

ANTI-CORRUPTION GUIDELINES

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Energy to inspire the world



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1. OBJECTIVE

These Guidelines outline the general principles and rules of conduct to follow in the performance of Snam's¹ activities, the prohibited conduct and the measures identified by Snam to protect itself against the risk of corruption.

The Anti-Corruption Guidelines are inspired by the principles of ethics, transparency, fairness and professionalism already mentioned in the Code of Ethics, and aim to continuously improve the sensitivity of Snam's People² to recognising cases of corruption and any other type of fraud, as well as responsiveness to playing an active part in preventing, inhibiting or reporting any possible breaches of anti-corruption regulations. In particular, this is done to comply with the tenth principle of the Global Compact³.

2. SCOPE OF APPLICATION

These Guidelines apply to Snam and its Subsidiaries and are brought to the attention of the other investee companies in order to promote behaviours and principles in line with those expressed by Snam.

In general, the Guidelines apply to all Snam People, as well as any other subjects, wherever they may be, who are acting, for any reason, in the name and/or on behalf of Snam, within the limits of their duties and responsibilities.

The Recipients of these Guidelines are required to know the regulations referred to in these Guidelines, to verify the current laws in the country in which they operate and to comply with them.

3. VISION AND MISSION

One of the key factors in Snam's reputation is its ability to conduct its business with loyalty, fairness, transparency, honesty and integrity, in compliance with current regulations, both national and foreign, aimed at preventing and counteracting corruption. Snam believes that this is one of the key elements for both sustainable growth and ethical management of the company's business.

Snam, in its daily commitment to disseminate a culture of legality:

- takes a **zero-tolerance** approach to any form of corruption and plays an active part, even

1 In line with the provisions of the Code of Ethics, "Snam" means Snam S.p.A. and its Subsidiaries, both direct and indirect.

2 As defined in **Annex A)**, to which reference is made for all other definitions.

3 The tenth principle of the Global Compact rejects corruption "in all its forms, including extortion and bribery".

publicly, in ensuring that, over time, we will truly witness a drastic containment of this problem;

- requires not only its people but also all its *Business Associates* to share the same values and principles, to behave lawfully and correctly, as well as to implement suitable and effective anti-corruption systems.

The personal commitment of all senior managers of Snam to promoting an anti-corruption culture (**Top-Level Commitment**) plays a strategic role in disseminating a culture of legality at all levels. The Board of Directors and the Leadership Team express, and are required to disseminate, in a clear and unequivocal way, their rejection of any corrupting practice and absolute compliance with the principles of ethics and integrity.

4. ANTI-CORRUPTION COMPLIANCE PROGRAMME

In line with the objectives set out in the Integrated Risk Assurance & Compliance Guidelines adopted by Snam's Board of Directors, the Anti-Corruption Guidelines aim to encourage and support compliance with the reference regulations and prevent any offences being committed during the course of its business activities.

These Guidelines are an integral part of Snam's Anti-Corruption Compliance Programme, which in turn is part of the Compliance Programme for the Prevention of Offences ("CPPO")⁴ drawn up by the Company as part of the Internal Control and Risk Management System (the "ICRMS") to supplement the so-called tier-2 control models relating to the areas most exposed to risk, including the risk of "**corruption**".

In the Snam regulatory framework⁵, these Guidelines fit between the Code of Ethics and the Rules⁶ and are the main regulatory reference instrument of the Anti-Corruption Compliance Programme, which is structured as follows:

- 4 As better outlined in the "Integrated Risk Assurance & Compliance" Guidelines.
- 5 The Regulatory Framework ensures that the corporate business is pursued in line with the values, principles of conduct and guiding principles defined in the Code of Ethics and in compliance with applicable regulations.
- 6 The Code of Ethics defines the principles and values of the Company, and the main rules of behaviour, while the Rules describe the processes and operational aspects with which compliance is required when performing activities relating to the different areas of risk.

TOP-LEVEL COMMITMENT

Principles and rules, operating instruments and preventive measures

Dedicated anti-corruption department (*Business Integrity*)

Adequate reporting system (Whistleblowing Guidelines)

Accounting Rules and Controls

Training and information and Sanctioning System (disciplinary and contractual)

Regular Risk Assessment and Monitoring

Anti-Corruption Guidelines

5. RELEVANT REGULATIONS

For the purposes of these Guidelines, the following are deemed to be binding:

- National legislation: Italian Criminal Code, Legislative Decree 231/2001 on organisations' corporate liability, Law 190/2012 and related provisions of the Italian Civil Code, both as subsequently amended and supplemented;
- International legislation: (i) the Foreign Corrupt Practices Act ("FCPA", USA 1977), (ii) Bribery Act (UK, 2010);
- International conventions: (i) the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (Paris, 1997), (ii) Criminal Law Convention on Corruption (Council of Europe, Strasbourg, 1999), (iii) United Nations Convention Against Corruption (Merida, 2003), all ratified under Italian law.

For any support and/or interpretation on the subject, company Functions can contact the Legal Function.

6. WHAT IS CORRUPTION?

To offer, promise, grant, give, request, solicit, induce, instigate or receive payments or other benefits, directly or indirectly, in order to obtain or maintain an unfair advantage or a certain market position, as well as to influence the achievement of any other improper aim, constitutes "corruption".

Any form of abuse of one's own role/power or that of others in order to obtain improper advantages, for oneself or others, is "corruption".

"Public": when one of the parties involved is a public official or a person in charge of a public service, in the exercise of their duties

"International": involves subjects, one of them a public official, who operate in several countries

CORRUPTION

"Among private parties": order between "private" parties (directors, general managers, officers responsible for preparing financial reports, statutory auditors and liquidators) of companies or private entities - even through a third party - in violation of the obligations of their office or duties of loyalty

Instruments of corruption include money or other financial benefits as well as joint trading practices or social activities, and any other benefit or consideration⁷ that may unduly influence a trading or institutional partner in order to draw an unfair advantage for Snam or personally for the subject involved.

7. SENSITIVE AREAS

The areas most exposed to the risk of corruption in Snam's activities are: **(a)** relations with public administration; **(b)** relations with public institutions and associations; **(c)** entertainment expenses⁸; **(d)** awarding of consultancy contracts and professional services; **(e)** relations with suppliers and procurement; **(f)** M&A transactions and the related selection/appointment of advisers; **(g)** joint venture contracts; **(h)** purchase, sale and rental of property; **(i)** non-profit initiatives and sponsorships; **(l)** brokerage contracts⁹; **(m)** management of legal affairs; **(n)** selection and hiring of human resources.

For each of these sensitive areas, the Anti-Corruption Guidelines refer the reader to the specific corporate regulatory instruments listed in **Annex D**), periodically supplemented and/or updated as the Company's regulatory framework evolves. These further provisions must in any case be understood as an integral part of these Guidelines.

⁷ Such as, for example, charitable contributions or donations, sponsorships, jobs, investment opportunities, confidential information, discounts or personal loans.

⁸ With reference to "entertainment expenses" see **Annex B**) of these Guidelines.

⁹ Snam considers intermediation contracts an activity at high risk of corruption and therefore limits its use to exceptional cases, duly authorised by the Board of Directors.

In addition to the above and to what has already been indicated in the Snam Code of Ethics, it is specified that:

- **gifts, payments or other benefits** given or received in any circumstance and aimed at maintaining and/or developing relations with third parties are permissible provided that jointly they are: i) not in cash and of modest value; ii) in good faith and reasonable according to the circumstances; iii) objectively unable to exercise improper influence; iv) legitimate and conforming to standards of commercial/professional courtesy. Financial advantages or other donations received or given must always be:
 - refused and notified to the person's line manager or Business Associate contact, where the stated requirements are not met;
 - authorised, recorded and supported by suitable documentation where the requirements are met;
 - in all cases, notified to the relevant Unit through the "Legal Services" application available on the Helpy¹⁰ portal.

- **"facilitation payments" and political contributions.**

Snam prohibits unofficial payments made to public administration bodies in order to speed up, encourage and generally facilitate the performance of routine activities.

Except as otherwise required by law, Snam also prohibits any form of contribution, direct or indirect, to political parties, movements, committees, political organisations or trade unions, including their representatives and candidates and even if made in relation to activities carried out abroad and/or in respect of foreign parties.

In the context of all the above "sensitive" areas/activities, the recipients of these Guidelines will comply with the provisions of this document and, moreover, with the instructions given in the Snam Code of Ethics and Model 231, as well as the relevant Anti-Corruption legislation.

8. GENERAL PRINCIPLES

For the purposes of compliance with these Guidelines, Snam adopts, implements and requires everyone to comply with the following general principles:

¹⁰ All relevant information can be found on the company intranet in the "How to.." section.

**SEGREGATION OF ROLES
AND RESPONSIBILITIES**

Segregation of activities between the executing party, the controlling party and the authorising party.

**POWERS TO SIGN
AND AUTHORISE**

Formalised rules for the exercise of powers to sign and internal authorisation powers, as well as corporate provisions that at least provide general reference standards to govern corporate processes and activities.

**ABSENCE OF CONFLICTS
OF INTEREST**

Snam's People must always operate with professionalism, impartiality and transparency, immediately reporting any situation which may lead to a conflict of interest.

**TRACEABILITY
AND ARCHIVING**

The individuals, departments involved and/or information systems used must ensure the identification and reconstruction of sources, information and controls carried out that support the formation and implementation of Company decisions and the methods by which financial resources are managed.

**KNOW YOUR BUSINESS
ASSOCIATES**

The Units/Departments from time to time involved in operations designed to maintain or establish a relationship with a Business Associate must take action to obtain all relevant information on it and ask the Security Department to carry out appropriate due diligence.

Furthermore, in compliance with the principle of "Segregation of assets", in the management of relations with third parties, **no Snam Person may, alone and freely: (i) sign contracts; (ii) access financial resources; (iii) grant benefits; (iv) hire personnel; and, in any case, (v) make any commitment in the name and/or on behalf of Snam.**

9. ANTI-CORRUPTION DUE DILIGENCE

Snam considers Business Associates to be an essential and integral part of its business model and, with a view to ensuring ethical management of the business, requires them to comply with Anti-Corruption Laws, ethical standards and qualification requirements established by the Company for the entire duration of their employment.

For preventive purposes, Snam has identified three levels of action to be taken in respect of any Business Associate that has or intends to have a relationship with the Company:



In accordance with the objectives set out in the Integrated Risk Assurance & Compliance Guidelines, and together with the other second tier control functions, the Security Function is responsible for “monitoring the main risks and the adequacy and operation of the checks put in place to manage them”¹¹. Therefore, to guarantee the Counter-party Risk Analysis, the Security Function ensures that Business Associates are subject to Anti-Corruption Due Diligence, i.e. an analysis of all third parties with which Snam has – or intends to have – a relationship, in order to intercept any critical issues or “Red Flags” (primarily corruption and/or mafia infiltration) that require further scrutiny to mitigate the specific risk.

Any “Red Flags” identified during the above-mentioned checks must be reported to the Legal Function for assessment, as well as to the requesting Function: this will determine whether a further preliminary investigation phase is launched to assess – together with the Legal Function – whether the conditions have been met for entering into (or continuing) the relationship with the third party and (if so) under what conditions, or for suspending said relationship¹².

If the “Red Flags” relate to suppliers and subcontractors, the results of the investigation process will be assessed by a specific Multifunctional Team (Compliance Team)¹³.

In addition to the above, the Legal Function: (i) monitors the adoption of these Guidelines and the transposition of its principles into the other corporate regulatory instruments; (ii) provides support and advice on the interpretation of these Guidelines, the Code of Ethics and the anti-corruption regulations; (iii) draws up the periodic report on its activities, including by collecting information and data from the Security Function on Counter-party Risk Analysis, which must be reported (in the Compliance Report) to the Board of Statutory Auditors, the Control and Risks Committee and the Watch Structure.

11 In the Company's 2020 Corporate Governance and Ownership Structure Report, paragraph 1.1 on page 95.

12 Please refer to **Annex C)** “Anti-Corruption Due Diligence on Business Associates” for a description of the process

13 Please refer to SNAM-RGL-062 “Supplier Compliance Monitoring” for a description of the process.

10. RISK ASSESSMENT

An accurate risk assessment is the cornerstone of an adequate and effective Anti-Corruption Compliance Programme. In compliance with international best practices, Snam has therefore established a structured process aimed at identifying, evaluating and tracking corruption risks - as well as other potential offences - in the context of its business and to guide the definition of appropriate corporate regulatory instruments to oversee them.

Taking a risk-based approach, Snam has established an Anti-Corruption Compliance Programme suited to identifying and assessing the risks of corruption inherent in the performance of its business activities and preventing violation of the respective rules, both internal and external.

As part of the adoption, implementation and operation of Snam's Integrated Risk Assurance and Compliance System, checks on the Company's various Compliance models - including "anti-corruption" ones - are regularly monitored, verified, assessed and, if necessary, updated through the computer platform of the same name.

11. ANTI-CORRUPTION SAFEGUARDS

11.1 Training and information

In collaboration with the Human Resources Function, the Legal Function promotes and supervises the spread of information and corporate training on the content of the Code of Ethics, the Anti-Corruption Guidelines and Anti-Corruption legislation. Training is mandatory for all Snam's employees.

11.2 Reports

Any violation, or suspected violation, of Anti-Corruption legislation or of these Guidelines, as well as any request, direct or indirect, intended to obtain undue payments, gifts, facilities or other benefits for oneself or others must be reported immediately through specific communication channels in compliance with the provisions of the Code of Ethics and the Guidelines under "*Anonymous and non-anonymous reports received by Snam and Subsidiaries.*"¹⁴

11.3 Monitoring and improvements

Snam's Internal Audit System, based on its own annual programme, approved by the Board of Directors, independently examines and assesses the internal control system to

¹⁴ See **Annex D)** for further details.

check that the provisions of these Guidelines, the Code of Ethics, supplementary company rules and the Anti-Corruption Compliance Programme are respected. Snam's Business Units, Supervisory Body, Internal Audit Function and external auditors may suggest improvements to this document based on emerging best practices or if gaps or problems have been identified.

11.4 Accounting controls

All operations or transactions must be accurately recorded in the respective ledgers and registers of the Company in accordance with the criteria indicated by the law and accounting standards. In particular, each operation/transaction must always be legitimate, authorised, consistent, fair and verifiable.

In order for the accounts to meet the requirements of truth, completeness and transparency, each operation/transaction must be accompanied by suitable supporting documentation, so that the following are always guaranteed: **(i)** accurate recording, **(ii)** easy formal and chronological reconstruction of the transaction, and **(iii)** verification of the decision-making, authorisation and implementation process.

All records (including accounting records) and the related documentation (including information) must be duly filed and easily available, as well as always available to the external auditor so that checks can be carried out.

12. CONSEQUENCES OF THE INFRINGEMENT OF ANTI-CORRUPTION RULES

The violation of anti-corruption laws, these Guidelines and the company's other regulatory instruments may constitute a violation of the law, a breach of obligations under the existing employment contract and a disciplinary offence. If the infringement is committed by a Snam employee, the Company - in compliance with applicable legislation and existing company regulations - will take the necessary disciplinary measures, applying the principles of appropriateness and proportionality between the infringement and the sanction imposed. Business Associates will be subject to the contractual remedies provided for by law or by appropriate clauses to which they have signed up and, in the most serious cases, will be banned from having commercial or institutional relations with Snam in the future. In addition to the above, anyone may in any case also be liable for compensation claims or legal action before the competent authorities, including the criminal courts.

13. RESPONSIBILITY FOR UPDATING

The Legal Function periodically reviews these Guidelines to ensure they remain effective and that they adhere to emerging best practices. Where necessary, it identifies possible revisions

or additions, and notifies the General Counsel and Organisation Function thereof.

The Legal Function is also responsible for the Annexes hereto, which it updates and supplements as appropriate in collaboration with the Organisation Function and with the involvement of the other Functions concerned.

In any case, all the company Units/Functions involved in the process described above are responsible, for those matters within their competence, for noting events within the company that imply there is a need for this document to be adapted, and for reporting them to the Legal Function, which, in collaboration with the Organisation Function, ensures coordination of its review.

14. EFFECTIVENESS OF THE ANTI-CORRUPTION COMPLIANCE PROGRAMME

The contents of these Guidelines shall be properly and completely effective through the concrete adhesion of anyone to the following **five pillars**.

Trust

in its third parties

For Snam, being able to trust its third parties is essential for the development of its business relationships, especially to avoid having any qualms about sharing data, entering into negotiations, concluding and/or renewing contracts.

Snam puts total trust in its Business Associates and asks them to be diligent in reporting any critical issues that may arise from the audits it carries out. Snam's value also grows with the help of its third parties who, it is hoped, will always act transparently and in compliance with the law and ethical principles.

in its People

Snam firmly believes that the commitment to combating corruption and illegality given by its leaders must be accepted and shared by its people. Snam hopes that, through tangible actions, informed choices and a clear refusal to make any kind of exception, they will effectively implement the Anti-Corruption Compliance Programme. Snam is committed to ensuring that its People are aware of the importance and value of their behaviour and trusts that they will always act to protect the Company, even becoming an example for others.

Integrity

Snam promotes and supports **integrity** because where there is integrity there cannot be corruption.

Ethics (not only corporate)

Snam has always been committed to promoting a culture within the company in which there is a “propensity to know what is right” and requires all its People to participate in this, so that they develop and strengthen the tools needed to always know how to conduct themselves and/or how to behave in any situation that may arise. The concrete commitment of each Snam Person is the real difference that distinguishes the company.

Professionalism (not only “diligence”)

At Snam, “professionalism” is not only the ability to carry out one’s work competently and efficiently, but is a broader concept which includes a moral, professional and relational dimension. Snam requires “professionalism” of its People and its Business Associates as an essential value of every balanced relationship based on trust and respect.

Fairness (not only contractual)

Propriety, both moral and professional, signifies the implementation of ethical principles and consists of giving form and substance, in one’s daily activities, to the values one supports and with which one identifies.

Snam shares this value with its People and requires them to behave in a careful and respectful manner, even in respect of the Company’s external interests, as well as to show scrupulous respect for all the potential consequences of any action.

Transparency (from and to the outside)

For Snam, in addition to being an essential overarching value, transparency is one of the most effective preventive tools against illegality and corruption. Where there are clear rules and easily accessible information there are no information asymmetries or inequalities. Snam offers and demands transparency. Like a magnifying glass, it works both ways.

Respect

for Regulations

At Snam, respect for the law is a priority. Both internally and externally, Snam promotes compliance with all current laws, both national and foreign, including in the field of anti-corruption. Snam is also aware that, however necessary, legislation is not at times sufficient to prevent unlawful conduct. Therefore, in addition to complying with the law and international conventions, Snam has also instituted specific measures to oversee legality, for the sole purpose of “going beyond legal provisions”.

for the Market

nam has always paid particular attention to the market, which it considers not only as an ecosy-

stem of figures and competitors, but also as a complex set of People, Environment, Economies and Governments. The all-round respect that Snam promotes of this broader and deeper concept of the “market” can be seen, first and foremost, in its constant commitment to the fight against all forms of corruption, in the belief that it is harmful to institutions, companies and society as a whole.

Protection

of its People

Snam is aware of the value and importance of its People, supports them and protects them not only during their professional activity, but also when, in good faith, they actively report facts which they consider to violate the company's rules or policies or which in any case appear to be symptomatic of decisions taken in a way that is not completely transparent, subjective evaluations, as well as forms of abuse of privileged positions. Snam's People, in protecting the prestige and reputation of the Company, are distinguished by their rigour and professional engagement.

of Third Parties

Snam considers its Business Associates to be an integral part of its value chain. Snam protects its third parties in activities and processes of interest and undertakes to ensure that the work environment is always compliant with the law and suitable for the activity in question. With a view to ensuring mutual collaboration and the sharing of responsibilities, Business Associates - who will be guaranteed maximum confidentiality and protection in any future activity - undertake to inform Snam about any facts that are unlawful, or presumed to be so, identified by them in the context of their relationship with or employment by the same.

Collaboration

with National Institutions

Considering its role as an integrated operator, Snam believes that its commitment to fighting corruption is a social responsibility, which it promotes among its People, defends among its Business Associates and also shares with national institutions, including those operating abroad. Among these, the Italian Ministry of Foreign Affairs and International Cooperation is one of Snam's main interlocutors in the dissemination of its commitment to the fight against corruption.

with International Bodies

Snam has always been involved in dealing with the issue of “corruption” and for years, to demonstrate its commitment and dedication to the cause, as well as to increase its efforts and activities to combat the problem, it has established lasting partnerships with bodies of excellence such as the OECD and Transparency International, with which it not only shares visions and missions, but also promotes new preventive tools and anti-corruption safeguards, to be disseminated globally, for the benefit of all legal systems.



A cura di
Snam

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