Gas for receivables from transportation default

With this action, Romagas also asked the Court of Milan to order Snam Rete Gas to pay over €4.1 million for the alleged illegitimate termination of the transportation contract, in addition to approximately €1 million for the return of the security deposit and default interest. In the context of this judgement, Snam Rete Gas intends demonstrating: (i) the legitimacy of the termination of the transportation contract, deriving from the serious debt exposure of the plaintiff, not adequately covered by the guarantees required by the current regulatory framework, and (ii) that following such contractual termination the default transportation service was effectively provided to the plaintiff. With the briefs pursuant to Article 183 VI, the Parties formulated their preliminary applications and the Judge, in order to rule on the case, decided to order only those applications requested by Snam Rete

Gas, i.e. the court-appointed expert's report and the order for the Sole Buyer to produce evidence. At present, the expert's report is in progress.

As regards proceedings brought by the Group, the following is reported.

Debt collection from so-called 'gas cheats'

Snam Rete Gas, in its capacity as Balancing Manager, is required to procure the quantities of gas necessary to balance the system. In exchange for the provision of this service to balance the position of some transportation and storage users (who had registered imbalances since 2012), Snam Rete Gas has accrued receivables for over €500 million. In view of the non-payment by the debtors, Snam Rete Gas has been forced to take legal action to recover the receivables. In the meantime, many users have gone bankrupt and therefore Snam Rete Gas has added itself to the bankruptcy procedures currently underway.

Opposition to the statement of liabilities of Acciaierie di Italia in Extraordinary Administration (EA)

In May 2024, Snam Rete Gas, as manager of the national natural gas transportation and dispatching service provided to Acciaierie d'Italia under the default transportation service regime, submitted to the Extraordinary Administration procedure the appeal pursuant to Article 201 of the CCII (Business Crisis Code) for the admission to the statement of liabilities of Acciaierie d'Italia S.p.A. in EA, whose insolvency was declared by the Court of Milan with ruling No. 122/2024, filed on 20 February 2024. In the appeal, Snam Rete Gas requested to be added as a creditor for pre-deductible debts for the total sum of approximately €400.5 million, of which: (i) approximately €375.2 million relating to capital (for approximately €348.9 million) and invoiced interests (for approximately €26.4 million) for the service provided as of 20 February 2024; and (ii) approximately €25.3 million relating to capital (for approximately €25.2 million) and invoiced interests (for approximately €43.2 thousand) for the service provided during the Extraordinary Administration.
Following the hearing of 19 June 2024, the statement of liabilities of Acciaierie d'Italia S.p.A. in EA. was filed in which the delegated Judge recognised the full admission of the receivable of Snam Rete Gas according to the following method:

- amount of approximately €25.3 million for capital and default interest, accrued for the service provided during the procedure, as a pre-deductible debt;
- amount of €375.2 million for capital and default interest, already expired at the date of opening of the procedure, as an unsecured non-pre-deductible debt.

The pre-deductible nature of the receivable arising during extraordinary administration was therefore recognised, while the receivable arising before the procedure, although also recognising default interest, was not recognised as pre-deductible as the legal requirements were not deemed to exist. Limited to this last ruling, Snam Rete Gas proceeded to file an objection to the liabilities of Acciaierie d'Italia S.p.A. in EA to obtain the admission to the pre-deductible liabilities also of all the receivables that arose before the initiation of the procedure, equal to approximately €375.2 million in total for the service provided as of 20 February 2024, given the peculiarity of the receivable, originating from a service recognised as essential to guarantee business continuity and provided on the basis of a regulatory obligation. The case is ongoing.

27.3.2 Operational civil proceedings

Civil litigation in the operations sector includes proceedings: (i) brought following actions to protect gas pipeline easements; (ii) for damages; of recourse to recover additional costs and/or charges incurred due to non-compliance by the other party; (iii) of objections to the estimate of compensation; (iv) of opposition to assessment notices for the payment of non-recognition fees and regional fees.
With regard to passive proceedings, the following is relevant:

Litigation against motorway operators

Generally, these are judgments originating from actions for compensation for the expenses incurred by Snam Rete Gas for the removal of interference relating to gas pipelines already installed in areas affected by motorway extension works ordered by the operator. With regard to this type of judgement, a jurisprudence has been established which is unfavourable to Snam Rete Gas and which is based on a restrictive interpretation of the applicable rules.

Actions for damages caused by the laying and maintenance of gas pipelines

These are often old judgments, and the antiquity of the case makes it difficult to find useful documentation to prove the correctness of the activities carried out by Snam Rete Gas, with unfavourable results.
In all cases where it is considered probable that the outcome of the dispute will entail costs, an allocation has been made to the specific fund for risks and costs.
As regards active proceedings, in recent years there has been a considerable increase in actions to protect gas pipeline easements, resulting from the increase in reports of interference carried out by private individuals following the intensification of controls carried out throughout the national territory, in particular through aerial overflights and the use of drones. Such actions are taken by Snam Rete Gas in all cases in which the competent districts find a contractual or regulatory violation of the pipeline easement following the construction of works within the buffer zone. The results of the actions often lead Snam Rete Gas to take care of the removal of the works at its own expense, in the face of non-compliance by private individuals, with the consequent need to once again resort to legal action for compensation to recover the costs incurred.
Even on the opposition front to the estimate of the compensations, there has been a significant increase in the actions promoted by Snam Rete Gas to request the redetermination of the compensations established by the so-called Terne Tecniche, the number and amount of which have increased significantly over time.

27.3.3 Other civil proceedings

The Group's companies are also involved in other types of civil litigation, including judgments regarding: (i) procurement; (ii) occupational accidents; (iii) failure to comply with contractual obligations; (iv) unjust enrichment. Also for these judgments, in all cases in which it is considered probable that the outcome will entail charges, an allocation has been made to the specific fund for risks and charges.
In this context, the following passive disputes relating to the energy efficiency and biomethane businesses are relevant:

Renovit Business Solution S.r.l. (formerly TEP Energy Solution S.r.l.)

Svevi S.r.l., brought an action against TEP Energy Solution S.r.l. (now Renovit Business Solution; hereinafter only TEP, as indicated in the investigation file) before the Court of Milan (G.R.N. 38315/2023) to request the judicial ascertainment of alleged breaches by TEP with respect to a professional consultancy contract entered into with the same Svevi starting from 2016 and, consequently, the judicial conviction of TEP to pay in its favour a total sum of approximately

€7.7 million plus interest. Svevi based its claims on the alleged qualification of the consultancy contract as 'joint interest', which TEP disputes. The Judge, considering the documentation submitted in the case file sufficient, rejected all the investigative requests formulated by the opposing party, postponing the case to the hearing for the clarification of the conclusions in June 2025.

Bascapé against Bioenerys Agri

In November 2022, Bascapé brought proceedings against Bioenerys Agri before the Court of Milan (G.R.N. 46269/2022) in relation to the execution of a procurement contract signed in 2021 between the parties for the construction of a plant for the production of biomethane using FORSU. The judgment originates from the suspension of the construction site by Bioenergys Agri (contractor) in February 2022 due to disagreements with Bascapè (contracting authority) regarding the implementation of the project in consideration of the change in the reference regulatory framework and the economic context, both with regard to the increase in the cost of raw materials and the change in the FORSU market. Following this suspension, Bascapé sued Bioenerys Agri, requesting the termination of the procurement contract by operation of law due to the latter's breach, with a request for the return of €470 thousand paid by Bascapé in execution of the contract and for damages of approximately €21.5 million for the failure to enter into operation of the plant. Bioenerys Agri intends to demonstrate the lack of conditions for the termination of the contract by law, the incorrect determination of the amount of compensation and the violation of the duty of good faith by the plaintiff in consideration of the failure to renegotiate the economic conditions and the guarantees requested in light of the subsequent changes to the contract. Bioenerys Agri also filed a counterclaim with reference to the damage suffered in the execution of the related contract.
Following the hearing for the discussion of the preliminary enquiries, the Judge decided not to admit the Court-appointed expert's report requested by the opposing party for the quantification of the damages suffered, considering it unnecessary for the decision of the case, and therefore set a hearing for he clarification of the conclusions, after which written conclusions were filed. At this stage, the Judge reserved to rule on the case.

27.4 Tax disputes

Stogit S.p.A. – Hyper-amortization

Starting in 2018, Stogit benefited from the so-called hyper-amortization on investments made in some compressor stations within the Bordolano concession. Initially, the Revenue Agency (Circular No. 4/E of 2017) had clarified that the legal/formal criteria relating to the general accrual rules provided for in Article 109(1) and (2) of the Consolidated Law on Income Taxes were relevant for the purpose of identifying the time when investments are made.

More recently, the Inland Revenue has provided new elements, giving relevance to the moment when the transfer of ownership took place.

In light of the above, the company is checking whether the new clarifications contained therein could have any repercussions with regard to the hyper-amortization allowance for plants.

Snam S.p.A. - Questionnaire Q00017/2020 on VAT

On 13 February 2020, the Italian Revenue Agency served Snam (hereinafter the 'Company') with a VAT questionnaire requesting the reasons for the voluntary correction of tax errors made in 2016 with reference to the years 2012, 2013, 2014 and 2015. In particular, in 2016, the Company submitted supplementary tax returns relating to the years 2012 to 2014 to acknowledge the performance - as from 2012 - of a new activity of granting loans and that in relation to this activity the Company intended to use the optional separation of activities pursuant to Article 36, paragraph 3, of Presidential Decree no. 633/1972 for VAT purposes. On the other hand, as far as 2015 is concerned, the relevant annual tax return was submitted within the ordinary time limits and the voluntary correction of errors was applied (related to the keeping of separate accounts) that had affected the correct monthly payments.

Following a preliminary enquiry, on 21 December 2020, the Revenue Agency served a notice requesting the Company to appear for a cross-examination concerning the years 2012-2013-2014-2015, to better verify whether it had actually behaved 'ex ante' in this regard.

In order to avoid long and complex litigation, the Company settled the agreed amounts on 25 March 2021 and 30 November 2022, following acceptance of the assessment.

Discussions are underway with the Cooperative Compliance Office and the Large Taxpayers Office of the Revenue Agency with regard to the years not defined in the settlement.

28) OPERATING REVENUES AND INCOME

(million euros)	2023	2024
Revenues	4,244	3,548
Other operating income	44	20
TOTAL OPERATING REVENUES AND INCOME	**4,288**	**3,568**

The group's revenues and other operating income are mainly generated in Italy. An analysis of revenue by business segment is provided in Note 35 'Information by business segment'.

Revenues to related parties are illustrated in Note 36 'Transactions with related parties'.

28.1 Revenues

(million euros)	2023	2024
Natural Gas Transportation segment	2,480	2,466
Natural Gas Storage Segment	553	586
Liquefied natural gas (LNG) regasification segment	77	156
Energy Transition Segment	1,092	301
Other segments	42	39
TOTAL REVENUES	**4,244**	**3,548**

28.1.1 Natural gas transportation segment revenues

Revenues are mainly related to service fees for natural gas transportation activities and mainly concern Eni S.p.A. (€1,132 million; €1,192 million in 2023) and Enel Trade S.p.A. (€525 million; €719 million in 2023).

Group revenues are shown net of tariff components, which are in addition to the tariff and intended to cover general gas system charges (€3,851 million, €4,048 million in 2023), the amounts of which are paid by Snam to Cassa per i Servizi Energetici e Ambientali (CSEA). The main components, mainly related to the transportation sector, concern:

- the CRVOS tariff component, for a total amount of €1,244 million (€1,258 million in 2023), introduced in 2011 by the Authority's Resolution ARG/gas 29/11, to cover the charges arising from the application of the revenue guarantee factor for the storage service;
- the CRVST tariff component, for a total amount of €887 million (€1,658 million in 2023), introduced by resolution 782/2017/R/GAS to cover the charges arising from the new 'gas settlement' rules, to be applied to the quantities of gas redelivered to the User of the transportation service at the redelivery points feeding the distribution networks.

During 2024, Snam provided transportation services for 347 users.

28.1.2 Revenues from the natural gas storage segment

Revenues are mainly related to service fees for modulation storage activities (€ 465 million); €428 million in 2023) and strategic storage (€ 79 million; €73 million in 2023).

During 2024, Snam provided natural gas storage services for 75 operators.

28.1.3 Liquefied natural gas (LNG) regasification

Revenues mainly refer to fees for the regasification service and the increase is mainly attributable to the recognition of revenues related to the higher volumes regasified in 2023, compared to the revenues defined by the Regulatory Authority for the same year, and to the Piombino regasification plant, which operated for the entire year in 2024.

28.1.4 Energy Transition segment revenues

Revenues related to the Energy Transition segment include: (i) revenues related to energy efficiency projects (€192 million); €935 million in 2023); (ii) fees for the construction and operation of biogas and biomethane plants (€109 million); €157 million in 2023).

28.1.5 Other segments

Revenues include revenues from Global Solution projects, consisting mainly of the provision of technical consulting services (€ 16 million) and the sale of automotive sector compressors - CNG (€13 million).

28.2 Other operating income

Other operating income of € 20 million mainly relates to the energy efficiency business (€8 million) and the transportation sector (€6 million).

29) OPERATING COSTS AND EXPENSES

(million euros)	2023	2024
Costs for purchase of raw materials, consumables and finished goods	1,137	248
Costs for services	287	184
Personnel costs	248	283
Other operating costs	219	148
TOTAL OPERATING COSTS	**1,891**	**863**

The reasons for the most significant changes are explained in the Interim Management Report in the 'Comment on Financial Results'.

The group's operating costs and expenses are mainly incurred in Italy.

Operating costs and expenses incurred with related parties are disclosed in Note 36 'Transactions with related parties'.

29.1 Costs for purchase of raw materials, consumables and finished goods

(million euros)	2023	2024
Costs for purchase of raw materials, consumables and finished goods gross of change in inventories	1,450	551
Change in inventories of raw materials, consumables and finished goods	(256)	22
Total costs incurred during the year	**1,194**	**573**
Share of capitalised costs for internal work	(57)	(325)
TOTAL COSTS FOR PURCHASE OF RAW MATERIALS, CONSUMABLES AND FINISHED GOODS	**1,137**	**248**

The item Purchase costs for commodities, ancillary materials, consumables, and goods is mainly attributable to the Energy Efficiency business (€104 million), the Biomethane business (€72 million), and the Transportation business (€55 million).

29.2 Costs for services

(million euros)	2023	2024
Construction, design and construction management	267	376
IT Services	109	124
Technical, legal, administrative and professional services	73	64
Routine maintenance services	51	58
Supply of electricity, heat, water, etc.	36	31
Personnel-related services	30	32
Environmental services	25	26
Telecommunication services	14	13
Insurance	12	15
Materials processing at third parties	10	12
Advertising	8	7
Use of the provision for decommissioning and site restoration	(2)	(4)
Use of provision for future charges		(3)
Other services	55	39
Total costs incurred during the year	**688**	**790**
Share of capitalised costs for internal work	(401)	(606)
TOTAL COSTS FOR SERVICES	**287**	**184**

29.3 Personnel costs

(million euros)	2023	2024
Wages and salaries	216	232
Social charges (social security and welfare)	60	65
Provisions for employee benefits	15	31
Other expenses	15	30
Total personnel costs incurred during the year	**306**	**358**
Share of capitalised costs	(58)	(75)
TOTAL PERSONNEL COSTS	**248**	**283**

The item 'Other charges' (€ 30 million) mainly includes charges for facilitated redundancies and early pensions, pursuant to the Fornero Law, the so-called 'Isopensione'.

Liabilities for employee benefits are illustrated in Note 20 'Employee benefits'.

29.3.1 Average number of employees

The average number of tenured employees of entities included in the scope of consolidation, broken down by professional qualification, is shown in the table below:

Professional qualification	2023	2024
Executives	139	138
Middle Managers	675	712
Office workers	2,037	2,136
Manual Workers	875	878
AVERAGE NUMBER OF EMPLOYEES	**3,726**	**3,865**

The average number of employees is calculated as the average determined on the basis of the monthly results of employees per category.

The number of staff in service at December 31, 2024 was 3,901 resources (3,798 resources at December 31, 2023), an increase of 103 resources (+2.7%) compared to December 31, 2023. The increase was mainly due to the growth of regulated business and partly also to the management of voluntary turnover.

29.3.2 Incentive plans with Snam shares

Long-term share-based incentive plan

In its meetings held on 18 June 2020 and 4 May 2023, the Snam Shareholders' Meeting approved the 2020-2022 and 2023-2025 Long-Term Stock Incentive Plans, granting the Board of Directors, and on its behalf the Chief Executive Officer, with specific authority to sub-delegate, all powers necessary to implement the Plans.

The Plans are for managerial positions at Snam and its Subsidiaries, and namely the Chief Executive Officer of Snam and persons holding positions with the greatest impact on the achievement of business results in the medium-/long-term or with strategic importance for the achievement of Snam's long-term objectives, as well as any other positions identified in relation to performance achieved, skills possessed or with a view to retention. The maximum number of beneficiaries, per three-year cycle, is 100.

The Plans provide for three allocations of ordinary shares each in the years 2020-2021-2022 and 2023-2024-2025, respectively. Each allocation is subject to a three-year vesting period, that will end in 2023-2024-2025 and 2026-2027-2028 respectively, at the end of which shares are actually assigned, as illustrated in the scheme below.

Allocation	Performance Period	Vesting Period	Assignment of Shares	Actions Assigned (*)
2021	2021-2023	2024	2024	1,245,853
2022	2022-2024	2025	2025	1,032,626
2023	2023-2025	2026	2026	1,272,141
2024	2024-2026	2027	2027	1,633,592
2025	2025-2027	2028	2028	

(*) The number of shares refers to the target value (performance = 100) of rights allocated for each year

The Board of Directors has determined that a maximum of 3,500,000 Shares will be used for each three-year cycle of the Plans.

The 2023-2025 Plan envisages the free assignment of a variable number of shares, depending on the individual attribution and the degree to which the Plan performance conditions are achieved. The actual vesting of the allocated Shares is subject to the achievement of specific Performance Conditions that are verified for all beneficiaries at the end of each three-year period of implementation following a timely process of verifying the results actually achieved by the Appointments and Remuneration Committee, in support of the resolutions taken in this regard by the Board of Directors.

The Plan's performance conditions are linked to the following parameters:

- Adjusted net profit cumulated in the three-year period corresponding to the Performance Period, with a weight of 40%;
- Value Added generated in the three-year period corresponding to the performance period, with a weight of 20%;
- Energy Transition Readiness metric, with an overall weight of 20%, based on the following parameters:
  1. Km of 'H_2 ready' network (weight 10%);
  2. MW installed related to biomethane (weight 5%);
  3. CSS - H_2 projects and market design (weight 5%);
- ESG metric, with a weight of 20%, measured through the results achieved with respect to 2 indicators identified on a three-year basis, aiming at:
  4. reducing natural gas emissions over the next three years (weight 10%);
  5. guaranteeing a fair representation of the less present gender in Snam's management team (weight of 10%) in terms of the % of the less represented gender of executives and middle managers out of all Group executives and middle managers.

It is also envisaged that an additional number of shares will be assigned - defined as 'dividend equivalents' - according to the shares effectively assigned at the end of the vesting period. The number of additional shares to be allocated is determined by dividing the sum of the dividends distributed in the vesting period by the average price of the share recorded in the month prior to the assignment. For the Chief Executive Officer and the other Plan

Beneficiaries, it is envisaged that 20% of the shares assigned, gross of those required to fulfil tax requirements, shall be subject to a lockup period.

For further information, see the 'Information Document on the 2023-2025 Long-Term Share- Based Incentive Plan' prepared pursuant to Article 84-bis of the Regulation on Issuers, available on Snam's website.

In line with the substantial nature of remuneration, in accordance with the provisions of international accounting standards, the cost of the plans is determined by referring to the fair value of the instruments assigned and the forecast of the number of shares to be granted at the end of the vesting period; the cost is recognised pro-rata temporis over the vesting period.

The costs pertaining to the financial year 2024, equal to the product of the number of shares expected to accrue upon maturity, measured at the grant date, were recognised as a cost component against a corresponding equity reserve, and amount to € 7 million in total (€5 million in 2023).

29.3.3 Remuneration of key management personnel

Remuneration due to persons with the power and responsibility for the planning, management and control of the company, i.e. executive and non-executive directors, general managers and executives with strategic responsibilities[187] (so-called 'key management personnel') in office during the year amounted (including contributions and accessory charges) to € 11 million (€ 6 million in 2023) and was composed as follows:

(million euros)	2023	2024
Wages and salaries	4	7
Termination of employment benefits		1
Share-based payments	2	3
TOTAL REMUNERATION TO KEY MANAGEMENT PERSONNEL	**6**	**11**

Information on the compensation paid to directors and statutory auditors, general managers and Key Managers, and the equity investments held by each of these, can be found in the Remuneration Report, which is prepared in accordance with Article 123- ter of Legislative Decree no. 58/1998 (TUF). The Remuneration Report is available on the Snam website (www.snam.it) in the Governance section, to which reference is made.

29.3.4 Remuneration of Directors and Statutory Auditors

The remuneration of directors amounted to € 5 million and €4 million in the financial years 2024 and 2023. The remuneration of auditors amounted to € 0.2 million (unchanged at 2023). This remuneration includes fees and any other sum of remuneration, social security and welfare payments due for serving as a director or statutory auditor in Snam S.p.A. and in other companies included in the scope of consolidation that constituted a cost for Snam, even if not subject to personal income tax.

29.4 Other operating costs

(million euros)	2023	2024
CO_2 emission rights	59	34
Indirect taxes and duties	14	16
Software licences, short-term leasing costs and leasing of low-value assets	45	49
Losses on the disposal of property, plant and equipment and intangible assets	11	13
Allocations (Uses) to/of the provision for bad debt	49	(29)
Net allocations/(Uses) to/of provisions for risks and charges	21	28
Other costs	20	37
TOTAL OTHER OPERATING COSTS	**219**	**148**

For more details on changes in provisions for risks and charges and receivables, see Note 18 'Provisions for risks and charges' and Note 15 'Trade and other receivables'.

29.4.1 Greenhouse gas emission permit system - Emission Trading System

On 1 January 2021, the fourth regulatory period (2021-2030) of the Emission Trading System (ETS) began, the greenhouse gas emission permit system, regulated by Legislative Decree no. 47 of 9 June 2020, which repealed Legislative Decree no. 30 of 13 March 2013 and transposes Directive 2018/410/EU.
There are 24 Snam Group plants subject to Emission Trading regulations, of which 13 compressor stations of Snam Rete Gas, 8 storage plants of Stogit, the regasifier of GNL Italia, the cogeneration plant of Renovit Business Solutions and, from July 2023, also the regasifier of FSRU Italia in Piombino.
In 2024, the free allocation for the Snam Group amounted to 195,206 allowances, an increase of 7.1% compared to 2023, due to the new rules introduced by the aforementioned legislation for the fourth ETS period.
In the 2024 financial year, carbon dioxide emissions from Snam Group installations subject to the ETS exceeded the allocated emission allowances. For around 0.73 million tonnes of carbon dioxide emitted into the atmosphere, there was therefore a deficit of some 0.54 million tonnes. The deficit was offset by the shares purchased by the various companies, with a cost of approximately €33.66 million recognised under 'Other operating costs'. There are no costs for Renovit Business Solutions, as the purchase of CO_2 allowances is borne by the company to which the plant supplies energy.

[187] This includes persons who have the power and responsibility, directly and indirectly, for planning, managing and controlling Snam's activities. Snam's key management personnel, other than Directors and Statutory Auditors, have been identified as follows: Chief Financial Officer; Chief Strategy And Technology Officer; Chief Strategy And Technology Officer; Chief Legal Officer & General Counsel; Chief People & Corporate Services Officer; Chief Operations Officer; Chief Efficiency And Biomethane Officer and Chief International Asset Management And Business Development.

Total CO_2 emissions for the year 2024 were about 20 per cent lower than the previous year, mainly due to the reduction of compressed gas from Snam Rete Gas's gas transportation plants and regasified gas from the Panigaglia LNG plant.
As a result, the costs for the purchase of CO_2 allowances decreased from the previous year (-43%) due to the reduction of purchased allowances and lower average purchase prices.

The current regulatory framework defined by ARERA with reference to the natural gas transportation, regasification and storage sector provides for the recognition of costs related to the Emission Trading System, guaranteeing substantial neutrality at both the economic and financial level for Snam. For further details, see the section 'Risk and Uncertainty Factors - Climate Change' in the Directors' Report.

30) DEPRECIATION, AMORTISATION AND IMPAIRMENT OF ASSETS

(million euros)	2023	2024
Depreciation of property, plant and equipment	786	823
Amortization of intangible assets	139	161
Total depreciation and amortization	**925**	**984**
Impairment losses on property, plant and equipment and intangible assets	201	45
Total impairment of assets	**201**	**45**
TOTAL DEPRECIATION, AMORTISATION AND IMPAIRMENT OF ASSETS	**1,126**	**1,029**

For more details on depreciation, amortization and impairment of assets, please refer to the analyses in Notes 8 'Property, Plant and Equipment' and 9 'Intangible Assets and Goodwill'.

An analysis of depreciation, amortization and impairment of assets by business segment is provided in Note 35 'Information by business segment'.

31) NET FINANCIAL EXPENSES

(million euros)	2023	2024
- Interest income and other financial income on short-term financial assets	(30)	(74)
- Interest income on non-current financial receivables	(5)	(6)
- Other financial income	(58)	(115)
TOTAL FINANCIAL INCOME	**(93)**	**(195)**
- Interest expense and other financial expenses on bonds	120	213
- Commissions paid on loans and bank credit lines	23	25
- Interest expense on credit lines and loans from banks and other lenders	152	251
Expenses related to gross financial debt	**295**	**489**
- Financial expenses related to the passage of time (accretion discount)	19	19
Other financial expenses	21	64
Total financial expenses incurred during the year	**335**	**572**
- Share of capitalised financial expenses	(21)	(46)
TOTAL FINANCIAL EXPENSES	**314**	**526**
TOTAL NET FINANCIAL EXPENSES	**221**	**331**

(*) This item relates to the increase in provisions for risks and charges and employee benefit liabilities, which are shown, at a discounted value, in Note 18 'Provisions for risks and charges' and Note 20 'Employee benefit liabilities'.

Other financial income (€ 115 million) mainly refers to: (i) default interest billed to end customers and distribution users in relation to unpaid invoices for the transportation default service (€60 million); (ii) interest income from the measurement at amortised cost of trade and tax receivables relating to the Superbonus tax breaks and minor tax break bonuses (€51 million).

The expenses related to gross financial debt (€ 489 million) mainly concern: (i) interest expenses and other charges on bond loans (€213 million); (ii) interest paid to banks on revolving credit lines and maturing loans (€249 million).

Other financial expenses (€64 million) mainly refer to regulatory items for which the company, upon evaluating whether the conditions existed to recognise a provision for risks, deemed that the conditions did not exist for recognising the related charge under the provision for bad debt (€42 million).

The financial expenses associated with the passage of time (€19 million) mainly relate to the decommissioning and site restoration provisions of the storage and transportation segments.

32) NET INCOME FROM EQUITY INVESTMENTS

(million euros)	2023	2024
Income from investments accounted for using the equity method	458	365
Expenses from investments accounted for using the equity method	(48)	(22)
Share of profit or loss of investments accounted for using the equity method	**410**	**343**
Other income from equity investments	82	4
Other expenses from equity investments	(8)	(13)
Other income (expenses) from equity investments	**74**	**(9)**
TOTAL NET INCOME FROM EQUITY INVESTMENTS	**484**	**334**

An analysis of the share of profit or loss of investments accounted for using the equity method is given in Note 10 'Investments accounted for using the equity method'.

Other expenses on equity investments essentially concern expenses related to the Biomethane Waste business mainly arising from the signing of settlement agreements.

33) INCOME TAXES

33.1 Income taxes recognised in the income statement

(million euros)	2023			2024		
	IRES, CORPORATION TAX	IRAP, REGIONAL TRADE INCOME TAX	Total	IRES, CORPORATION TAX	IRAP, REGIONAL TRADE INCOME TAX	Total
Current taxes for the year	378	70	448	410	81	491
Adjustments for current taxes relating to previous years	(12)	(2)	(14)	(3)	(1)	(4)
Provisions/(releases) for current taxes	6		6	(1)		(1)
Total current taxes	**372**	**68**	**440**	**406**	**80**	**486**
Total deferred tax assets	**(50)**	**(1)**	**(51)**	**(61)**	**(3)**	**(64)**
TOTAL INCOME TAXES	**322**	**67**	**389**	**345**	**77**	**422**

Income taxes (€ 422 million) increased by €33 million compared to December 31, 2023, mainly due to pre-tax profit.

The analysis of the reconciliation between the theoretical tax charge, determined by applying the IRES, corporation tax and IRAP, regional trade income tax rates in force in Italy, and the actual tax charge for the year is shown below:

	2023		2024	
(million euros)	Tax rate	IRES	Tax rate	IRES
Profit before taxes		1,534		1,679
Accrued IRES, corporation taxes, calculated on the basis of the theoretical tax rate	**24.0%**	**368**	**24.0%**	**403**
Variations from the theoretical rate:				
- Income from equity investments	(5.2%)	(80)	(4.3%)	(73)
- Dividend tax	2.0%	30	1.2%	20
- Provision (use) for current taxes	0.5%	7	0.0%	
- Other permanent differences	(0.2%)	(3)	(0.3%)	(5)
IRES, CORPORATION TAXES FOR THE YEAR	**21.0%**	**322**	**20.5%**	**345**

	2023		2024	
(million euros)	Tax rate	IRAP	Tax rate	IRAP
Difference between value and cost of production		1,346		1,722
Accrued IRAP, regional trade income tax, calculated on the basis of the theoretical tax rate	**3.9%**	**52**	**3.9%**	**67**
Variations from the theoretical rate:				
Delta regional IRAP rates	0.3%	4	0.3%	6
Other permanent differences	0.8%	11	0.2%	4
IRAP FOR THE YEAR	**5.0%**	**67**	**4.5%**	**77**

An analysis of deferred tax assets and liabilities based on the nature of the significant temporary differences that gave rise to them is provided in Note 19 'Deferred Tax Liabilities/Assets'.

33.2 Taxes relating to components of comprehensive income

	2023			2024		
(million euros)	**Pre-tax value**	**Fiscal impact**	**Net tax value**	**Pre-tax value**	**Fiscal impact**	**Net tax value**
Revaluation of liabilities for employees' defined benefit plans	(2)		(2)			
Share of other comprehensive income of associates/ joint ventures or investments accounted for using the equity method	(50)		(50)	(8)		(8)
Equity investments accounted for at FVTOCI ('fair value through other comprehensive income')	(3)		(3)	31		31
Cash flow hedge – effective portion of fair value change	10	(3)	7	(20)	5	(15)
Other components of comprehensive income	**(45)**	**(3)**	**(48)**	**3**	**5**	**8**
CURRENT AND DEFERRED INCOME TAXES RECOGNISED IN OTHER COMPREHENSIVE INCOME		**(3)**			**5**	

33.3 Global minimum tax

With reference to pillar-two income taxes provided for in Directive 2022/2523, adopted in Italy by Legislative Decree 209/2023 ('the Decree'), which aims to ensure a global minimum level of taxation for multinational groups of companies, it should be noted that the Snam Group's exposure for 2024 is not significant (€104 thousand in Ireland; no supplementary taxation for the Netherlands).

34) EARNINGS PER SHARE

Earnings per share are determined by dividing Snam's net profit for the year by the weighted average number of Snam shares outstanding during the year, excluding treasury shares.
Diluted earnings per share are calculated by dividing Snam's net profit for the year by the weighted average number of shares outstanding in the period, excluding treasury shares, increased by the number of shares that could become outstanding.
At December 31, 2024, the shares that could potentially become outstanding concern shares granted under long-term share-based incentive plans (granting in 2022, 2023 and 2024).
For the purposes of determining simple and diluted earnings per share, Snam's net profit for the year is adjusted to take into account the remuneration of the perpetual subordinated bonds, issued in September 2024, net of the related tax effect.

34.1 Reconciliation of basic and diluted earnings per share

The calculation of simple and diluted earnings per share is shown below:

		2023	2024
Weighted average number of shares outstanding for basic earnings per share		**3,353,119,570**	**3,353,942,449**
Number of potential shares for long-term incentive plans		2,022,559	2,490,358
Weighted average number of shares outstanding for diluted earnings per share		**3,355,142,129**	**3,356,432,807**
Profit for the year attributable to Snam shareholders	(million euros)	**1,135**	**1,259**
Remuneration of perpetual subordinated bonds, net of tax effect	(million euros)		(8)
Profit for the year attributable to Snam shareholders	(million euros)	**1,135**	**1,251**
BASIC EARNINGS PER SHARE	(€ per share)	**0.338**	**0.373**
DILUTED EARNINGS PER SHARE	(€ per share)	**0.338**	**0.373**

35) INFORMATION BY BUSINESS SEGMENT

In accordance with IFRS 8 'Operating Segments', the segments identified by the Group as of December 31, 2024 are as follows:

- Transportation Segment, attributable to the legal entities that carry out, at Group level, natural gas transportation and dispatching activities in Italy (Snam Rete Gas, ITG and Enura). Snam is the leading Italian natural gas transport and dispatching operator, and owns almost all the transport infrastructure in Italy of high- and medium-pressure pipelines in operation. Snam manages the network via its districts, maintenance centres, compression stations, and dispatching unit. Transportation capacity is awarded to shippers, allowing them to sell and trade gas at the Virtual Trading Point (VTP) of the National Network.
- Storage Sector, attributable to the legal entity that provides the natural gas storage service in Italy (Stogit). Snam's storage system balances gas supply and consumption, ensuring strategic gas availability during supply disruptions or crises. The storage business makes use of an integrated group of infrastructure comprising deposits, wells, gas treatment plants, compression plants and the operational dispatching system. Snam operates through its storage concessions located in Lombardy, Emilia-Romagna and Abruzzo, providing various storage services to operators based on the ARERA-approved Storage Code.
- Regasification Sector, attributable to the legal entity providing the liquefied natural gas regasification service (GNL Italia) and the legal entities owning the two floating regasification plants - FSRUs (Snam FSRU Italia. The regasification service can either be continuous for the entire thermal year or spot-related, with regasification capacity awarded through dedicated auctions. Moreover, the regasification service includes the ancillary service of correcting the heating power of the natural gas to comply with quality requirements for its transfer to the transportation network (correction of the Wobbe index). The regassification terminals are interconnected with the transport infrastructure and once it has been regasified, the gas is transported to the local distribution networks, the regional network redelivery points or large end users such as thermoelectric power stations or manufacturing plants.
- Energy Transition Segment to which the companies active in the energy efficiency business traceable to the legal entities of the Renovit group and in the biogas/biomethane business traceable to the legal entities of the Bioenerys group belong, as well as the activities in the start-up phase in the hydrogen and Carbon Capture and Storage (CCS) projects. Snam promotes energy transition through the development of integrated projects in energy efficiency, green gas - biomethane and hydrogen. Renovit is the Italian platform for energy efficiency for companies, condominiums, the tertiary sector and the public administration established to enable the growth of the sector and contribute to the sustainable development and energy transition of the country. Through Bioenerys, Snam is developing a diversified portfolio of biogas and biomethane plants, both by investing in and acquiring existing biogas and biomethane plants and through new greenfield projects.

The 'Other sectors' not subject to separate disclosure, mainly include the sustainable mobility business, classified among the Gas Infrastructure businesses as it focuses on the construction of midstream infrastructures dedicated to heavy transportation, the naval and railway sectors. They also include technical consulting services offered by the Global Solutions division.

The other unallocated amounts mainly refer to head office activities of Snam corporate and captive insurance company activities.

In order to assess the performance of the operating segments, Snam's Management mainly analyses adjusted EBITDA[188] and adjusted EBIT[189], i.e. excluding any expenses and/or revenues that are non-recurring or arising from events or transactions that are not representative of normal business activity), for which a reconciliation with the related reported values is provided. Adjusted EBITDA and Adjusted EBIT are the key profit measures used by Snam's Management to assess performance and allocate resources to the Group's operating segments, as well as to analyze operating trends, perform analytical comparisons and benchmark performance between periods and among the segments.

In addition to the above measures, the Management Board periodically analyses the revenues and investments for each business.

Revenues, realised by applying regulated tariffs or market conditions, were mainly recorded in Italy; costs were incurred almost entirely in Italy.

[188] Adjusted EBITDA is defined as Profit for the year, excluding Income taxes, Other income (expenses) from equity investments, Share of profit of investments accounted for using the equity method, Financial expenses, Financial income, Depreciation, amortization and impairment of assets, adjusted for certain items that Management considers not reflective of the underlying operating performance or that are non-recurring in nature, including, for one or all of the periods presented, allocations to provisions for risks and charges, capital loss from the disposal of current assets, write-down of current assets, indemnities for termination of employment , early retirement fund and charges from signing settlement agreements.

[189] Adjusted EBIT is defined as Profit for the year, excluding Income taxes, Other income (expenses) from equity investments, Share of profit of investments accounted for using the equity method, Financial expenses, Financial income, adjusted for certain items that Management considers not reflective of the underlying operating performance or that are non-recurring in nature, including, for one or all of the periods presented, allocations to provisions for risks and charges, capital loss from the disposal of current assets, write-down of current assets, indemnities for termination of employment, early retirement fund, charges from signing settlement agreements and write-down of non-current assets.

	Reporting segments						
(million euros)	Transportation Segment	Storage Segment	Regasification Segment	Energy Transition Segment	Other segments	Amounts not allocated to segments	Total
As of and for the year ended December 31, 2024							
Regulated revenues	2,474	553	77				3,104
Other non-regulated revenues	231	2		1,092	42		1,367
to deduct: intersegment revenues	(225)	(2)					(227)
Revenues	**2,480**	**553**	**77**	**1,092**	**42**		**4,244**
Other operating income	27	6	1	13		8	55
to deduct: other intersegment operating income	(8)	(3)					(11)
Total operating revenues and income	**2,499**	**556**	**78**	**1,105**	**42**	**8**	**4,288**
Adjusted EBITDA	**1,873**	**477**	**35**	**60**	**(4)**	**(24)**	**2,417**
Depreciation, amortization and impairment of assets	**(726)**	**(125)**	**(28)**	**(237)**	**(1)**	**(9)**	**(1,126)**
Reconciling items between Adjusted EBITDA and Ajudted EBIT				186			186
Adjusted EBIT	**1,147**	**352**	**7**	**9**	**(5)**	**(33)**	**1,477**
Reconciling items between Ajudted EBIT and Operating result							(206)
Operating result							**1,271**
Financial income							**93**
Financial expenses							(314)
Total net financial expenses							**(221)**
Share of profit of investments accounted for using the equity method							410
Other income (expenses) from equity investments							74
Total net income (expenses) from equity investments							**484**
Profit before taxes							**1,534**
Investments in Property, plant and equipment and intangible assets	**1,139**	**225**	**256**	**131**	**19**	**8**	**1,778**
to deduct: Investments in Property, plant and equipment and intangible assets - infrasector				(4)			(4)
Total investments in Property, plant and equipment and intangible assets	**1,139**	**225**	**256**	**127**	**19**	**8**	**1,774**

	Reporting segments						
(million euros)	**Transportation Segment**	**Storage Segment**	**Regasification Segment**	**Energy Transition Segment**	**Other segments**	**Amounts not allocated to segments**	**Total**
As of and for the year ended December 31, 2024							
Regulated revenues	2,459	586	156				3,201
Other non-regulated revenues	396	3		301	39		739
to deduct: intersegment revenues	(389)	(3)					(392)
Revenues	**2,466**	**586**	**156**	**301**	**39**		**3,548**
Other operating income	14	5		9		5	33
to deduct: other intersegment operating income	(10)	(3)					(13)
Total operating revenues and income	**2,470**	**588**	**156**	**310**	**39**	**5**	**3,568**
Adjusted EBITDA	**2,168**	**499**	**100**	**1**		**(15)**	**2,753**
Depreciation, amortization and impairment of assets	**(789)**	**(130)**	**(43)**	**(55)**	**(1)**	**(11)**	**(1,029)**
Reconciling items between Adjusted EBITDA and Ajudted EBIT				10			10
Adjusted EBIT	**1,379**	**369**	**57**	**(44)**	**(1)**	**(26)**	**1,734**
Reconciling items between Ajudted EBIT and Operating result							(58)
Operating result							**1,676**
Financial income							195
Financial expenses							(526)
Total net financial expenses							**(331)**
Share of profit of investments accounted for using the equity method							343
Other income (expenses) from equity investments							(9)
Total net income (expenses) from equity investments							**334**
Profit before taxes							**1,679**
Investments in Property, plant and equipment and intangible assets	**1,924**	**269**	**488**	**167**	**57**	**7**	**2,912**
to deduct: Investments in Property, plant and equipment and intangible assets - infrasector							
Total investments in Property, plant and equipment and intangible assets	**1,924**	**269**	**488**	**167**	**57**	**7**	**2,912**

36) TRANSACTIONS WITH RELATED PARTIES

From 1 August 2019, CDP S.p.A. reclassified its equity investment in Snam, already classified as de facto control pursuant to international accounting standard IFRS 10 - Consolidated financial statements from 2014, as de facto control pursuant to Article 2359, paragraph 1 of the Italian Civil Code and Article 93 of the TUF. Given the existence of de facto control by CDP S.p.A. over Snam S.p.A, the related parties of Snam, based on the current group ownership structure, are represented not only by Snam's subsidiaries, associates and companies under joint control, but also by the parent company CDP S.p.A. and its subsidiaries, including joint ventures, and associates, as well as by the subsidiaries, including joint ventures, and associates of the Ministry of the Economy and Finance (MEF) and, in any case, any additional related parties within the meaning of IAS 24 in effect from time to time. In addition, members of the Board of Directors, Statutory Auditors and executives with strategic responsibilities, their family members and entities controlled by them, including jointly by Snam, CDP and CDP Reti, are also considered related parties.

As explained in detail below, transactions with related parties mainly concern the exchange of goods and the provision of infrastructure services in the gas sector, whose rules are established by the AREAR, the energy regulator. In particular, ARERA establishes the tariffs for the use of the infrastructures and guarantees, also through the Reference Codes (Network, Storage and Regasification), maximum impartiality and equal access to Users.

Snam's related party transactions are part of ordinary business operations and are generally settled at market conditions, i.e. the conditions which would be applied for two independent parties. All the transactions carried out were in the interest of the companies of the Snam Group.

Pursuant to the provisions of the relevant legislation, the company has adopted internal guidelines to ensure that transactions carried out by Snam or its subsidiaries with related parties are transparent and correct in their substance and procedure.

Directors and statutory auditors declare potential interests that they have in relation to the Company and the Group every six months, and/or when changes in said interests occur; they also inform the Chief Executive Officer (or the Chair, in the case of the Chief Executive Officer interests), who in turn informs the other directors and the Board of Statutory Auditors, of individual transactions that the Company intends to carry out and in which they have an interest.

Snam is not subject to management and coordination activities. Snam carries out management and coordination activities, pursuant to Article 2497 and following of the Italian Civil Code, with respect to directly and indirectly controlled companies.

Pursuant to the disclosure requirements set forth in Consob Regulation 17221 of 12 March 2010, with reference to transactions between related parties that fall within the 'Cases of Exclusion' referred to in Article 13, paragraph 3, letter c) of the RPT Regulation and paragraph 3.2, item 8) of the RPT Guideline, no information on related party transactions is reported. The following table shows the balances of transactions of a commercial and other financial nature with related parties, as defined above, for the current year and the previous year of comparison. The nature of the most significant transactions is also indicated.

36.1 Commercial and other relations

Commercial and other relations are analysed in the table below:

	31.12.2023				2023					
					Revenues (a)			Costs (b)		
(million euros)	Receivables	Other assets	Payables	Other liabilities	Goods	Services	Other	Goods	Services	Other
- Others									1	
Total subsidiaries accounted for using the equity method									**1**	
- Interconnector Ltd	3					13				(1)
- TAG GmbH (formerly Trans Austria Gaisletung GmbH)	14		12			2				
Trans Adriatic Pipeline AG	12		11			2				
- Others	6		3	1		4				(3)
Total companies under joint control and associated companies	**35**		**26**	**1**		**21**				**(4)**
Snam Foundation										**1**
- Cassa Depositi e Prestiti			119							
Total parent company			**119**							
- Sace Group			8							
- Others	1		1				1			
Total subsidiaries of the parent company CDP	**1**		**9**				**1**			
- Saipem Group			89						192	
- Valvitalia Finanziaria S.p.A.								5	1	
Total companies under joint control of the parent company CDP			**89**					**5**	**193**	
- Gruppo HRA - Autostrade per l'Italia S.p.A.	2									
- Gestore dei servizi energetici S.p.A. (c)	37		32		5	29				
- Anas Group		1	6							4
- Enel Group (d) (*)	218		24			779				
- Eni Group (d) (*)	364		304		19	1,274		139	88	1
- Invitalia Group			10						32	
- Others	4					2				4
Total state-owned or state-controlled enterprises	**623**	**1**	**376**		**24**	**2,084**		**139**	**120**	**9**
TRADE BALANCES WITH RELATED PARTIES	**659**	**1**	**619**	**1**	**24**	**2,105**	**1**	**144**	**314**	**6**

(a) Gross of tariff components that are offset in costs.

(b) They include costs for goods and services for investment purposes.

(c) Costs for the purchase of goods do not include gas purchases made pursuant to ARERA resolution 274/2022/R/Gas.

(d) Including balancing asset balances.

(*) Commercial relations with the Eni Group and the Enel Group mainly concern regulated services for natural gas transportation, regasification and storage. Snam provides these services on the basis of the rules established by the Regulatory Authority for Energy, Gas and the Water System (ARERA). In particular, ARERA establishes the tariffs for the use of the infrastructures and guarantees, also through the Reference Codes (Network, Storage and Regasification), maximum impartiality and equal access to Users.

	31.12.2024				2,024					
					Revenues (a)			Costs (b)		
(million euros)	Receivables	Other assets	Payables	Other liabilities	Goods	Services	Other	Goods	Services	Other
- Others	1					1			1	1
Total subsidiaries accounted for using the equity method	**1**					**1**			**1**	**1**
- Interconnector Ltd	8					8				
- Sea Corridor S.r.l.	32					4				
- Terminale Gnl Adriatico S.r.l.	5									
- TAG GmbH (formerly Trans Austria Gaisletung GmbH)	4		4			2				
Trans Adriatic Pipeline AG	1					2				
- Others		1		1		3	1			(3)
Total companies under joint control and associated companies	**50**	**1**	**4**	**1**		**19**	**1**			**(3)**
Snam Foundation										**2**
- Cassa Depositi e Prestiti			123							
Total parent company			**123**							
- Sace Group			5							
- Others	1									
Total subsidiaries of the parent company CDP	**1**		**5**							
- Saipem Group			159						496	
- Valvitalia Finanziaria S.p.A.			1					16	2	
Total companies under joint control of the parent company CDP			**160**					**16**	**498**	
- Gestore dei servizi energetici S.p.A. (c)	26		86		38	40				
- Enel Group (d) (*)	174		28			599			1	
- Eni Group (d) (*)	403		269		21	1,221	1	1	68	1
- Invitalia Group	2		16		3				54	
- Poste Italiane Group	4		1			13				
- Others	2		1						2	(2)
Total state-owned or state-controlled enterprises	**611**		**401**		**62**	**1,873**	**1**	**1**	**125**	**(1)**
TRADE BALANCES WITH RELATED PARTIES	**663**	**1**	**693**	**1**	**62**	**1,893**	**2**	**17**	**624**	**(1)**

(a) Gross of tariff components that are offset in costs.

(b) They include costs for goods and services for investment purposes.

(c) Costs for the purchase of goods do not include gas purchases made pursuant to ARERA resolution 274/2022/R/Gas.

(d) Including balancing asset balances.

(*) Commercial relations with the Eni Group and the Enel Group mainly concern regulated services for natural gas transportation, regasification and storage. Snam provides these services on the basis of the rules established by the Regulatory Authority for Energy, Gas and the Water System (ARERA). In particular, ARERA establishes the tariffs for the use of the infrastructures and guarantees, also through the Reference Codes (Network, Storage and Regasification), maximum impartiality and equal access to Users.

36.1.1 Companies under joint control and associated companies

The most significant trade relations with companies under joint control and associated companies mainly concern: (i) the sale and purchase of gas in the context of the balancing activity with reference to the jointly controlled companies TAG and the associated company TAP; (ii) receivables from the jointly controlled company SeaCorridor for its share of the dividend to be collected; (ii) service and consulting revenues from the associated company Interconnector Limited.

36.1.2 Parent company

Trade and other relations with the parent company Cassa Depositi e Prestiti relate to the interim dividend payable for 2024, equal to € 123 million, which was resolved on 6 November 2024 by the Board of Directors and payable as of 22 January 2025, with ex-dividend date on 20 January 2025 and record date on 21 January 2025.

36.1.3 Companies under joint control of the parent company Cassa Depositi e Prestiti

The most significant commercial transactions with companies under the joint control of Cassa Depositi e Prestiti is the provision by Saipem of design and works supervision services for the construction of natural gas transportation, storage and regasification infrastructures, governed by contracts entered into on normal market terms.

36.1.4 State-owned or State-controlled enterprises

The most significant business relations with state-owned or state-controlled enterprises refer to:

- the provision of natural gas transportation, regasification and storage services to the Eni Group and the Enel Group;
- the purchase from the Eni Group of electricity used to carry out activities.
- contractually agreed earn-outs vis-à-vis the Eni Group as part of the acquisition of equity investments.

36.2 Financial relations

(million euros)	31.12.2023			2023	
	Receivables	Payables	Guarantees and commitments	Expenses	Income
Trans Adriatic Pipeline AG			1,129		
- East Mediterranean Gas Company S.A.E.	6				
- OLT Offshore LNG Toscana S.p.A.	82				8
- Others	2				
Total companies under joint control and associated companies	**90**		**1,129**		**8**
- Others		1			
Total non-consolidated subsidiaries		**1**			
- CDP Corporate Partners			12		
Total subsidiaries of the parent company Cassa Depositi e Prestiti			**12**		
- Cassa Depositi e Prestiti Group	3	503		18	
Total parent company	**3**	**503**		**18**	
BALANCES OF FINANCIAL RELATIONS WITH RELATED PARTIES	**93**	**504**	**1,141**	**18**	**8**

(million euros)	31.12.2024			2024	
	Receivables	Payables	Guarantees and commitments	Expenses	Income
Trans Adriatic Pipeline AG			1,129		
- East Mediterranean Gas Company S.A.E.	7				
- OLT Offshore LNG Toscana S.p.A.	87				5
- Others	1				
Total companies under joint control and associated companies	**95**		**1,129**		**5**
- Others		1			
Total non-consolidated subsidiaries		**1**			
- CDP Corporate Partners			10		
Total subsidiaries of the parent company Cassa Depositi e Prestiti			**10**		
- Cassa Depositi e Prestiti Group	2	704		31	
Total parent company	**2**	**704**		**31**	
BALANCES OF FINANCIAL RELATIONS WITH RELATED PARTIES	**97**	**705**	**1,139**	**31**	**5**

36.2.1 Companies under joint control and associated companies

Financial transactions with joint ventures and associates mainly include:

- the so-called 'Debt Payment Undertaking' guarantee in favour of the associated company TAP, i.e. a mechanism to support the repayment of TAP's outstanding financial debt that would be activated, unlike the first-demand guarantee, upon the occurrence of specific and determined conditions linked to exceptional events of an extraordinary nature[190];
- the long-term financial receivable from the jointly controlled company OLT and the related interest income accrued during the year.

36.2.2 Parent company

Financial relations with Cassa Depositi e Prestiti essentially concern three loans granted by the parent company to Snam S.p.A.

36.3 Impact of transactions or positions with related parties on the financial position and performance and cash flows

The impact of transactions or positions with related parties on the statement of financial position and income statement is shown in the following summary table:

	31.12.2023			31.12.2024		
(million euros)	Total	Related Entities	Impact %	Total	Related Entities	Impact %
Statement of financial position						
Other non-current financial assets	161	93	57.8	147	97	66.0
Trade and other receivables	4,505	659	14.6	3,483	663	19.0
Other current and non-current assets	503	1	0.2	1,394	1	0.1
Other current and non-current liabilities	1,924	1	0.1	1,410	1	0.1
Current and non-current financial liabilities	16,652	504	3.0	18,361	705	3.8
Trade payables and other payables	6,466	619	9.6	5,992	693	11.6

The impact of related party transactions on the income statement is shown in the following summary table:

	2023			2024		
(million euros)	Total	Related Entities	Impact %	Total	Related Entities	Impact %
Profit and loss account						
Revenues	4,244	2,129	50.2	3,548	1,955	55.1
Other operating income	44	1	2.3	20	2	10.0
Costs for purchase of raw materials, consumables and finished goods	1,137	142	12.5	248	16	6.5
Costs for services	287	142	49.5	184	30	16.3
Personnel costs	248	(5)		283	(4)	
Other operating costs	219	3	1.4	148	3	2.0
Financial income	93	8	8.6	195	5	2.6
Financial expenses	314	18	5.7	526	31	5.9

Related party transactions are generally settled on an arm's length basis, i.e. on terms that would be applied between two independent parties.

The main financial flows with related parties are shown in the table below.

(million euros)	2023	2024
Operating revenues and income	2,130	1,957
Operating costs and expenses	(283)	(45)
Change in trade and other receivables	332	(6)
Change in trade and other payables	(209)	77
Change in other current and non-current assets and liabilities	1	1
Interest received (paid)	(10)	(28)
Cash flows from operating activities	**1,961**	**1,956**
Investments:		
- Property, plant and equipment and intangible assets	(183)	(595)
- Equity investments	(406)	
- Non-current financial receivables	23	(1)
- Changes of payables related only to capital expenditures	7	(4)
Cash flows from investing activities	**(559)**	**(600)**
Increase (decrease) in short-term financial payables	300	200
Cash flows from financing activities	**300**	**200**
TOTAL CASH FLOWS TO RELATED ENTITIES	**1,702**	**1,556**

[190] For more information, see Note25.1 'Guarantees given on behalf of companies under joint control and associated enterprises'.

The impact of cash flows with related parties is shown in the table below:

	2023			2024		
(million euros)	Total	Related entities	Impact %	Total	Related entities	Impact %
Cash flows from operating activities	(135)	1,961		1,814	1,956	
Cash flows from investing activities	(2,231)	(559)	25.1	(2,681)	(600)	22.4
Cash flows from financing activities	1,991	300	15.1	1,291	200	15.5

37) PUBLIC DISBURSEMENTS - DISCLOSURE PURSUANT TO ARTICLE 1, PARAGRAPHS 125-129, LAW NO. 124/2017

Pursuant to Article 1, paragraph 125 of Law No. 124/2017, as amended, information is given below on disbursements received from Italian public entities and organisations, in favour of Snam S.p.A. and its fully consolidated subsidiaries. Consolidated reporting takes into account disbursements received from Italian public entities/state bodies. In particular, disclosure is not required for the following: (i) the forms of incentive/subsidy received under a general aid scheme to all beneficiaries; (ii) consideration for works/services, including sponsorships; (iii) reimbursements and allowances paid to persons engaged in training and orientation traineeships; (iv) contributions received for continuing training by inter-professional funds established in the legal form of an association; (v) membership dues for membership in trade and territorial associations, as well as to foundations or equivalent organisations, functional to activities related to the company's business. Disbursements are identified on a cash basis.

The disclosure obligations regarding the transparency of public disbursements granted, provided for by Law 124 of 2017 in Article 1, paragraph 126, are not applicable for the Snam Group.

The disclosure presented below includes public disbursements in excess of €10,000 received during 2024. Pursuant to the provisions of Article 3-quater of Decree-Law 135/2018, converted with amendments by Law 12 of 11 February 2019, for the disbursements received, please refer to the indications contained in the National Register of State Aid referred to in Article 52 of Law 234 of 24 December 2012.

Beneficiary	Disbursing entity	Object of the contribution	Amount of economic advantage received (€)
Snam Rete Gas S.p.a.	Ministry of the Environment and Energy Security	As part of the additional chapter to the PNRR (REPowerEU), the project includes the construction of a compression plant in Sulmona and a gas pipeline that will connect the nodes of Sestino (AR) and Minerbio (BO) along the Adriatic coast.	**112,500,000**
Snam Rete Gas S.p.a.	Ministry of the Environment and Energy Security	As part of the additional chapter to the PNRR (REPowerEU), the project includes the modernization of the existing gas infrastructure to allow the export of natural gas to Tarvisio (UD), as well as the construction of a new electric compression unit in the Poggio Renatico (FE) compression station which will allow to increase the flow of gas from the South to the North-East.	**13,500,000**
Snam Rete Gas S.p.a.	ARERA - Cassa per i Servizi Energetici e Ambientali	H2 Separation Membranes: Installation and Testing of a Palladium Membrane for Separating Hydrogen from a Natural Gas-Hydrogen Mixture.	**1,188,345**
Snam Rete Gas S.p.a.	ARERA - Cassa per i Servizi Energetici e Ambientali	Hydrogen production from renewable sources and its introduction into the transport network for the purpose of verifying compatibility.	**392,925**
Snam Rete Gas S.p.a.	ARERA - Cassa per i Servizi Energetici e Ambientali	Methane detector system: Installation of an IoT (internet of things) sensor in the boosting and compression plants for the identification and quantification of natural gas leaks.	**245,400**
Snam Foundation	Department for Cohesion Policies of the Prime Minister's Office (formerly the Agency for Territorial Cohesion)	Project implemented with a partnership composed of third sector entities and schools, aimed at combating educational poverty through the activation of Educational Centers, training laboratories on STEM and orientation services within 3 schools in South Milan.	**19,000**

In 2024, Snam Rete gas S.p.a. received from CSEA a contribution of € 372,536 as an advance for the pilot project for the installation of a turbo expander for power generation. This contribution will be repaid in 2025, following the company's withdrawal from the tender.

38) SIGNIFICANT EVENTS OCCURRING AFTER THE END OF THE FINANCIAL YEAR

On 3 March 2025, Snam, through its subsidiary Stogit, completed the acquisition from Edison of 100% of Edison Stoccaggio's share capital, for a consideration of approximately €565 million, including the adjustments provided for in the sale and purchase agreement and the ticking fee. The completion of the transaction follows the agreements signed on 25 July and obtaining the necessary authorisations under the applicable antitrust and golden power regulations.
Edison Stoccaggio contributes to the security of the national energy system through three natural gas storage facilities located in Cellino (TE), Collalto (TV) and San Potito e Cotignola (RA) and with a total capacity of approximately 1.1 billion cubic meters per year.

On 18 March 2025, the sale to the Lunate fund of the 12.33% minority interest in Galaxy Pipeline Assets Holdco Ltd., a company through which Snam holds an equity interest in ADNOC Gas Pipeline Assets LLC, was finalised. The consideration for the transaction amounts to USD 247 million. The sale is in line with Snam's strategic vision to focus on developing infrastructure for the energy transition along major energy corridors in Europe.

39) PUBLICATION OF THE FINANCIAL STATEMENTS

The financial statements were authorised for publication, to be carried out in accordance with law, by the Board of Directors of Snam in its meeting of 19 March 2025.

MANAGEMENT'S STATEMENT ON THE CONSOLIDATED FINANCIAL STATEMENTS

pursuant to Article 154-bis, paragraph 5 of Legislative Decree 58/98 (Consolidated Finance Act)

1. The undersigned Stefano Venier and Luca Passa, in their respective capacities as Chief Executive Officer and Manager, responsible for preparing the financial reporting of Snam S.p.A., certify, also taking into account the provisions of Article 154-bis, paragraphs 3 and 4, of Legislative Decree No. 58 of 24 February 1998:
   - the adequacy in relation to the characteristics of the company, and
   - the actual application of administrative and accounting procedures for the preparation of the Consolidated Financial Statements during the financial year 2024.

2. The administrative and accounting procedures for the preparation of the Consolidated Financial Statements for the year ended 31 December 2024 have been defined, together with the assessment of their adequacy, on the basis of the standards and methodologies defined in accordance with the Internal Control - Integrated Framework model issued by the Committee of Sponsoring Organisations of the Treadway Commission, which represents a generally accepted international reference framework for the internal control system.

3. It is also certified that:
   - 3.1 The Consolidated Financial Statements at 31 December 2024:
     a. have been prepared in accordance with applicable international accounting standards recognised in the European Community pursuant to Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002;
     b. corresponds to accounting records;
     c. are suitable for giving a true and fair view of the financial position, performance and cash flows of the issuer and the group of companies included in consolidation.
   - 3.2 The Directors' Report includes a reliable analysis of the development and results of operations, as well as the situation of the issuer and the group of companies included in consolidation, together with a description of the main risks and uncertainties to which they are exposed.

19 March 2025

/Signature/Stefano Venier

Stefano Venier

Chief Executive Officer

/Signature/Luca Passa

Luca Passa

Manager responsible for preparing the Company's financial reports

AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Deloitte.

Deloitte & Touche S.p.A.
Via Santa Sofia, 28
20122 Milano
Italia

Tel: +39 02 83322111
Fax: +39 02 83322112
www.deloitte.it

INDEPENDENT AUDITOR'S REPORT
PURSUANT TO ARTICLE 14 OF LEGISLATIVE DECREE NO. 39 OF JANUARY 27, 2010
AND ARTICLE 10 OF THE EU REGULATION 537/2014

To the Shareholders of
Snam S.p.A.

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of Snam S.p.A. and its subsidiaries ("Snam Group" or "Group"), which comprise the consolidated statement of financial position as at December 31, 2024, the consolidated income statement, the consolidated comprehensive income statement, the consolidated statement of changes in shareholders' equity and the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2024 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/05.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of Snam S.p.A. (the "Company") in accordance with the ethical requirements applicable under Italian law to the audit of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. 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.

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Investments in regulated business segments of the natural gas transportation, storage and regasification and related impairment test

Description of the key audit matter

As at December 31, 2024, the Group accounts for the item "Property, plant and equipment" for a total amount of euro 20,746 million and for the item "Intangible assets and goodwill", for a total amount of euro 1,560 million, mainly related to the regulated business segments and, in particular, for a total amount of euro 15,912 million referred to natural gas transportation business segment, for a total amount of euro 3,952 million referred to natural gas storage business segment and for a total amount of euro 1,623 million referred to natural gas regasification business segment. Investments made in the financial year relating to these sectors totaled euro 2,681 million.

The natural gas transportation, storage and regasification business segments are regulated by the Italian Regulatory Authority for Energy, Networks and Environment (Autorità di Regolazione per Energia Reti e Ambiente, "ARERA"), which defines, among the others, the rules for the remuneration of the related services. In particular, the regulated revenues for the natural gas transportation, storage and regasification services provided by the Group are determined by ARERA and provide for recognition of a predefined return on the regulatory net invested capital recognized for tariff purposes (RAB – Regulatory Asset Base), of the relative depreciation and of some operating expenses – the so-called "revenue cap". The RAB value is determined by ARERA mainly through the "revalued historical cost" method.

At the end of the financial year, the Group's management assessed the recoverability of non-financial fixed assets referring to the aforementioned business segments, by comparing the carrying amount, represented by the net invested capital related to each of the cash-generating units, with the corresponding recoverable amount.

In performing the impairment test, the recoverable amount of the assets was estimated primarily based on the RAB method. No impairment loss resulted from the test.

We believe that investments in the natural gas transportation, storage and regasification business segments and the related impairment test represent a key audit matter for the Group's consolidated financial statements as at December 31, 2024 due to: (i) the relevance of the tangible and intangible assets related to natural gas transportation, storage and regasification services, compared to the Group's total assets, (ii) the relevance of the investments made during the year and (iii) their impact in determining the revenue cap for the remuneration of services related to these sectors.

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Notes 5) Significant accounting policies – paragraphs 5.2, 5.3 and 5.5, 6) Assumptions and uncertainties in estimates – paragraphs 6.1 and 6.7, 8) Property, plant and equipment and 9) Intangible assets and goodwill to the consolidated financial statements include the disclosure on the investments in regulated businesses of the natural gas transportation, storage and regasification and the related impairment test.

Audit procedures performed

With reference to the investments in regulated businesses related to the natural gas transportation, storage and regasification and the related impairment test, our audit procedures included, among the others, the following:

- Understand the processes and the relevant controls referred to the recognition of such investments in the financial statements and assessment of operating effectiveness of these controls.
- Understand the process and the relevant controls referred to the impairment test.
- Critical analysis of the tangible and intangible assets captions included the analysis of any unusual item.
- Test the accurate start of depreciation when the asset is available for use, for a sample of projects included in tangible and intangible assets with depreciation starting date in the year, and analysis of the aging of projects included in the assets in progress.
- With reference to investments occurred during the period, selection of a sample of transactions and test of the compliance with the capitalization criteria provided by accounting standards.
- Assessment of the consistency between the useful life used for the depreciation of the assets and their regulatory useful life and reperforming procedures of the period depreciation.
- Assessment of compliance of impairment test methodology, adopted by the Management, with the related applicable accounting standards.

Finally, we assessed the adequacy of the disclosure provided in the notes to the consolidated financial statements and its compliance with the accounting standards.

Impairment test of investments accounted for using the equity method

Description of the key audit matter

As at December 31, 2024, the Group accounts for the item "Investments accounted for using the equity method" for a total amount of euro 3,259 million, mainly related to the Italian and foreign investments in jointly controlled companies for an amount of euro 1,634 million and in associated companies for an amount of euro 1,624 million.

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At the end of the financial year, the Group's management, despite the absence of impairment indicators, performed the impairment test of the main investments by comparing their carrying amount with their recoverable amount represented by the higher of fair value and value in use. The total amount of investments tested for impairment is euro 3,023 million.

In particular, for the purpose of the impairment test, the recoverable amount of the investments was determined as the value in use on the basis of the Discounted Cash Flows (DCF) method, deducting the amount of the investment's net financial debt, or of the Dividend Discount Model (DDM) method, with the exemption of the investments in Italgas S.p.A. and Industrie De Nora S.p.A., associated companies, for which the fair value was determined on the basis of an arithmetic mean of the market prices of the second half of the financial year. No impairment loss resulted from the test.

Considering the relevance of such investments' amount, and the estimation component used in determining the recoverable amount, we believe that the impairment test of investments accounted for using the equity method represents a key audit matter for the Group's consolidated financial statements as at December 31, 2024.

Notes 5) Significant accounting policies – paragraphs 5.1 and 5.5, 6) Assumptions and uncertainties in estimates – paragraph 6.1 and 10) Investments accounted for using the equity method to the consolidated financial statements include the disclosure on the investments accounted for using the equity method and the relative impairment test.

Audit procedures performed

With reference to our activities, we performed, among the others, the following audit procedures, also with the support of Deloitte network's experts:

- Understand the process and the relevant controls related to the impairment test.
- Discussion meetings with the Management in order to understand the impairment test methodology.
- Assessment of compliance of impairment test methodology, adopted by the Management, with the related applicable accounting standards.
- Reasonableness' analysis of the main assumptions underlying the determination of the recoverable amount.
- Analysis of actual figures with respect to the original plans in order to assess the nature of the variations and the plans preparation process' reliability.

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- Reasonableness' assessment of the discount rate (Ke in the DDM method and WACC in the DCF method) and of the long-term growth rate (g-rate) used.
- Mathematical accuracy's test of the recoverable amount estimated by the Management and of the comparison between the recoverable amount and the carrying amount of the investment.
- Test of the sensitivity analysis prepared by the Management.
- Accuracy's test of the market prices used to determine the fair value of the investments in Italgas S.p.A. and in Industrie De Nora S.p.A.

Finally, we assessed the adequacy of the disclosure provided in the notes to the consolidated financial statements and its compliance with the accounting standards.

Responsibilities of the Directors and the Board of Statutory Auditors 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 IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/05, and, within the terms established by law, for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have identified the existence of the conditions for the liquidation of the Company or the termination of the business or have no realistic alternatives to such choices.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the Group's financial reporting process.

Auditor's 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 auditor's 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 International Standards on Auditing (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.

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As part of an audit in accordance with International Standards on Auditing (ISA Italia), we exercise professional judgment and maintain professional skepticism 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 management's 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 auditor's report to the related disclosures in the consolidated 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 auditor's 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 an appropriate level as 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 relevant ethical requirements regarding independence applicable in Italy, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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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 period and are therefore the key audit matters. We describe these matters in our auditors' report.

Other information communicated pursuant to art. 10 of the EU Regulation 537/2014

The Shareholders' Meeting of Snam S.p.A. has appointed us on October 23, 2019, as auditors of the Company for the years from December 31, 2020 to December 31, 2028.

We declare that we have not provided prohibited non-audit services referred to in art. 5 (1) of EU Regulation 537/2014 and that we have remained independent of the Company in conducting the audit.

We confirm that the opinion on the financial statements expressed in this report is consistent with the additional report to the Board of Statutory Auditors, in its role of Audit Committee, referred to in art. 11 of the said Regulation.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinion on the compliance with the provisions of the Delegated Regulation (EU) 2019/815

The Directors of Snam S.p.A. are responsible for the application of the provisions of the European Commission Delegated Regulation (EU) 2019/815 with regard to the regulatory technical standards on the specification of the single electronic reporting format (ESEF – European Single Electronic Format) (hereinafter referred to as the "Delegated Regulation") to the consolidated financial statements as at December 31, 2024, to be included in the annual financial report.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) no. 700B in order to express an opinion on the compliance of the consolidated financial statements with the provisions of the Delegated Regulation.

In our opinion, the consolidated financial statements as at December 31, 2024, have been prepared in XHTML format and have been marked up, in all material respects, in accordance with the provisions of the Delegated Regulation.

Opinions and statement pursuant to art. 14 paragraph 2, sub-paragraphs e), e-bis) and e-ter) of Legislative Decree 39/10 and pursuant to art. 123-bis, paragraph 4, of Legislative Decree 58/98

The Directors of Snam S.p.A. are responsible for the preparation of the report on operations and the report on corporate governance and the ownership structure of Snam Group as at December 31, 2024, including their consistency with the related consolidated financial statements and their compliance with the law.

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We have carried out the procedures set forth in the Auditing Standard (SA Italia) no. 720B in order to:

- Express an opinion on the consistency of the report on operations and of some specific information contained in the report on corporate governance and the ownership structure set forth in art. 123-bis, paragraph 4 of Legislative Decree 58/98 with the consolidated financial statements.
- Express an opinion on compliance with the law of the report on operations, excluding the section related to the consolidated corporate sustainability reporting, and of some specific information contained in the report on corporate governance and ownership structure set forth in art. 123-bis, paragraph 4 of Legislative Decree 58/98.
- Make a statement about any material misstatement in the report on operations and in some specific information contained in the report on corporate governance and ownership structure set forth in art. 123-bis, paragraph 4 of Legislative Decree 58/98.

In our opinion, the report on operations and the specific information contained in the report on corporate governance and the ownership structure are consistent with the consolidated financial statements of Snam Group as at December 31, 2024.

In addition, in our opinion, the report on operations, excluding the section related to the consolidated corporate sustainability reporting, and the specific information contained in the report on corporate governance and ownership structure set forth in art. 123-bis, paragraph 4 of Legislative Decree 58/98 are prepared in accordance with the law.

With reference to the statement referred to in art. 14, paragraph 2, sub-paragraph e-ter), of Legislative Decree 39/10, made on the basis of the knowledge and understanding of the entity and of the related context acquired during the audit, we have nothing to report.

Our opinion on the compliance with the law does not extend to the section related to the consolidated corporate sustainability reporting. The conclusions on the compliance of that section with the law governing criteria of preparation and with the disclosure requirements outlined in art. 8 of the EU Regulation 2020/852 are expressed by us in the assurance report pursuant to art. 14-bis of Legislative Decree 39/10.

DELOITTE & TOUCHE S.p.A.

Signed by
Paola Mariateresa Rolli
Partner

Milan, Italy
April 10, 2025

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

ANNEXES

ANNEXES TO THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

EQUITY INVESTMENTS OF SNAM S.P.A. AT 31 DECEMBER 2024

In accordance with the provisions of Articles 38 and 39 of Legislative Decree 127/1991 and Consob Communication DEM/6064293 of 28 July 2006, the subsidiaries, companies under joint control and associated companies of Snam S.p.A. at December 31, 2024, as well as other material equity investments, are listed below.

The companies are divided by sector of activity and within each sector, between Italy and other countries, and in alphabetical order. For each company, the following are indicated: the name, registered office, share capital, shareholders and their respective percentages of ownership; for consolidated companies, the consolidated percentage pertaining to Snam is indicated; for unconsolidated investees of consolidated companies, the valuation criterion is indicated.

At December 31, 2024, the companies of Snam S.p.A., divided between Italy and other countries, were as follows:

	Subsidiaries		Companies under joint control and associated companies		Other material equity investments (*)		Total
	Italy	Other countries	Italy	Other countries	Italy	Other countries	
Companies consolidated on a line-by-line basis	**40**	**2**					**42**
Equity investments of consolidated companies (**)	**16**	**3**	**8**	**11**	**2**	**2**	**42**
Accounted for using the equity method		1	8	10			**19**
Accounted for with the cost criterion	16	2		1	1	1	**21**
Measured using the fair value method					1	1	**2**
Equity investments of non-consolidated companies			**1**	**7**			**8**
Owned by companies under joint control			1	7			**8**
TOTAL COMPANIES	**56**	**5**	**9**	**18**	**2**	**2**	**92**

(*) These refer to equity investments in companies other than subsidiaries, companies under joint control and associate companies exceeding 2% or 10% of the capital, respectively, whether listed or unlisted.

(**) Subsidiaries accounted for at cost and/or with the equity method and companies under joint control and associated companies accounted for with the cost criterion refer to insignificant companies.

CONSOLIDATING COMPANY

NAME	REGISTERED OFFICE	CURRENCY	SHARE CAPITAL	SHAREHOLDERS	% OF OWNERSHIP
Snam S.p.A.	San Donato Milanese (Milan)	EURO	2,735,670,475.56	C.D.P. Reti S.p.A. (a)	31.35
				Romano Minozzi	7.45
				Snam S.p.A.	0.19
				Non-controlling interests	61.01

(a) CDP S.p.A. holds 59.10% of CDP Reti S.p.A.

SUBSIDIARIES

NAME	REGISTERED OFFICE	FINANCIAL REPORTING CURRENCY	SHARE CAPITAL	SHAREHOLDERS	% OF OWNERSHIP	% CONSOLIDATED PERTAINING TO SNAM	METHOD OF CONSOLIDATION OR MEASUREMENT CRITERION (*)
BIOMETHANE							
Bioenerys S.r.l.	San Donato Milanese (Milan)	EURO	5,000,000	Snam S.p.A.	100.00	100.00	C.I.
Biomethane - Agri							
Biogas Bruso Società Agricola a r.l.	Pordenone	EURO	10,000	Bioenerys Agri S.r.l.	99.90	99.90	C.I.
				Non-controlling partners	0.10		
Bioenerys Agri S.r.l.	Pordenone	EURO	100,000	Bioenerys S.r.l.	100.00	100.00	C.I.
BYS Società Agricola Impianti S.r.l.	Pordenone	EURO	10,000	Bioenerys Agri S.r.l.	100.00	100.00	C.I.
Emiliana Agroenergia Società Agricola S.r.l.	Piacenza	EURO	10,000	Bioenerys Agri S.r.l.	100.00	100.00	C.I.
Govone Biometano S.r.l.	Pordenone	EURO	70,000	Bioenerys Agri S.r.l.	100.00	100.00	C.I.
IES Biogas S.r.l. (in liquidation)	Buenos Aires	ARS	100.000 (a)	Bioenerys Agri S.r.l.	95.00		Co.
	(Argentina)			Bioenerys S.r.l.	5.00		
Maiero Energia Società Agricola a r.l.	Pordenone	EURO	10,000	Bioenerys Agri S.r.l.	100.00	100.00	C.I.
Moglia Energia Società Agricola a r.l.	Pordenone	EURO	30,000	Bioenerys Agri S.r.l.	100.00	100.00	C.I.
MST S.r.l.	Pordenone	EURO	800,000	Bioenerys Agri S.r.l.	100.00	100.00	C.I.
MZ Biogas Società Agricola a r.l.	Pordenone	EURO	119,000	Bioenerys Agri S.r.l.	99.90	99.90	C.I.
				Non-controlling partners	0.10		
Società Agricola Agrimetano Pozzonovo S.r.l.	Pordenone	EURO	10,000	Bioenerys Agri S.r.l.	100.00	100.00	C.I.
Società Agricola Agrimetano Ro S.r.l.	Pordenone	EURO	10,000	Bioenerys Agri S.r.l.	100.00	100.00	C.I.
Società Agricola Carignano Biogas S.r.l.	Bologna	EURO	100,000	Bioenerys Agri S.r.l.	100.00	100.00	C.I.
Società Agricola G.B.E. Gruppo Bio Energie S.r.l.	Pordenone	EURO	20,000	Società Agricola Sangiovanni S.r.l.	100.00	100.00	C.I.
Società Agricola La Valle Green Energy S.r.l.	Cerea (Verona)	EURO	10,000	Bioenerys Agri S.r.l.	100.00	100.00	C.I.
Società Agricola Sangiovanni S.r.l.	Pordenone	EURO	20,000	Bioenerys Agri S.r.l.	50.00	100.00	C.I.
				Società Agricola SQ Energy S.r.l.	50.00		
Società Agricola SQ Energy S.r.l.	Pordenone	EURO	100,000	Bioenerys Agri S.r.l.	100.00	100.00	C.I.
Società Agricola T4 Energy S.r.l.	Pordenone	EURO	200,000	Bioenerys Agri S.r.l.	100.00	100.00	C.I.
Società Agricola Zoppola Biogas S.r.l.	Pordenone	EURO	10,000	Società Agricola Sangiovanni S.r.l.	100.00	100.00	C.I.
Zibello Agroenergie Società Agricola S.r.l.	Sorbolo Mezzani (Parma)	EURO	60,000	Bioenerys Agri S.r.l.	100.00	100.00	C.I.
Biomethane - Waste							
Bioenerys Ambiente S.r.l.	San Donato Milanese (Milan)	EURO	1,710,764	Bioenerys S.r.l.	100.00	100.00	C.I.

NAME	REGISTERED OFFICE	FINANCIAL REPORTING CURRENCY	SHARE CAPITAL	SHAREHOLDERS	% OF OWNERSHIP	% CONSOLIDATED PERTAINING TO SNAM	METHOD OF CONSOLIDATION OR MEASUREMENT CRITERION (*)
Biowaste CH4 Legnano S.r.l.	San Donato Milanese (Milan)	EURO	10,000	Bioenerys Ambiente S.r.l.	100.00	100.00	C.I.
CH4 Energy S.r.l.	San Donato Milanese (Milan)	EURO	10,000	Bioenerys Ambiente S.r.l.	100.00	100.00	C.I.
BYS Ambiente Impianti S.r.l. (formerly Ecoprogetto Milano S.r.l.)	San Donato Milanese (Milan)	EURO	1,000,000	Bioenerys Ambiente S.r.l.	100.00	100.00	C.I.
Enersi Sicilia S.r.l.	San Donato Milanese (Milan)	EURO	400,000	Bioenerys Ambiente S.r.l.	100.00	100.00	C.I.
ENERGY EFFICIENCY							
Renovit Building Solutions S.p.A. (formerly Evolve S.p.A.) (b)	Milan	EURO	1,450,000	Renovit S.p.A.	70.00	60.05	C.I.
				Non-controlling partners	30.00		
RENPV1 S.r.l.	Milan	EURO	10,000	Renovit Business Solutions S.r.l.	100.00		Co.
RENPV2 S.r.l.	Milan	EURO	10,000	Renovit Business Solutions S.r.l.	100.00		Co.
RENPV3 S.r.l.	Milan	EURO	10,000	Renovit Business Solutions S.r.l.	100.00		Co.
RENPV4 S.r.l.	Milan	EURO	10,000	Renovit Business Solutions S.r.l.	100.00		Co.
RENPV5 S.r.l.	Milan	EURO	10,000	Renovit Business Solutions S.r.l.	100.00		Co.
RENPV6 S.r.l.	Milan	EURO	10,000	Renovit Business Solutions S.rl.	100.00		Co.
RENPV7 S.r.l.	Milan	EURO	10,000	Renovit Business Solutions S.rl.	100.00		Co.
RENPV8 S.r.l.	Milan	EURO	10,000	Renovit Business Solutions S.rl.	100.00		Co.
RENPV9 S.r.l.	Milan	EURO	10,000	Renovit Business Solutions S.rl.	100.00		Co.
RENPV10 S.r.l.	Milan	EURO	10,000	Renovit Business Solutions S.rl.	100.00		Co.
Renovit Consorzio Stabile	Milan	EURO	150,000	Renovit Public Solutions S.p.A.	33.33		Co.
				Renovit Building Solutions S.p.A.	33.33		
				Renovit Business Solutions S.r.l.	33.33		
Renovit Public Solutions S.p.A. (b)	Milan	EURO	200,000	Renovit S.p.A.	70.00	60.05	C.I.
				Non-controlling partners	30.00		
Renovit S.p.A.	San Donato Milanese (Milan)	EURO	4,375,000	Snam S.p.A.	60.05	60.05	C.I.
				CDP Equity S.p.A.	30.00		
				Non-controlling partners	9.95		
RENPV S.r.l. (formerly Tea Innovazione Due S.r.l.)	Milan	EURO	20,000	Renovit Business Solutions S.r.l.	100.00		Co.
Renovit Business Solutions S.r.l. (formerly TEP Energy Solution S.r.l.)	Rome	EURO	1,000,000	Renovit S.p.A.	100.00	60.05	C.I.
T-Lux S.r.l.	Piancogno (Brescia)	EURO	50,000	Renovit Public Solutions S.p.A.	100.00	60.05	C.I.
MOBILITY & LIQUEFACTION							
Cubogas S.r.l.	San Donato Milanese (Milan)	EURO	1,000,000	Greenture S.p.A.	100.00	100.00	C.I.
Greenture S.p.A.	San Donato Milanese (Milan)	EURO	2,320,000	Snam S.p.A.	100.00	100.00	C.I.

NAME	REGISTERED OFFICE	FINANCIAL REPORTING CURRENCY	SHARE CAPITAL	SHAREHOLDERS	% OF OWNERSHIP	% CONSOLIDATED PERTAINING TO SNAM	METHOD OF CONSOLIDATION OR MEASUREMENT CRITERION (*)
REGASIFICATION							
GNL Italia S.p.A.	San Donato Milanese (Milan)	EURO	17,300,000	Snam S.p.A.	100.00	100.00	C.I.
Snam FSRU Italia S.r.l.	San Donato Milanese (Milan)	EURO	10,000	Snam S.p.A.	100.00	100.00	C.I.
NATURAL GAS STORAGE							
Stogit S.p.A.	San Donato Milanese (Milan)	EURO	152,205,500	Snam S.p.A.	100.00	100.00	C.I.
NATURAL GAS TRANSPORTATION							
Asset Company 2 S.r.l.	San Donato Milanese (Milan)	EURO	10,000,000	Snam S.p.A.	100.00	100.00	C.I.
Enura S.p.A.	San Donato Milanese (Milan)	EURO	3,700,000	Snam S.p.A.	55.00	55.00	C.I.
				Non-controlling partners	45.00		
Infrastrutture Trasporto Gas S.p.A.	San Donato Milanese (Milan)	EURO	10,000,000	Asset Company 2 S.r.l.	100.00	100.00	C.I.
Snam Rete Gas S.p.A.	San Donato Milanese (Milan)	EURO	1,200,000,000	Snam S.p.A.	100.00	100.00	C.I.
CORPORATE AND OTHER ACTIVITIES							
Arbolia S.r.l. Società Benefit	San Donato Milanese (Milan)	EURO	100,000	Snam S.p.A.	100.00		Co.
Asset Company 9 S.r.l.	San Donato Milanese (Milan)	EURO	10,000	Snam S.p.A.	100.00		Co.
Asset Company 10 S.r.l.	San Donato Milanese (Milan)	EURO	10,000	Snam S.p.A.	100.00	100.00	C.I.
Asset Company 12 S.r.l.	San Donato Milanese (Milan)	EURO	10,000	Snam S.p.A.	100.00		Co.
Gasrule Insurance D.A.C.	Dublin (Ireland)	EURO	20,000,000	Snam S.p.A.	100.00	100.00	C.I.
New Energy Carbon Capture & Storage S.r.l. (formerly Asset Company 4 S.r.l.)	San Donato Milanese (Milan)	EURO	100,000	Snam S.p.A.	100.00		Co.
Snam Energy Services Private Limited	New Delhi (India)	INR	1,000,000	Snam International B.V.	99.99		Co.
				Snam S.p.A.	0.01		
Snam Gas & Energy Services (Beijing) Co., Ltd	Beijing (China)	RMB	15.493.800 (c)	Snam International B.V.	100.00		PN
Snam International B.V.	Amsterdam (Netherlands)	EURO	6,626,800	Snam S.p.A.	100.00	100.00	C.I.

(*) C.I. = Consolidation on a line-by-line basis; Co. = Measurement at cost; PN = Accounted for using the equity method

(a) The value is expressed in Argentine Pesos (ARS).

(b) For the purposes of the Consolidated Financial Statements, the presence of cross put and call options on the interests of minority shareholders made it possible to recognise the transaction as if 100% of the companies had been acquired, thus not recognising the non-controlling interests of shareholders.

(c) The value is expressed in Chinese Renminbi (RMB).

COMPANIES UNDER JOINT CONTROL AND ASSOCIATED COMPANIES

NAME	REGISTERED OFFICE	FINANCIAL REPORTING CURRENCY	SHARE CAPITAL	SHAREHOLDERS	% OF OWNERSHIP	METHOD OF CONSOLIDATION OR MEASUREMENT CRITERION (*)
Albanian Gas Service Company SH.A.	Tirana (Albania)	ALL	875.000 (a)	Snam S.p.A.	25.00	Co.
				Non-controlling partners	75.00	
AS Gasinfrastruktur Beteiligung GmbH (b)	Vienna (Austria)	EURO	35,000	Snam S.p.A.	40.00	PN
				Non-controlling partners	60.00	
AS Gasinfrastruktur GmbH	Vienna (Austria)	EURO	35,000	AS Gasinfrastruktur Beteiligung GmbH	100.00	
dCarbonX Limited	London (United Kingdom)	GBP	4,29(c)	Snam International B.V.	50.00	PN
				Non-controlling partners	50.00	
East Mediterranean Gas Company S.A.E.	Cairo (Egypt)	USD	147.000.000 (d)	Snam International B.V.	25.00	PN
				Non-controlling partners	75.00	
Ecos S.r.l. (b)	Genoa	EURO	10,000	Snam S.p.A.	33.34	PN
				Non-controlling partners	66.66	
EIS S.r.l. (in liquidation)	Milan	EURO	100,000	Renovit Business Solutions S.r.l.	40.00	PN
				Non-controlling partners	60.00	
Galaxy Pipeline Assets HoldCo Limited	Jersey (USA)	USD	1.979.221.357 (d)	Snam S.p.A.	12.33	PN
				Non-controlling partners	87.67	

NAME	REGISTERED OFFICE	FINANCIAL REPORTING CURRENCY	SHARE CAPITAL	SHAREHOLDERS	% OF OWNERSHIP	METHOD OF CONSOLIDATION OR MEASUREMENT CRITERION (*)
Industrie De Nora S.p.A. (#)	Milan	EURO	18,268,204	Asset Company 10 S.r.l.	21.59	PN
				Non-controlling partners	78.41	
Interconnector Limited	London (United Kingdom)	GBP	12.754.680 (c)	Snam International B.V.	23.68	PN
				Non-controlling partners	76.32	
Interconnector Zeebrugge Terminal B.V.	Brussels (Belgium)	EURO	123,946	Interconnector Limited	48.00	PN
				Snam International B.V.	25.00	
				Non-controlling partners	27.00	
Italgas S.p.A. (#)	Milan	EURO	1,002,016,255	Snam S.p.A.	13.46	PN
				C.D.P. Reti S.p.A.	25.98	
				Non-controlling partners	60.56	
OLT Offshore LNG Toscana S.p.A. (b)	Milan	EURO	40,489,544	Snam S.p.A.	49.07	PN
				Non-controlling partners	50.93	
SeaCorridor S.r.l. (b)	San Donato Milanese (Milan)	EURO	100,000,000	Snam S.p.A.	49.90	PN
				Eni S.p.A.	50.10	
Senfluga Energy Infrastructure Holdings S.A.	Athens (Greece)	EURO	20,125,050	Snam S.p.A.	54.00	PN
				Non-controlling partners	46.00	

NAME	REGISTERED OFFICE	FINANCIAL REPORTING CURRENCY	SHARE CAPITAL	SHAREHOLDERS	% OF OWNERSHIP	METHOD OF CONSOLIDATION OR MEASUREMENT CRITERION (*)
Société pour la Construction du Gazoduc Transtunisien S.A. (e)	Tunis (Tunisia)	TND	200,000	SeaCorridor S.r.l.	99.80	
				Non-controlling partners	0.20	
Teréga Holding S.A.S. (b)	Pau (France)	EURO	505,869,374	Snam S.p.A.	40.50	PN
				Non-controlling partners	59.50	
Teréga S.A.S.	Pau (France)	EURO	489,473,550	Teréga Holding S.A.S.	100.00	
Teréga S.A.	Pau (France)	EURO	17,579,088	Teréga S.A.S.	100.00	
Teréga Solutions S.A.S.	Pau (France)	EURO	13,300,000	Teréga S.A.S.	100.00	
TeréHY S.A.S.	Pau (France)	EURO	1,000	Teréga S.A.	100.00	
Stock H2 SO S.A.S.	Pau (France)	EURO	10,000	TeréHY S.A.S.	100.00	
TAG GmbH (formerly Trans Austria Gasleitung GmbH) (b)	Vienna (Austria)	EURO	76,566	Snam S.p.A.	84.47	PN
				Non-controlling partners	15.53	
Terminale GNL Adriatico S.r.l (b)	Milan	EURO	200,000,000	Snam S.p.A.	30.00	PN
				Non-controlling partners	70.00	
Trans Adriatic Pipeline AG	Baar (Switzerland)	EURO	800,000,004	Snam International B.V.	20.00	PN
				Non-controlling partners	80.00	
Trans Tunisian Pipeline Company S.p.A.	San Donato Milanese (Milan)	EURO	1,098,000	SeaCorridor S.r.l.	100.00	
Zena Project S.p.A.	Carpi (Modena)	EURO	10,000,000	Renovit Public Solutions S.p.A.	35.93	PN
				Non-controlling partners	64.07	

(*) PN = Accounted for using the equity method; Co. = Measurement at cost

(a) The value is expressed in Albanian Lek (ALL).

(b) The Company is under joint control.

(c) The value is expressed in GBP.

(d) The value is expressed in USD.

(e) The value is expressed in Tunisian Dinars (TND)

(#) Companies with shares listed on Italian regulated markets.

OTHER MATERIAL EQUITY INVESTMENTS

NAME	REGISTERED OFFICE	FINANCIAL REPORTING CURRENCY	SHARE CAPITAL	SHAREHOLDERS	% OF OWNERSHIP	METHOD OF CONSOLIDATION OR MEASUREMENT CRITERION (*)
De Nora Italy Hydrogen Technologies S.r.l.	Milan	EUR	1,910,000	Snam S.p.A.	10.00	FVTOCI
				Non-controlling partners	90.00	
ITM POWER PLC (##)	Sheffield (United Kingdom)	GBP	30,657,908 (a)	Snam S.p.A.	2.07	FVTOCI
				Non-controlling partners	97.93	
PRISMA - European Capacity Platform GmbH	Leipzig (Germany)	EURO	261,888	Snam Rete Gas S.p.A.	14.66	Co.
				Non-controlling partners	85.34	
Servizi Ambientali Piemonte S.r.l.	Milan	EURO	10,000	Bioenerys Ambiente S.r.l.	10.00	Co.
				Non-controlling partners	90.00	

(*) Co. = Measurement at cost; FVTOCI = Fair Value Through OCI.

(a) The value is expressed in GBP.

(##) Companies with shares listed on non-EU regulated markets.

CHANGES IN THE SCOPE OF CONSOLIDATION OCCURRING IN THE FINANCIAL YEAR 2024

Outgoing companies (no. 23)		
- of which by merger	**Segment**	**Merging company**
Bietifin S.r.l.	Biomethane - Agri	Bioenerys Agri S.r.l.
Biowaste CH4 Anzio S.r.l.	Waste	BYS Ambiente Impianti S.r.l.
Biowaste CH4 Foligno S.r.l.	Waste	BYS Ambiente Impianti S.r.l.
Biowaste CH4 Genova S.r.l.	Waste	BYS Ambiente Impianti S.r.l.
Biowaste CH4 Group S.r.l.	Waste	BYS Ambiente Impianti S.r.l.
Biowaste CH4 Tuscania S.r.l.	Waste	BYS Ambiente Impianti S.r.l.
Ecoprogetto Tortona S.r.l.	Waste	BYS Ambiente Impianti S.r.l.
Renerwaste Lodi S.r.l.	Waste	BYS Ambiente Impianti S.r.l.
Società Agricola Tessagli Agroenergia S.r.l.	Biomethane - Agri	BYS Società Agricola Impianti S.r.l.
Agriwatt Castel Goffredo Società Agricola a r.l.	Biomethane - Agri	BYS Società Agricola Impianti S.r.l.
Società Agricola Agrimetano S.r.l.	Biomethane - Agri	BYS Società Agricola Impianti S.r.l.
Società Agricola Agrimezzana Biogas S.r.l.	Biomethane - Agri	BYS Società Agricola Impianti S.r.l.
Società Agricola Asola Energie Biogas S.r.l.	Biomethane - Agri	BYS Società Agricola Impianti S.r.l.
Società Agricola Biostellato 1 S.r.l.	Biomethane - Agri	BYS Società Agricola Impianti S.r.l.
Società Agricola Biostellato 2 S.r.l.	Biomethane - Agri	BYS Società Agricola Impianti S.r.l.
Società Agricola Biostellato 3 S.r.l.	Biomethane - Agri	BYS Società Agricola Impianti S.r.l.
Società Agricola Biostellato 4 S.r.l.	Biomethane - Agri	BYS Società Agricola Impianti S.r.l.
Società Agricola San Giuseppe Agroenergia S.r.l.	Biomethane - Agri	BYS Società Agricola Impianti S.r.l.
Società Agricola Santo Stefano Energia S.r.l.	Biomethane - Agri	BYS Società Agricola Impianti S.r.l.
Soragna Agroenergie Società Agricola S.r.l.	Biomethane - Agri	BYS Società Agricola Impianti S.r.l.
FSRU I Limited	Regasification	Snam FSRU Italia S.r.l.
Ravenna LNG Terminal S.r.l.	Regasification	Snam FSRU Italia S.r.l.
- of which for disposal	**Segment**	**Transferring company**
Renerwaste Cupello S.r.l.	Biomethane - Waste	Bioenerys Ambiente S.r.l.

Incoming companies (no. 1)		
- of which for start-up	**Segment**	**Direct member**
Govone Biometano S.r.l.	Biomethane - Agri	Bioenerys Agri S.r.l.

FEES FOR AUDIT AND NON-AUDIT SERVICES

Pursuant to Article 149 - duodecies, second paragraph, of Consob Resolution 11971 of 14 May 1999, as amended, the fees payable to the independent auditors Deloitte & Touche S.p.A. for services provided to the parent company Snam S.p.A. and its subsidiaries for the year 2024 are indicated below:

(in thousands of €)

Type of services	Service provider	Recipient	Fees
Audit services (1)	Parent company auditor	Parent company	173
	Parent company auditor	Subsidiaries	1,032
	Parent company auditor's network	Subsidiaries	136
Certification services (2)	Parent company auditor	Parent company	552
	Parent company auditor	Subsidiaries	46
	Parent company auditor's network	Subsidiaries	
			1,939

(1) Audit services essentially include: (i) auditing the consolidated financial statements and the financial statements of Snam S.p.A and Subsidiaries, as well as the related reporting packages for the purposes of the consolidated financial statements; (ii) audits on the compliance of the consolidated financial statements with the provisions of Commission Delegated Regulation (EU) 219/815 - ESEF; (iii) a limited audit of the half-year financial report; (iv) audits during the financial year pursuant to Article 14(b) of Legislative Decree no. 39/2010; (v) audits performed in accordance with ISA 600.

(2) Certification services and other audit services mainly concern: (i) audit of the control system on financial reporting; (ii) the limited review of the Consolidated Sustainability Report pursuant to Legislative Decree 125/2024; (iii) limited audit of the directors' report pursuant to Article 2433-bis (5) of the Italian Civil Code; (iv) certification (comfort letters) in connection with debenture bond issues; (v) audit of compliance with GRI standards of specific ESG indicators.

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