

2025-29

# ENGAGEMENT

SNAM a Pan-European  
multi-molecule  
infrastructure player



March 2025





# Snam, the largest European gas infrastructure player

## 2024 Consolidated Key figures

~ €14.4  
bn

Market  
Cap<sup>1</sup>

> €2.75  
bn

EBITDA  
Adj.  
Guidance

~€1.23  
bn

Net Income  
Adj.  
Guidance

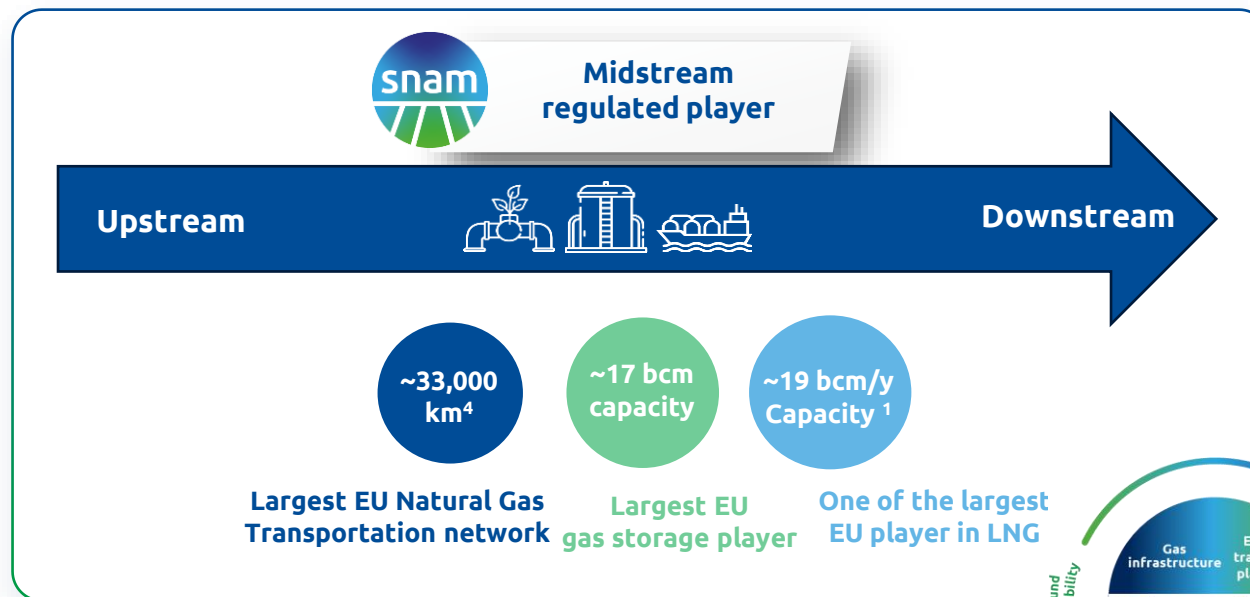
- ITALIAN NETWORK
-  Storage plants
-  Regasification plants
-  LNG terminals
- EQUITY PARTICIPATIONS IN INTERNATIONAL GAS PIPELINES
-  Storage plants
-  Regasification plants
-  LNG terminals

1. At December 31, 2024



# Snam's business portfolio

## DOMESTIC GAS INFRASTRUCTURE



## ENERGY TRANSITION PLATFORM



## Portfolio of Associates located along key energy corridors (ownership %)



1. Including also Italis LNG, BW Singapore and the pro-quota of OLT and Adriatic LNG

2. Indirect participation

3. 39.60% voting rights;

4. Reached an agreement to dispose the participation

5. 84.47% voting rights

6. Indirect participation

7. Indirect participation

# Regulated domestic gas infrastructure

## Snam business segments description and regulatory highlights

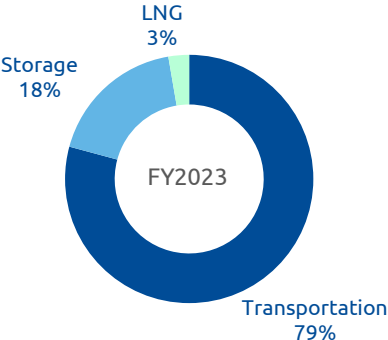
Transport	Transportation of gas through Snam’s pipeline network connecting its infrastructure from import points to distribution networks throughout Italy and facilitating cross-border gas flows as well as capacity booking and balancing services	RAB <sup>1</sup> based, WACC remunerated, no volume risk
Storage	Storage ensures the stability and flexibility of the gas supply system, a strategic set up that helps navigate cyclicity whilst guaranteeing gas supply safety and fairness	RAB <sup>1</sup> based, WACC remunerated, no volume work
Regasification	Regasification converts liquefied natural gas (LNG) back into its gaseous state, allowing for a smooth supply chain, contributing to energy security and enabling the import of LNG from global markets and thus reducing dependence on pipeline gas from specific regions	RAB <sup>1</sup> based, WACC remunerated with 64% guarantee factor on volumes

### Regulatory Asset Base (RAB) scheme:

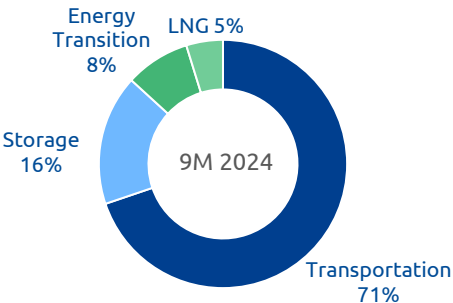
- Snam’s business segments are regulated by the Regulatory Authority for Energy Networks and the Environment (ARERA)<sup>2</sup>
- ARERA provides recognition of a predefined return on the regulatory net invested capital recognized for tariff purposes, of the relative depreciation and some operating expenses, determining the revenue cap for the remuneration of services related to these sectors

**ROSS<sup>3</sup>:** New regulation applied from 2024 on transportation (fast/slow money, better remuneration of work in progress and shorter depreciations time lag)

Segment RAB split



Segment revenue split



1. Regulated Asset Base

2. Autorita di Regolazione per Energia Reti e Ambiente

3. Regulation by Objectives of Expenditure and Service



# Italy: centrality of gas and supportive environment throughout the transition

## 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 (transit country)

## 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** TWh 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

# Prospective assets' utilization analysis

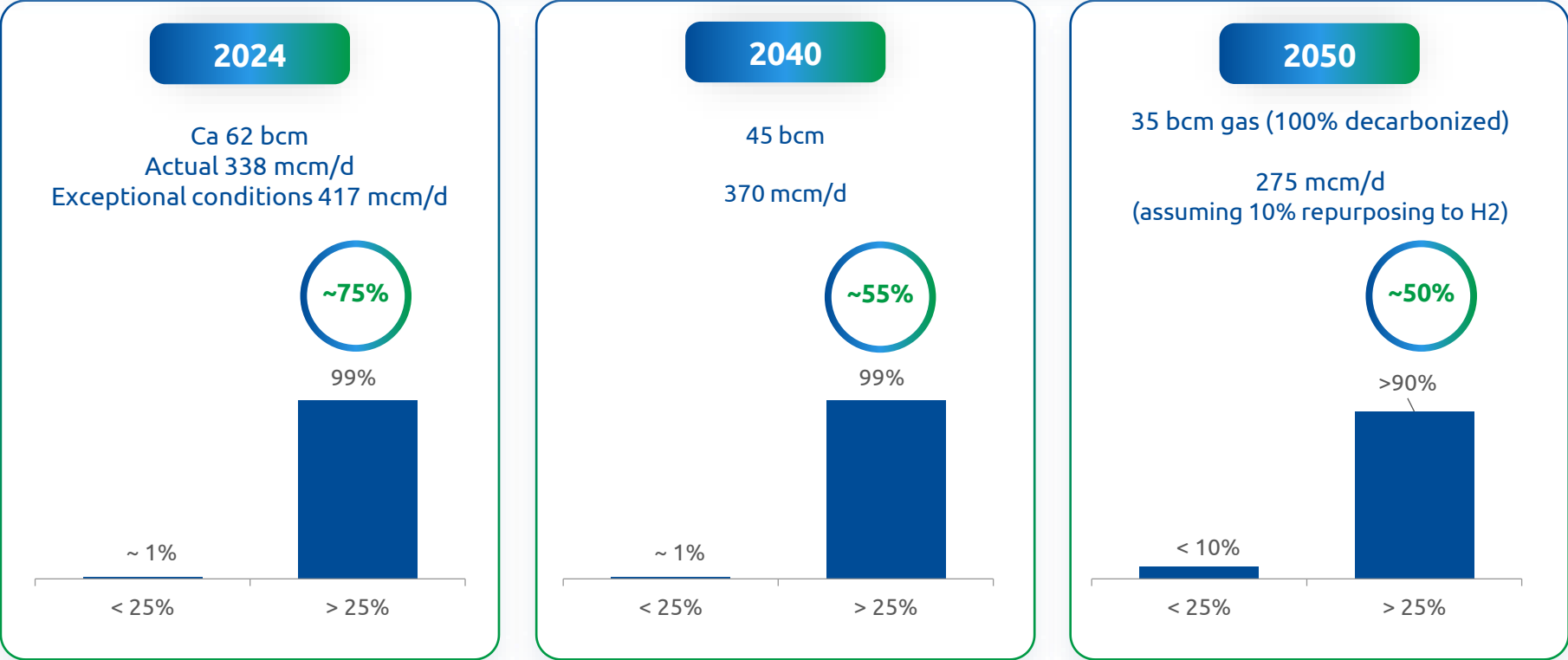
Hydraulic simulations to assess, for each of the scenario, the utilization rate of Snam's assets in peak conditions consumption, as defined pursuant to the European Regulation on Security of Supply

Domestic Gas demand  
Peak daily demand

Average  
utilization rate

% of RAB

Factor use



Assets key to deliver secure and affordable energy along and beyond the transition

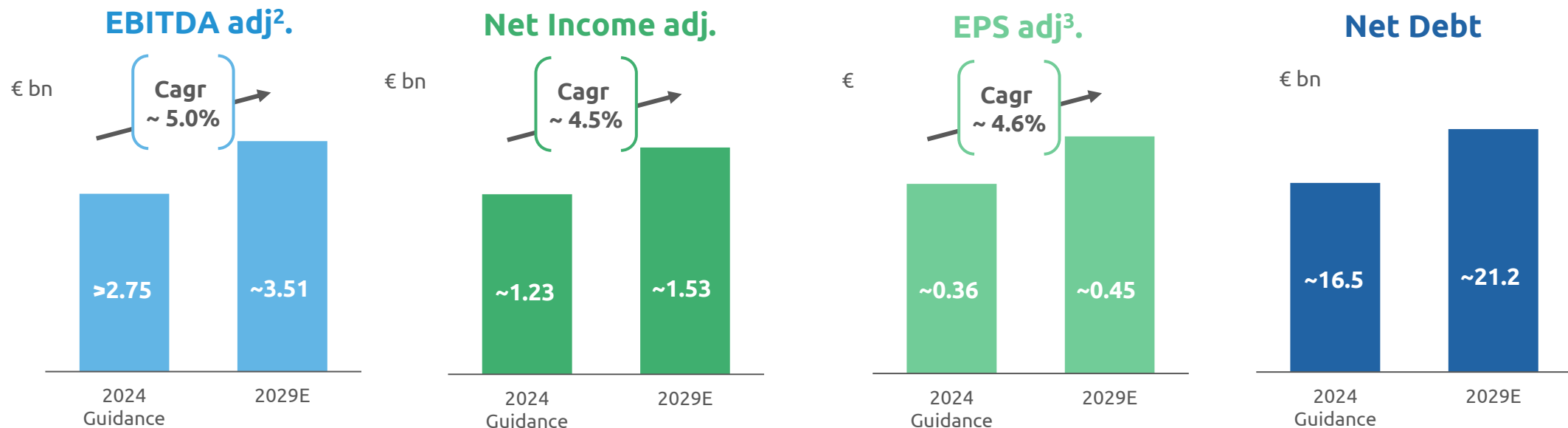
# 2025-2029 Strategic Plan key highlights



## Dividend Policy

4.0%  
CAGR '24-'29

Max 80%  
Payout on  
Adj. Net  
Income



1. Net of grants. Total Capex gross of grants: € 13.4 bn  
2. EBITDA 2024-2029 CAGR ~5.5% with Biomethane pro-forma

3. Net profit adjusted for hybrid instrument financial expenses (-€45m per year)

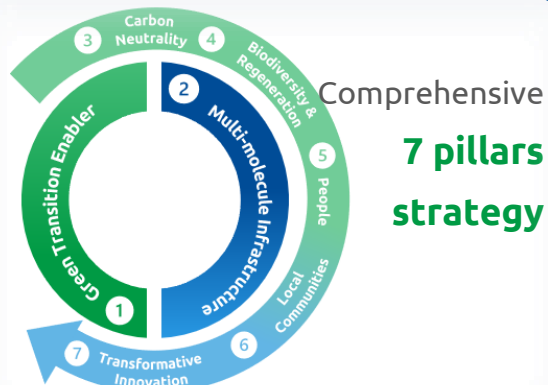
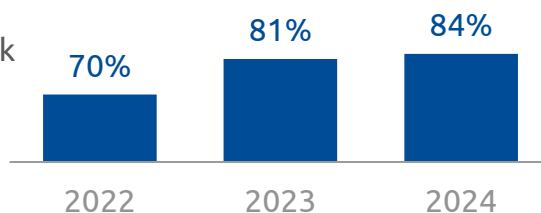
## Key Achievements

Methane emissions **-62%** (2024E vs 2015)  
& **4 years** Gold standard by UNEP

2024E Scope 1+2 emissions **-25%** vs 2022 (baseline)

Biodiversity: **Zero Net Conversion** in 2024

**84%** Sustainable Finance  
Updated Sustainable Finance Framework  
**Moody's Net Zero Assessment**  
on emissions pathway  
alignment to Paris (NZ-3)



First ever  
**Transition  
Plan  
Roadmap**



## Strategic Priorities

Decarbonization and biodiversity targets **delivery**

- Scope 1+2: **-40% by 2030**
- Scope 3: **-30% by 2030**
- Biodiversity: **Net positive impact by 2027**

- **ESG ratings** leadership
- **Sustainability pillars** delivery
- **Sustainability scorecard** new targets to 2029
- **SBTI and SBTN** certifications commitment  
(if/when methodologies and possibility to submit targets available)

- **CSRD** compliance
- **Climate Change Risk** management deep-dive  
also with biodiversity analysis



# Sustainability Scorecard 2025-2029

	KPIs	2024 Target	2025 Target	2029 Target
Green transition	• Avoided & Captured CO <sub>2</sub> emissions (ktCO <sub>2</sub> e)	105	147	875 <sup>1</sup>
	• H <sub>2</sub> readiness length of network certified (km)**	1900	2400	3000 <sup>2</sup>
	• Gas Transportation operational availability (%)	>99	>99	>99
Multi-molecule infrastruct.	• Production of biomethane (Mscm)**	20	30	-
	• Invest. related to the CCS Ravenna Project Phase 1+2 (€M)	120	178	626
Carbon Neutrality	• Reduction of total natural gas emissions (%) <sup>3**</sup>	-57.5	-59.7	-68.5
	• ESG criteria in proc. procedures (% of spending)**	35	45	70
	• RES on total electricity purchased (%)	52-55	70-75	100
	• Spending on total procured with decarb. plan from suppliers(%)	25	35	50
Biodiversity & Regener.	• Zero Net Conversion by 2024	✓		
	• Net Positive impact by 2027			
	• Vegetation restored in areas of pipes constr. and new forestation (%)	99.9	≥100	≥100
Financial & CO2	• ESG Finance over total funding available (%)			90
	• CapEx EU Taxonomy-aligned (% of total)			
	• Revenues EU Taxonomy-aligned (% of total)			
	• Capex SDGaligned (% of total)			
	• Scope 1 and 2 CO2 emissions reduction (% v. 2022)	2024E -25	2027 Target -25	2030 Target -40 2032 Target -50

## Legend:

- KPI reviewed vs scorecard 2024-2027
- 1. CCS project subject to Final Investment Decision (FID);
- 2. Target unchanged vs 2027 (project ending in 2026)
- 3. Targets including Edison Stoccaggio and FSRU. 2025 figures would be 64.6% "like for like" with previous years
- \*\* KPI undergoing Appointments and Compensation Committee's approval & KPI in IMA/IALT or ESG Finance Framework

	KPIs	2024 Target	2025 Target	2029 Target
People	• Employees engagement index (%)	>80	>80	>80
	• Women in exec. and middle-mgmt. roles (%)**	26	26.5	29.5
	• IpFG (Combined Frequency and Severity Index)**	0.47	< min. 3y	< min. 3y
	• Gender pay gap (%)			+/- 5
	• Participation in welfare initiatives (%)	75	78	82
	• Training hours delivered to employees (h/capita)	36	37	42
Local Communit.	• Benefits for local communities over reg. revenues (%)	~1	~1	~1
	• Value released at local communities (€M)	>1,000	>1,000	>1,000
	• Avg customer satis. rate for service quality (1-10)	≥8.1	≥8	≥8
Transform. Innovation	• Investments in Innovation as % of revenues	3	3	3
	• PoC and scale of technologies and services (#)	15(25)	47 (7)	75 (11)
	• AI enabled IT applications (% of total)	12	16.5	40
	• Projects covered by <i>Security by Design</i> cyber approach (%)	100	100	100
Sustainable principles	• ESG topics discussed in >40% of BoD meetings			
	• Reputational checks performed on 100% of suppliers subject to procurement process			
	• Cyber resilience field-tested scenarios cover 100% of the Italian territory			

# Agenda



**Governance**



Our Transition Plan



Engagement, communities and people

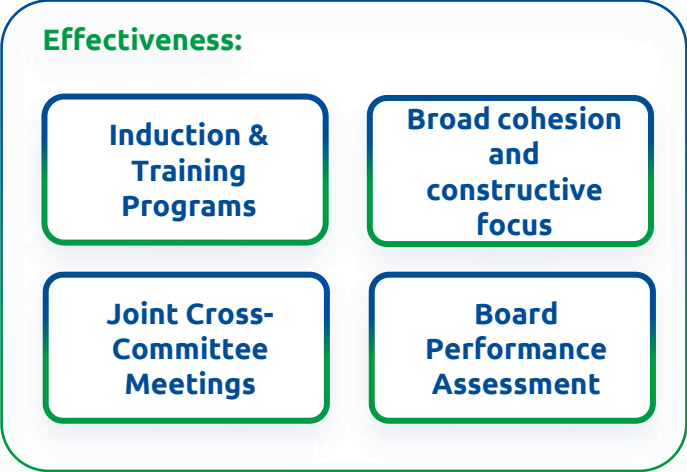
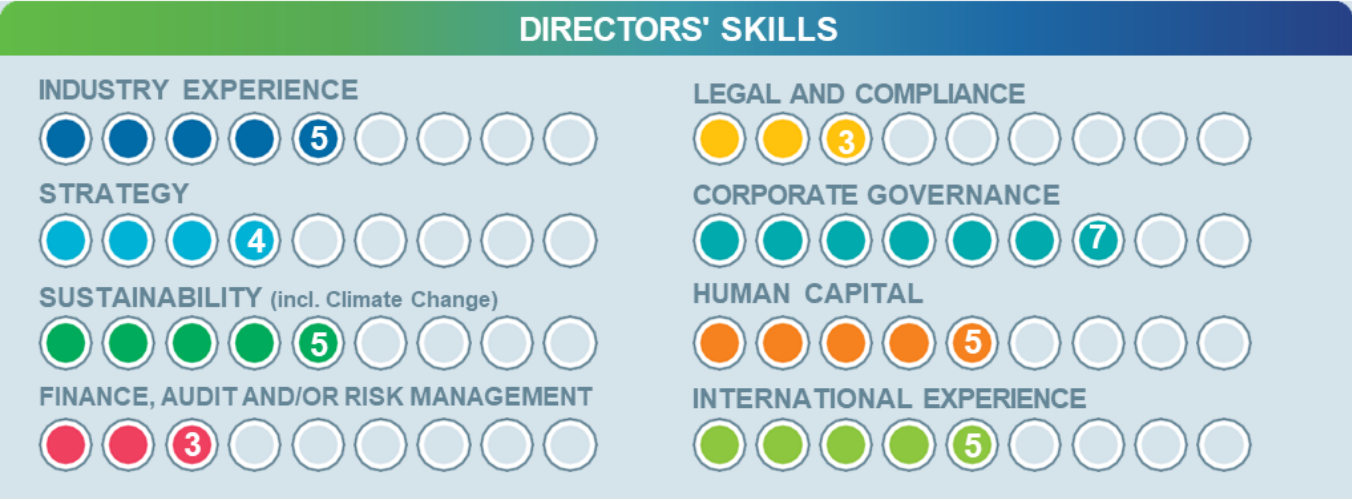
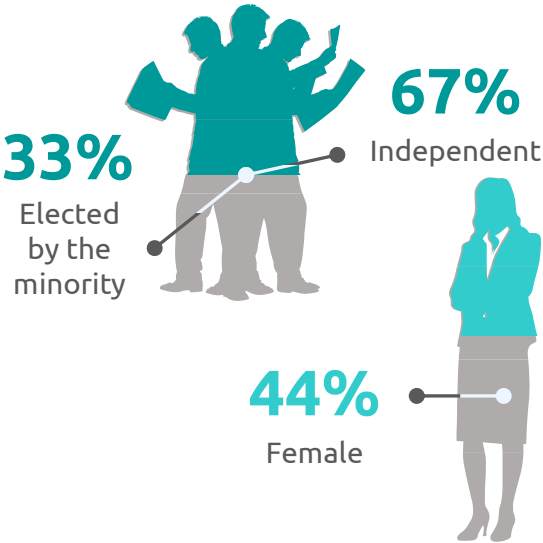


Key Data



# Board of Directors

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 <sup>1</sup>	✓		✓	✓	✓	✓	✓		
Gender	Female	Male	Male	Female	Female	Male	Female	Male	Male
First appointment	2016-2019 2022	2022	2022	2019	2022	2022	2019	2022	2016
Committee <sup>2</sup> Roles			NRC SETSC	CRRPTC SETSC (C)	CRRPTC	CRRPTC (C)	NRC (C) SETSC	SETSC	NRC
Directors elected by the minority				✓		✓	✓		



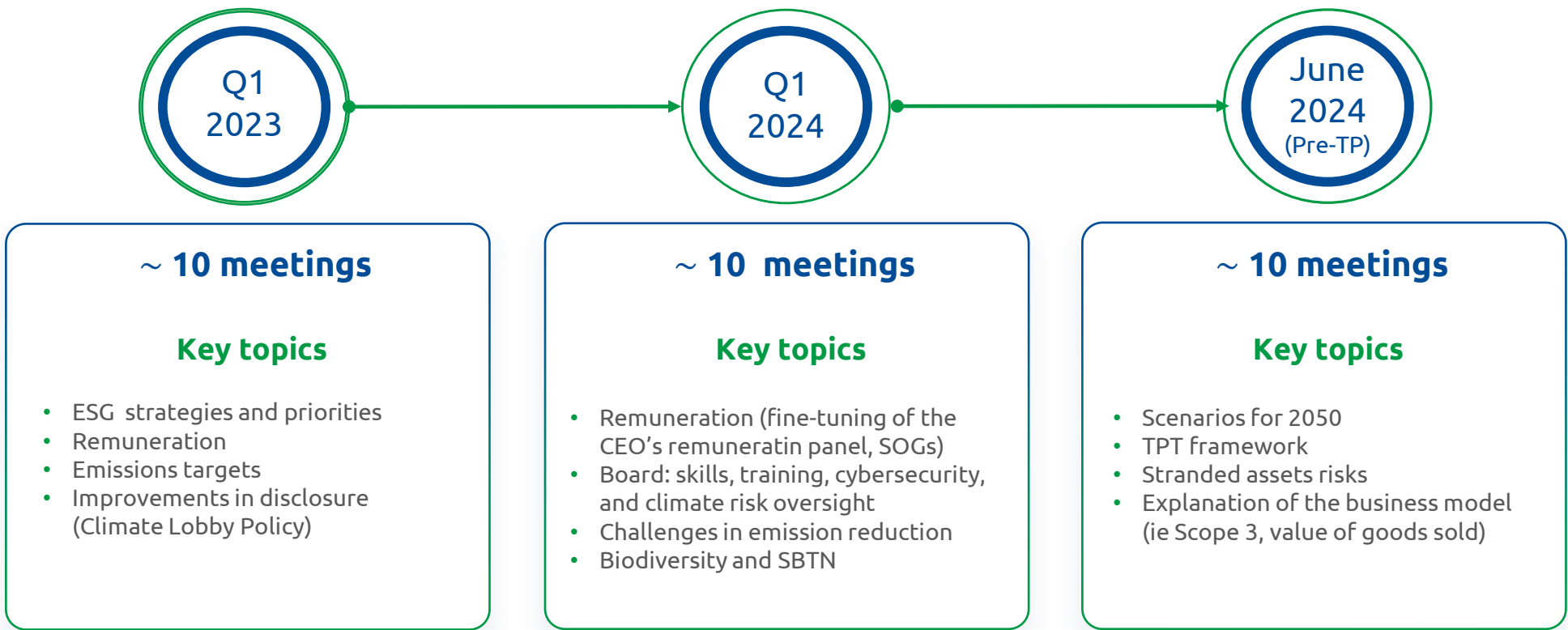
Strategy Workshop

September 2024

1. In accordance with the Italian Corporate Governance Code and the Consolidated Law on Finance

2. NRC= Nomination and Remuneration Committee (67% independent), CRRPTC = Control Risk and Related Parties Transactions Committee (100% independent), and SETSC = Sustainability and Energy Transition Scenarios Committee (75% independent). All key Committees chaired by independent Non-Executive Directors.





## Board Engagement Letters focusing on...

Alignment with the Paris Agreement and Say on Climate	Scenarios	Capex allocation, TCFD and CDP	Category 11 of Scope 3 (use of sold product)	Net Zero Transition Plan
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# Sustainability Governance

Visual summary representation

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



Establishes strategic, organizational, and control guidelines for the Company and its subsidiaries, ensuring alignment with sustainable success, and oversees their implementation.



**Chairwoman**

Plays a connection role between executive and non-executive directors ensuring the effective functioning of the Board

**Nomination and Remuneration Committee (NRC)**

**Control, Risk & Related Parties Transaction Committee (CRRPTC)**

**Sustainability & Energy Transitions Scenarios Committee (SETSC)**

The **NRC** contributes to the definition of sustainability-related objectives by the Board on topics such as composition, size, gender equality, and remuneration.

The **CRRPTC** supports the Board's on internal control, risk management (incl. climate change), and the approval of financial and sustainability reports.

The **SETSC** supports the Board in assessing sustainability and energy transition topics.

Joint meetings are held between the Committees on cross-cutting topics



**Chief Executive Officer**

Entrusted by the Board with the responsibility to lead the group's strategic guidelines and objectives and to manage the internal control and risk management system, including with reference to sustainability.

**Strategy, Innovation and Sustainability**  
Chief Strategy & Technology Officer

In fulfilling his sustainability-related duties, he is supported by various functions of the Company, in particular the Chief Strategy and Technology Officer, who reports directly to him and leads the Strategy, Innovation, and Sustainability unit where the Head of Sustainability is placed.

# Guidelines on the future dimension and composition of the Board

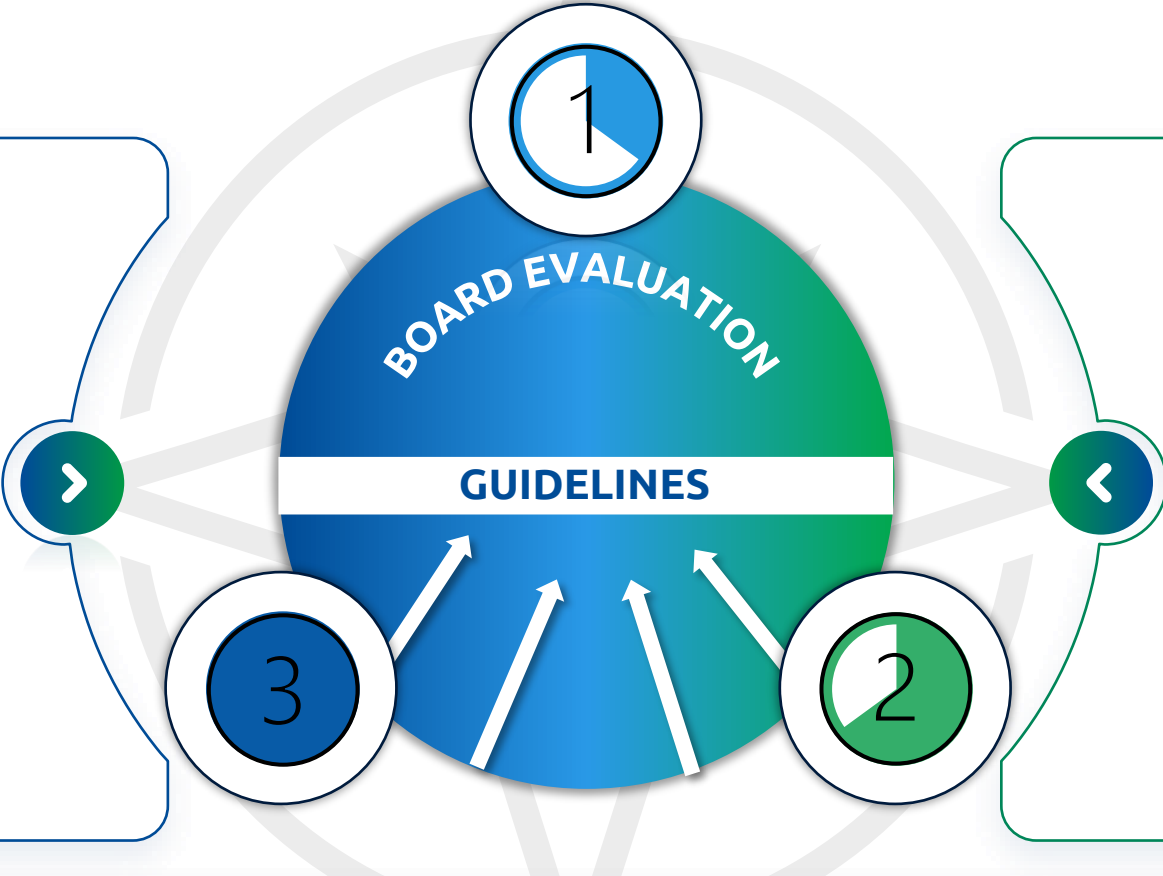
Purpose and process followed

## Purpose...

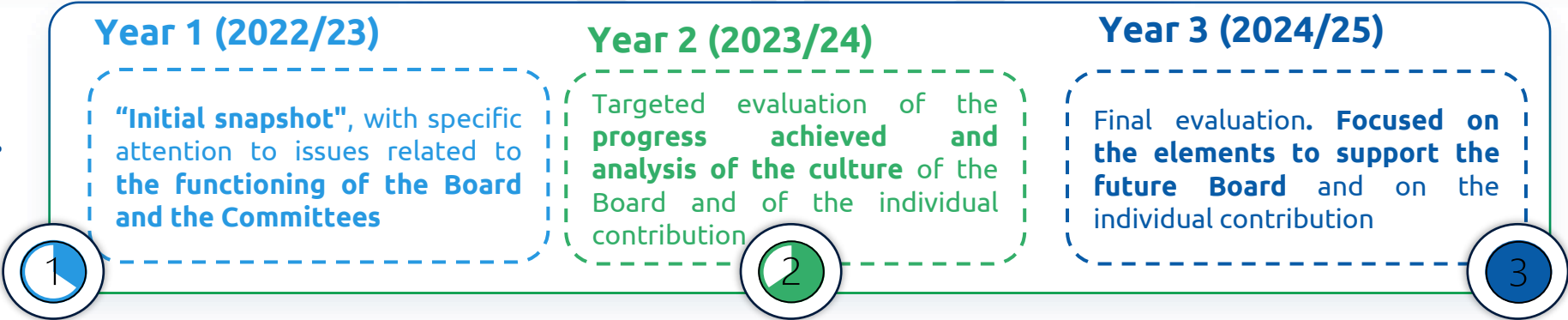
In line with the recommendations of the Italian Corporate Governance Code, to **expresses**, in view of each of Boards' renewal, **an orientation on its optimal quantitative and qualitative composition.**

## ...process followed

- ✓ factors in the results of the annual **board evaluation process** of the Board;
- ✓ supported by a **technical advisor** (Spencer Stuart)
- ✓ based also on a **benchmarking activity** conducted on the main Italian listed companies similar to Snam
- ✓ developed on proposal of the **Nomination and Remuneration Committee**



## Board evaluation...





# Guidelines on the future dimension and composition of the Board

What's new

## Context

A period marked by high **tension between ensuring a secure energy supply and advancing the energy transition** in Italy and across Europe.

## Driver

Comprehensive **diversity and continuity as assets to enhance the effectiveness** of corporate governance.



## Emphasis on...

### Chair:

Industry  
Experience



### Board:

Technological innovation & digitalization  
with a particular focus on  
artificial intelligence and cybersecurity

Experience in the  
“regulated sector”

International  
Experience

Learning  
Mindset

Vision and a  
commitment to  
long-term thinking

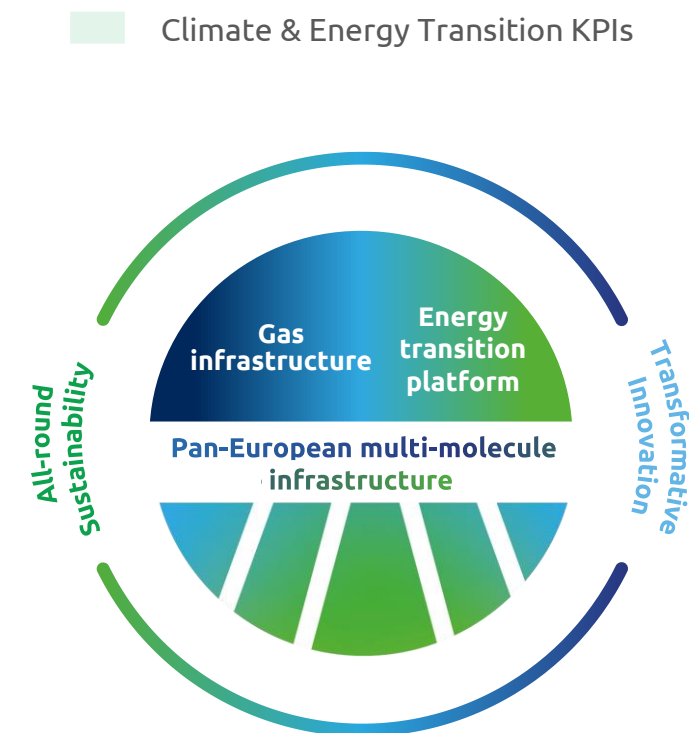
Consistent  
commitment  
& time availability

# Remuneration Policy in line with best practices

- ✓ Investors **Engagement** (in season and off-season) and AGM results follow up
- ✓ **Disclosed incentive curve** at target and max
- ✓ **Metrics and targets** for long and short-term incentives **aligned with 2025-2029 strategy** (mainly financial)
- ✓ **LTI** time horizon at least **5 years** (performance +lock up)
- ✓ **Metrics and targets disclosed** prospectively for the **Long term incentive**
- ✓ **Metrics for Short Term disclosed** prospectively, and Target disclosed retrospectively
- ✓ **Sustainability metrics** are quantitative and financially relevant
- ✓ Majority **independent** Remuneration committee members (incl, independent Chair)
- **Cap to entry bonus** for newcomers (MSR) (up to a limit of one time the fixed salary), awarded only in exceptional cases
- ✓ **Pay mix** for CEO and MSR (Manager with strategic responsibility) mostly focused on **variable components** (more than 70% at target, of which 70% of LTI)
- ✓ CEO's **remuneration** aligned with **performance**
- ✓ **Base Salary** of the CEO remained **unchanged**
- ✓ **Benchmark analysis** conducted every year to assess the remuneration of both CEO and MSR
- ✓ **Share ownership guidelines** for the CEO
-  **Severance CAP** for CEO and MSR (to be proposed in the Remuneration policy 2025) aligned with investors expectation for Italy (24 months of pay)
- ✓ **Discretionary bonuses** are **not allowed** for CEO and MSR neither exceptional awards connected to M&A
-  Introduction of an ESOP to engage and commit all employees in the company value creation
- ✓ **Succession Plan process in place** to create a pipeline for MSR and broader Leadership Team

# Remuneration Policy linked to Strategy and transition KPIs targets

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%	✓	✓	



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



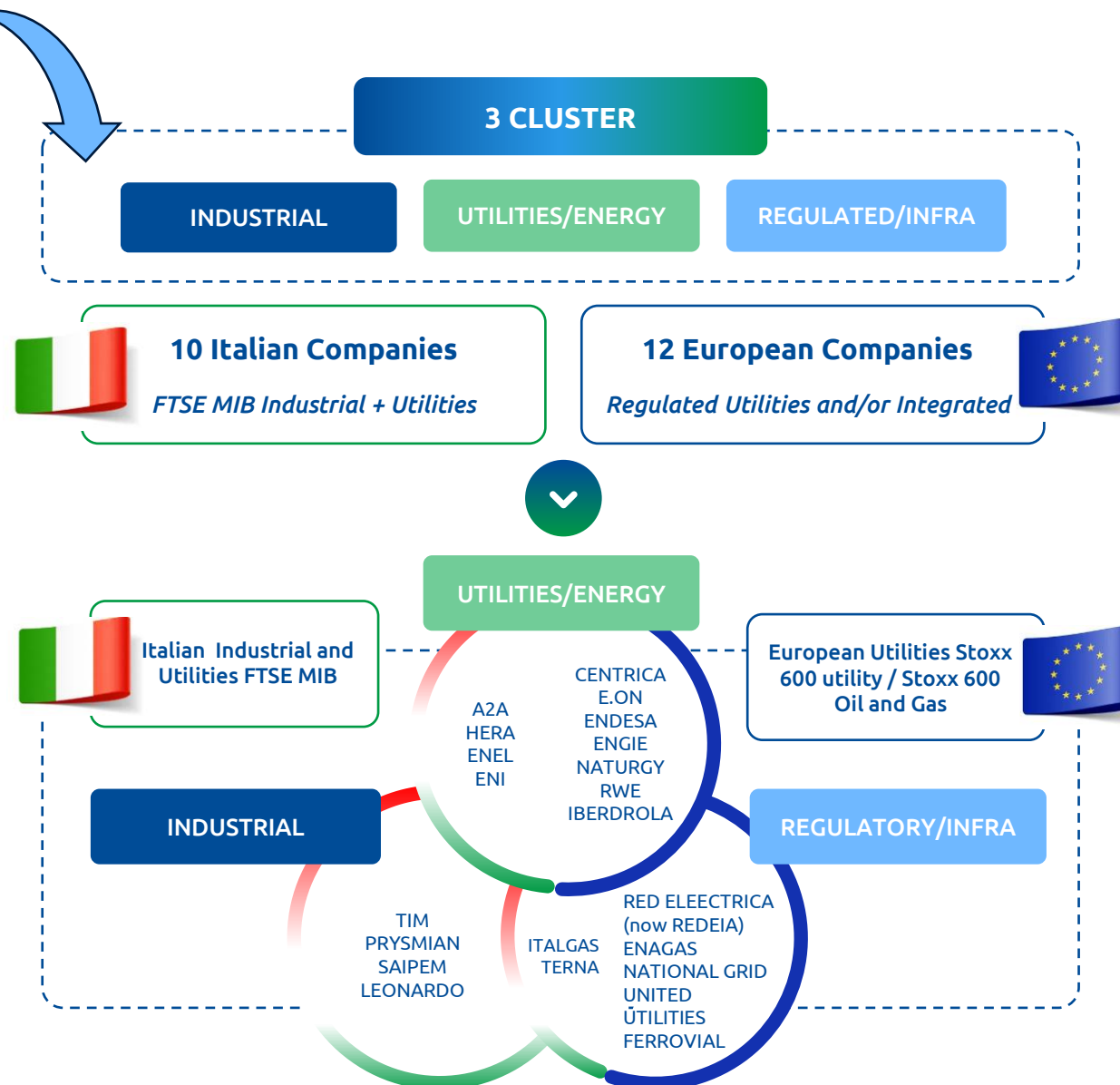
# Remuneration: key highlights 2024

## Updated peer group

- In January 2024, the Nomination and Remuneration Committee conducted a process to **update the panel of companies** to be used for compensation benchmarking
- For the compensation benchmarking of the CEO and General Manager, a peer group of **22 companies** has been identified, balanced between Italian and European firms
- These were selected based on criteria considering **comparability with Snam in terms of business and operational model**
- With the new panel, **the CEO positioning has not changed, resulting in between Median and First Quartile**

## Share Ownership Guidelines (SOGs)

- The introduction of SOGs for the CEO where he would be required to hold shares worth **at least 200% of his fixed remuneration**, to be achieved **within a compliance period of 5 years**.
- Once the minimum requirement is met, the CEO need to **consistently maintain** the number of shares that satisfied the requirement **until the end of their tenure**.



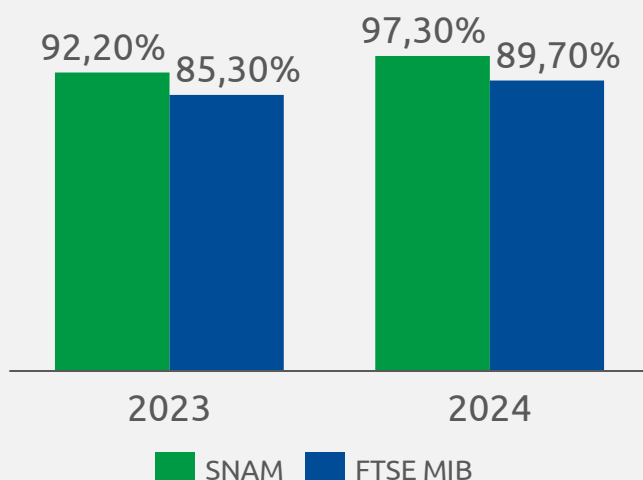
# Engagement with investors and continuous improvement

In the past few years, we have **actively engaged with shareholders and proxy advisors**, listening to their feedback to refine our compensation policies and align them with market standards and shareholder expectations.

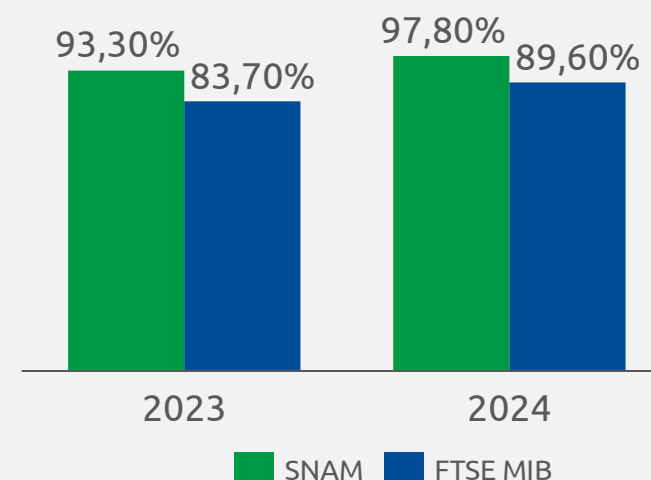
This approach has resulted in a significant increase in support for the company's policies and remuneration report, as showed by the increased percentage of votes in favor of the 2024 remuneration policies compared to 2023

## % support for the Remuneration Policy and Report at the 2023-2024 AGM

Trend of favorable voting outcomes on compensation policy (2020-2024) – Section I



Trend of favorable voting outcomes on the report on compensation paid (2020-2024) - Section II



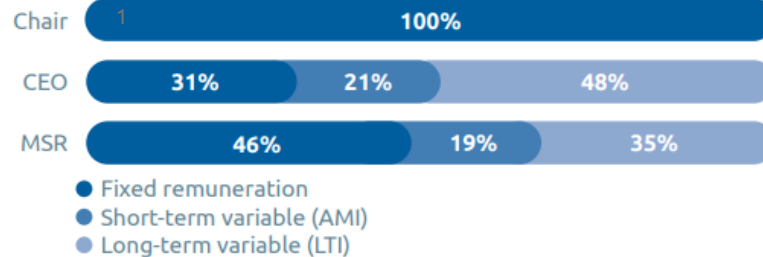
# Remuneration: what is new

Remuneration Policy aims at ensuring alignment with the Company's strategic objectives considering the characteristics of the business and the industry while ensuring that the variable component represents a significant portion of total remuneration.

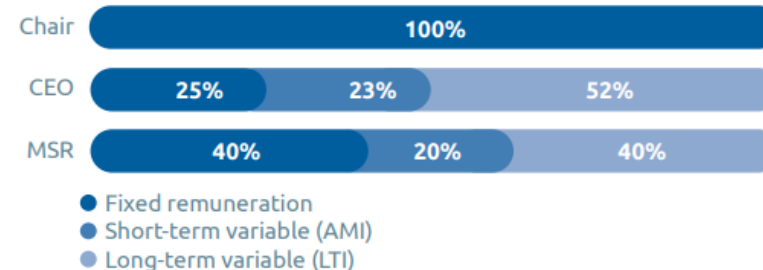
## Pay mix – 2025

Unchanged vs 2024

### PAY MIX target 2025



### PAY MIX maximum 2025



1. MSR: Manager with Strategic Responsibilities

## Manager with Strategic Responsibilities

### New Severance Policy

In line with the current provision for the CEO, the new policy proposed provide for a **maximum CAP** calculated as **two years of the fixed annual remuneration** integrated with the **average Short-Term Incentive (IMA)** paid in the **last three years**, including any indemnity in lieu of notice.

### Entry Bonus CAP

From 2025 onwards, to be introduce a cap to our existing policy which allows for the possibility of an entry bonus for new joiners only in exceptional circumstances, as approved by the Appointments and Compensation Committee. This cap will be equal to one time the fixed salary.

### New Scorecard Structure

MBO scorecard will be made up of **60% economic-financial objectives** and the remaining **40% of individual/role objectives**. This allows management's goals to be better aligned with a unique corporate objective.

### Employee Share Ownership Plan (ESOP)

Snam has developed a proposal for an Employee Share Ownership Plan (**ESOP**) **to be submitted for approval to the 2025 AGM**. The plan targets the entire population of SNAM to become shareholders and participate in the value generated by the company.

### Eligibility MBO

MBO bonus eligibility extended to **Senior Managers (~ 130 employees) (the pipeline of the future Directors)**. This reinforces the culture of the pay for performance company.



# Employee Shareownership Plan (ESOP)

The proposal for an Employee Share Ownership Plan (ESOP) will be subject to the vote of Snam's 2025 AGM.



## Objectives

This Plan will **offer all Snam employees the opportunity to become shareholders**, thus promoting a long-term vision in which the interests of shareholders tend to converge with those of our employees. The initiative also aims to increase employee engagement by creating a stimulating environment in which everyone feels part of the company's success



## Key Features

**Employees can invest in Snam shares** - with their **own resources** or by **converting the collective bonus** - **receiving by the Company free shares (Matching Shares)**. The **CEO as a Managing Director** will receive **only 1 free share** in case of participation.

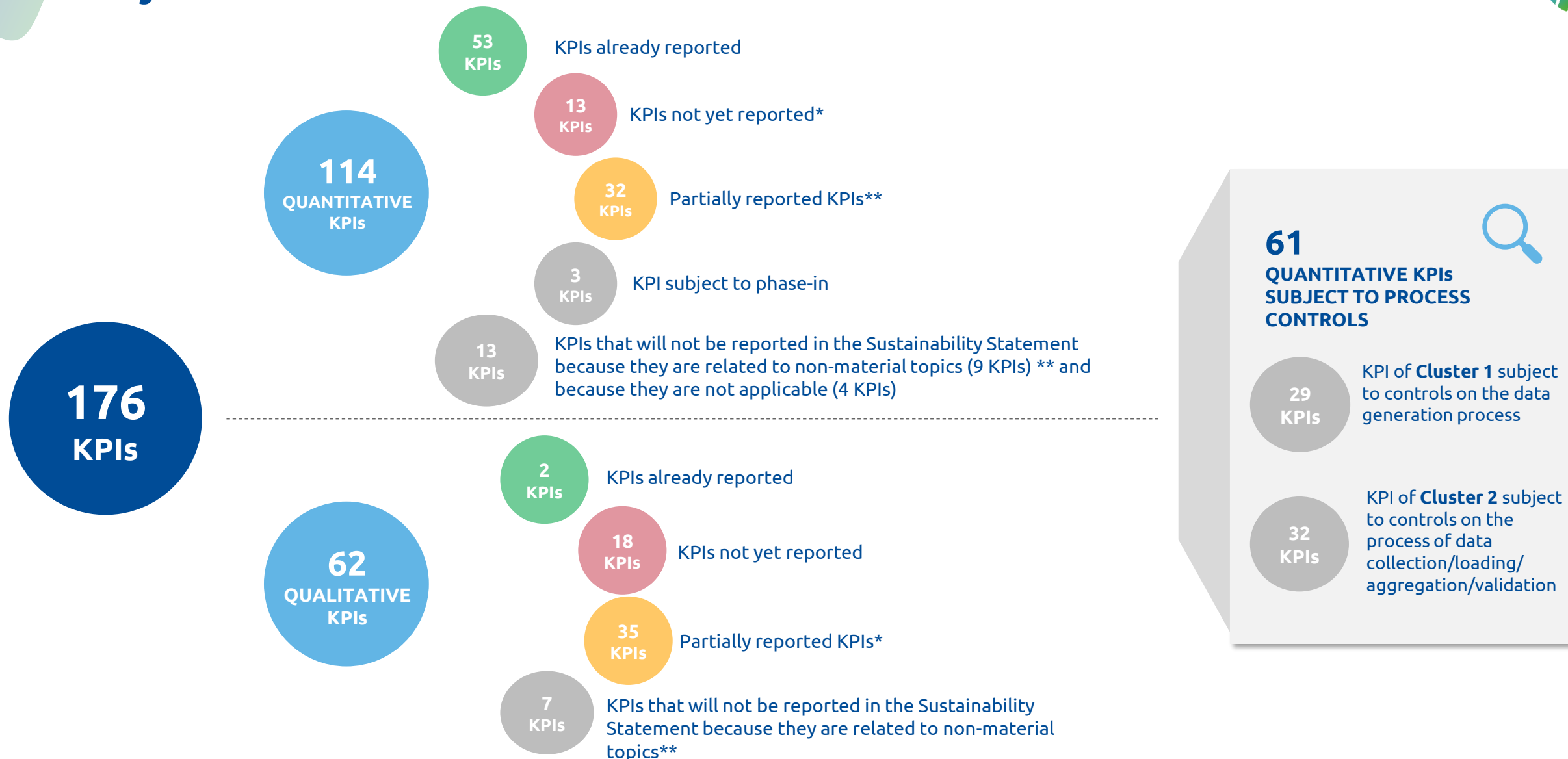
- An initial **one-off assignment of 25 Welcome Shares** (CEO excluded) only for the first participation to the plan.
- All the shares are subject to **3 years Lock-up period**.
- At the end of an initial **lock-up period**, provided that the Participant undertakes to **maintain** shares for **further 36 months**, the participant will be entitled to **receive additional shares free of charge (loyalty shares)**.
- The number of free shares (matching and loyalty shares) is determined based on organizational tiers, with a **higher allocation for employees at lower levels of the hierarchy and a lower allocation for management**.
- **No dilutive effects**, as it will be served by own shares or shares purchased on the market by the intermediary appointed by the Company (Share Buy Back). Max estimated annual cost at ca €8m.



## Caps

- **Minimum amount** for the purchase of shares with own resources: **€200**;
- **Maximum amount** for purchasing shares with own resources depends on the cluster to which the employee belongs in order to maximize tax benefits.

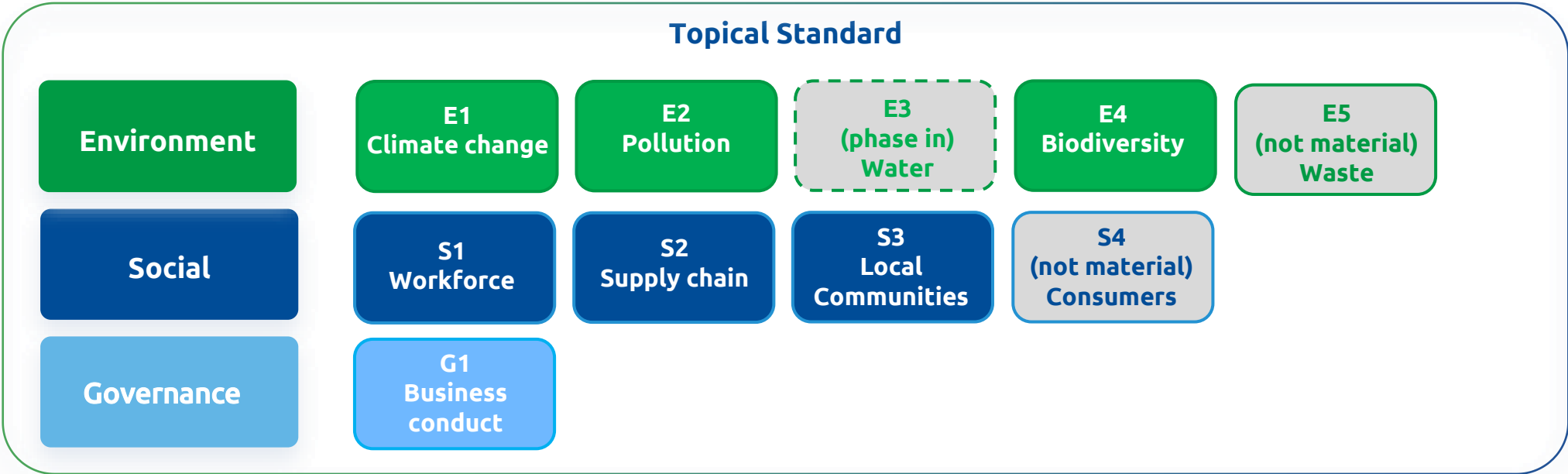
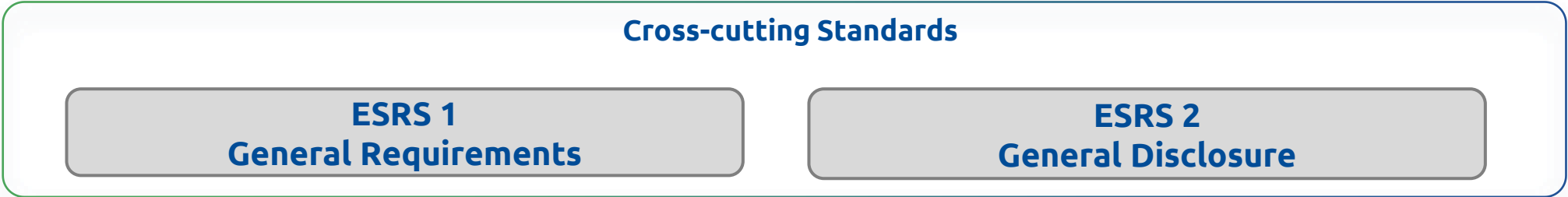
# Ready to CSRD: KPIs overview



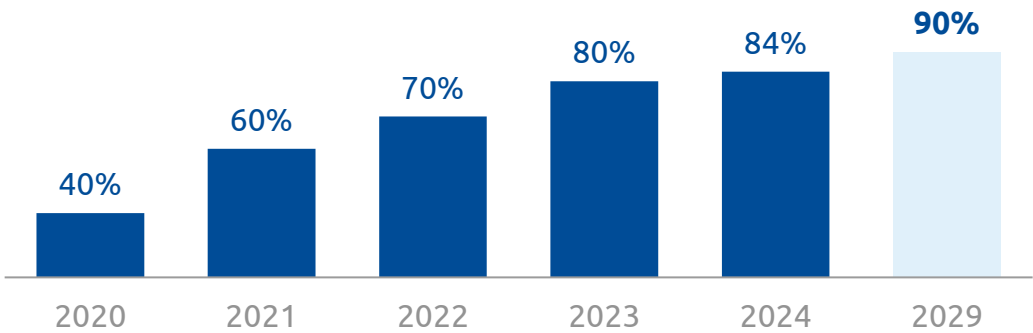
\* The KPI reporting provided in previous years does not fully align with the requirements of the standards

\*\* The irrelevant topics for Snam are: « Water », « Waste », and « Consumers and end users »

# Double materiality assessment: impact on reporting



Share of sustainable financing on total committed funding



	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%	-

>50% of sustainable finance linked to emissions reduction KPIs

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)**

Sustainability-Linked

KPIs and Targets

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

SPO provided by ISS

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



# Enterprise Risk Management

Continuous evolution & consolidation

## Objectives...

- **Higher risk-informed contribution to strategic processes** in line with the risk appetite approved by the Board of Directors
- Improved **usability and expansion of the informative scope** of risk analyses
- **Enhanced integration with sustainability strategy & reporting** (financial materiality analysis)
- Consolidation of the ERM process in **alignment with disclosure requirements** (e.g. CSRD)



## ...into achievements

- Continuous review and monitoring of our **Risk Appetite Framework (RAF)**
- **Evolutions on both methodology and governance of our ERM Risk Assessment**, to consolidate its strategic focus and alignment with frameworks, standards and the latest disclosure requirements (e.g. CSRD)
- **Consolidation of our Climate Change Risk Management (CCRM) framework**, including a progressive **evolution from a climate risk to a nature risk approach** with the integration of biodiversity risk analyses into our CCRM

Find more on [our website](#)

Enhancing the integration of a risk-informed perspective in Snam's decisions



1. Risk Appetite Framework

Note: Enterprise Risk Management is overseen by the CEO, Control, Risk, and Related Parties Transactions Committee and the Board of Directors

# Climate risks analysis

As presented in our Transition Plan (October 2024)



## 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)

#### Long-term:



- **No significant change** under **RCP scenarios 1.9, 4.5<sup>1</sup>**
- **More pronounced** potential impact under the worst-case **RCP scenario 8.5<sup>1</sup>**

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

#### Legend:

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



# Cybersecurity (1/2)



Projects covered by Security by Design cyber approach: 100% by 2029

## Security Intelligence & Security Incident Management



### Overseen by the Board



### Actioned by the CEO and Executives

The incidents prevention and management mitigate impact on society by ensuring service continuity, protecting personal data, and strengthening stakeholder trust through responsible and sustainable cyber risk management

Cyber Security Incident Management model is adopted to counteract cyber threats, for the year 2024, the Cyber Soc Team Managed:

- 24/7 security monitoring
- 2,219 Cyber Threat Intelligence Alerts
- 63 compromised third parties<sup>1</sup>
- 3,857 security events
- 225 potentially compromised accounts\*

In January 2025, a **cyber security insurance** has been subscribed with the aim of further improving cyber incidents response and increasing resilience

## Security by design



Security by Design enhances trust in digital solutions, which have become essential for business and everyday life, by:

- Ensuring security from the earliest development stages
- Creating a more resilient digital infrastructure
- Spreading the knowledge of good security practices
- Promoting ethical and sustainable management to safeguard societal interests

For the year 2024, the process was applied to 52 projects

1. Both accounts reported by the intelligence area and those detected by CyberSOC through monitoring (clicks on phishing links, suspicious logins etc.) are considered in the calculation of accounts

# Cybersecurity (2/2)



Projects covered by Security by Design cyber approach: 100% by 2029

## Overseen by the Board



Actioned by the CEO and Executives

## Security Awareness & Training

Awareness is essential for shaping informed digital employees capable of using technologies safely and responsibly, thereby actively contributing to sustainable risk management and the protection of collective interests

The human factor is a core aspect for improving cyber security. Initiatives to **increase awareness** performed in 2024 for our people:

- 6 White Phishing campaigns for a total of **23,116** e-mails sent in 2024
- Cyber Security learning course launched and **1,601** trained persons
- 6 communications with awareness infographics
- 18 mass communications sent by the Cyber SOC to inform people on security events
- 11 classroom training sessions for employees of our peripheral offices
- Creation and diffusion of **shared rules** for performing good mass communications via email channel
- Incident management **simulations**:
  - 1 cyber incident simulation with BOD
  - 2 blue team simulations
  - 8 simulations for our Cyber SOC
  - 1 simulation with Italian and European institutions
  - 5 business resilience simulations
  - 2 mass notification simulations





# Agenda



Governance



**Transition Plan**



Engagement, communities and people



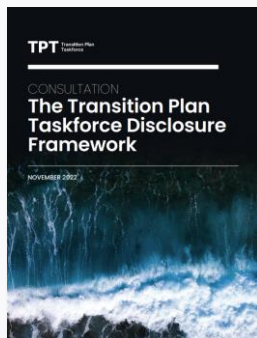
Key Data



# Transition Plan<sup>1</sup> aligned with the TPT<sup>2</sup> framework

## 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

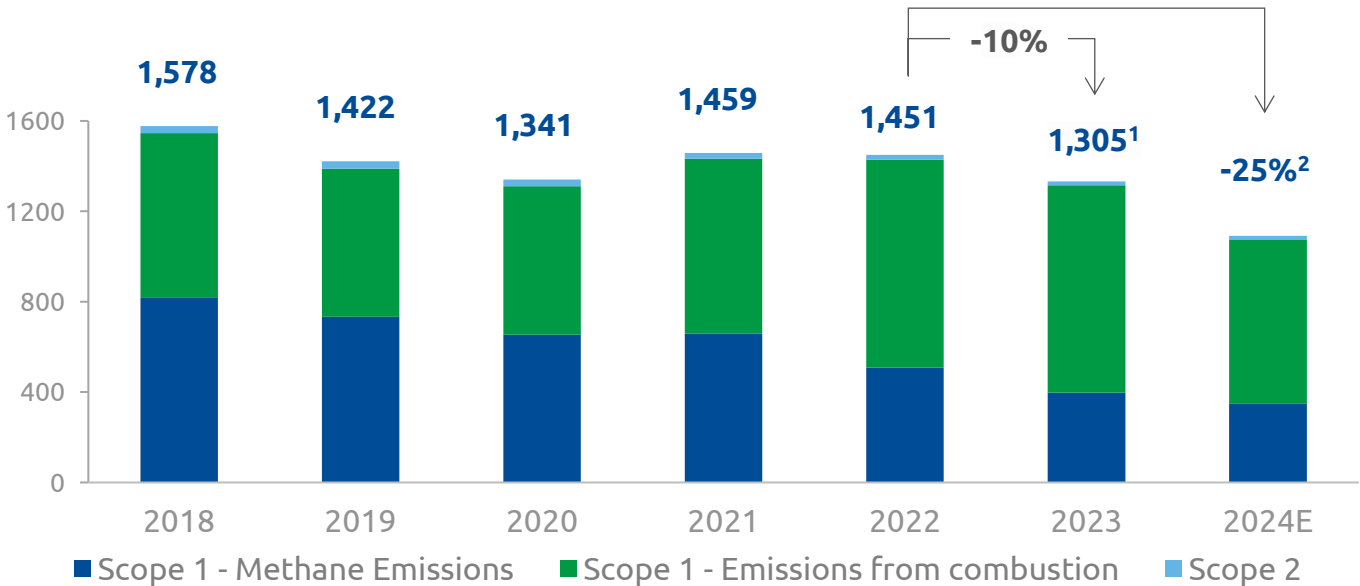
1. Snam's Transition Plan Report available on our website: [Link](#)  
2. Transition Plan Taskforce

# Historical emissions evolution

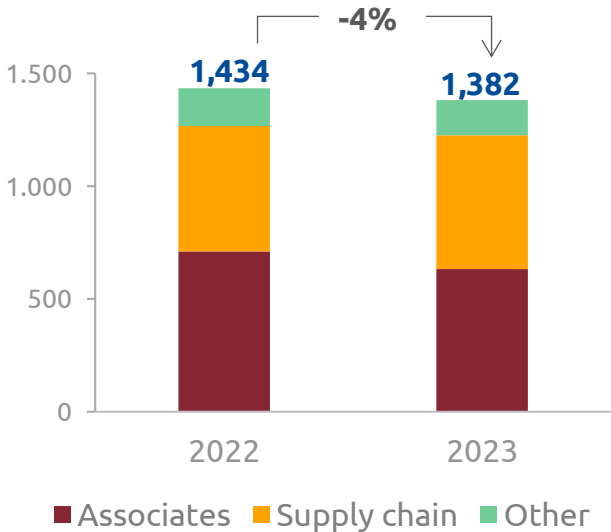
Gas demand  
(bcm)



Scope 1,2 emissions  
(regulated perimeter, ktCO2e)



Scope 3 emissions<sup>3</sup>  
(regulated business perimeter, ktCO2e)



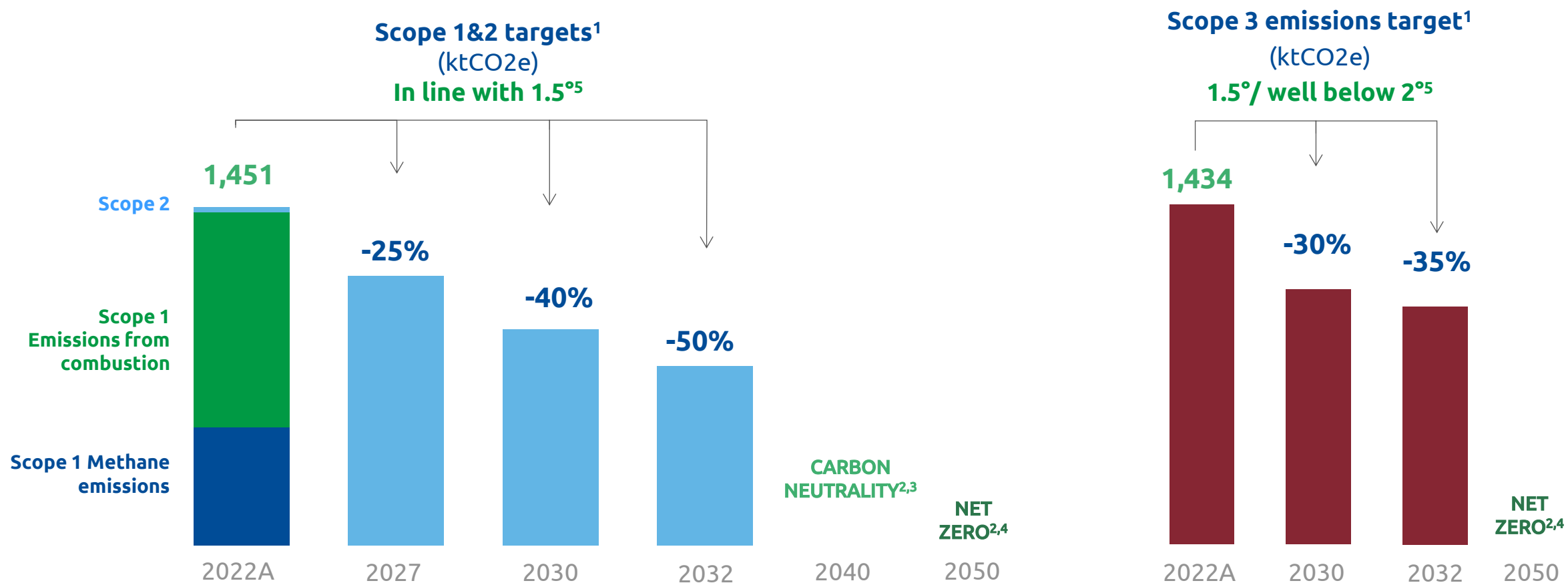
Energy Transition Businesses	+1	+1	+4	+8	+67	+80	-
Snam	1,579	1,423	1,345	1,468	1,518	1,413	-

1. Regulated perimeter aligned with the target (without FSRU); 1,333 ktCO2e full regulated perimeter

2. On baseline 2022 adjusted (~1.530 kton)

3. The figure of 2022 Scope 3 regulated emissions is restated as it takes into account the emissions contribution of SeaCorridor (purchased in 2023)

# Emissions reduction commitment across operations and value chain

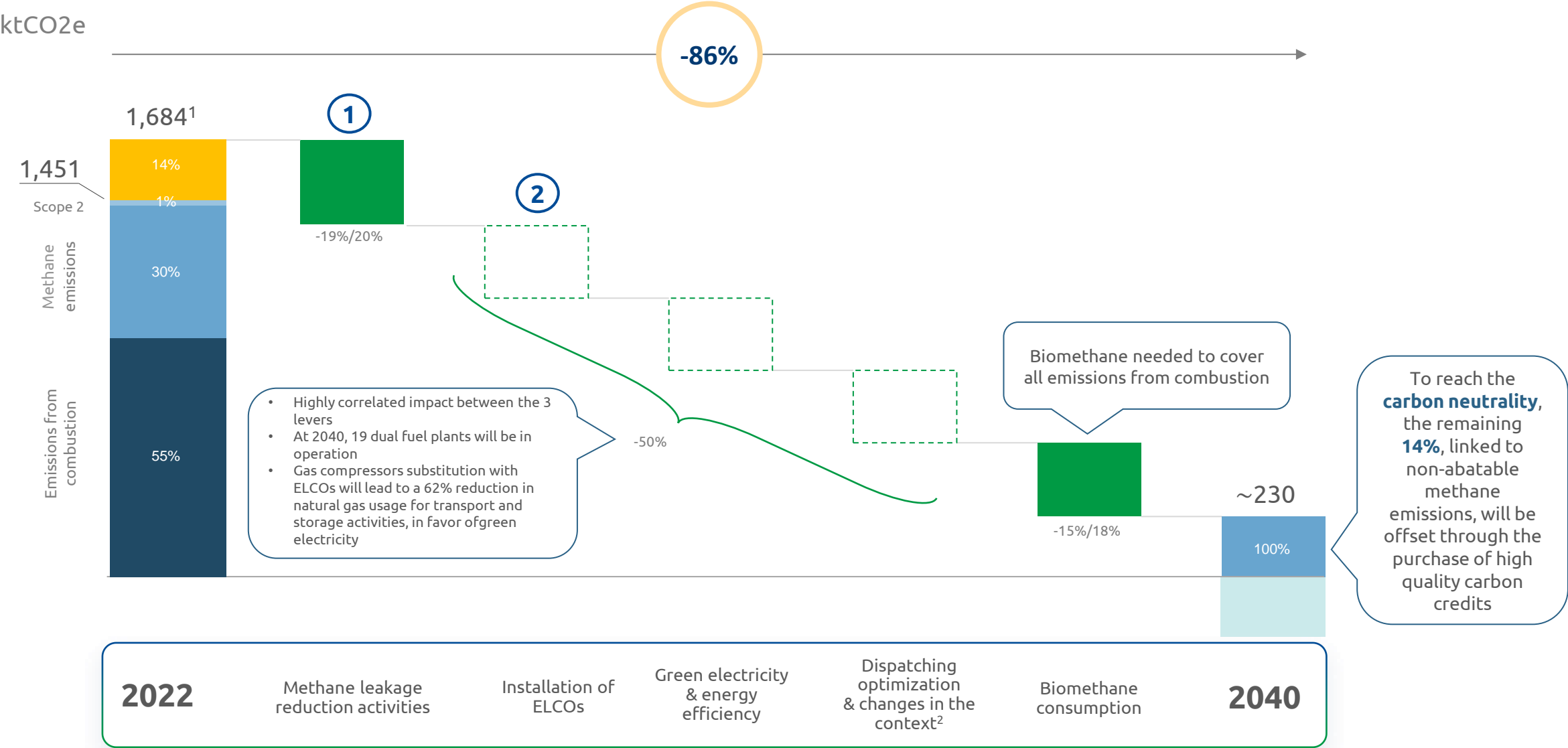


1. On Regulated perimeter as of 2022  
2. On full Snam Group perimeter

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



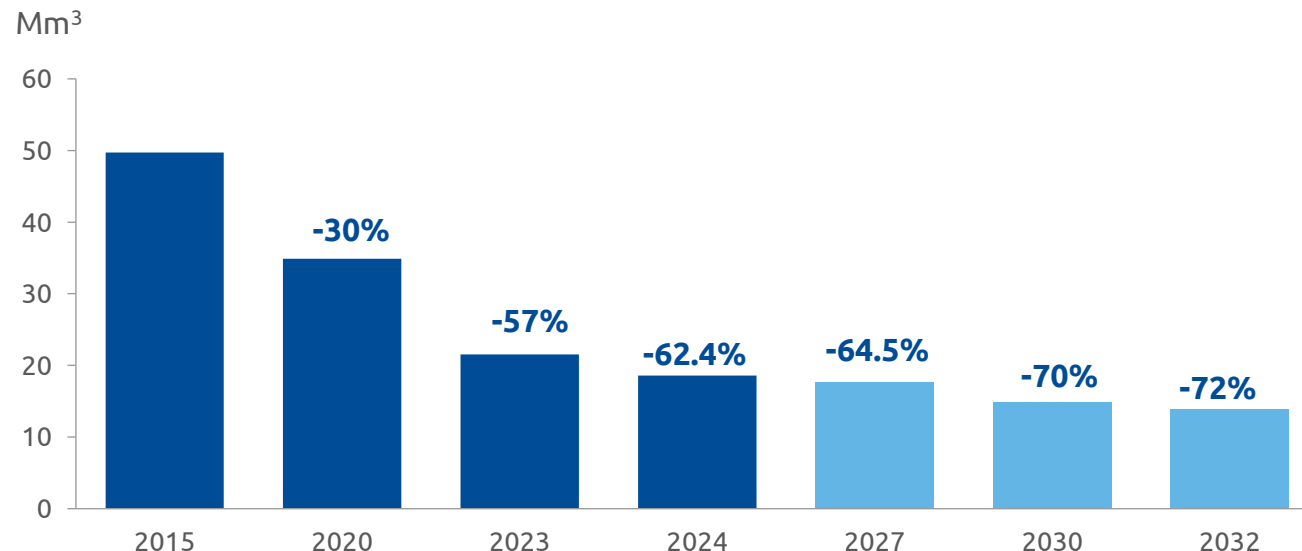
# Scope 1 & 2 – roadmap to 2040



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

# Methane emissions reduction achievements and targets

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



## MAIN ACTIONS

- **LDAR** at all transmission network facilities, compressor stations, storage plants and LNG terminal

**Eliminate high-bleed gas-driven pneumatic controllers**, switch to compressed air, electric or mechanically driven devices, or very low emitting devices

- Prior to pipeline maintenance: **lower the pressure** in the pipeline by allowing consumer drawdown, **in-line recompression** instead of venting
- **recompression** instead of venting

**More than 1M components periodically monitored**

**3000 components replaced**

**16 in line recompression interventions**

**Gold Standard<sup>®</sup>**  
for the Global Goals

**OGGI**  
OIL AND GAS CLIMATE INITIATIVE

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

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**

# Investing in dual fuels compressors to reduce combustion emissions



## Electric compressors units Replacement Plan<sup>2</sup>

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



## 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
- **New categories only for regulated business:** 11 use of sold products and 13 Downstream Leased Assets



## 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

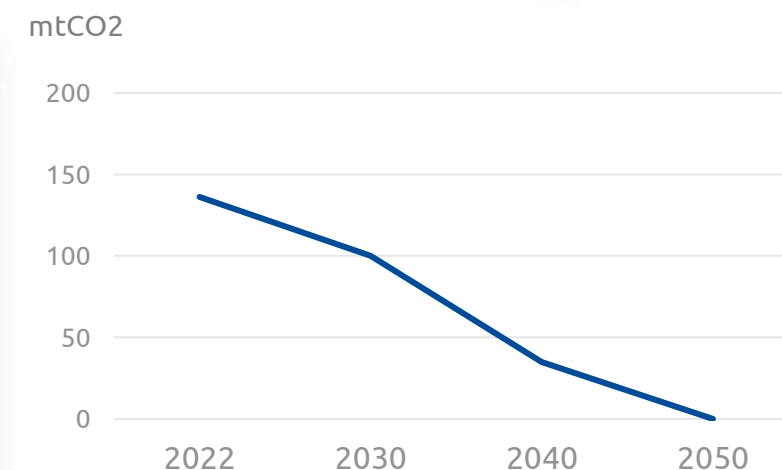
Activities are regulated by an independent regulatory agency which defines contractual terms and tariffs

**Snam regulated businesses do not sell, 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<sup>1</sup> 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



# 1 Supply chain decarbonization

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

- **151 contracts** (101 suppliers) with ESG criteria equal to **~ 42% of 2024 procurement amount**
- **209 Decarbonization Plans** evaluated (56% positively)

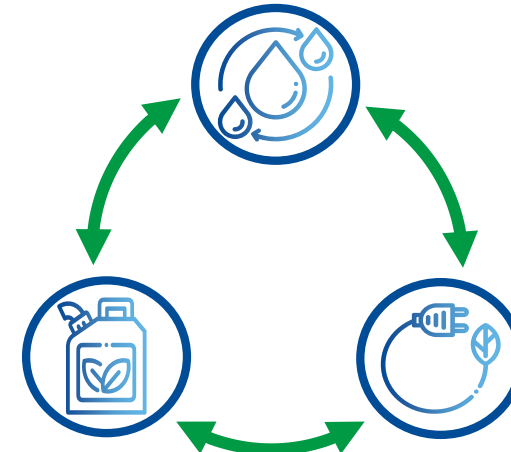
## Suppliers Engagement & Training

- 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<sup>2</sup>
- 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

Associates with public commitments	
	Scope 1,2 & 3: -34% by 2030 vs 2021 CH4:-36% by 2025 vs 2017 <b>Carbon neutrality by 2050</b>  <b>Moody's Net Zero Assessment</b>
	Scope 1 & 2: -50% by 2030 vs 2018 <b>Carbon neutrality by 2040</b>
	Scope 1 & 2: -5% by 2025 vs 2022 CH4:-8% by 2025 vs 2022 <b>Carbon neutrality by 2050</b>
	Scope 1 & 2: -42% by 2030 vs 2020 <b>Net Zero by 2050</b>
	Scope 1 & 2: -25% by 2027 and -50% by 2030 vs 2022

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

# Decarbonization of the energy system



**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 >2000 km certified<sup>1</sup>
- 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



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



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

Joint venture



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

**SouthH2Corridor**

**875 ktons avoided emissions in 2029**

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

# Nature footprint analysis

Pressure	Biomes	Infrastructure construction	Transport & Dispatching	Storage	Off-shore regas. (FSRU)	On-shore regassification
Land and sea-use change	Land (Km²)	1		No impact		
Pollution	Air (Kg Particulate PM2.5)	2				
	Soil (Ton NOx)				No impact	
	(Ton Waste)				N/A	
	Ocean (Ton NOx)	No impact				No impact
	(Kg Chlorine)					
Resource exploit.	Fresh water (m³ Freshwater)					

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

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

- Based on most recent SBTN guidance (to be confirmed in validation process):
- 1

Infrastructure Construction has a material impact on Land Usage, while other pressures have no material impact across the value chain
- 2

All Operations (T&D, Storage, off-shore & onshore regassification) do **NOT** have a material impact on Nature

**+ Biodiversity Risk («outside-in»)**

Within its ERM Framework, Snam is defining a dedicated approach for the analysis of biodiversity risks, integrated with Climate Change Risk Management (CCRM) and in alignment with key frameworks and standards such as the TNFD.

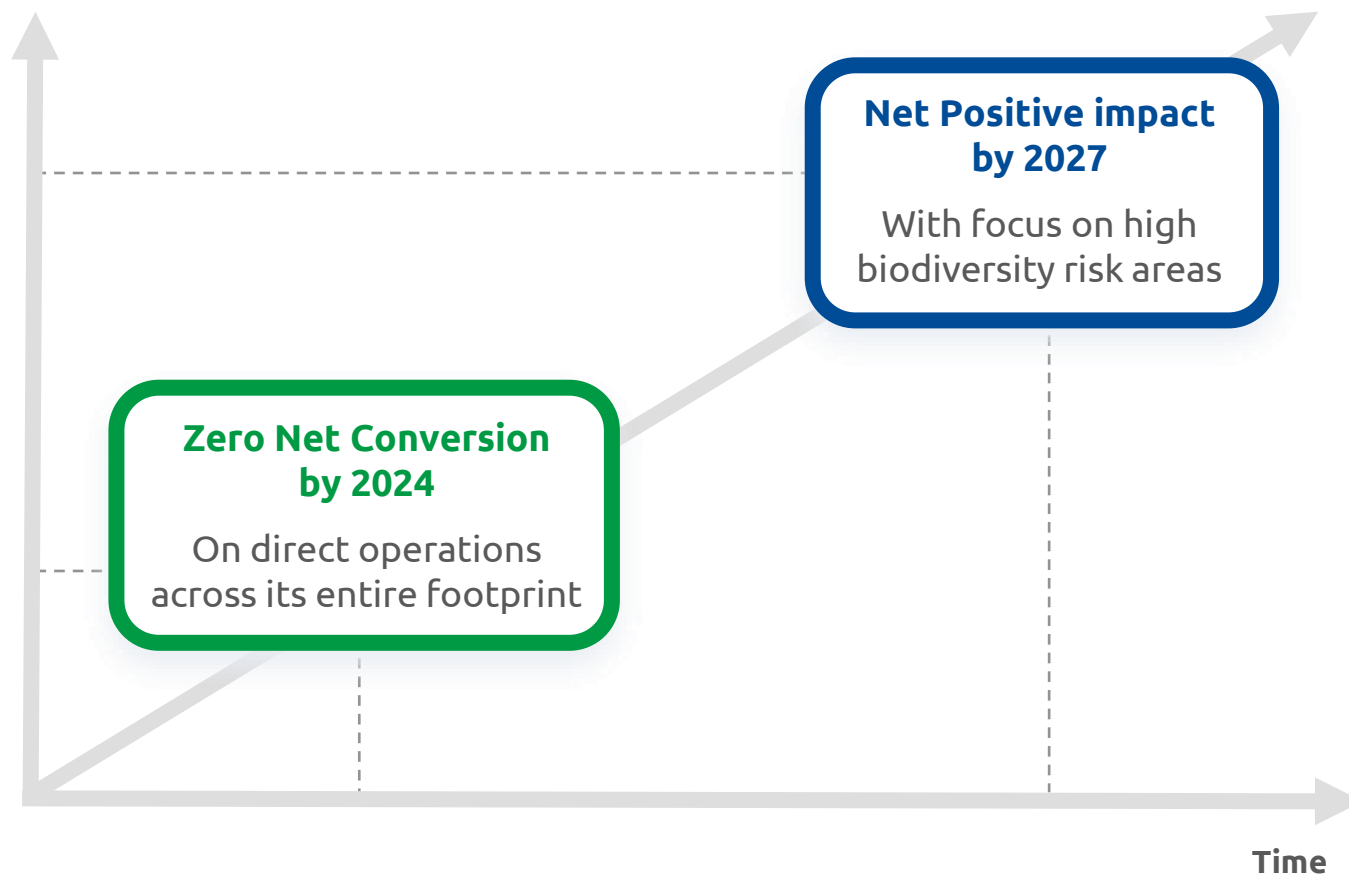
This framework will complement Snam’s existing analysis on biodiversity impacts (“inside-out”) and climate risk (“outside-in”).

The related results will be disclosed in the 2024 Integrated Report.

# Positive impact on Nature by 2027

First pure infrastructure player globally to join SBTN Corporate Engagement Program

Ambition



- **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



# Agenda



Governance



Our Transition Plan



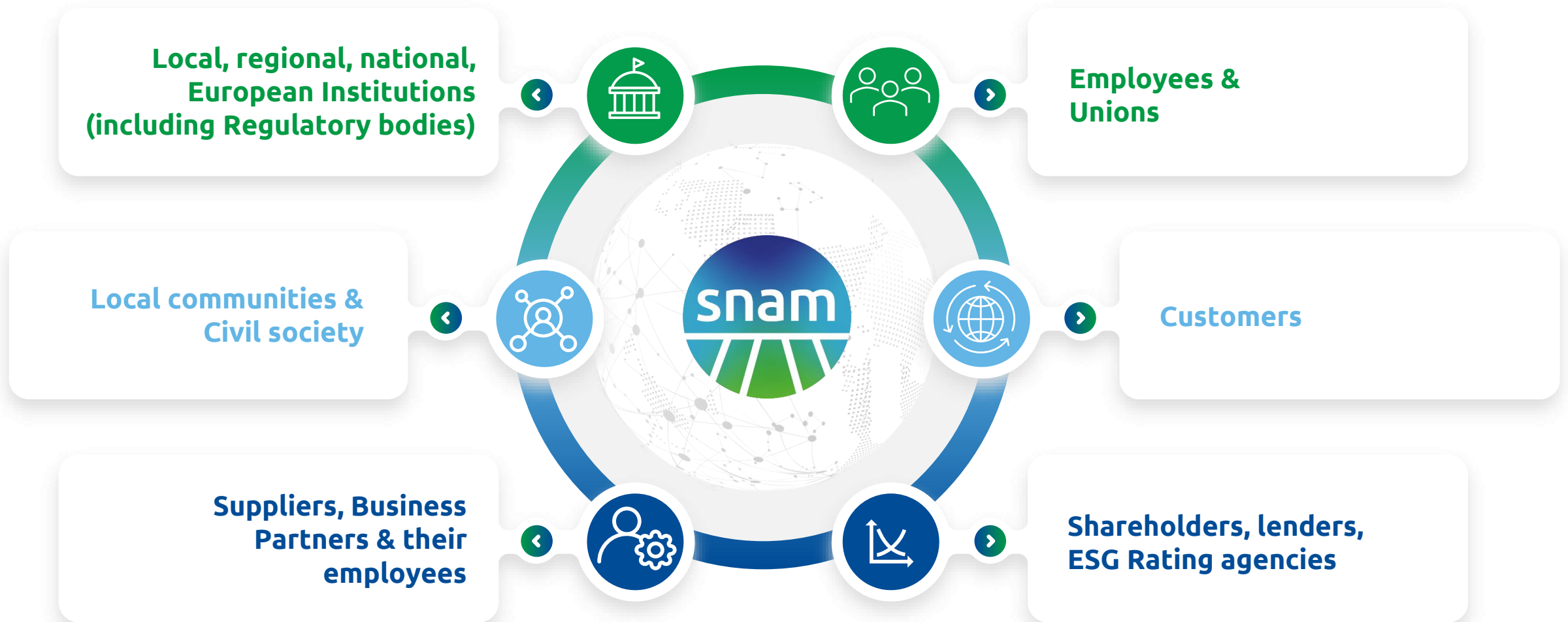
**Engagement, communities and  
people**



Key Data



# Engagement: the key stakeholders



Other stakeholders : Media, other players in the value chain.  
In 2023 "Nature" identified as "silent stakeholder" in our stakeholders mapping



## 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 2029
  - Women exec. & middle-mgmt at 29.5%
  - Gender pay gap<sup>1</sup> 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 2029
  - 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

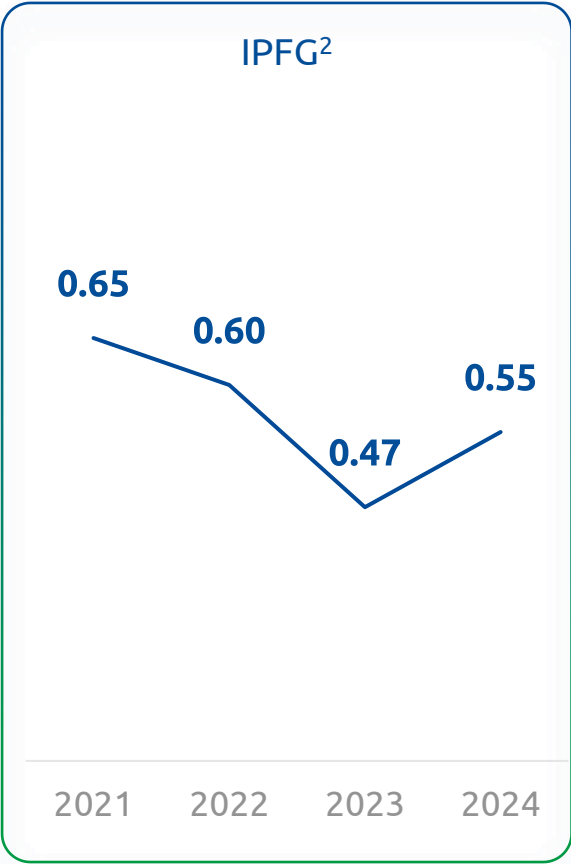
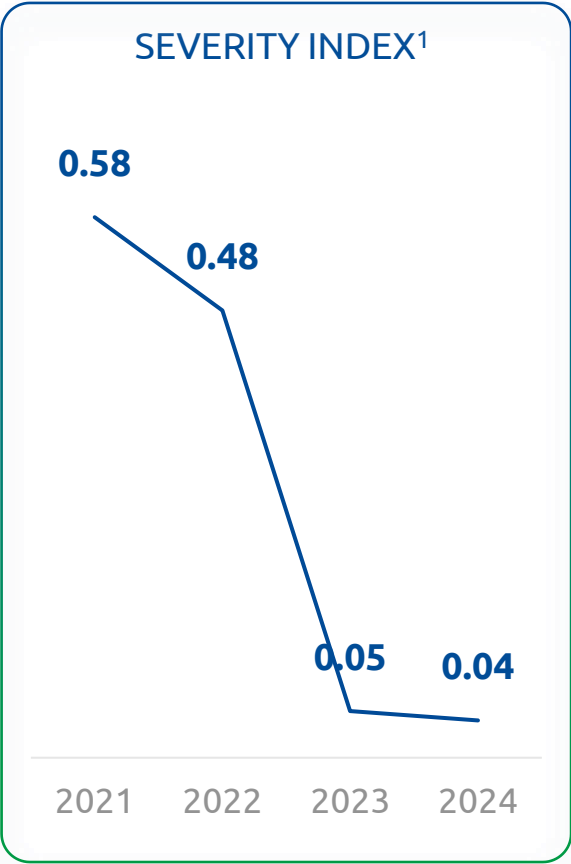
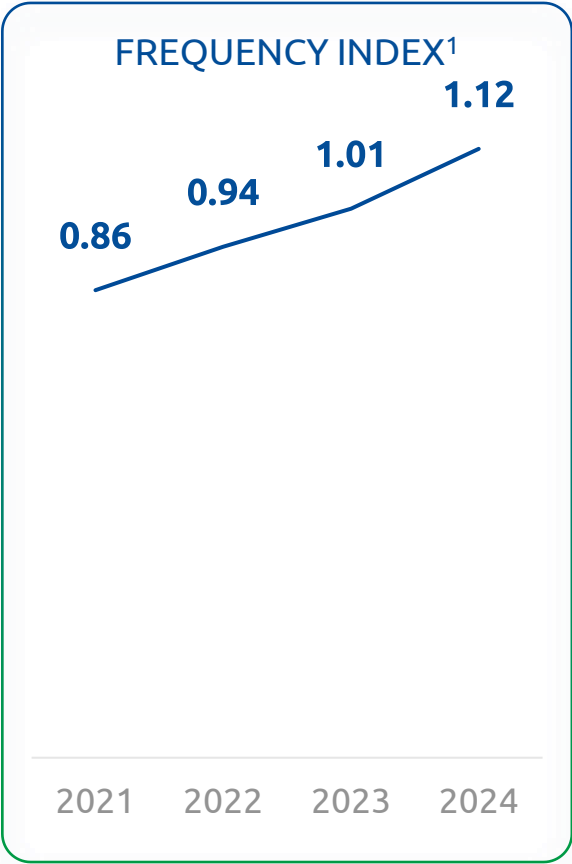
Educating

Financing

1. For equivalent organizational positions



*IpFG (Combined Frequency and Severity Index) < min. 3y by 2029*



**Snam4safety** project launched in 2018 to strengthen the safety culture and awareness of employees, contractors and suppliers

**In 2024:**

- No Fatalities
- Training courses on safety leadership and expansion of the perimeter of workers involved
- Increase of Construction sites visits (+24% yoy)
- Increase of suppliers' safety workshop carried out (+5% yoy)
- Specific initiatives on energy transition businesses for fostering the safety culture
- **Safety certification ISO 45001:**



Zero accidents target

1. Employees + Contractors  
2. Combined Frequency and Severity Index

# Training

Initiatives to develop skills aligned with a constantly evolving work environment, such as the use of advanced technologies and innovative work procedures. Beyond the traditional role of skill dissemination, training aims to create awareness and empower employees regarding the company's goals and strategies



*Training hours delivered to employees: 42 h/capita by 2029*

## Snam Institute: the in-house Academy

**Training hub**, a driver of **change** and **innovation**, and a generator of potential, was created by listening to the **needs** of the business to **enhance** the skills of our people and **supporting** them in developing their **professional identity**

**~ 140,000** Training hours delivered in 2024

**36** Average hours delivered per employee

**93%** Of the **company population** involved in at least one course

**~ 150** Internal training members

## MAIN PROJECTS



### Technical Faculty

The **Technical Faculty** enables the sharing of Snam's unique expertise, ensuring generational knowledge transfer and supporting internal trainers

### Transformative skills: Digital & Innovation and Sustainability

Snam Institute drives transformative skills aligned with strategic goals. The **Sustainability Days**, engaged employees in webinars and workshops on energy transition challenges, with 337 total participations. The **Digital & Innovation Journey** used an online game to explore digital skills and design a two-year development plan, fostering innovation and growth

### Leadership Development Programs

In 2024, Snam delivered tailored Leadership Development Programs involving over **400 colleagues**. These initiatives enhanced **strategic managerial skills**, strengthened **organizational culture**, and promoted **collaboration**. Among these, the **Skill-Up Program**, engaged all **under-35 employees** across the company, focusing on upskilling transversal competencies and fostering connection and relationship-building



# Diversity & Inclusion & employees engagement index



*Gender pay gap between +/- 5% by 2029*  
*Employees engagement index: >80% in 2029*

2020

- **Policy framework** completed on diversity & inclusion, gender equality, recruiting, harassment and gender transition
- **DE&I initiatives:** Inclusion month, e-learning pills, training programs on unconscious bias, diversity project with Snam suppliers, joint ESG roadshow with Snam Foundation to engage all employees (4 events organised), coordination of Employees Resource Groups supporting our DE&I roadmap on parenthood, disability, LGBTQ+, STEM, gender & generations, Snam4diversity Talks

2024

- **Bloomberg's Gender-Equality Index:** Snam included for the 4th year

2025

- **Employer branding, hiring, development, retention and training:** actions on HR processes in order to improve progressively gender balance, especially in operational departments (a STEM perimeter for SNAM has been set)
- **Policy framework** complete policies in order to facilitate parenting/family caring and careers

2027

- **DE&I initiatives:** continue communication&training initiatives as above

## 2024 Survey & main themes

1. Sustainable Engagement
2. Well-being
3. Purpose, Drive and Trust
4. Diversity, Equity and Inclusion
5. Work, Organization and Efficiency
6. Empowerment and Innovation
7. People
8. Supervisor
9. Development and Rewards
10. Retention

Sustainable  
Engagement Index<sup>1</sup>  
**77%**

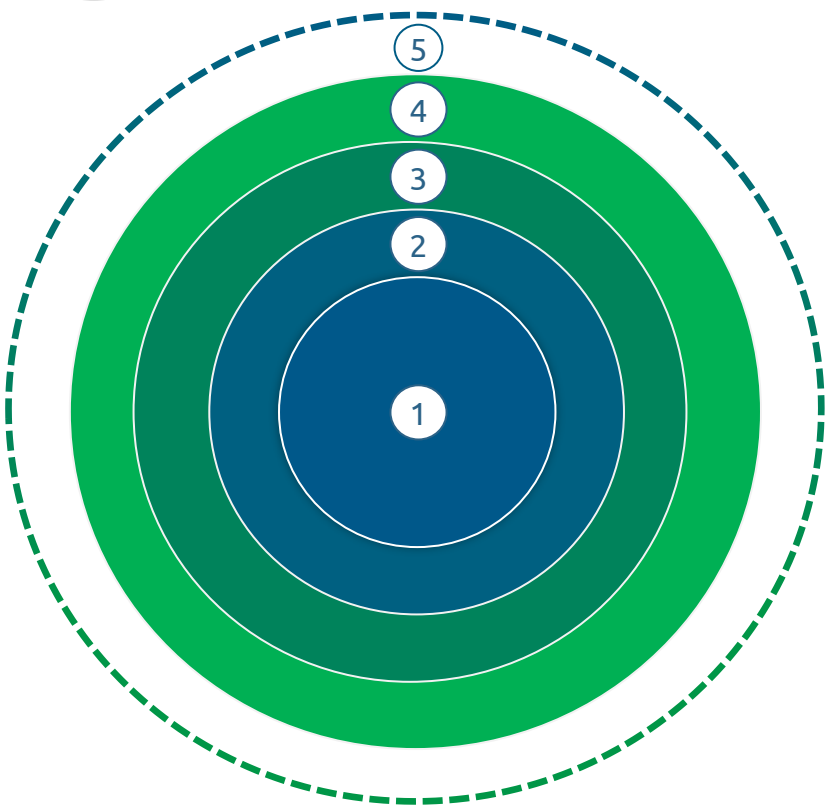
Response rate  
**87%**

1. Ranging from 0 to 100 based on an internal survey performed by a third party on a standard methodology. Italian average 77%

# Local Communities



Benefits for local communities over reg. revenues ca 1%  
Value released at local communities > € 1 bn



Value Released at Local Communities (€M)

Benefits for Local Communities (as % of regulated revenues)

1	<ul style="list-style-type: none"><li>Direct Liberalities, sponsorships and compensations<sup>1</sup></li><li>Contributions to Arbolia and Foundation</li><li>Contributions to Italian start-ups</li></ul>
2	<ul style="list-style-type: none"><li>Compensations and mitigations (CapEx)</li></ul>
3	<ul style="list-style-type: none"><li>Italian retail investors dividends<sup>2</sup></li><li>Salaries</li></ul>
4	<ul style="list-style-type: none"><li>Italian SME Suppliers</li><li>Local Taxes<sup>3</sup></li></ul>

~ € 3 m
~ € 2 m
~ € 0.2 m
~ € 5.2 m
~ € 8 m <sup>4</sup>
~ € 8 m <sup>4</sup>
~ € 153 m
~ € 336 m
~ € 489 m
~ € 875 m
~ € 73.4 m
€ 948.4 m

- 1 Core value distributed
- 2 Value distributed to impacted local communities
- 3 Value distributed to retail investors and employees
- 4 Value distributed to suppliers and government
- 5 Indirect value generated

Tot. 2023 > € 1.4 bn

1. From Income statement

2. Based on Italian Retail Investors at 16.2% (FY 2023), a total number of shares of 3,353,613,230 and a dividend per share in 2023 of 0.2820€

3. Included TARI, IMU and IRAP

4. Includes SRG and STOGIT "Oneri compensazioni ambientali" and "Sistemazione a Verde"; the figure is to be considered a partial of total "Compensations and mitigations"

2024

~ € 1.49 M

Projects expenses & costs

9

Projects

Over 55.000

Beneficiaries

~100

Partners

Over 1.800

Participating volunteers

Over 6.000

Hours donated

~ 2.000

Snam assets donated

~ 19.000

Training hours






Number of projects for  
each region



2024

**Key areas of work across the 3Ps:** Implementation of the new social impact evaluation system and the new procurement process, release of the volunteering policy, launch of the Rete Territoriale of Snam Foundation, release of the new website, development of new local NGO partnerships




**Main project for each Poverty:**

-  Energy Poverty – Energia in periferia
-  Educational Poverty - Donare per Imparare
-  Food Poverty - Insieme per gli altri

2025

**Key areas of work across the 3Ps:** Implementation of new projects aligned with the priorities expressed by stakeholders, refresh of corporate volunteering initiatives with a focus on social fundraising, refocusing of educational poverty initiatives on youth green skills

**Main project for each Poverty:**

-  Energy Poverty – Energia in dono
-  Educational Poverty - Green Skills Academy
-  Food Poverty - Accompagna una famiglia

# Agenda



Governance



Our Transition Plan



Engagement, communities and people

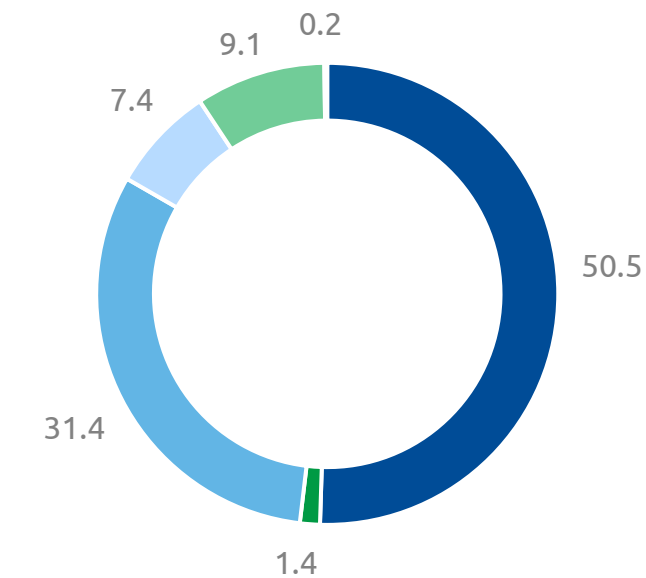


**Key Data**



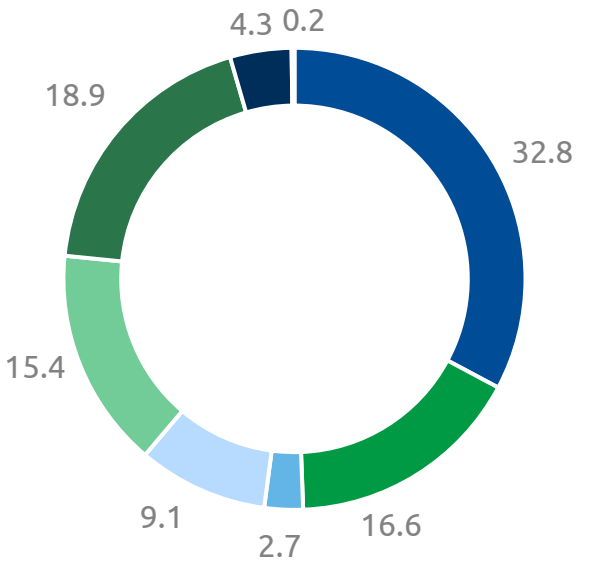
# Shareholders Snapshot, as of August 2024

Shareholders structure (%)



- Institutional Investors
- CDP Reti
- Retail Investors
- Bank of Italy
- Minozzi
- Treasury shares

Shareholders geographical break down (%)



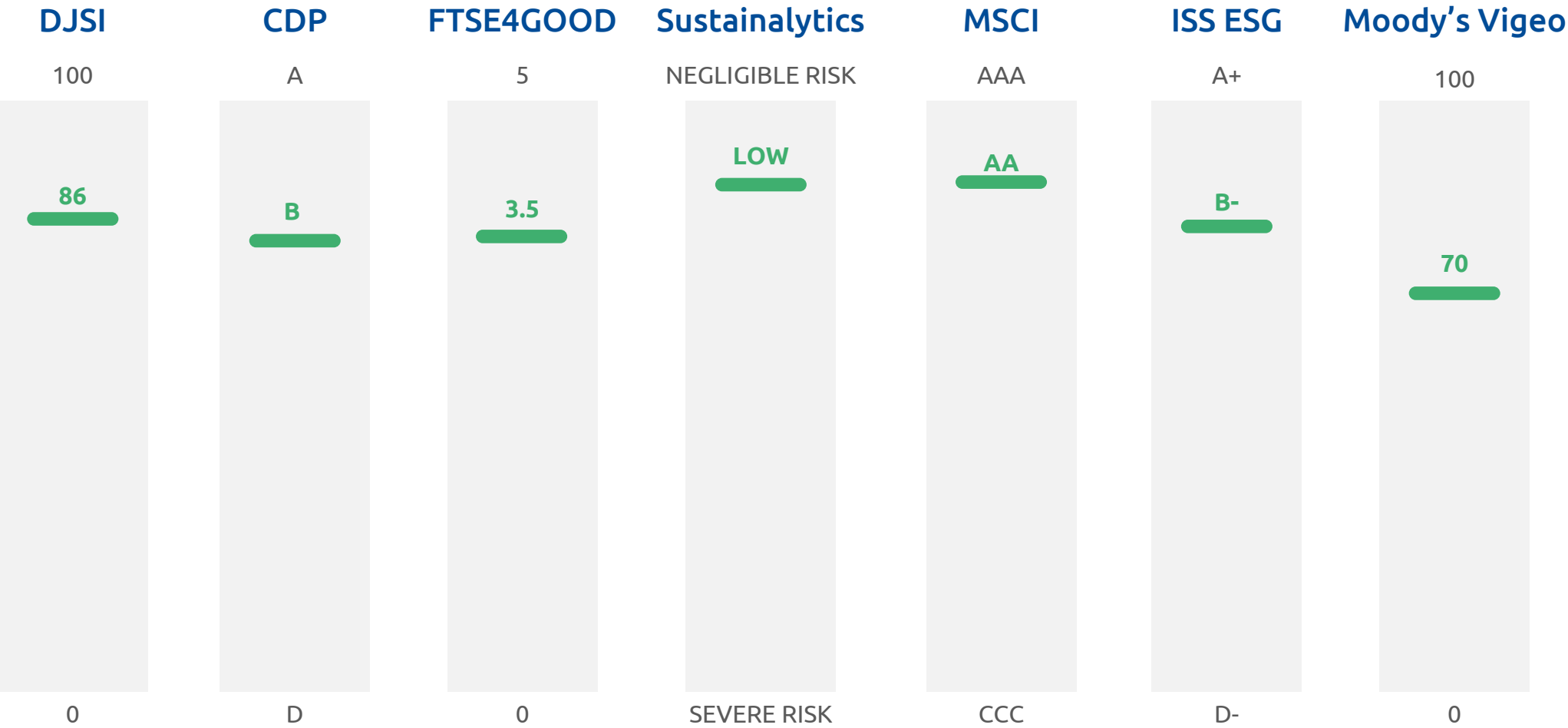
- Italy - Strategic Holders<sup>1</sup>
- Italy - Institutional
- UK and Ireland
- Continental Europe
- Usa and Canada
- Rest of the world
- Italy - Retails<sup>2</sup>
- Treasury shares

ESG investors represent 45% of institutional shares<sup>3</sup>

1. Italy-Strategic holders includes Bank of Italy and CDP Reti  
2. Italy-Retails includes the participation of Romano Minozzi equal to 7.4%  
3. Nasdaq analysis, August 2024



# Absolute and relative position in ESG Rating



 Snam  
 Sector average not available yet

# € 12.4 bn investments 2025-29 in a future-proof multi-molecule infrastructure

## Transport

- Adriatic Line
- Replacement of pipelines
- Net zero investments: dual-fuel compression stations
- FSRU and biomethane connections

- **+10 bcm**
- South to North capacity
- **~850 km** replacements
- **3** dual fuels

8.0

## Storage

- Storage wells refurbishment and performance upgrading
- Edison Stoccaggio capex
- Net zero investments: dual-fuel compression stations

- **+0.6 bcm** capacity (thanks to overpressure)
- **3** dual fuels

2.0

## LNG

- Ravenna breakwater
- Small-Scale LNG infrastructures and Mobility

- **+5 bcm/y** from 2025
- **95** CNG and **40** L-CNG stations by 2029

0.9

## Energy Transition Platform

- Biomethane platform
- Decarbonization projects: H2 backbone acceleration, scale up of Ravenna CCS project, H2 Valleys and Gigafactory
- Energy efficiency: re-focus on long term contracts with PPP<sup>2</sup> and energy performance contracts

- **78 MW** Biomethane capacity by 2027
- Up to **4 mtons/y** of CO<sub>2</sub> stored by 2028-2032
- **~ € 2.7** bn Energy Efficiency backlog by 2029

1.5

~ 70% of Gas Infra Capex authorized

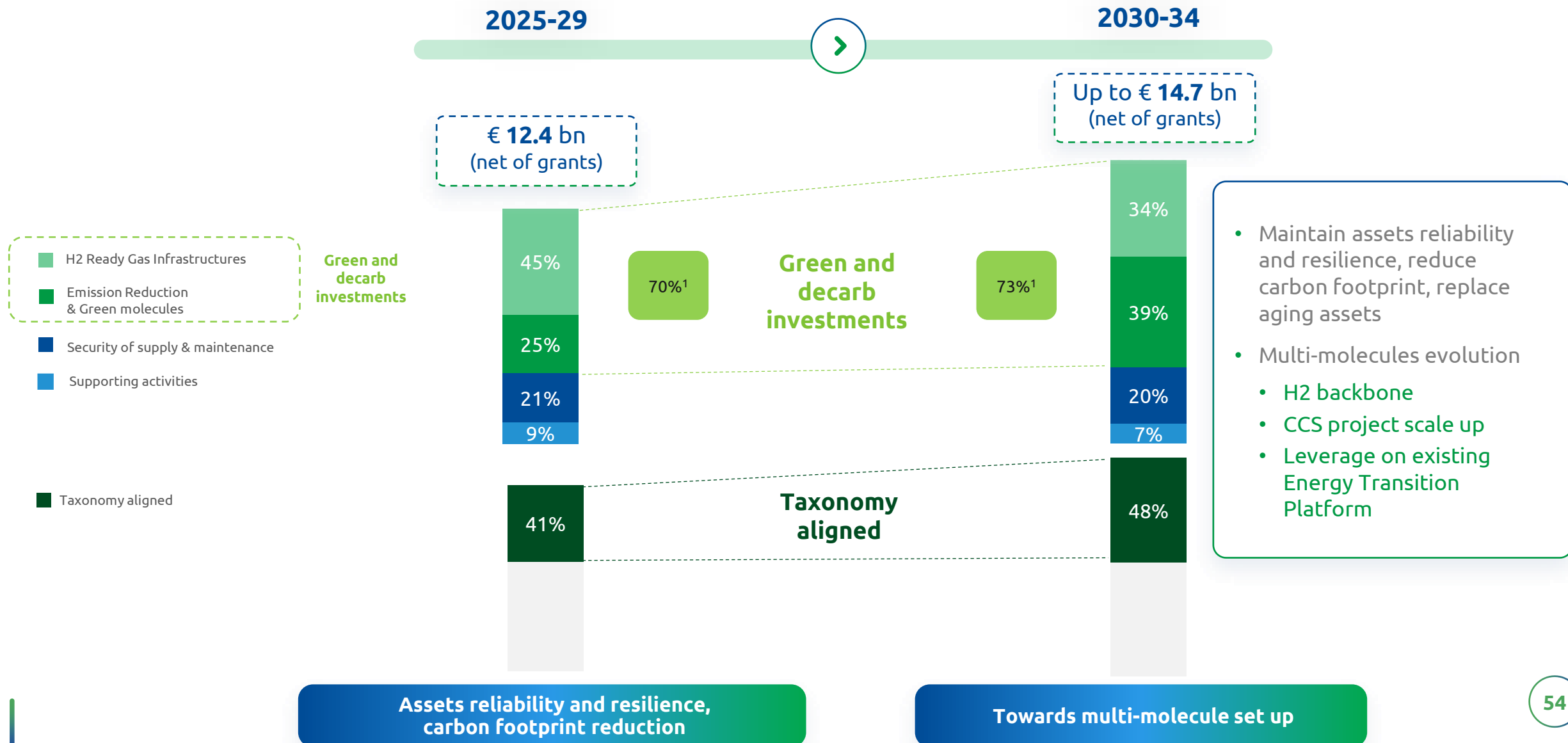
41% Taxonomy<sup>1</sup>, 58% SDG aligned<sup>1</sup>

€ 12.4 bn

1) Gross of grants

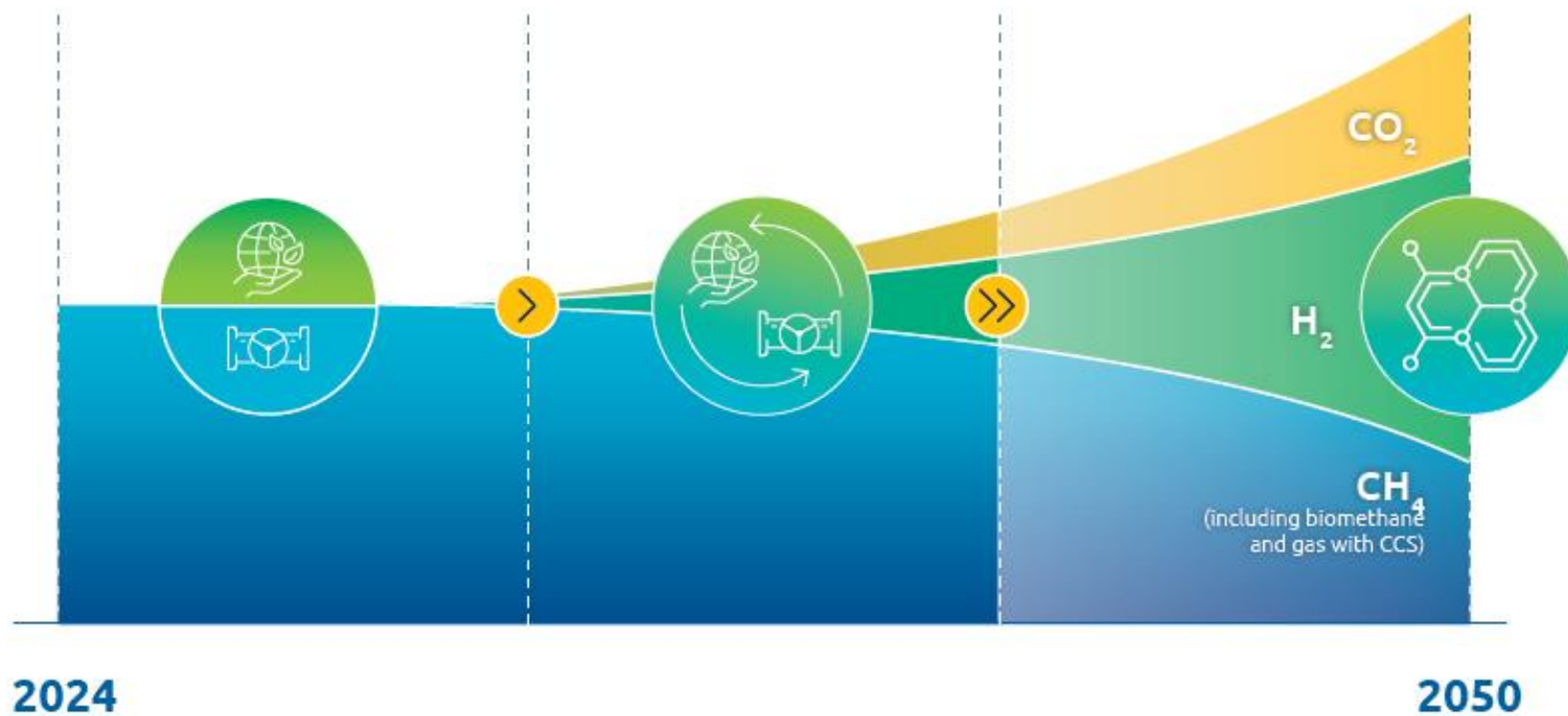
# Ambition to 2034: Future proof multi-molecule infrastructure

~ € 27 bn 2025-34 investments



# Long term decarbonized gas mix evolution

Illustrative<sup>2</sup>



Multi-molecules natural hedge with flexible mix over time

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