Snam Transition Plan

16th Oct, 2024

ENERGY INFRASTRUCTURE FOR A SUSTAINABLE FUTURE

Why a Transition Plan?

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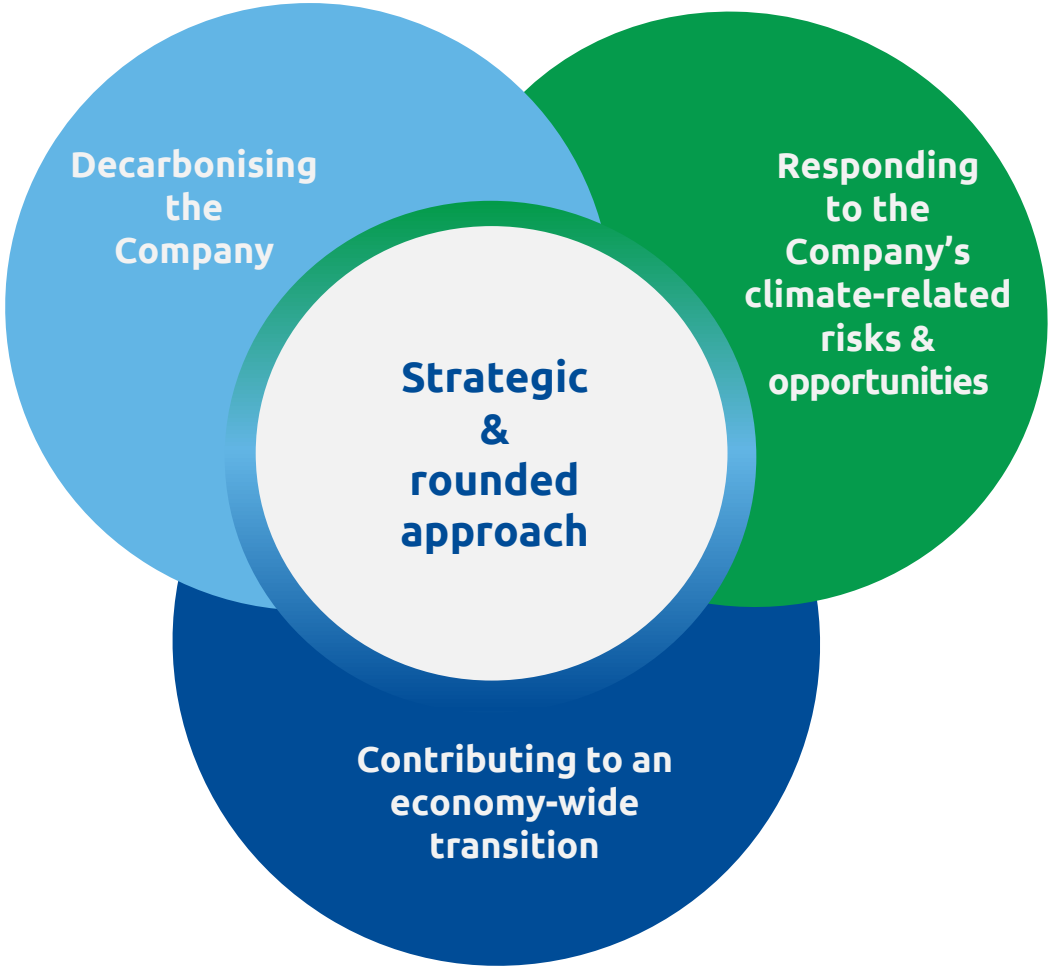
To convey in a clear and systematic way our strategy, targets, actions and resources towards a decarbonized world

Affirm **commitment** towards a low carbon economy

Outline our **strategy, targets, actions, resources** and how Snam contributes to the energy system's decarbonization

Elaborate on **our assets' resilience** and their pivotal role in contributing to securing affordable energy during our journey to Net Zero and beyond



Sound track record underpins our targets' credibility…

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Track record and achievements

- Methane emissions **-57%** vs 2015
- 3 years Gold standard by UNEP
- 2024 Scope 1+2 emissions expected down **~ 20%** vs 2022[1]
- Zero Net Conversion on biodiversity

Firm commitments on Targets

- **Carbon Neutrality** on Scope 1 and 2 by 2040 and **Net Zero** on all emissions by 2050
- **-35%** on Scope 3 by 2032
- Methane emissions target **-72% by 2032** vs 2015
- Net positive impact on biodiversity by 2027

Significant resources dedicated to the transition

- Capex 2023-27 and 2028-32: **37%** and **52%** EU taxonomy aligned
- Sustainable Finance at **80%**[2] and **85%** target by 2027

Credible roadmap

First TSO

- In the **SBTN** corporate engagement program
- **Moody's Net Zero Assessment** on our emissions pathway alignment to Paris

1. Fully regulated perimeter
2. FY 2023

… and support the decarbonization of the energy system

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Snam's infrastructure enables energy system's decarbonization

Committed to fulfill our mission in accordance with **Paris Agreement**

As regulated midstream operator we provide capacity to energy players, and we contribute to **supply security**

We elaborate reference mid/long term national energy scenarios underpinning the **10Y Development Plans** and decarbonization targets

Assets H2 readiness and innovation
- 99% of pipelines H2 ready (100%) o/w >1500 km certified[1]
- H2 ready technical standard (for replacements)
- H2 innovation

We reduce system's emissions through our energy transition platform

Dual role in supporting **biomethane** take up:
- New plants connection to the network
- Large production platform development

bio energys

500 ktons avoided emissions in 2027

Promote buildings, companies and public administration **energy efficiencies**

renovit

Develop the **largest CCS** in the Med (Ravenna project **>500 mtons** total capacity)

Joint venture eni snam

Promoter of **South H2 corridor,** on site use testing and domestic **H2 valleys**

SouthH2Corridor

1. By RINA, third party according to ASME B31.12 methodology

A long journey which determined a sound positioning

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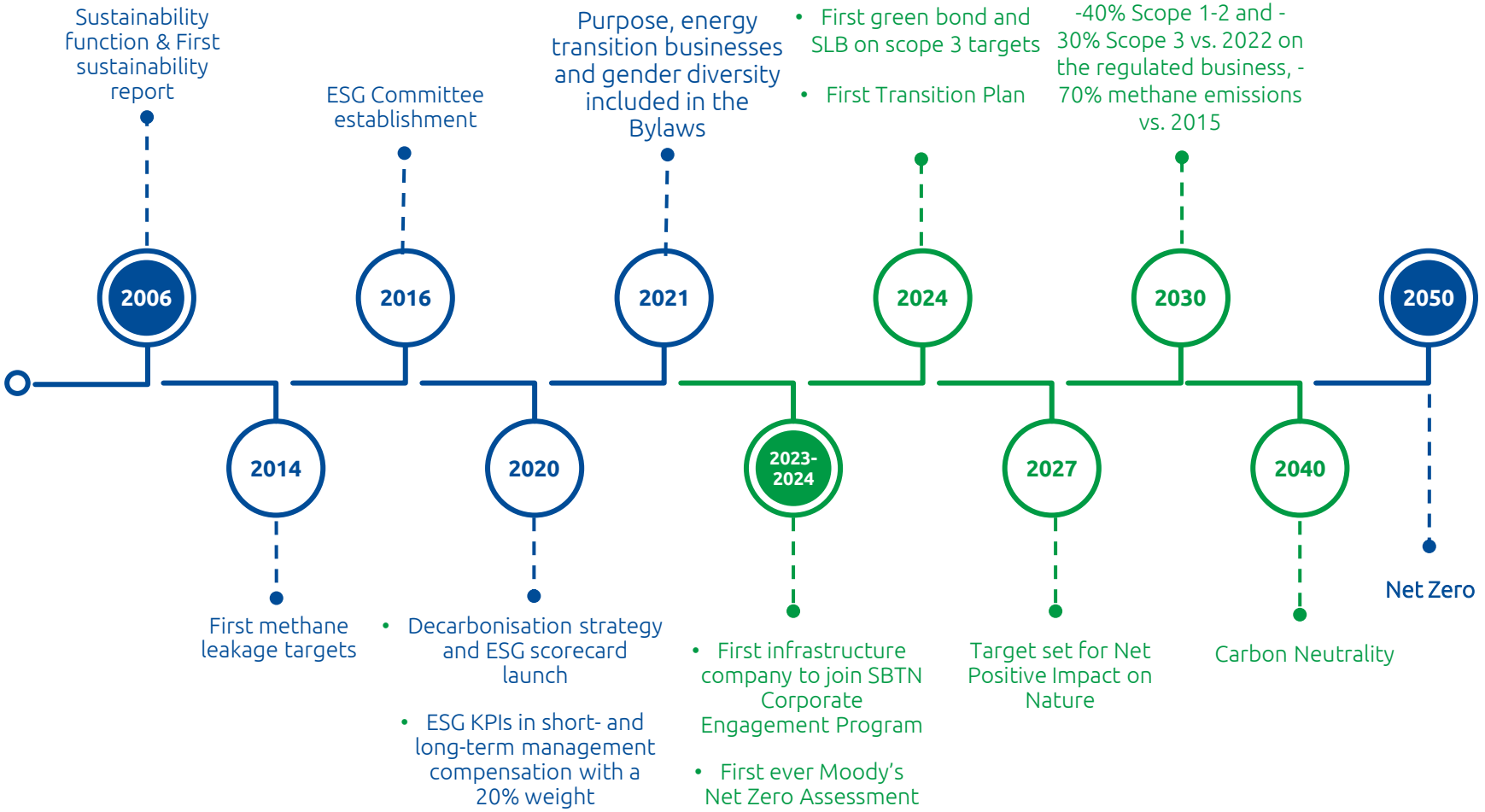
Main milestones



Reporting

- TCFD since 2018
- Early mover on Transition Plan, getting ready for CSRD
- Reasonable Assurance on Scope 1&2 emissions and Limited Assurance on 11 KPIs from 2023

Tracking Sustainability performance through our ESG Scorecard:

- 25 KPIs over 7 pillars integrated with the strategy
- Forward looking: three years targets (2024-27) with quarterly reporting

Sustainability Ratings highlights

SUSTAINALYTICS

ESG 2024 INDUSTRY TOP RATED

MSCI AA

CDP SUPPLIER ENGAGEMENT LEADER 2023 A

MOODY'S Net Zero Assessment NZ-3

CDP A

Snam primary focus on climate change and biodiversity

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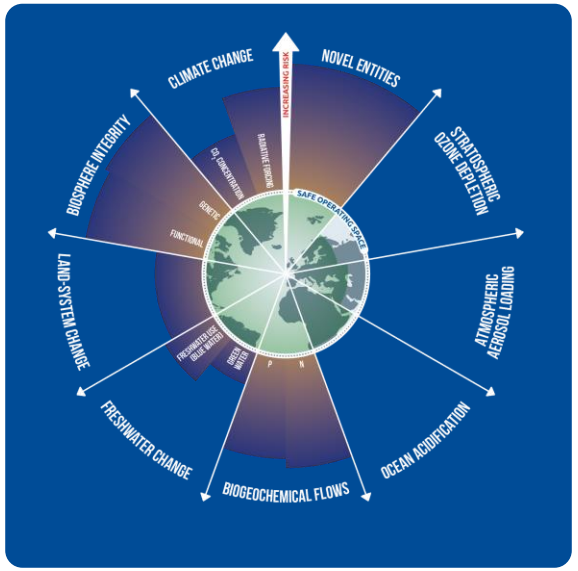
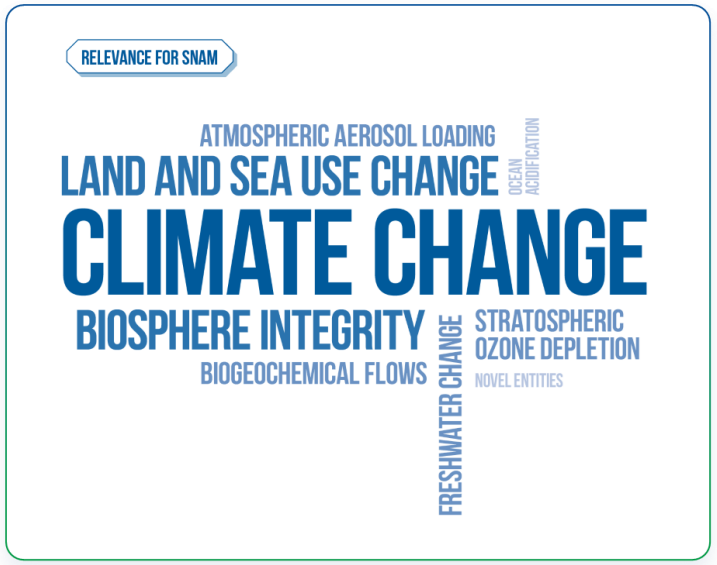
The Planetary Boundaries Framework



- **Science-based approach** developed by the Stockholm Resilience Centre to understand **humanity's impact on the Earth at the planetary scale**
- **"Boundaries" identify quantitative thresholds**. Crossing boundaries increases the risk of generating large-scale abrupt or irreversible environmental changes
- **Six out of nine** planetary boundaries have been transgressed already

Snam's direct operations impact



- Our direct operations impact on the planetary boundaries assessed using the SBTN Sector Materiality tool
- **Climate change has a high priority**
- **Medium impact** on Biosphere integrity and Land and sea use change, jointly referred as **Biodiversity**
- No impact on others including fresh water change and ozone depletion

Transition Plan[1] aligned with the TPT[2] framework

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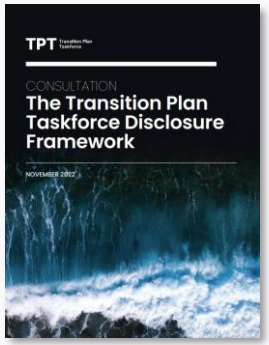
Snam's Transition Plan Framework

- Designed around the **Transition Plan Taskforce (TPT) Disclosure Framework** principles
- Integrate the **Taskforce on Climate-Related Financial Disclosure (TCFD) and CDP** climate disclosure's principles
- Anticipate the **CSRD ESRS-E1 (Climate Change)** requirement
- **Net Zero Investment Framework (NZIF)**



Guiding principles / Disclosure elements

1 Ambition
- Foundations

2 Action
- Implementation strategy
- Engagement strategy

3 Accountability
- Metrics & Targets
- Governance

Chapters

1. Repurposing the Gas Infrastructure for a Sustainable Energy Transition
2. Mapping the Future: Assessing Impact, Risks, and Opportunities within Planetary Boundaries
3. Reducing emissions in gas infrastructure: from Innovation to Action
4. Shaping Europe's Transition to a Thriving Green Economy
5. Setting key indicators of the Transition: Metrics, Timelines and Targets
6. Strategic governance and investments driving the energy transition

1. Snam's Transition Plan Report available on our website: https://www.snam.it/content/dam/snam/pages-attachments/it/investor-relations/documents/tpr/Snam_Transition_Plan_Roadmap.pdf
2. Transition Plan Taskforce

Transition Plan's contents

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1. **Transition Plan supported by Governance and Engagement:** sound governance system and solid oversight over climate matched by a robust remuneration framework

2. **Evolving towards a future-proof pan-European multi-molecule infrastructure player:** material investments in the next decade to support the multi-molecules' transition

3. **Snam's strategy leads to assets resilience throughout climate change and energy transition**
   - Our assets offer affordable security of supply and flexibility together with a cost–effective option to transport decarbonized molecules
   - Assets centrality underpinned by supportive regulation, long term energy scenarios and high utilization rate
   - Negligible physical risks. Well managed and mitigated transition risks

4. **Firm commitment to Net zero and Biodiversity:** clear and concrete roadmap to Net zero on all emissions by 2050 and positive impact on Nature by 2027

Transition Plan supported by Governance and Engagement

Our Transition Plan has its roots in our Governance

Board of Directors
Oversees the Group's climate strategy through the work of its Committees

Chairwoman
Plays a connection role between executive and non-executive directors ensuring the effective functioning of board proceedings

CEO
Responsible for the internal control and risk management system, including climate change

Sustainability Skills (incl. Climate Change)

Sustainability and Energy Transition Scenarios Committee

- Long-term energy transition scenarios underpinning the Strategic Plan
- Energy transition and Sustainability strategy
- Sustainable finance initiatives, and positioning on sustainability KPIs, ratings and indices
- Environmental, social and governance policies integrated into the business model
- Sustainability processes and reporting in coordination with the CCR

Control and Risk and Related Party Transactions Committee

- Company's main risks and opportunities, including those linked to climate change under the Enterprise Risk Management model
- Internal control and risk management system guidelines (including risk appetite)
- Suitability of periodic financial and non-financial information representing the Company's business model, strategies, and impacts

Appointments and Remuneration Committee

- Remuneration policy, short and long-term incentive plans, performance targets and remuneration guidelines of executives and managers with strategic responsibilities
- Performance targets proposal, coordinating with the Sustainability and Energy Transition Scenarios Committee

Since 2021 "Sustainable value creation" and "Energy transition" included in the Bylaws

Remuneration Policy linked to Strategy and transition KPIs targets

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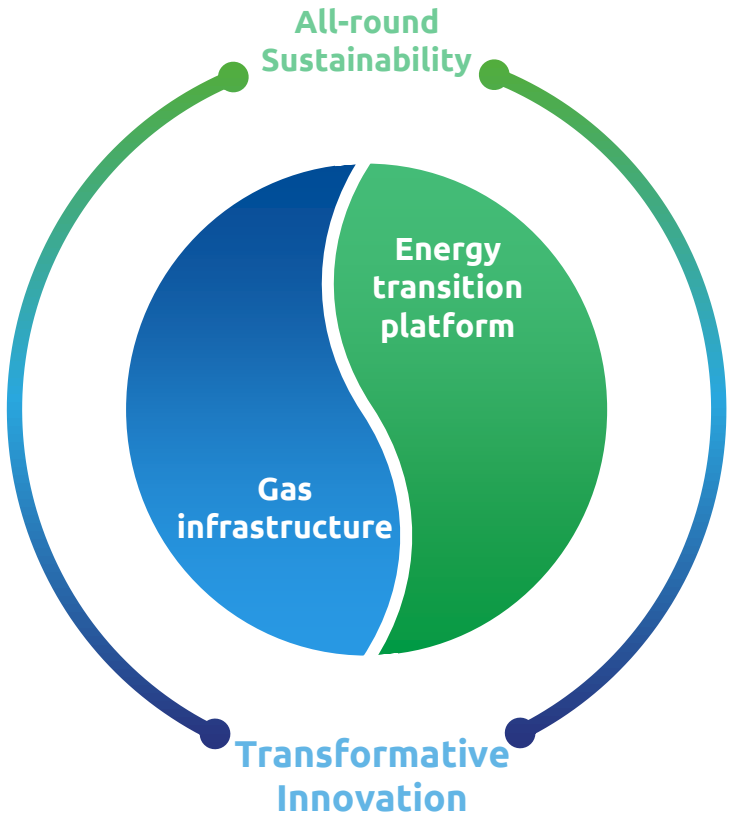
		PILLARS OF THE STRATEGIC PLAN	Gas Infrastructure	Energy Transition Platform	All-round Sustainability	Transformative Innovation
Annual Monetary Incentive (AMI)	Business Objectives	Adjusted EBITDA – 30%	✓	✓	✓	✓
		Gas Infrastructure Investments – 20%	✓			
		Energy security projects – 15%	✓			
		Non-regulated business: Milestones Achievement – 15%		✓		
	Sustainability Objectives	Accident frequency and severity index – 10%			✓	
		Increased sustainable funding – 5%			✓	
		ESG criteria in the supply chain scoring model – 5%			✓	
Long-Term Equity Incentive (LTM)	Business Objectives	Adjusted net profit – 40%	✓	✓	✓	✓
		Value Added -20%	✓			✓
		Energy Transition Readiness – 20% • Km H2-Ready • MW Biomethane installed • Project and market design CCS H2	✓	✓	✓	✓
	Sustainability Objectives	Reduction of methane emissions – 10%	✓	✓	✓	
		Fair representation in the management team – 10%	✓	✓	✓	

Climate & Energy Transition KPIs



25% of short term and 30% of long term remuneration linked to Climate and Energy Transition KPIs

We work for a Just transition …

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Employees

- **People** is a pillar of Snam's Strategy
- Ambition: Empower all Snam's People supporting their aspirations and fostering social and personal wellbeing while always ensuring Health & Safety
- Low workforce impact from energy transition, minimal need for re-skilling/up-skilling
- KPIs included in the scorecard by 2027
  - Women exec. & middle-mgmt at 27.5%
  - Gender pay gap[1] between +/- 5%
  - Combined Frequency and Severity Index < min 3y

Local communities

- **Local community** is a pillar of Snam's Strategy
- Ambition: Keep generating value for local communities, acting as a 'System Operator' and reinforcing engagement by listening to local needs
- KPIs included in the scorecard by 2027
  - Value Distributed at the Regional Level >1€bn
  - Benefits for local communities over regulated revenues at ca 1%

Snam Foundation

"3P approach…

Energy Poverty

Education Poverty

Food Poverty

…implemented through 3 levers"

Volunteering

Educating

Financing

1. For equivalent organizational positions

...engaging with all stakeholders and along the entire value chain

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>250
investor met ytd
extensive engagement, including for the Transition Plan

>150
Meetings with **National** and **Local Institutions** in 2023

European and International Institutions

- **10** EU public consultations
- **>50** meetings with European Institutions, trade associations and think tanks
- **>100** meetings with members of state and government, diplomatic representatives, authorities, and multilateral organizations

Regulator, through consultations and processes

> 400
clients

Value chain

- H2 and CCS market test to assess appetite in Italy and neighboring countries
- Hydrogen valleys: IdrogeMO, Puglia Hydrogen Valley
- H2A industries partnership to test H2:
  - Lease containerized electrolysis systems (plug-and-play) to carry out pilot tests in production plants
  - Tenaris and Tenova partnership for the utilization of green hydrogen to fuel a reheating furnace
- Support and promote suppliers' emissions reduction (ESG criteria into scoring model for tenders)

Climate Lobbying Commitment: outlining the principles underlying the Group's climate strategy, advocacy position and affiliations with associations

Tax Transparency Report published on voluntary basis

Evolving towards a future-proof pan-European multi-molecule infrastructure player

Snam, a leading pan-European gas infrastructure operator

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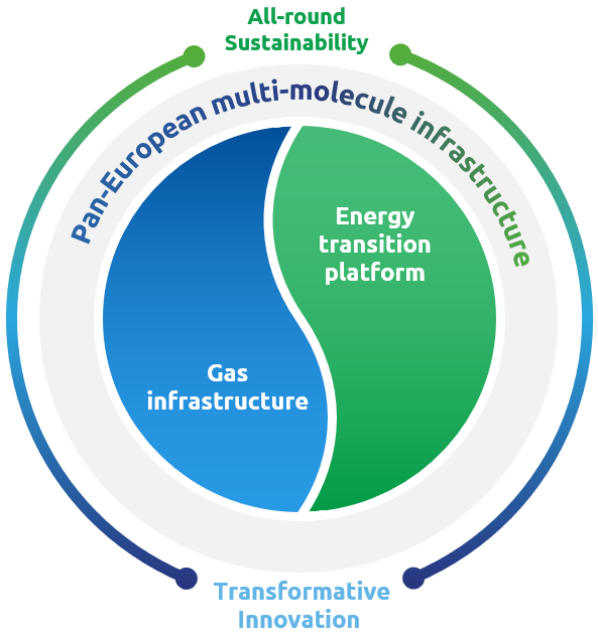

1. Including TAG, Desfa, GCA, Terega, Interconnector, TAP, Adnoc gas piples, EMG, Seacorridor pro-quota transport km
2. Including also Terega pro-quota storage capacity
3. Including also Italis LNG, BW Singapore and the pro-quota of OLT, Adriatic LNG, Revithoussa and Alexandroupolis
4. o/w 10,000 national & 23,000 regional network
5. Including also Italis LNG and BW Singapore

Decarbonize key industrial sectors through CCS & H2

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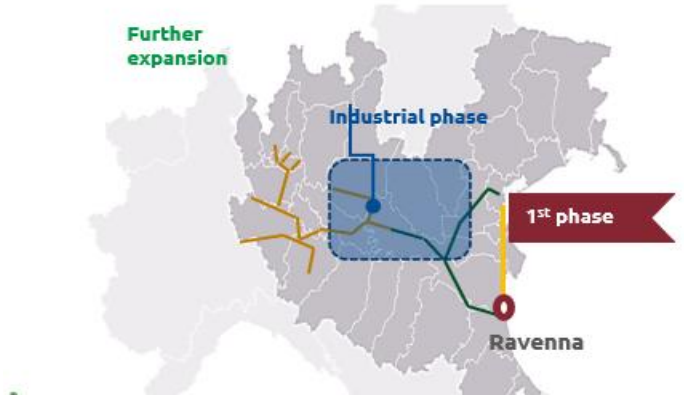
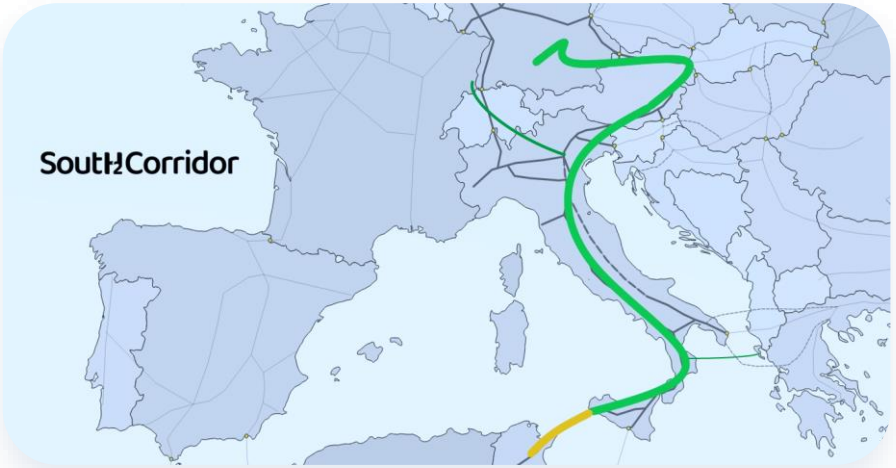
CCS – Ravenna Hub

- Scalable project with total estimated capacity **>500 mtons**
- For 25 ktons/y Phase 1, up to 4 mt/y by 2030 and Phase 2 up to 16 mt/y
- Injection phase started last August
- PCI project developed in JV with Eni
- Potential to decarbonize **~ 50%** of the residual hard to abate emission of North of Italy by 2030[1]



H2 – SouthH2Corridor

- **3300 km** dedicated **hydrogen pipeline corridor**
- PCI project led by Snam, TAG, GCA and bayernets
- Strong institutional support
- Extensive **repurposing (60/70%)**



Supportive data from the market test carried out in Italy and neighboring countries [2]

1. Zero Carbon Technology Roadmap. Carbon Capture & Storage: a strategic lever for the decarbonization and competitiveness of Italy. The European House Ambrosetti
2. Link to the webiste

Future proof investment plan

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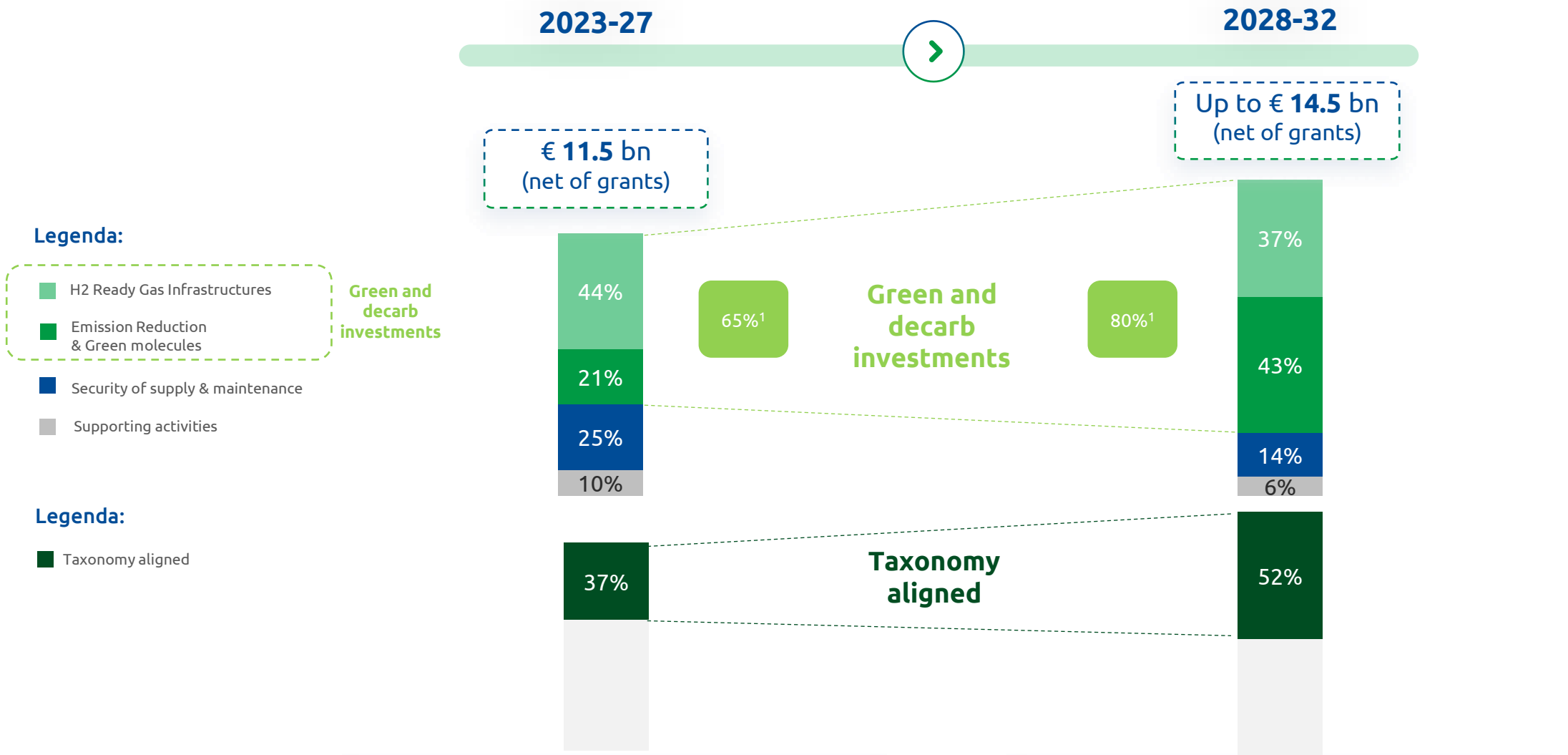
€ 26 bn 2023-32 Snam's investments to grant energy security and evolving towards a multi-molecules infrastructure



Assets reliability and resilience while reducing carbon footprint

Evolve towards multi-molecule set up

1. Gross of grants

Capex aligned to EU Taxonomy and SDGs

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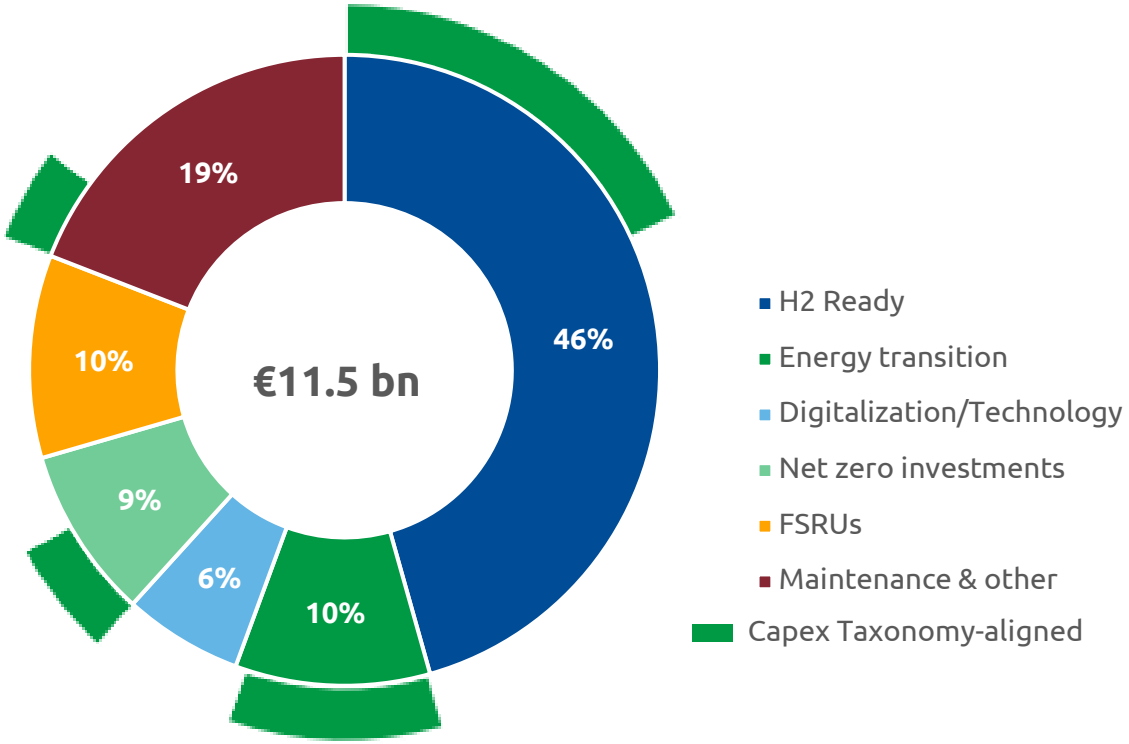
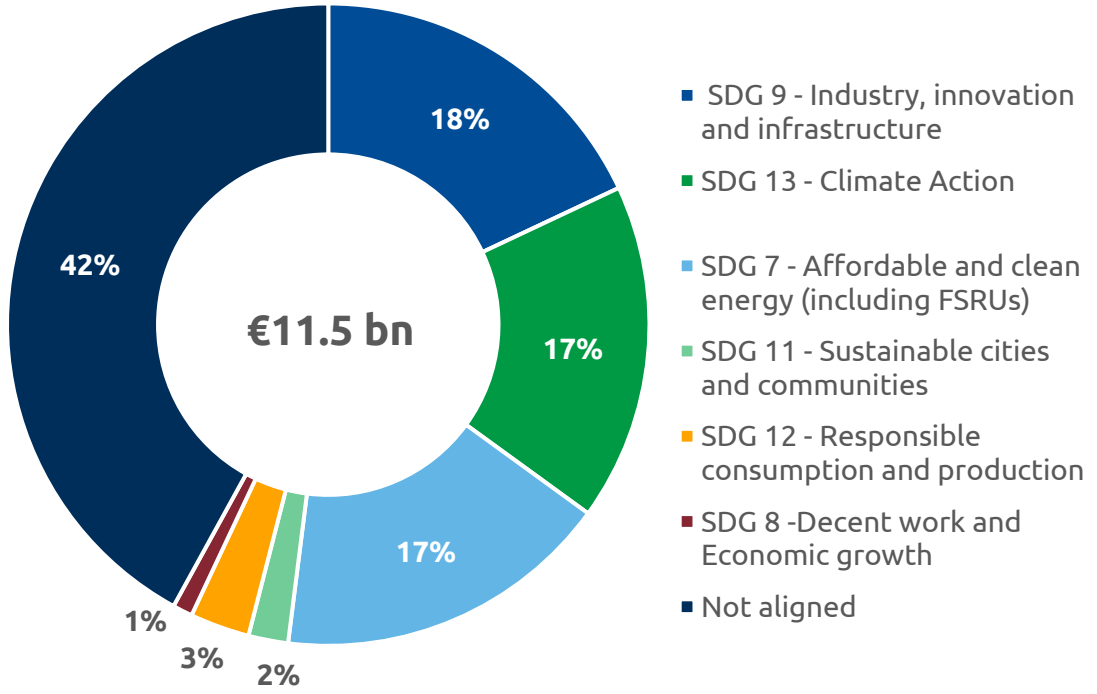
2023-27
CapEx break down and EU Taxonomy alignment



2023-27
CapEx SDGs alignment



37% EU Taxonomy aligned

58% SDGs aligned

Strategy Plan targets aligned with Sustainable Finance Framework

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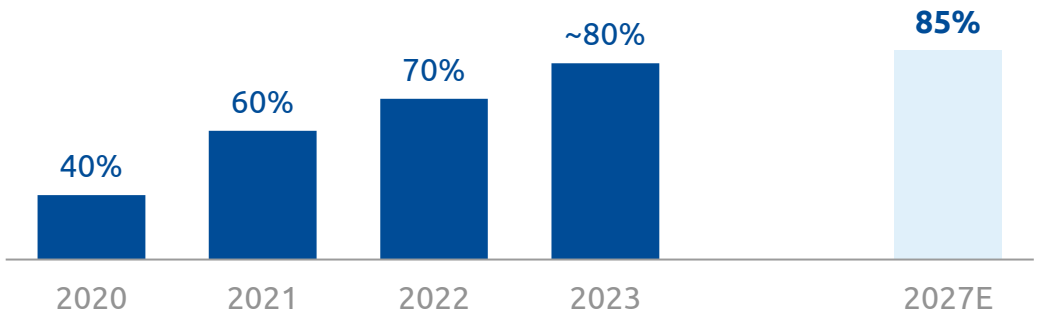
Share of sustainable financing on total committed funding



Sustainability-Linked

KPIs and Targets

- Paris aligned Scope 1-2-3 Targets
- Social target on Gender Diversity

	Methane Emissions	Scope 1&2 Emissions	Scope 3 Emissions	% Women Manager
2027	-64.5%	-25%	-	27.5%
2030	-70%	-40%	-30%	29%
2032	-72%	-50%	-32%	-

Use of Proceeds

Eligible activities included:

- Green Infrastructure: Network for Ren and Low Carbon Gases, CCS, DT&T
- Green gases: Hydrogen, Biomethane
- Green buildings
- Energy efficiency

- **Full EU Taxonomy assessment** on all project categories, including:
  - I. **Do No Significant Harm (DNSH)**
  - II. **Minimum Social Safeguards (MSS)**

SPO provided by ISS

- **Assessment**: best practice / alignment with ICMA Principles
- **Level of ambition**: robust/good assessment of KPIs selected

>50% of sustainable finance linked to emissions reduction KPIs

Moodys Net Zero Assessment certifies our ambition and alignment to the Paris Agreement

Snam's strategy leads to assets resilience throughout climate change and energy transition

Climate-related risks/opportunities

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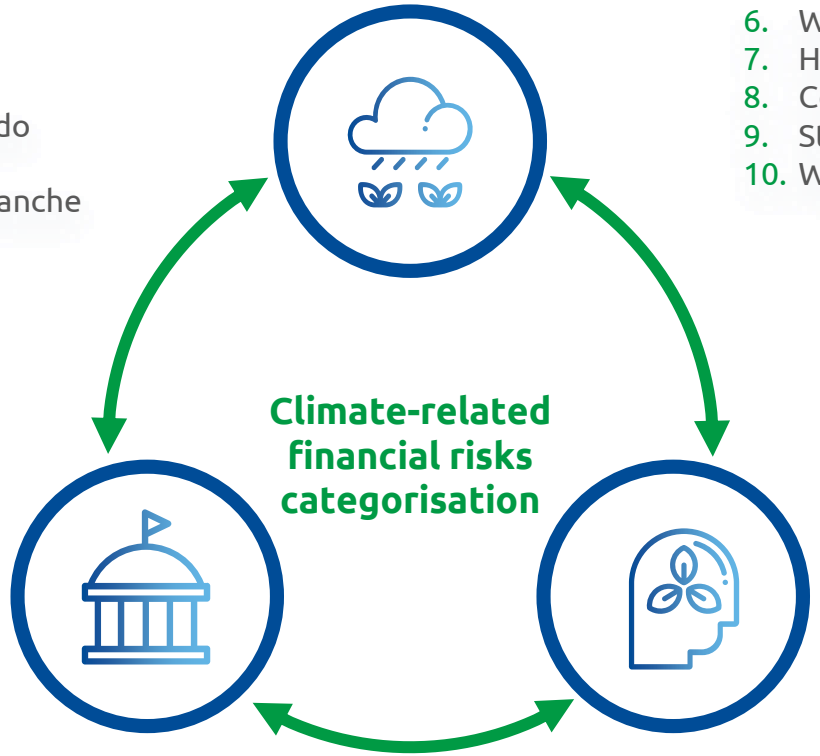
Physical Risks

1. River flood
2. Coastal flood
3. Cyclone or tornado
4. Hailstorm
5. Landslide or avalanche
6. Wildfire
7. Heatwave
8. Cold wave
9. Strong wind
10. Water scarcity



Reputational:

Risks: Reputational due to delays/failures in achieving sustainability targets

Opp: Advantages in terms of positioning and market attractiveness

Regulatory/Policy:

Risk: Change in regulation

Opp: Investments increase in decarbonization (multi-molecule infrastructure) and energy transition

Market

Risks: Gas volumes reduction

Opp: Biomethane and hydrogen development

Technological

Risk: Transition technologies delay/higher cost

Opp: Timely development with competitive advantages of transition technologies

Transition Risks/Opportunities

Source: Carbon Tracker and Snam, based on TCFD framework

Snam's assets are resilient to climate scenarios

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Physical risks
exposure of company assets to climatic hazards

IMPACT

Short- medium-term:

Negligible due to direct safeguards effectiveness (e.g., physical mitigants and insurance coverage) and indirect safeguards (e.g., assets structural characteristics, >80% below ground)

Long-term:

- **No significant change** under **RCP scenarios 1.9, 4.5**[1]
- **More pronounced** potential impact under the worst-case **RCP scenario 8.5**[1]

Negligible physical risk thanks to assets features and safeguards

Transition risks and opportunities
political, legal, technological and market risks related to climate change mitigation and adaptation

IMPACT

	Short- medium-term:	Long-term:
• Market Risks		
• Regulatory Risks		
• Technological Risks		
• Reputational Risks		

Limited short and mid term transition risks while longer term risks intensify jointly with significant opportunities

1. RCP scenario 1.9: Limited climatic evolution
RCP Scenario 4.5: Progressive intensification of natural phenomena
RCP Scenario 8.5: Significant intensification of natural phenomena

Legenda:
Residual severity under the MID Scenario (RCP Scenario 4.5: Progressive intensification of natural phenomena)

Energy reference national scenarios to 2040 1/2

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Snam, in collaboration with Terna, the Italian electricity TSO, updates its mid/long-term energy scenarios every two years, based on the most recent policy reference decarbonization scenarios at national and European level aligned with the Paris Agreement Goals

	2030 Scenarios	2040 Scenarios	
Scenario	**NECP Scenario** (PNIEC Policy)	**Distributed Energy Italy** (DE-IT)	**Global Ambition Italy** (GA-IT)
Reference scenarios	NECP, EU Fit-for-55	European Network of Transmission System Operators (ENTSOg and ENTSOe)	
Scenario description	63% renewable energy for electricity, expand biomethane, apply CCS to hard-to-abate sectors and partially convert steel sector to gas usage, **16% of green gas in final uses by 2030**	Strong penetration of the **electric vector in all sectors**, maximizing electric renewables and development of CCS mainly in HtA sectors	**Green gas technologies** development, particularly in the transport sector, with less renewable electricity generation than DE-IT. CCS will be applied in thermoelectric plants and hard-to-abate industrial processes

Divergent as they follow the Regulatory Authority (ARERA) requirement of having **"contrasting" scenario, to test the resilience of the infrastructure**

Energy reference national scenarios to 2040 2/2

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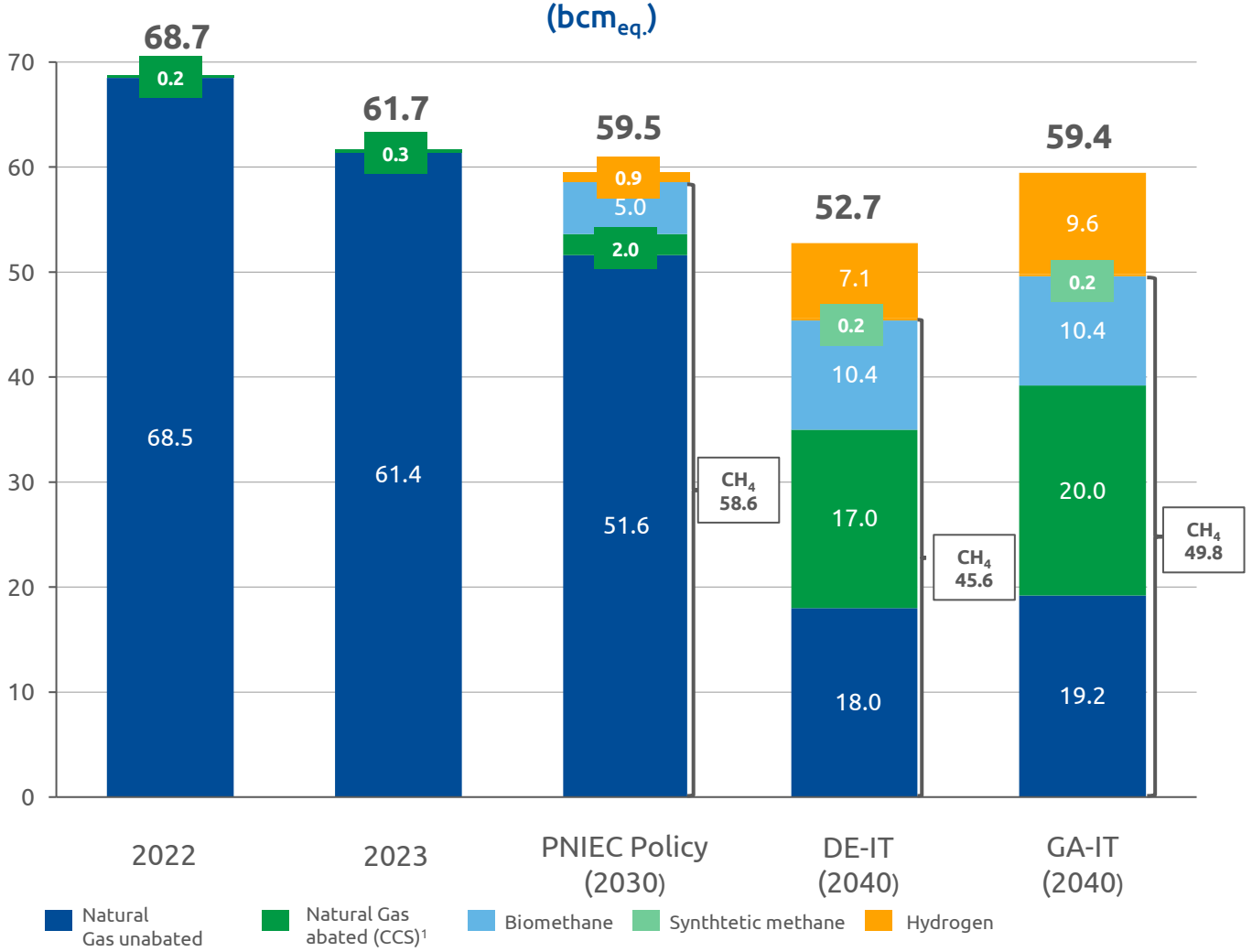
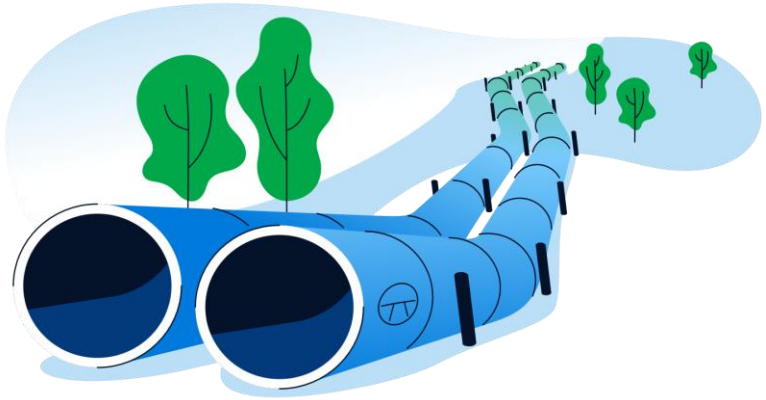
Evolution of gas demand and energy mix under mid-term scenarios ($bcm_{eq.}$)



- Gas demand to stay close to current levels throughout 2030
- Some decline to 2040 but still significant volumes and flexibility required while green gases demand progressively ramp up
- Emissions in Italy will **drop by 50% in 2030** (in line with EU trajectory), by **78% in 2040** and will reach **net zero in 2050**



1. Blue hydrogen consumption included in the natural gas demand

Source: Scenario Analysis 2024 Investor relations' publications (snam.it)

Perspective to 2050 [1]

Our 2050 vision of a underlying decarbonized gas mix evolution

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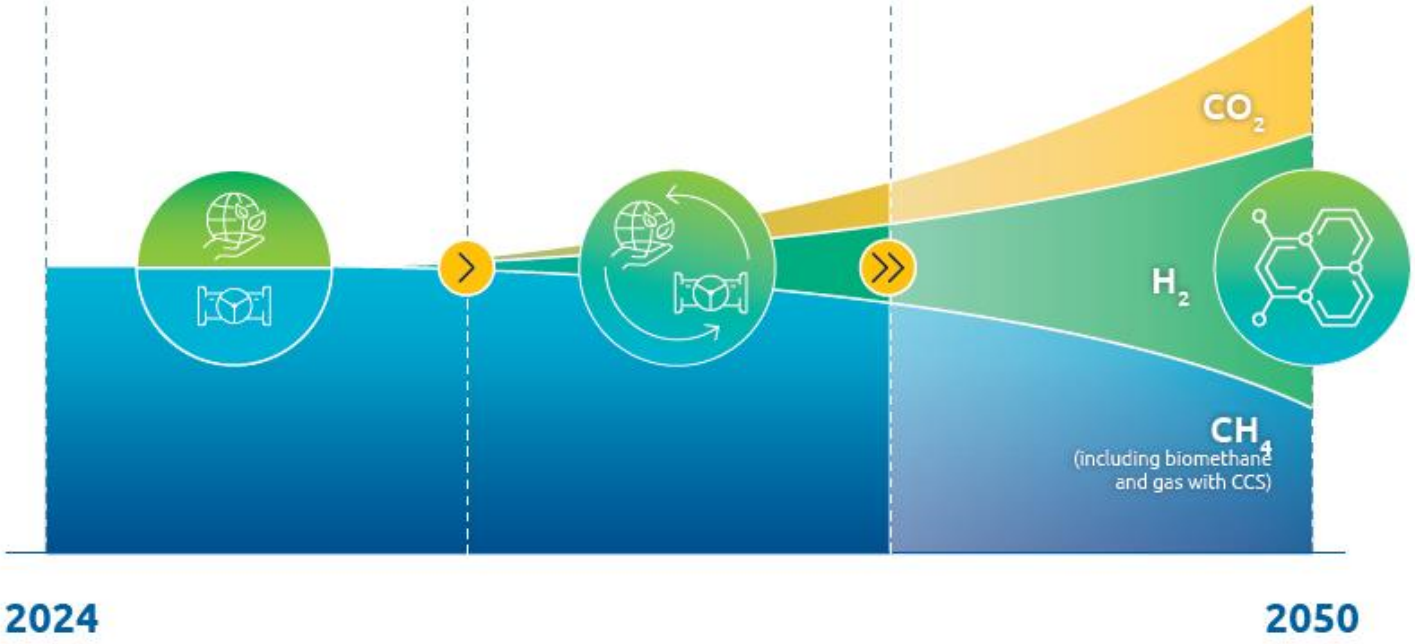
Illustrative[2]



Indicative Italian domestic volumes 2050

Electrification to **increase penetration** in the final energy uses — **From <25% to 50-55%**

Potential **biomethane** national production — **15 bcm** / **150 TWh**

Potential **abated natural gas (CCS)** — **15/20 bcm** / **150/200 TWh**

Potential **H2** demand by 2050 — **45/60 bcm** / **150/200 TWh**

The energy landscape will evolve towards a multi-molecule set up

1. 2050 long term scenarios will be subjects of a specific analysis during 2025, in collaboration with Terna, as determined by the ARERA regulation 392/2024/R/com
2. The graph shows a plausible directional evolution

Snam's assets will provide secure and affordable energy along and beyond the transition

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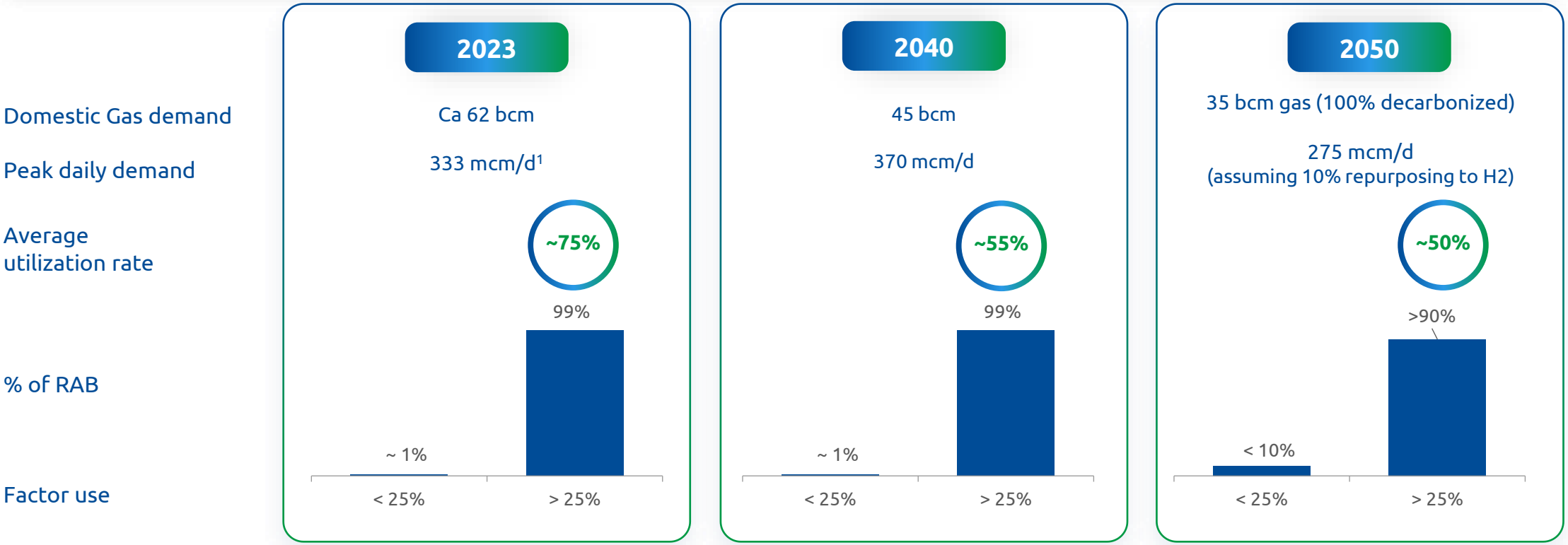
Key assumptions:

- A **45 bcm** demand in 2040 and **35 bcm** in 2050
- **3** different supply scenario

Analysis of the long term utilization of transportation assets

Hydraulic simulations to assess, for each of the scenario, the utilization rate of these assets in peak conditions consumption, as defined pursuant to the European Regulation on Security of Supply



1. Peak demand in exceptional conditions equal to 443 mcm/d

Supportive environment for our assets throughout the transition

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Italian energy mix and Geographic position

Italian energy mix evolution:

Today

- Gas molecules represent around 40% of the energy mix;
- Electricity mix: 38% gas, 37% renewables, 16% import, 4% coal, 5% other non-renewable

Medium term: increased role of gas electricity production as back-up of a RES-dominated power system;

Long term: bio and decarbonized molecules will remain significant part of the mix by 2050

Geographic position as Med-EU bridge

Regulation

Italian Regulatory framework is protective and provides for no volume risk and incentives based on the quality of the service

Italian H2 and CCS regulatory frameworks progressing

EU Gas Package points to a regulated framework similar to gas for H2 infrastructures

ENNOH: European Network of Network Operators for Hydrogen set

From Gas …

Italian gas infrastructure transport **2x** the energy of electricity infrastructures

Today cost of gas infrastructure represent <5% of final bill and less than half the cost of electricity transmission

Future proof investments planning based on demand, peak demand, system resilience and diversification, supply/demand in neighboring countries and regulator cost- benefit analysis

Current **utilization rate of the network is high** and will remain significant also in 2040 and 2050

…to multi-molecules infrastructure

Long term scenarios envisages growing role of decarbonized gases

Infrastructure allows for integration of biomethane in the energy mix

Pipelines represent the cheapest option for long distance transport of molecules and, together with storage, offer flexibility for sector coupling

Repurposing of gas infrastructure to H2 and CO2 is technically feasible and cost effective

Security of supply remains a priority while system and regulation evolves towards multi-molecules

Existing infrastructure provide resilience while offering a cost-effective option to transport decarb molecules

Firm commitment to Net zero and Biodiversity

Historical emissions evolution

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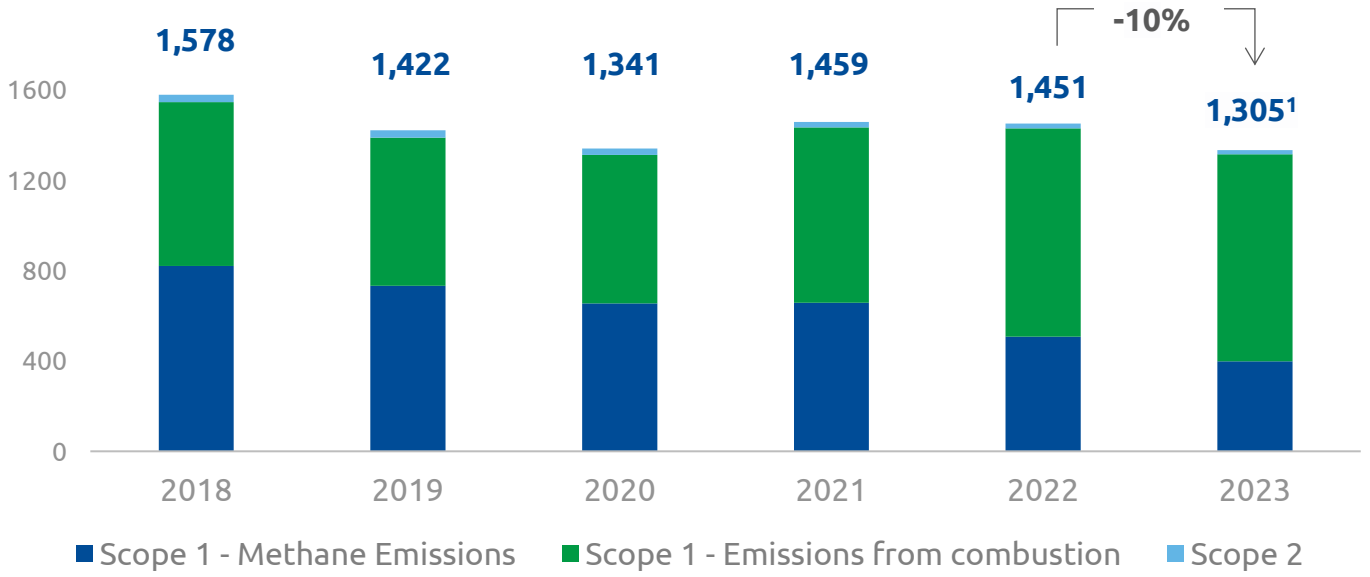
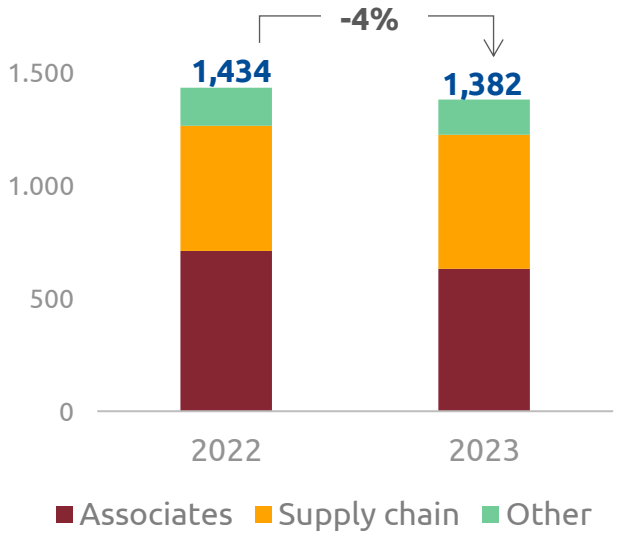
Gas demand
(bcm)

Scope 1,2 emissions
(regulated perimeter, ktCO2e)



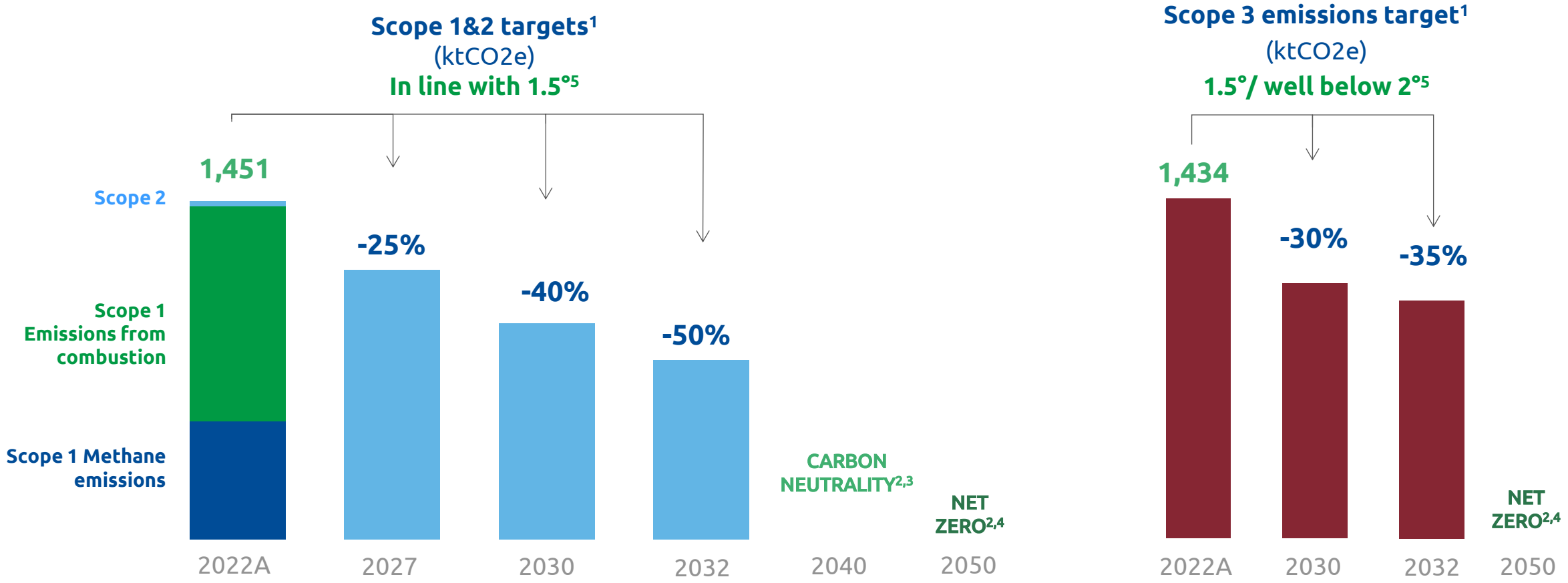
Scope 3 emissions[2]
(regulated business perimeter, ktCO2e)



Energy Transition Businesses	**+1**	**+1**	**+4**	**+8**	**+67**	**+80**
Snam	**1,579**	**1,423**	**1,345**	**1,468**	**1,518**	**1,413**

1. Regulated perimeter aligned with the target (without FSRU); 1,333 ktCO2e full regulated perimeter
2. The figure of 2022 Scope 3 regulated emissions is restated as it takes into account the emissions contribution of SeaCorridor (purchased in 2023)

Commitment to reduce emissions across operations and value chain



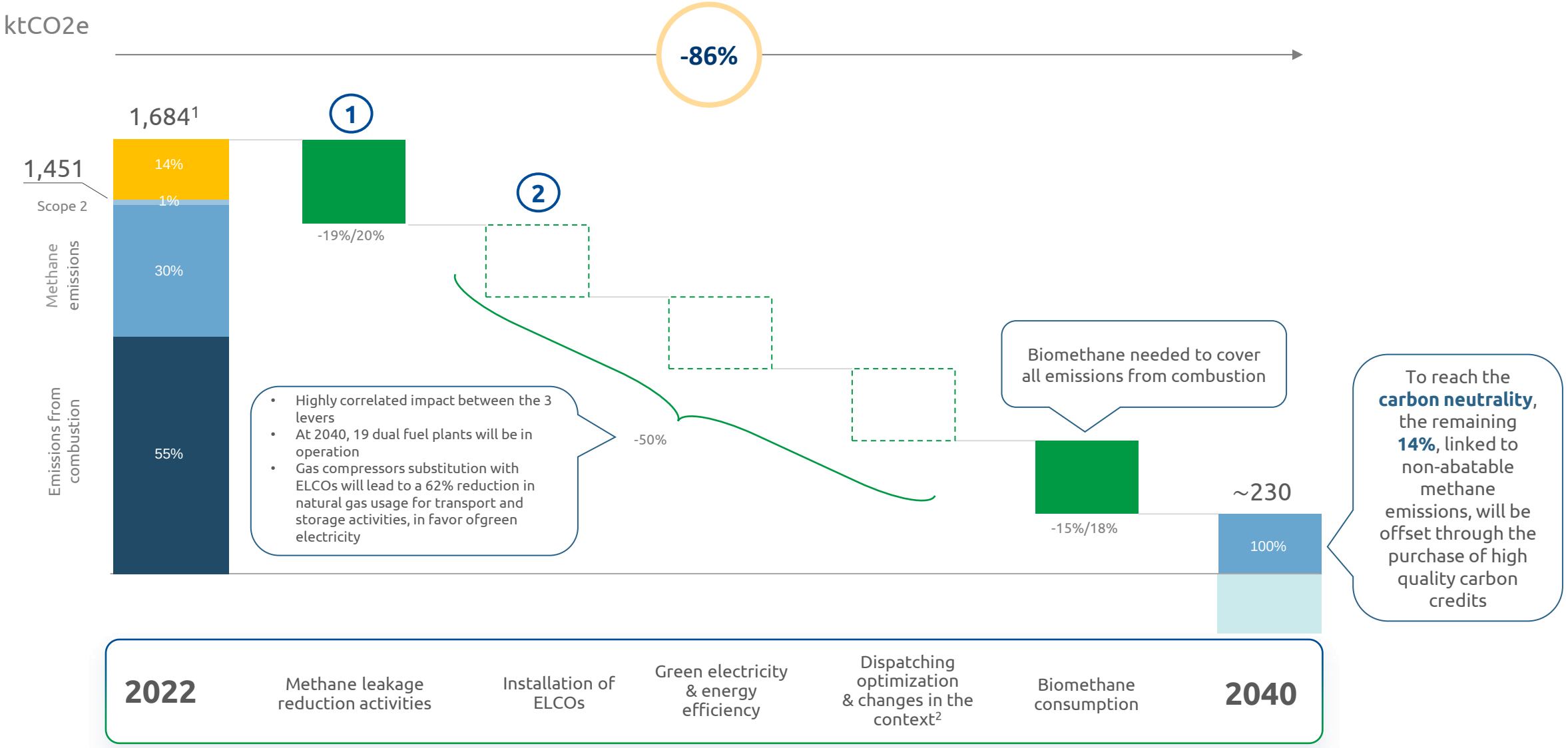
Carbon neutrality by 2040 and Net Zero by 2050

1. On Regulated perimeter as of 2022
2. On full Snam Group perimeter
3. CARBON NEUTRALITY: requires to fully offset the residual emissions
4. NET ZERO: requires at least -90% emissions vs base year and the neutralization of residual emissions through permanent carbon removals
5. Based on SBTi general methodology

Scope 1 & 2 emissions – roadmap to 2030

1. Baseline restatement: Ravenna FSRU as per July 2024, Piombino FSRU and Sulmona compression station as per October 2024
2. Differences in gas demand, stored and regasified gas, including flows direction vs 2022

Scope 1 & 2 – roadmap to 2040



1. Baseline restatement: Ravenna FSRU as per July 2024, Piombino FSRU and Sulmona compression station as per October 2024
2. Differences in gas demand, stored and regasified gas, including flows direction vs 2022

1 Methane emissions reduction achievements and targets

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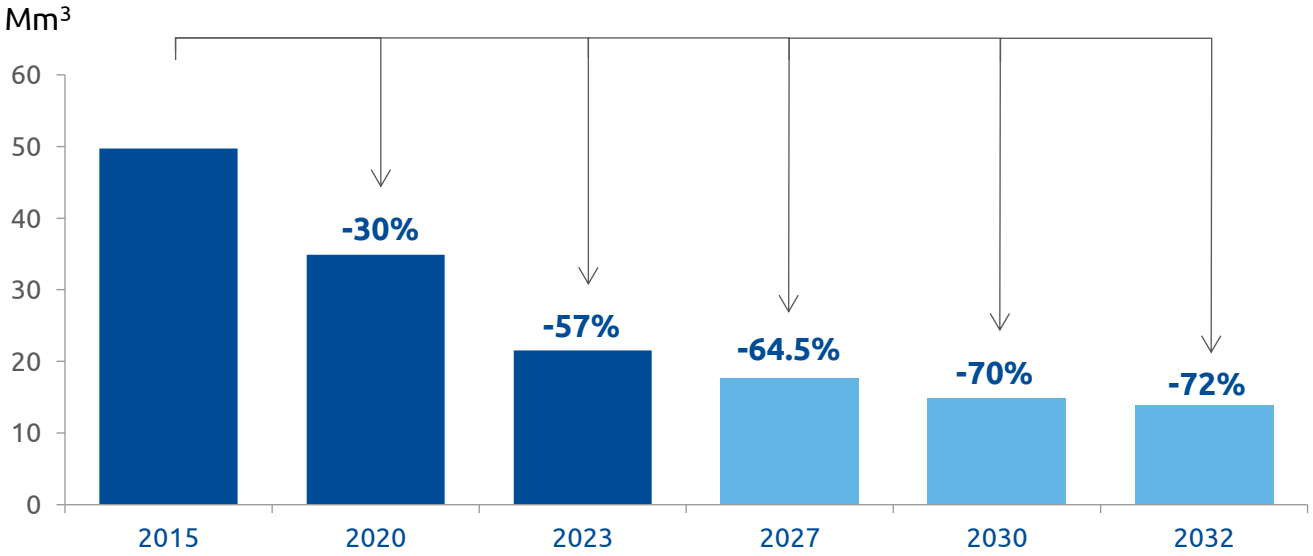
Replacement plan launched in 2015 to reduce methane emissions, implementing best practices and seeking new solutions / technologies



Total Investment (Capex+Opex) 2023-32: ca **€ 100 m**

MAIN ACTIONS to 2023

- **LDAR** at all major transmission network facilities, booster, storage plants and LNG terminal → **More than 1M components periodically monitored**
- **Eliminate high-bleed gas-driven pneumatic controllers,** switch to compressed air, electric or mechanically driven devices, or very low emitting devices → **3000 components replaced**
- Prior to pipeline maintenance: **lower the pressure** in the pipeline by allowing consumer drawdown**, in-line recompression** instead of venting → **17 in line recompression interventions**

Gold Standard for the Global Goals

Gold Standard by the United Nations Environment Programme OGMP 2.0 (Oil and Gas Methane Partnership) for the third consecutive year

OGCI OIL AND GAS CLIMATE INITIATIVE

Part of the Oil and Gas Climate Initiative which strives to reach near zero methane emissions from oil and gas assets by 2030

Strong track record and ambitious targets on methane emissions ahead of OGMP requests

2 Investing in dual fuels to reduce emissions from combustion

Total Capex[1] 2023-32: ca **€ 2 bn**

Electric compressors units Replacement Plan[2]

Impact on 2027 Target	**+3** gas compressors units to be replaced with ELCOs **~40 MW** installed capacity
Impact on 2030 Target	**+5** gas compressors units to be replaced with ELCOs **~70 MW** installed capacity
Impact on 2032 Target	**+3** gas compressors units to be replaced with ELCOs **~50 MW** installed capacity
Impact on 2040 Target	**+10** gas compressors units to be replaced with ELCOs **~200 MW** installed capacity

Roadmap to install electric compression units

Average emissions reduction per plant:
22 ktonCO2e

1. The investment plan considers also the replacement of 3 ELCOs, already supplied with green electricity, with more efficient ones, thus reducing energy consumption but not GHG emissions. For this reason, those ELCOs are not accounted for within the ones with impact by 2027, 2030, 2032 and 2040.
2. The replacement plan will be optimized on the back of the evolution of physical flow scenarios and to optimize the dispatching

Our view on Scope 3 emissions

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What categories do we report?

According to GHG Protocol:

- **Supply chain**
  - **Category 1:** Purchased goods and services
  - **Category 2:** Capital goods
  - **Category 4:** Upstream transportation and distribution
  - **Category 5:** Waste generated in operations
  - **Category 8:** Upstream leased assets
- **Associates:** Category 15: Investments
- **Other emissions**
  - **Category 3:** Fuel and energy-related activities not included in Scope 1 or 2
  - **Category 6:** Business Travel
  - **Category 7:** Employee commuting

What about Category 11 "Use of sold products"?

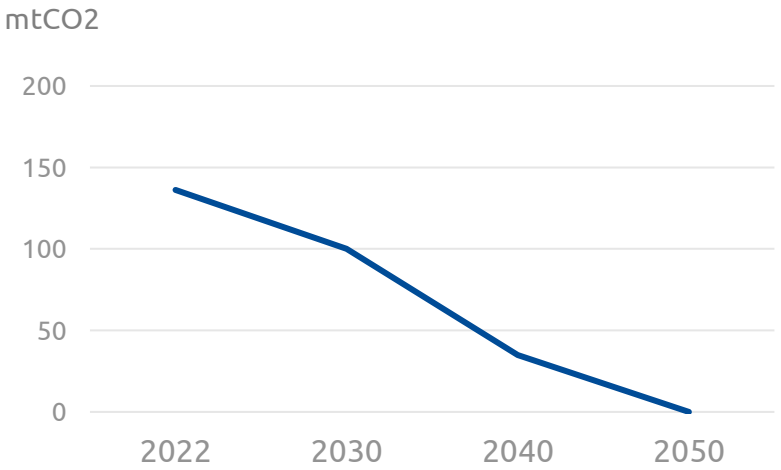
Snam is a regulated transmission system operator (TSO), complies with European and Italian regulation and has to grant security of supply and undiscriminated access

Activities are regulated by an independent regulatory agency which defines contractual terms and tariffs

Snam does not sells, produce or own methane molecules but sells transport, storage and regasification capacity

The emission related to the use of methane capacity are outside of Snam's control and without any direct or indirect reduction lever

Estimated net[1] emissions evolution of methane consumed in Italy

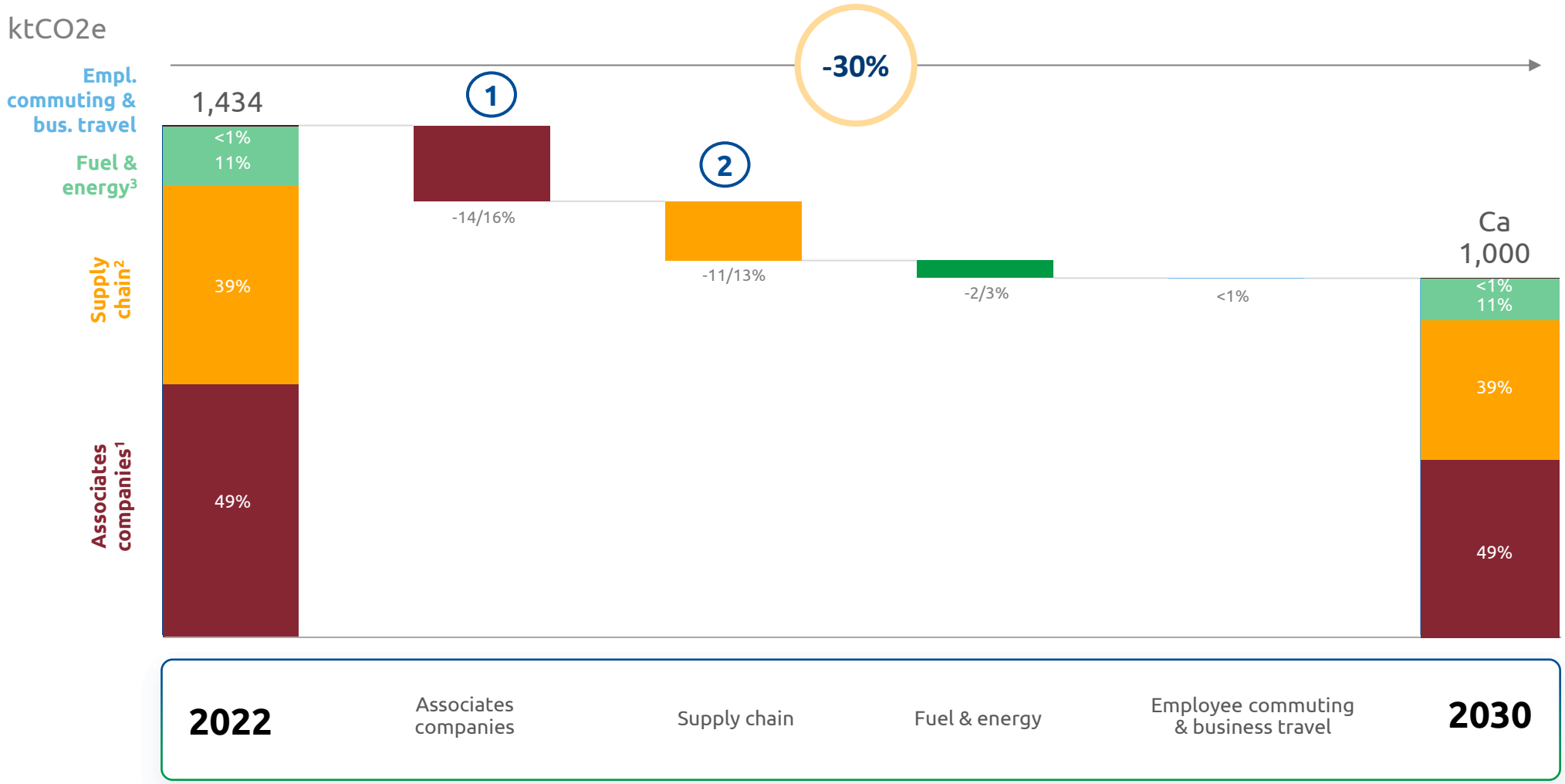


Estimates of emissions resulting from the use of methane consumed in Italy based on the evolution of the long term scenarios

Current scenarios confirm emissions dropping to Net Zero

1. Including CCS contribution

Scope 3 emissions: reduction levers to 2030



1. Including SeaCorridor emissions, officially acquired at the beginning of 2023
2. Composed by the following categories of the GHG Protocol: 1.Purchased goods and services, 2.Capital goods, 4.Upstream transportation and distribution, 5.Waste generated in operations and 8.Upstream leased assets
3. Fuel-and-energy-related activities not included in Scope 1 or 2

1 Involving suppliers in the decarbonization journey

Raise awareness about climate change, supporting innovation and contribute to promoting a sustainable development model

Scope 3 calculation

Hybrid Analysis to calculate emissions:

- Spend Based
- Primary Supplier Data: CDP and openES
- Related Decarbonization Targets
- Digital Suppliers' Engagement: new platform to collect data on suppliers' emissions

ESG Criteria in tenders

- **190 contracts** (100 suppliers) with ESG criteria equal to **~ 35% of 2023 procurement amount**
- **160 Decarbonization Plans** evaluated (64% positively)

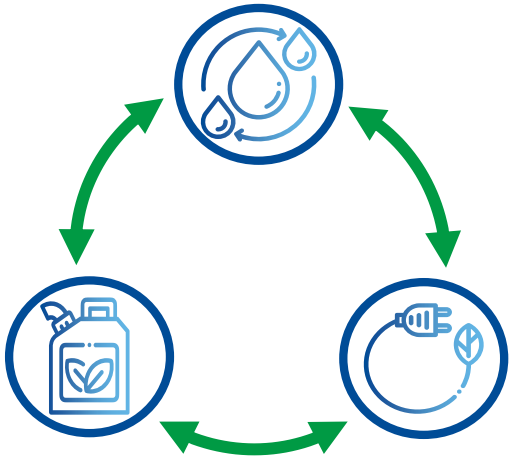
Suppliers Engagement & Training

- Supplier Advisory Council – Engagement suppliers on ESG
- OpenEs (ESG disclosure Platform) to exchange data
- CDP Questionnaires
- Annual convention
- ESG Education Pills

Sustainable construction site

Waste and water re-use and recycling

- On-site use of materials from **circular supply chains** (recycled metal, regenerated hydraulic oils)
- **Re-use of water and waste produced** (95% of excavated soil reused on site)



Use of biofuels

- **Diesel+ and HVO** (Hydrotreated Vegetable Oil)

Electrification of machinaries

- **Connection to the power grid**
- **Inverter** introduction on site[2]
- Use of **electric heavy-duty vehicles**

1. Well-to-wheels (WtW) is used to assess the LCA of fuels, including all phases of its life cycle - from the extraction of raw materials to their use
2. Introduction of inverters on site desanders and in microtunnel construction for optimization of electric load distribution

2 Associates decarbonization pathways

Most of our associates have defined and approved emission reduction plans and decarbonization targets, similar to Snam

Key reduction levers are:

- Green gases use and electric compressors installation to reduce CO2 emissions from combustion
- Renewable sources use
- LDAR (Leak Detection and Repair) programmes implementation to reduce fugitive emissions

Associates with public commitments

TERĒGA	Scope 1,2 & 3: -34% by 2030 vs 2021 CH4:-36% by 2025 vs 2017 **Carbon neutrality by 2050** MOODY'S RATINGS **Net Zero Assessment**
desfa	Scope 1 & 2: -50% by 2030 vs 2018 **Carbon neutrality by 2040**
Trans Adriatic Pipeline	Scope 1 & 2: -5% by 2025 vs 2022 CH4:-8% by 2025 vs 2022 **Carbon neutrality by 2050**
Italgas	Scope 1 & 2: -42% by 2030 vs 2020 **Net Zero by 2050**
DE NORA	Scope 1 & 2: -25% by 2027 and -50% by 2030 vs 2022

Nature footprint analysis and biodiversity risks

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Nature footprint analysis

Pressure	Biomes	Infrastructure construction	Transport & Dispatching	Storage	Off-shore regas. (FSRU)	On-shore regassification
Land and sea-use change	Land (Km²)	Very High (5)	Not significant (1)	No impact		
Pollution	Air (Kg Particulate PM2.5)	Medium (3)	Not significant (1)	Not significant (1)	Not significant (1)	Not significant (1)
	Soil (Ton NOx)	Low (2)	Not significant (1)	Not significant (1)	No impact	Not significant (1)
	Soil (Ton Waste)	Low (2)	Not significant (1)	Not significant (1)	N/A	Not significant (1)
	Ocean (Ton NOx)	No impact			Not significant (1)	No impact
	Ocean (Kg Chlorine)				Medium (3)	
Resource exploit	Freshwater (m³ Fresh water)	Low (2)	Not significant (1)	Not significant (1)		Not significant (1)

Infrastructure construction:
only material impact on nature is "Land-use change"

Legenda:

Impact normalization: Not significant (1) | Low (2) | Medium (3) | High (4) | Very High (5)

Biodiversity risks

Snam's footprint "cross-checked" with the terrestrial ecosystem to identify areas at higher biodiversity risk

- Definition of a **dedicated framework for the biodiversity risk analysis**
- Complementarity to the **biodiversity impact analysis** already conducted
- Framework development is in line with the main standards (i.e. **TNFD**)
- Biodiversity risk assessment via tools such as the **Environmental Integrity Index (EII)**

Commitment to a positive impact on Nature by 2027

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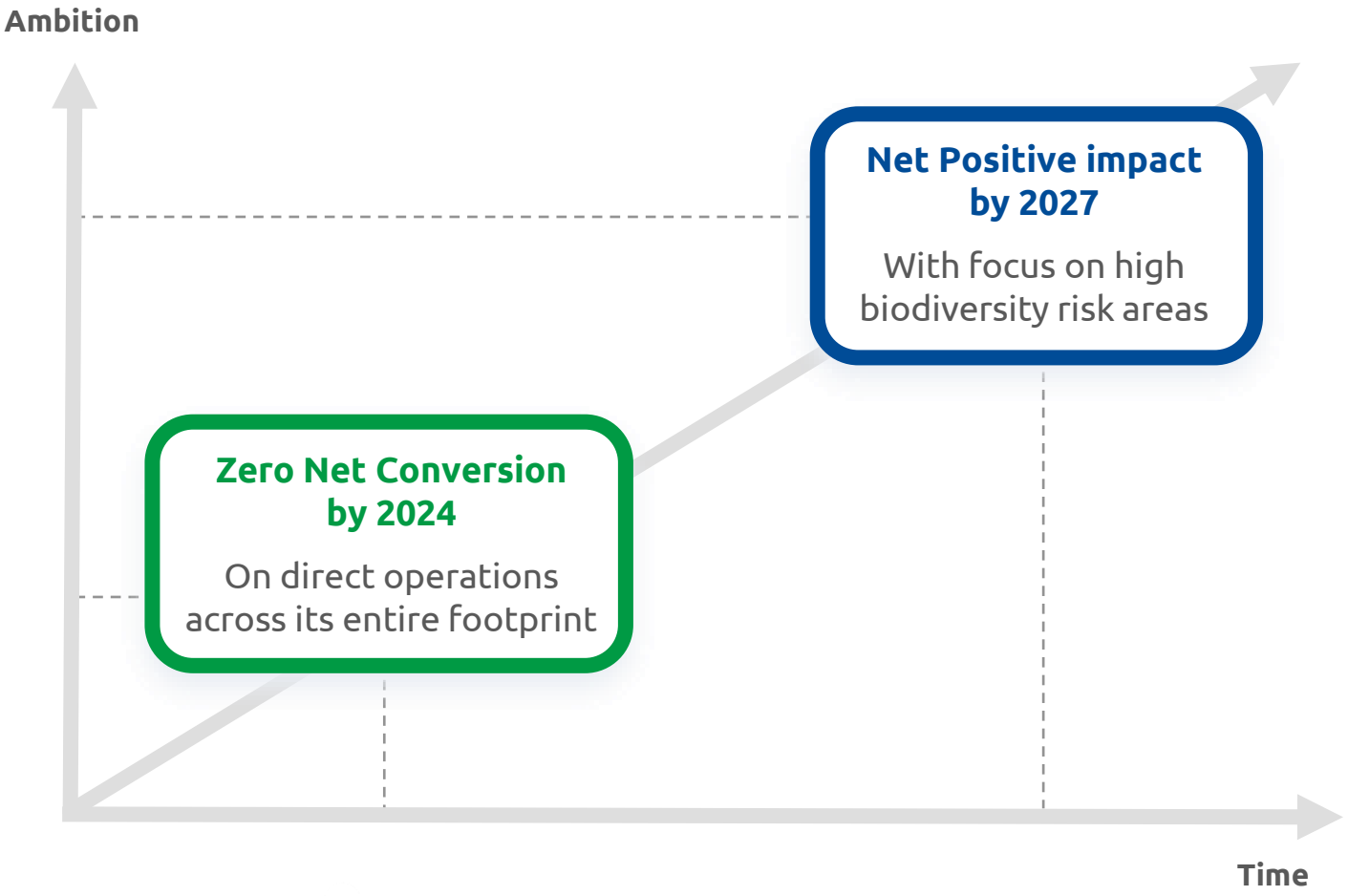
First pure infrastructure player globally to join SBTN Corporate Engagement Program



- **Material impact related to new pipelines realization**
- **Zero Net Conversion already integrated in Snam's operating model**, thanks to high technical standard and ante-operam assessment
- Pilot project through laser scanner in monitoring vegetation loss and gain in the ante/post operam assessment
- Feasibility studies for natural habitat restoration and preservation projects

Closing remarks

Closing remarks

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1. **Snam vision is to become a Pan-European multi-molecule infrastructure operator**
2. **Investments will support the transition**
3. **Our assets deliver affordable energy along and beyond the transition**
4. **We have firm commitments to Net Zero and Net Positive Impact on Biodiversity**
5. **Our ambitious target are supported by track record, forward looking KPIs and governance**

CREDIBLE TRANSITION PLAN ALIGNED WITH PARIS AGREEMENT

Annex

Board of Directors

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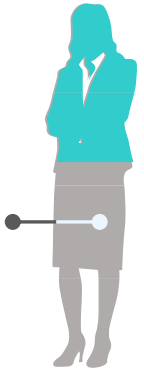
Board of Directors	Monica de Virgiliis Chair	Stefano Venier CEO	Massimo Bergami Non-Executive Director	Laura Cavatorta Non-Executive Director	Augusta Iannini Non-Executive Director	Piero Manzoni Non-Executive Director	Rita Rolli Non-Executive Director	Qinjing Shen Non-Executive Director	Alessandro Tonetti Non-Executive Director
Independent Director[1]	✓		✓	✓	✓	✓	✓		
Gender	Female	Male	Male	Female	Female	Male	Female	Male	Male
First appointment	2016-2019 2022	2022	2022	2019	2022	2022	2019	2022	2016
Committee[3] Roles			A&C SETSC	CRRPTC SETSC (C)	CRRPTC	CRRPTC (C)	A&C (C) SETSC	SETSC	A&C

67%
Independent



44%
Female

Skills:

- **44%** Strategy
- **56%** Sustainability (incl. Climate Change)
- **56%** Sector
- **78%** Corporate Governace

Effectiveness:

- Induction & Training Programs
- Joint Cross-Committee Meetings
- Strategy Workshop
- Self-Assessment

Five Board directors (56%) have sustainability skills and experiences, including climate change

1. In accordance with the Italian Corporate Governance Code and the Consolidated Law on Finance
2. Appointments and Compensation Committee (67% independent), CRRPTC = Control Risk and Related Parties Transactions Committee (100% independent), and SETSC = Sustainability and Energy Transition Scenarios Committee (75% independent)

Remuneration KPIs

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2024 Annual Monetary Incentive KPIs

KPI	Alignment with Strategic Plan pillars	Description	Weight
Adjusted EBITDA	☑ Gas Infrastructure ☑ Energy Transition Platform ☑ All-round Sustainability ☑ Transformative Innovation	An acronym for Earnings Before Interest Taxes Depreciation and Amortisation, which in Italian is often translated as gross operating margin, is an indicator that represents the profitability of operating management.	30%
Investments	☑ Gas Infrastructure	Investments gas infrastructure 1: Spending: Regulated gas infrastructure	10%
		Investments gas infrastructure 2: Milestones main projects	10%
Energy security projects	☑ Gas Infrastructure	Projects aimed at enhancing the security of gas supply in Italy	15%
Non-regulated business Achieving milestones	☑ Energy Transition Platform	Biomethane and Energy efficiency	15%
Sustainability	☑ All-round Sustainability	Weighted index of frequency and severity of accidents of employees and contractors	10%
		Increase (in %) of sustainable funding	5%
		Percentage of the procured awarded through tenders with ESG criteria within the scoring Model	5%

Long- Term Variable Incentive Plan (2024-2026) KPIs

KPI	Alignment with Strategic Plan pillars	Description	Weight
Adjusted net profit	☑ Gas Infrastructure ☑ Energy Transition Platform ☑ All-round Sustainability ☑ Transformative Innovation	Calculated as the sum of Adjusted net profit for 2024, 2025 and 2026	40%
Value added	☑ Gas Infrastructure ☑ Transformative Innovation	The value generation of the regulated business calculated as the change in RAB in the period 2024-2026, plus dividends distributed, treasury shares repurchased and reduced by the change in net debt	20%
Energy transition readiness	☑ Gas Infrastructure ☑ Energy Transition Platform ☑ All-round Sustainability ☑ Transformative Innovation	Km H2-Ready	10%
		MW Biomethane installed	5%
		Project and market design CCS H2	5%
Sustainability	☑ Gas Infrastructure ☑ Energy Transition Platform ☑ All-round Sustainability	Reduction of natural gas emissions in 2026 compared to 2015 values	10%
		Gender diversity in Snam's management team	10%

Taxonomy eligibility and alignement - CapEx, OpEx, Revenues

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Eligibility

Revenues

- **Transport of CH4** : pro-quota of yearly demand
- **Storage of CH4**: excluded
- **LNG**: excluded
- **Biomethane**: 100% eligible
- **Mobility**: excluded
- **Energy Efficiency**: 100% eligible
- **H2&CCS:** 100% eligible

28%

21%

Opex

- Only Opex for R&D and maintaining the assets
- Same interpretation as Capex

89%

75%

Capex

- **Transport of CH4:** 100% eligible
- **Storage of CH4:** excluded
- **Biomethane**: 100% eligible
- **Buildings**: 100% eligible
- **Mobility:** Excluded
- **Energy Efficiency**: 100% eligible
- **H2&CCS:** 100% eligible

55%

63%

Alignment

Revenues

- **Transport of CH4:** revenues aligned pro-quota on yearly demand
- **Biomethane**: depending on screening technical criteria of plants
- **Energy Efficiency:** cogeneration excluded
- **H2&CCS**: 100% aligned

26%

20%

Opex

- Same interpretation as Capex

47%

37%

Capex

- **Transport of CH4 :**
  - H2-ready replacements 100% aligned
  - Maintenance excluded
  - Methane leakage reduction 100% aligned
  - investments to reduce emissions 100% aligned
  - Connection of biomethane plants 100% aligned
- **Biomethane**: depending on screening technical criteria of plants
- **Buildings**: alignment depending on energy efficiency criteria
- **Energy Efficiency**: cogeneration excluded, remainder 100% aligned
- **H2&CCS**:100% aligned

29%

39%

FY 2023
FY 2022

All-round Sustainable Strategy: a 7 pillars framework

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1 Develop an **energy transition platform** to reach system's decarbonization and sustainable growth through inclusive pathways of change[1]

2

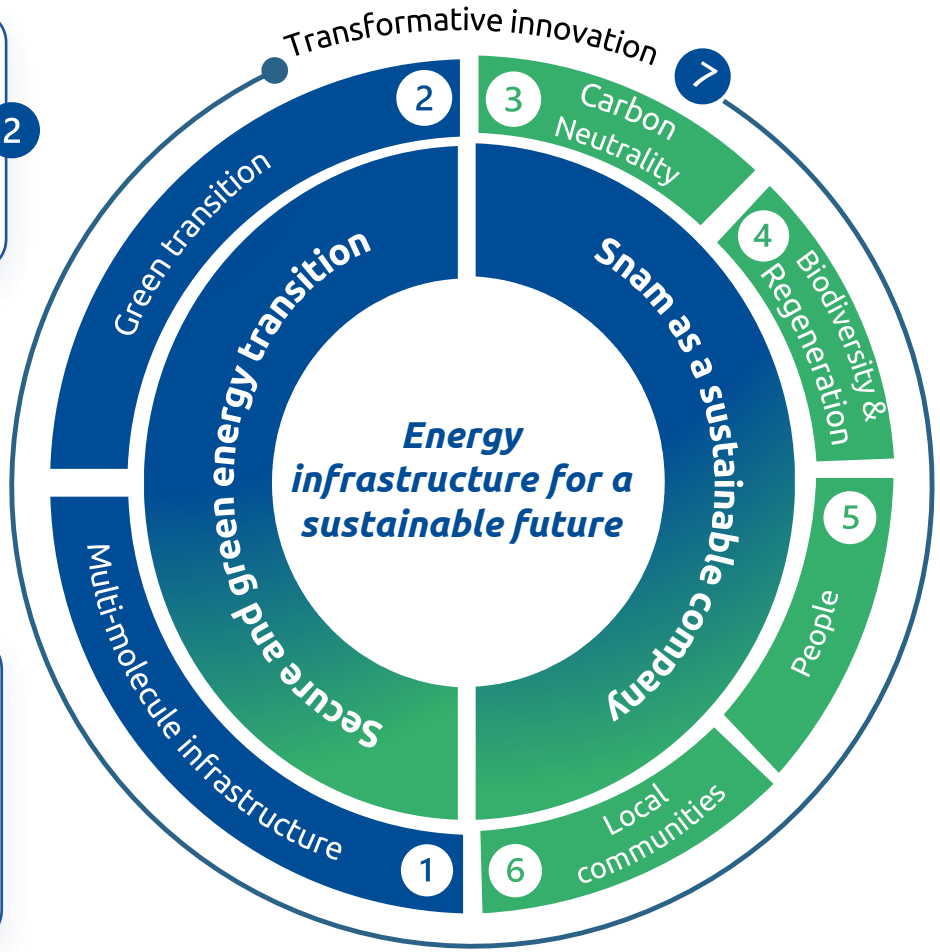
3 **Decarbonize** the core business in line with our path to **Net Zero**, while partnering with suppliers to promote the sustainability of the whole value chain

4 **Leverage** every new infrastructure project to positively impact on **Nature and local environment**, following a Science Based approach

5 **Empower** all **Snam's People** worth, fostering professional growth and providing comprehensive care

6 Keep **generating value** for **local communities**, acting as System Operator being attentive to territory needs

7 Embed a culture of **innovation** within all Snam's People to maximize technology effectiveness, thus enhancing asset safety, reliability, sustainability and value chain capabilities



1. Pillars 1 and 2 covered in the Strategic Plan

Sustainability Scorecard – published quarterly

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Strategic KPIs

	KPIs	2023 Actual	2024 Budget	2027 Target
Green transition	• Avoided CO2 emissions (ktCO2e)1	102.9	105	500
	• H2 readiness length of network certified (km)	1,513	1,900	3,000
Multi-molecule infrastruct.	• Gas Transportation operational availability2 (%)	>99	>99	>99
	• Production of biomethane (Mscm)	24.4	20	160
	• Invest. related to the CCS Ravenna Project Phase 1+2 (€M)[3]	65	120	370
Carbon Neutrality	• Reduction of total natural gas emissions (%)	-56.67	-57.5	-64.5
	• Introd. ESG criteria in scoring models (% of contracts)	35	35	65
	• RES4 on total electricity consumption (%)	63	52-55	100
	• Tot. procurem. spending on suppliers w/ decarb. plan (%)	23	25	35
Biodiversity & Regener.	• Zero Net Conversion by 2024		X	
	• Net Positive impact by 2027			X
	• Vegetation restored in areas of pipes constr. (%)	99.9	99.9	99.9
Financial & CO2	• ESG Finance over total funding available (%)	81		85
	• CapEx EU Taxonomy-aligned (% of total)	29		
	• Revenues EU Taxonomy-aligned (% of total)	26		

	KPIs	2023 Actual	2024 Budget	2027 Target
People	• Employees engagement index (%)	84	>80	>80
	• Women in exec. and middle-mgmt. roles (%)	25.9	26	27.5
	• IpFG (Combined Frequency and Severity Index)	0.47	< min. 3y[5]	< min. 3y[5]
	• Gender pay gap (%)6	-	-	+/- 5
	• Participation in welfare initiatives (%)	57.9	75	80
	• Training hours delivered to employees (h/capita)	37	36	40
Local Communit.	• Benefits for local communities over reg. revenues (%)	0.4	~1	~1
	• Value released at local communities (€M)	1,451	>1,000	>1,000
	• Avg customer satis. rate in terms of service quality (1-10)	8.1	>8.1	>8.1[7]
Transform. Innovation	• Investments in Innovation over revenues (%)	3.3	3	3
	• Start-ups accelerated after PoC (#)8	11 (22)	15(25)	27(30)
	• Process digitalized and processes with AI (% of total)	100/10	100/12	100/20
	• Projects covered by *Security by Design* cyber approach (%)	New KPI	100	100
	• CapEx SDG-aligned (% of total)	61		
	• Scope 1 and 2 CO2 emissions reduction (% v. 2022)[9]	-10		-25

Sustainable principles

- ESG matters discussed at BoD meetings *(>40% of BoD discussions with ESG topic discussed)*
- 3rd parties subject to procur. 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*)

1. Emissions avoided to 3rd parties thanks to the Group's activities and investments in the infrastructure; in a first phase, the emissions avoided from bio-methane activities and energy efficiency interventions are considered 2. Previously called "Reliability levels on gas supply" 3. Cumulated figure 2023-2027 4. Renewable Energy Source computed on regulated perimeter 5. Snam targets to have an index lower than the minimum of the latest 3 years

6. For equivalent organizational positions 7. The target indicated refers to a spontaneous initiative by Snam to measure service quality through the annual survey, using a scale of values from 1 to 10; however, we are expecting a change in the service quality assessment methodology in the coming years. In this case, the annual target will have to be modified accordingly 8. KPI represents both the number of startup accelerated and the number of Proofs of Concept (PoC) 9. Reduction computed on regulated perimeter

Moody's Net Zero Assessment

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ASSESSMENT

Moody's assigned a NZ-3 Net Zero Assessment score (Significant) to Snam's carbon transition plan. The Group's ambition score is Well-below 2°C under Moody's scoring scale, in line with the Paris Agreement goals

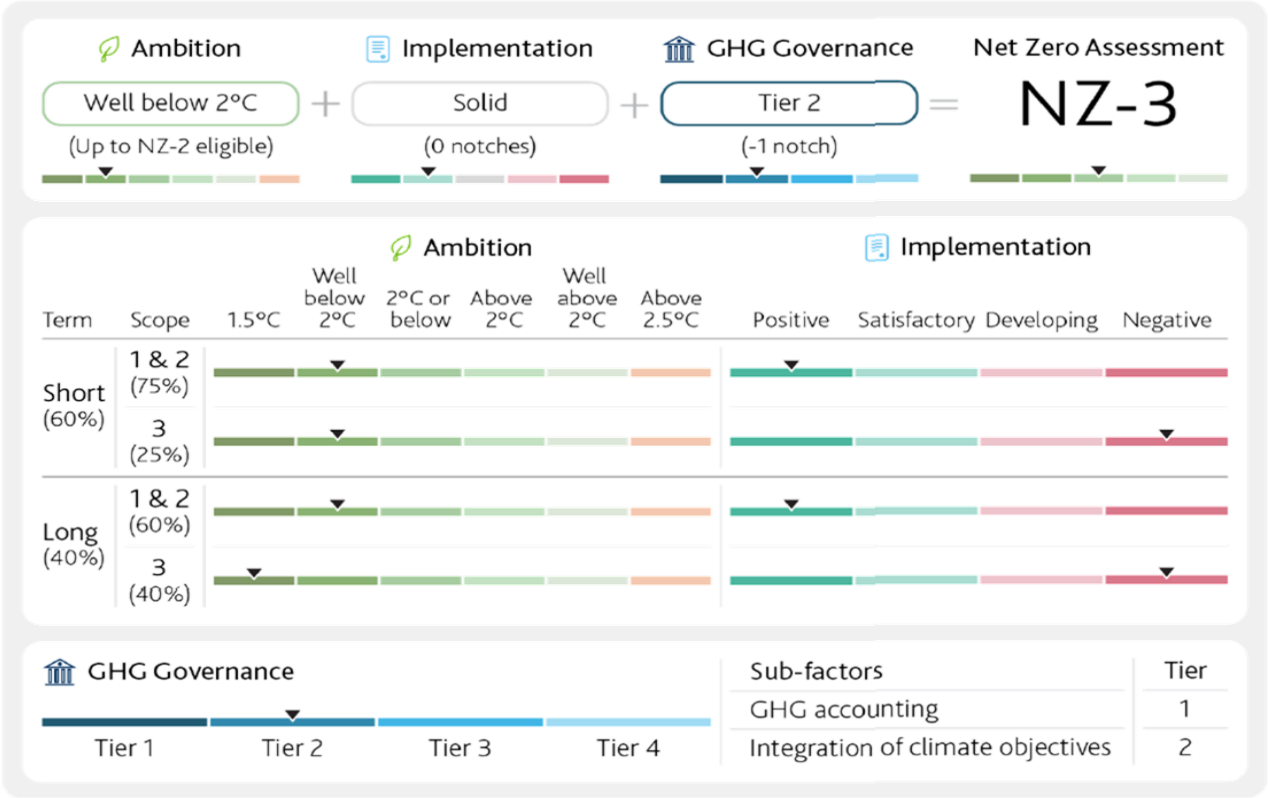
IMPLEMENTATION

The implementation quality is solidly supportive of its ambition: on Scope 1-2 emissions reduction, the techniques used to achieve targets are well proven and easily deployable; On Scope 3 emissions, Moody's notes that Snam will focus on both influencing its affiliate companies (through sharing of best practices), and selecting as well as influencing suppliers

GOVERNANCE

Moody's applied a notch downgrade to the overall NZA score to reflect the exposure to third party natural gas which can potentially lead to uncertainties on the reporting of the impact of gas transported without ownership

Net Zero Trajectory in line with the Well Below 2°C scenario envisaged by the Paris Agreement



Ambition score makes it eligible for a maximum overall score of NZ-2. NZ-3 is assigned due to a 1 notch down from the GHG Governance score

Absolute and relative position in ESG Rating

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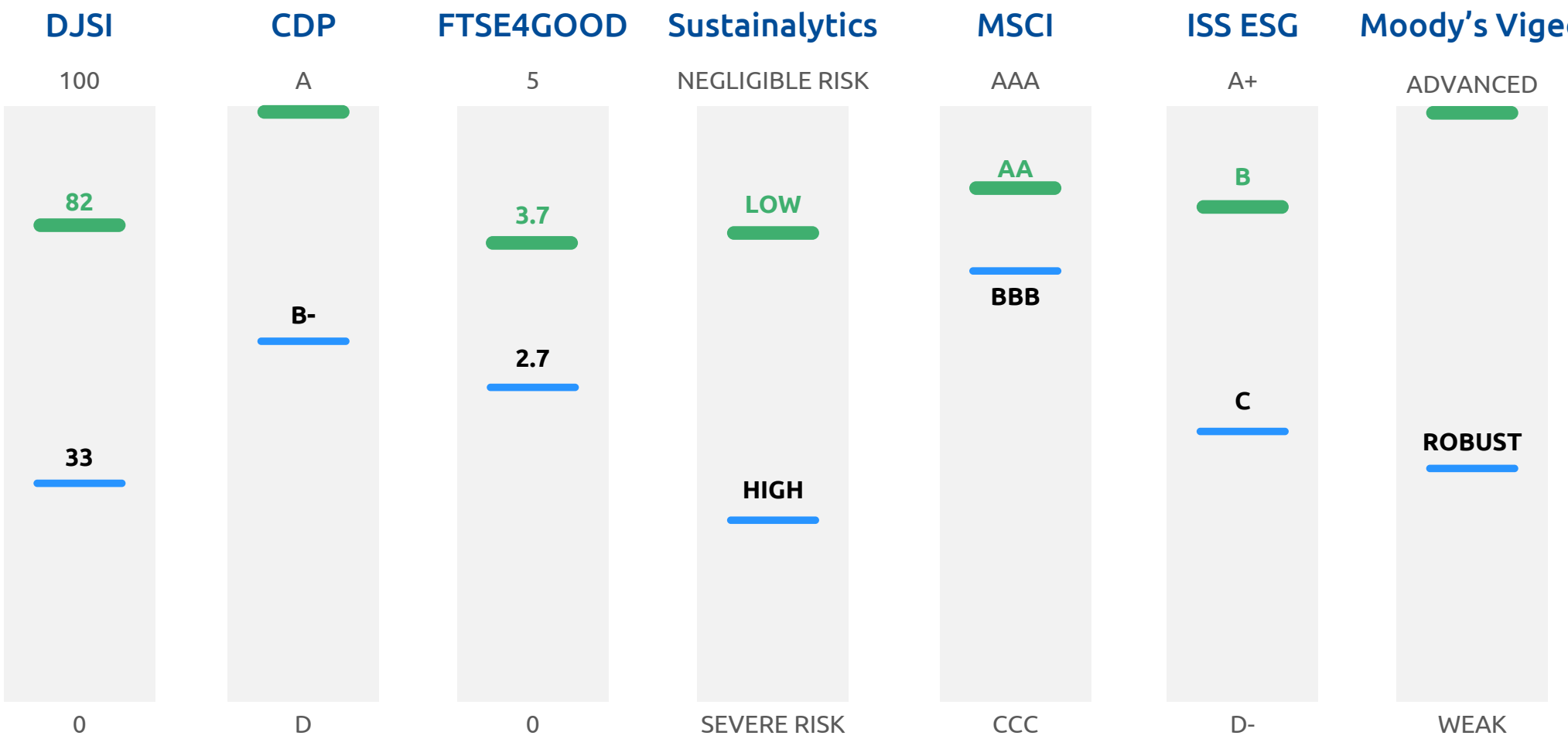

The policy context

European Policies

Starting in 2019, with the approval of the **European Green Deal**, the European Union (EU) has set out on a path towards a low-carbon economy, with the ultimate goal of achieving carbon neutrality by 2050

Fit-for-55 package	Package relevant for gas markets since it has an impact on the energy mix within the EU and, consequently, on the volumes of natural, low-carbon and renewable gas over time.
Hydrogen and gas markets decarbonisation package	Package that determines the approach to infrastructure regulation of hydrogen and decarbonized and renewable gases, as well as to infrastructure planning.
REPowerEU plan	Plan to reducing Europe's dependence on natural gas, diversifying supply sources and accelerating the transition to clean energy. Act which describes EU energy strategy. Implementation policies to achieve the decarbonization targets are defined in the National Climate and Energy Plans required by the EU Regulation on the Governance of the Energy Union and Climate Action.

National Policies

National Energy and Climate Plan (NECP)	The EU Directive 2018/2002 of December 11, 2018, mandates that each Member State in Europe prepare a Plan to be updated every 5 years. It provides each member state with a binding proposal of measures to achieve efficiency, renewables penetration and level of decarbonization targets. The updated NECP incorporates Fit-For-55 targets: -55% emissions by 2030 vs 1990. Key 2024 NECP (published in June 2024) highlights related to gas: • 52.2 bcm of natural gas demand by 2030 • 5 bcm biomethane by 2030 • 2.8 bcm of green H2 by 2030; equal to 0.9 bcmeq. of CH4 • 4 Mton of CCS by 2030
CCS	Through the decree D.L. 181/2023, the Ministry of Environment and Energy Security (MASE) has launched a preparatory study to be published soon to regulate and support the CCS supply chain, involving all the relevant stakeholders.
H2	In the course of 2024 the H2 strategy table was launched by MASE to develop a national H2 strategy, with publication expected soon, to align with the PNIEC 2030 and promote a systemic approach to decarbonization.

Disclaimer

Luca Passa, in his position as manager responsible for the preparation of financial reports, certifies pursuant to paragraph 2, article 154-bis of the Legislative Decree n. 58/1998, that data and accounting information disclosures herewith set forth correspond to the company's evidence and accounting books and entries.

This presentation contains forward-looking statements regarding future events and the future results of Snam that are based on current expectations, estimates, forecasts, and projections about the industries in which Snam operates and the beliefs and assumptions of the management of Snam.

In particular, among other statements, certain statements with regard to management objectives, trends in results of operations, margins, costs, return on equity, risk management are forward-looking in nature.

Words such as 'expects', 'anticipates', 'targets', 'goals', 'projects', 'intends', 'plans', 'believes', 'seeks', 'estimates', variations of such words, and similar expressions are intended to identify such forward-looking statements.

These forward-looking statements are only predictions and are subject to risks, uncertainties, and assumptions that are difficult to predict because they relate to events and depend on circumstances that will occur in the future.

Therefore, Snam's actual results may differ materially and adversely from those expressed or implied in any forward-looking statements. Factors that might cause or contribute to such differences include, but are not limited to, economic conditions globally, political, economic and regulatory developments in Italy and internationally.

Any forward-looking statements made by or on behalf of Snam speak only as of the date they are made. Snam does not undertake to update forward-looking statements to reflect any changes in Snam's expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

The reader should, however, consult any further disclosures Snam may make in documents it files with the Italian Securities and Exchange Commission and with the Italian Stock Exchange.

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