Welcome to your CDP Climate Change Questionnaire 2023

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

In Italy, Snam is responsible for natural gas transportation, dispatching and storage as well as regasification of liquefied natural gas. Snam is the leading European operator in natural gas transport, with a network of around 38,000 km in Italy and abroad. The company also deals with storage, of which it holds 17.1% of the European capacity, and regasification, with 6.5 billion cubic meters of gas that will rise to 16.6 billion cubic meters to 2024 due to the installation of regasification plants in Piombino and Ravenna. Snam is among the leading Italian listed companies by market capitalisation.
With its 80 years of experience in the development and management of infrastructure, Snam guarantees security of supply and promotes energy transition with investments in green gas (biomethane and hydrogen), energy efficiency and CCS (Carbon Capture and Storage) technology.
Relative to the regasification business, Snam, through GNL Italia, operates the Panigaglia (La Spezia) plant, the first operational regasification plant built in Italy, in 1971. The terminal occupies an area of about 45,000 square metres and its design, construction and operational criteria meet the strictest international standards and use the most modern technologies for safety and environmental protection. In addition, during 2022, in order to promote greater security and diversification of Italy's energy supply, Snam purchased 2 floating units (FSRUs): Golar Tundra, which will be installed in central-northern Italy, and BW Singapore, which will be located near the coast of Ravenna.
Snam contributes to the decarbonization of the Italian system, constructing compressed (CNG and bio-CNG) and liquefied (LNG, bio- LNG and small scale LNG - SSLNG) natural gas distributors, as well as biomethane infrastructure making use of organic and agricultural and agro-industrial waste, and providing energy efficiency services to condominiums, public administrations, and industry.
Snam, in addition to investing in a gas infrastructure multi-purpose, meaning it is compatible with different gases along the entire value chain, is committed to developing integrated projects along the green gas value chain, with investments in biomethane, hydrogen, sustainable mobility and energy efficiency. It also creates new green areas through a benefit company focused on forestation projects. Furthermore, Snam intends to develop the Italian ecosystem for carbon capture and storage (CCS), leveraging holdings in companies such as Storegga

and DCarbonX. A first step in this direction was taken in December 2022, when Snam and Eni launched the first phase of the Ravenna CO2 Capture and Storage (CCS) Project.
“Energy to inspire the world”, Snam’s purpose included in its Articles of Association in 2021, is based on Aristotle’s thought that the purpose of every individual - its reason for being - lies at the intersection between the individual’s talent and what the world needs. “Energy to inspire the world” encapsulates Snam’s experience, engineering tradition and ability to be a leader in the energy sector, while providing the tools and innovation needed to achieve the objectives of security and drive towards the country's energy transition, with a view to creating a resilient, safe and sustainable energy system. These goals, supported by a major investment plan (2022-2026 Strategic Plan) in infrastructure business, green gas (biomethane and hydrogen), energy efficiency and decarbonisation technologies, will be achieved through the Group's expertise, the creation of solid and trusting relationships with local communities, and collaboration with suppliers and associate companies. The major integration of sustainability into the business, which is part of Snam’s purpose, is also demonstrated by the ESG Scorecard, a set of annual targets in the environmental, social and governance spheres, designed to provide stakeholders with maximum transparency on the Group’s commitment in these areas and to report transparently on the progress achieved.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data and indicate whether you will be providing emissions data for past reporting years.

Reporting year

Start date

January 1, 2022

End date

December 31, 2022

Indicate if you are providing emissions data for past reporting years

Yes

Select the number of past reporting years you will be providing Scope 1 emissions data for

2 years

Select the number of past reporting years you will be providing Scope 2 emissions data for

2 years

Select the number of past reporting years you will be providing Scope 3 emissions data for

2 years

C0.3

(C0.3) Select the countries/areas in which you operate.

Italy

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

EUR

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Operational control

C-OG0.7

(C-OG0.7) Which part of the oil and gas value chain and other areas does your organization operate in?

Row 1

Oil and gas value chain

Other divisions

C0.8

(C0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, an ISIN code	IT0003153415

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual or committee	Responsibilities for climate-related issues
Chief Executive Officer (CEO)	The CEO is the main subject with responsibilities on climate-related risks and opportunities; pursuant to the governance rules of the Company, he acts as, through the relevant function, the Director in Charge of the Enterprise Risk Management (ERM) process. Its main functions are: to identify the main enterprise risks/opportunities, also related to climate change, to design, implement and manage the ERM and constantly checked its adequacy and effectiveness. In 2020, the CEO approved the Carbon Neutrality strategy, which in 2021 he decided to further strengthen by renewing the commitment to 2040. On these activities the CEO is supported by the Board of Directors and the three Committees established, lastly, in 2022: Environmental, Social & Governance and Energy Transition Scenarios Committee, Appointments and Compensation Committee, Control, Risk and Related Parties Transactions Committee. The BoD and committees are informed as to the risks and opportunities associated with climate change by managerial figures, with specific competences in climate change and/or who are directly responsible for assessing and managing the risks and opportunities associated with climate change in the everyday running of its business.
Board-level committee	On 14 May 2019, Snam's Board of Directors resolved to establish the Environmental, Social & Governance Committee, to replace the Sustainability Committee, making Snam one of the first European utility company to have one. Based on the experience of the work of the Sustainability Committee in the previous three years and considering current best practices, Snam considered that the establishment of an ESG Committee to support the Board of Directors in incorporating environmental, social and governance issues into the business model (including by measuring KPIs) was a response consistent with the Company's goals of becoming a leader in the low-carbon energy transition, with a high-tech profile and increasingly interconnected with the region. As well as considering sustainability issues closely related to the energy sector, the Company also wanted to task the Committee with the oversight of issues of particular importance, such as the Company's policies on human rights, business ethics, integrity, diversity and inclusion, and sustainable finance initiatives. On 27 April 2022, the BoD also assigned duties in the area of Energy Transition Scenarios to the existing Environmental, Social & Governance Committee, that is now named Environmental, Social & Governance and Energy Transition Scenarios Committee: since 2022, it performs investigative, propositional and advisory functions vis-à-vis the Board of Directors on sustainability and the definition of long-term scenarios, examining, in particular, issues related to climate transition and technological innovation, energy access and sustainability, the environment

	and energy efficiency. The Control, Risk and Related-Party Transactions Committee provides recommendations and advice to the Board with the goals of supporting decisions on internal control and risk management system (climate change risks too) and ensuring application and approval of financial reporting. In 2022, the ESG and Energy Transition Scenarios Committee met 12 times and on five meetings discussed topics relating to climate change, analysing the relevant results and strategies. ESG-related issues represented a substantial part of the Board of Directors' meetings and induction sessions, which in 2022 dedicated 42% of its time to them.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Please explain
Scheduled – all meetings	Reviewing and guiding strategy Overseeing and guiding the development of a transition plan Overseeing and guiding scenario analysis Monitoring progress towards corporate targets Reviewing and guiding the risk management process	The ESG and Energy Transition Scenarios Committee performs investigative, propositional and advisory functions vis-à-vis the BoD on sustainability and long-term energy transition scenarios, including climate transition, access to energy and energy efficiency. It performs the following functions: a) monitors the alignment of the corporate governance system with the law, the Corporate Governance Code and national and international best practices, making proposals to the BoD; b) at the request of the BoD, supports the latter in the preparation of reasoned proposals to be submitted to the Shareholders' Meeting on corporate governance matters; c) instructs the board review activities, formulating relevant proposals to the BoD; d) monitors international ESG initiatives and the Company's participation, aimed at enhancing its reputation; e) examines the policy for the management of dialogue with the generality of shareholders, as well as its correct application. In addition, the Committee supports the BoD in analysing issues relevant to the generation of long-term value for the purpose of the examination and approval of the Company's and Group's strategic plan by the BoD, and specifically examines: a) the long-term energy transition scenarios for the

		preparation of the strategic plan, in compliance with the short- and medium-term scenarios prepared and published pursuant to current regulations, expressing an opinion to the BoD; b) issues of energy transition (e.g., use of resources and energy sources compatible with progressive decarbonisation, examining the initiatives undertaken to address climate change issues and related reporting), technological innovation and circular economy; c) sustainable finance initiatives, monitoring the positioning vis-à-vis financial markets on sustainability issues, with reference to reporting on new sustainable finance instruments as well as positioning in sustainability indices; d) policies for integrating ESG issues in the business model, including through the analysis of relevant KPIs; e) guidelines, objectives, and resulting sustainability processes and reporting submitted annually to the BoD (including the NFS); f) correct use of the standards adopted for preparing non-financial disclosures and the documents to be submitted to the BoD for approval, including and in coordination with the Control, Risk and Related Party Transactions Committee the reporting of ESG risks in a medium-long term perspective; g) proposals and/or opinions concerning the definition and calculation of performance targets with indicators relating to ESG factors, in coordination with the Nomination and Remuneration Committee; h) the Company's profit and non-profit strategy and its implementation, as well as gas & energy transition advocacy initiatives. The Committee also gives opinions on other ESG and energy transition scenarios at the request of the BoD.
Scheduled – some meetings	Overseeing and guiding employee incentives Reviewing and guiding strategy Monitoring the implementation of a transition plan	The Board periodically reviews and approves: • the objectives related to climate change and energy transition, an integral part of the corporate strategies included in the Strategic Plan approved annually; • the group's strategic risks, among which those related to climate change and energy transition and verifies the effectiveness of the safeguards aimed at allowing the identification, measurement and

	Overseeing the setting of corporate targets Reviewing and guiding the risk management process	monitoring of the main corporate risks, including ESG risks; • the Long-Term Incentive Plan, with reference also to ESG targets, including a KPI for reducing natural gas emissions, consistent with the Strategic Plan guidelines; • the institutional report that includes the Half-Year Financial Report, the Annual Report (including the Consolidated Non-Financial Statement - NFS), the Sustainability Report and the Climate Change Report. The Board also acknowledges the information provided by the Committees, in particular the Environmental, Social & Governance and Energy Transition Scenarios Committee, pursuant to the Regulation as part of disclosure to the Board required following every committee meeting.

C1.1d

(C1.1d) Does your organization have at least one board member with competence on climate-related issues?

	Board member(s) have competence on climate-related issues	Criteria used to assess competence of board member(s) on climate-related issues
Row 1	Yes	We evaluated five of our Board members to have competence on climate related issues: • She founded and is Chairman of the company Chapter Zero France, a platform for dialogue between directors, investors and regulators of the Climate Governance Initiative, the result of a collaboration with the World Economic Forum in 2019. She is determined to contribute to the energy transition and to the transformation of the industry in line with the Paris Agreement; •She deals with corporate governance, with a specific focus on ESG issues and on the different ways of substantiating a sustainable development approach over time. She follows the B Corp movement and its paradigm of sustainable business, seeking to deliver profits together with a positive impact on society and the environment. She is the founder and a member of the Managing Board of the ESG European Institute; •He is the founder and Chief Executive Officer of Neoruralehub, Chief Executive Officer of Neorurale SpA, companies focused on climate change and biodiversity, Chief Executive Officer and founder of Simbiosi Srl, Vice-Chairman of Confindustria Cisambiente, Member of European Landowners & Friends of Countryside, Member of the Board of the Life Sciences Group in Assolombarda. In 2022, alongside

		Tamburi Investment Partners and as founder and CEO, he created Simbiosi S.r.l., a company whose objectives include optimisation of the use of natural resources such as water, soil, air, energy, materials and biodiversity within the agri-food supply chain, and the efficiency of the food cycle (From Farm to Fork and Back to Farm Again), according to the principles of the circular economy. The Simbiosi mission is also to offset the effects of climate change using nature-based solutions (NBS) to produce clean and renewable energy that can be stored, create emission management systems that use artificial intelligence, environmental blockchain systems to measure decarbonisation in production processes, and absorption systems for CO2 in the soil following regenerative ecosystem practices, and produce fertilisers and soil conditioners from organic waste fractions, aimed at developing regenerative farming models with natural principles, and much more. •He has more than 30 years of managerial experience in the energy and utility sectors, both in Italy and internationally; •The research scope of her publications also seeks to provide answers to climate change issues in the legal sector.

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Position or committee

Chief Executive Officer (CEO)

Climate-related responsibilities of this position

Developing a climate transition plan
Implementing a climate transition plan
Integrating climate-related issues into the strategy
Setting climate-related corporate targets
Monitoring progress against climate-related corporate targets

Coverage of responsibilities

Reporting line

Reports to the board directly

Frequency of reporting to the board on climate-related issues via this reporting line

More frequently than quarterly

Please explain

The CEO identified by the Board of Directors as being responsible for the internal control and risk management system, with the task of planning, implementing and

managing this system, has prepared an organisational structure that integrates the topics and risks associated with climate change into all phases of the business cycle.

Position or committee

General Counsel

Climate-related responsibilities of this position

Assessing climate-related risks and opportunities
Managing climate-related risks and opportunities

Coverage of responsibilities

Reporting line

CEO reporting line

Frequency of reporting to the board on climate-related issues via this reporting line

Half-yearly

Please explain

The General Counsel not only oversees, together with the Governance & Corporate Affairs Department and the Compliance Department, respectively the definition of the rules of governance and compliance processes and programmes, but it also oversees the Enterprise Risk Management (ERM) Department, which defines a risk management model that makes it possible to identify and assess risks, using standardised policies on a group level, in order to identify actions by which to mitigate the risks and prepare a reporting system (twice a year). Climate change risk management is integrated into the general Enterprise Risk Management process; in addition the approach would be enhance in 2024.

Position or committee

Energy manager

Climate-related responsibilities of this position

Setting climate-related corporate targets
Monitoring progress against climate-related corporate targets
Managing public policy engagement that may impact the climate

Coverage of responsibilities

Reporting line

Other, please specify
HSEQ department

Frequency of reporting to the board on climate-related issues via this reporting line

Quarterly

Please explain

Energy management & climate change (which is part of the HSE Department) aims to continuously improve management of natural gas emissions, including the participation in several international activities (IGU, Marcogaz, GIE, GERG, etc.), also ensuring the compliance vs. Energy Efficiency Directive requirements.

Position or committee

Chief Sustainability Officer (CSO)

Climate-related responsibilities of this position

Providing climate-related employee incentives
Developing a climate transition plan
Integrating climate-related issues into the strategy
Setting climate-related corporate targets
Monitoring progress against climate-related corporate targets
Managing value chain engagement on climate-related issues

Coverage of responsibilities

Reporting line

Corporate Sustainability/CSR reporting line

Frequency of reporting to the board on climate-related issues via this reporting line

Half-yearly

Please explain

The Senior Vice President of Sustainability & Social Impact, in answering to the Executive Vice President Strategy, Innovation and Sustainability, contributes towards the identification of processes and projects in connection with the matters relating to climate change, is responsible for internal and external reporting in relation to these topics (six-monthly) and is involved in the corporate target setting process and in the remuneration target setting process together with the affected functions.

Position or committee

Other, please specify

Senior Vice President of the Strategy Function

Climate-related responsibilities of this position

Developing a climate transition plan
Implementing a climate transition plan

Integrating climate-related issues into the strategy
Conducting climate-related scenario analysis

Coverage of responsibilities

Reporting line

CEO reporting line

Frequency of reporting to the board on climate-related issues via this reporting line

Quarterly

Please explain

The Senior Vice President of the Strategy function is responsible for defining energy and gas demand scenarios and their coverage supporting all the activities of defining the Strategic Plan and the Ten-Year Plan and infrastructure development initiatives, evaluating the contribution of the gas infrastructure within the energy system to foster the decarbonisation process, analysing potential technological discontinuities and the evolution of the role of infrastructure related to sector coupling, and analysing consistency with reference scenarios. The technology functions oversee the roadmap of digital (ICT) and industrial process (OT) technologies, defining the best technology options and implementing projects to reduce emissions and climate impact.

Position or committee

Chief Financial Officer (CFO)

Climate-related responsibilities of this position

Managing annual budgets for climate mitigation activities
Managing major capital and/or operational expenditures related to low-carbon products or services (including R&D)
Managing climate-related acquisitions, mergers, and divestitures

Coverage of responsibilities

Reporting line

Finance - CFO reporting line

Frequency of reporting to the board on climate-related issues via this reporting line

More frequently than quarterly

Please explain

The Chief Financial Officer oversees the strategic planning process, the economic assessment of investments and of mergers and acquisitions, as well as financial planning. He oversees group financing making sure that sustainable finance instruments are aligned with corporate strategy and best practices. He oversees the

communication to investors as well as the engagement activities in order to make sure that investors and analysts understand the company strategy and positioning also in terms of role in the energy transition.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	The 2023 Remuneration Policy focuses in particular on ESG targets and provides for the following, in line with the Snam's sustainable strategy: • for the short-term incentive scheme, a weighting of 20% with 3 specific KPIs sustainability-related: the weighted frequency and severity index of employee and contractor accidents (10%); the percentage of the procured awarded through tenders with ESG criteria (5%); the increase in the value of sustainable financing (5%); • for the long-term share-based incentive plan, a weight of 20% with two KPIs linked to sustainability: reductions of natural gas emissions (10%) and fair representation in terms of gender diversity in Snam's management team (10%). In addition, Snam has Business Objectives linked to incentives for managing climate-related issues: • for the short-term : Business objective related to Non regulated Business (15%). • for the long-term: Km H2 ready (10%); MW installed biomethane(5%); Projects and market design CCS and H2 (5%)

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive

Chief Executive Officer (CEO)

Type of incentive

Monetary reward

Incentive(s)

Bonus - % of salary

Bonus – set figure

Shares

Performance indicator(s)

Achievement of climate transition plan KPI
Progress towards a climate-related target
Achievement of a climate-related target
Implementation of an emissions reduction initiative
Reduction in absolute emissions
Other (please specify)

Increase in the value of sustainable financing; the weighted index of frequency and severity (IpFG) of employee and contractor accidents

Incentive plan(s) this incentive is linked to

Both Short-Term and Long-Term Incentive Plan

Further details of incentive(s)

20% of monetary CEO short-term (2023) variable incentives are linked to three specific KPIs connected to sustainability objectives:
-Weighted index of frequency and severity of accidents of employees and contractors. It takes into account both the frequency of total accidents recorded in relation to the number of hours worked and the severity based on days of absence in relation to the number of hours worked and is calculated by adding and weighing the two indices (IF and IG), reaching 30% (10%);
-Increase (in mln €) in sustainable financing, reaching 2,150 mln€ (5%);
-Percentage of the procured awarded through tenders with ESG criteria within the scoring model (5%).
In addition to sustainable goal related to CEO incentives, there's another short-term KPI which prove Snam's climate commitment: Business objective related to Non regulated Business. In particular, these are the main projects related to Biomethane and Energy efficiency (15%).
In 2022-2023, a new long-term share-based incentive plan for the next three years was defined and submitted for approval to the Shareholders' Meeting.
The performance conditions applicable to the Plan are connected to two parameters relate to Sustainability Objectives (20%).
One regard the equal representation in terms of gender diversity in the management team of Snam, reaching the goal of 26.5% (10%); the other is the reduction of natural gas emissions in 2025 compared to 2015 values (bln/Smc), reaching -56.4% (10%). In this regard, it should be noted that, this goal is higher than recommended by the Oil & Gas Methane Partnership Framework (OGMP 2.0) prepared by the United Nations Environment Program (UNEP). As a result of this, the targets of this objective were aligned with as envisaged in the Company's aforementioned emissions reduction plan.
In the event of changes and/or variations of the Company's emission reduction plan, the targets of the emission reduction objective of the LTI Plan Cycles will be adjusted and re-measured, depending on the achievement of the final target under the UNEP Framework.
Moreover, there are 3 other business objectives linked to Energy Transition Readiness:
-Km H2 ready: Third-party certification on "H2 Ready" status of a portion of the km (10%)

- MW installed biomethane: Development base MW installed in the Biomethane business (5%)
- Projects and market design CCS and H2: Development of decarbonization projects and definition of the H2 and CCS business model and market design (5%).

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan

Snam is determined to play an essential role in building a more sustainable, resilient and durable energy system. To this end, Snam has integrated sustainability into its business model, formalising its commitment to combating climate change through its Carbon Neutrality strategy to 2040 and defining the ESG Scorecard, which monitors all key ESG factors. The commitment of top management is absolute within this process, witnessed by the presence of KPIs related to sustainability aspects among the targets of the short- and long-term variable incentive defined in the Company's Remuneration Policy.

In particular, the short-term incentive related to the integration of ESG criteria into the supply chain scoring model is in line with Snam's goals for GHG Scope 3 emissions: -46% by 2030 (compared to 2019), with respect to emissions from affiliates and other minor emissions categories, and -55% by 2030 (compared to 2019), with respect to supply chain emissions intensity.

On the other side, the long-term incentives of reduction of natural gas emissions in 2025 compared to 2015 values is in line with Snam plans to reduce Scope 1 and Scope 2 greenhouse gas emissions by 28% by 2025, 40% by 2027 and 50% by 2030 (vs. 2018), to achieve carbon neutrality by 2040.

Moreover, the long-term incentives of (a)third-party certification on "H2 Ready" status of a portion of the km, (b) development base MW installed in the Biomethane business and (c) Development of decarbonization projects and definition of the H2 and CCS business model and market design, are in line with the Sustainability pillar of the Snam's Strategic Plan 2022-2026, which aim to create an energy transition platform for the decarbonisation of the system through green gas.

Entitled to incentive

Management group

Type of incentive

Monetary reward

Incentive(s)

Bonus - % of salary
Bonus – set figure
Shares

Performance indicator(s)

Achievement of climate transition plan KPI
Progress towards a climate-related target
Achievement of a climate-related target
Implementation of an emissions reduction initiative

Reduction in absolute emissions

Other (please specify)

Increase in the value of sustainable financing; the weighted index of frequency and severity (IpFG) of employee and contractor accidents

Incentive plan(s) this incentive is linked to

Both Short-Term and Long-Term Incentive Plan

Further details of incentive(s)

20% of monetary CEO short-term (2023) variable incentives are linked to three specific KPIs connected to sustainability objectives:

-Weighted index of frequency and severity of accidents of employees and contractors. It takes into account both the frequency of total accidents recorded in relation to the number of hours worked and the severity based on days of absence in relation to the number of hours worked and is calculated by adding and weighing the two indices (IF and IG), reaching 30% (10%);

-Increase (in mln €) in sustainable financing, reaching 2,150 mln€ (5%);

-Percentage of the procured awarded through tenders with ESG criteria within the scoring model (5%).

In addition to sustainable goal related to CEO incentives, there's another short-term KPI which prove Snam's climate commitment: Business objective related to Non regulated Business. In particular, these are the main projects related to Biomethane and Energy efficiency (15%).

In 2022-2023, a new long-term share-based incentive plan for the next three years was defined and submitted for approval to the Shareholders' Meeting.

The performance conditions applicable to the Plan are connected to two parameters relate to Sustainability Objectives (20%).

One regard the equal representation in terms of gender diversity in the management team of Snam, reaching the goal of 26.5% (10%); the other is the reduction of natural gas emissions in 2025 compared to 2015 values (bln/Smc), reaching -56.4% (10%). In this regard, it should be noted that, this goals is higher than recommended by the Oil & Gas Methane Partnership Framework (OGMP 2.0) prepared by the United Nations Environment Program (UNEP). As a result of this, the targets of this objective were aligned with as envisaged in the Company's aforementioned emissions reduction plan.

In the event of changes and/or variations of the Company's emission reduction plan, the targets of the emission reduction objective of the LTI Plan Cycles will be adjusted and re-measured, depending on the achievement of the final target under the UNEP Framework.

Moreover, there are 3 other business objectives linked to Energy Transition Readiness:

-Km H2 ready: Third-party certification on "H2 Ready" status of a portion of the km (10%)

- MW installed biomethane: Development base MW installed in the Biomethane business (5%)

- Projects and market design CCS and H2: Development of decarbonization projects and definition of the H2 and CCS business model and market design (5%).

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan

Snam is determined to play an essential role in building a more sustainable, resilient and durable energy system. To this end, Snam has integrated sustainability into its business model, formalising its commitment to combating climate change through its Carbon Neutrality strategy to 2040 and defining the ESG Scorecard, which monitors all key ESG factors. The commitment of top management is absolute within this process, witnessed by the presence of KPIs related to sustainability aspects among the targets of the short- and long-term variable incentive defined in the Company's Remuneration Policy.
In particular, the short-term incentive related to the integration of ESG criteria into the supply chain scoring model is in line with Snam's goals for GHG Scope 3 emissions: -46% by 2030 (compared to 2019), with respect to emissions from affiliates and other minor emissions categories, and -55% by 2030 (compared to 2019), with respect to supply chain emissions intensity.
On the other side, the long-term incentives of reduction of natural gas emissions in 2025 compared to 2015 values is in line with Snam plans to reduce Scope 1 and Scope 2 greenhouse gas emissions by 28% by 2025, 40% by 2027 and 50% by 2030 (vs. 2018), to achieve carbon neutrality by 2040.
Moreover, the long-term incentives of (a)third-party certification on "H2 Ready" status of a portion of the km, (b) development base MW installed in the Biomethane business and (c) Development of decarbonization projects and definition of the H2 and CCS business model and market design, are in line with the Sustainability pillar of the Snam's Strategic Plan 2022-2026, which aim to create an energy transition platform for the decarbonisation of the system through green gas.

Entitled to incentive

Environment/Sustainability manager

Type of incentive

Monetary reward

Incentive(s)

Bonus - % of salary
Bonus – set figure

Performance indicator(s)

Achievement of climate transition plan KPI
Progress towards a climate-related target
Achievement of a climate-related target
Implementation of an emissions reduction initiative
Reduction in absolute emissions
Reduction in emissions intensity
Energy efficiency improvement
Reduction in total energy consumption
Increased share of revenue from low-carbon products or services in product or service portfolio

Implementation of employee awareness campaign or training program on climate-related issues

Incentive plan(s) this incentive is linked to

Short-Term Incentive Plan

Further details of incentive(s)

The manager is incentivesed with kpi related to Snam transition strategy, emissions reduction initiatives and energy efficiency projects. He is incentivised also for its contribution to the development of internal awareness among employees.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan

As incentives are related to emissions reduction, green business development and reduction of corporte impact on the Planet, they significantly contribute to the climate transition plan of Snam.
Moreover, despite a changed and extremely challenging geopolitical context, Snam has continued to work towards achieving carbon neutrality in its operations by 2040, also with intermediate targets in 2025, 2027 and 2030, and to progressively reduce emissions along the value chain.
Targets for 2030 are in line with the objective of limiting global warming to 1.5°C set out in the Paris Agreement and have been developed using the generic SBTi (Science-Based Target initiative) methodology.
Snam's plan to achieve carbon neutrality in its operations therefore includes the following targets:
• -28% of Scope 1 and 2 emissions by 2025 compared to 2018 values, thanks also to a -55% reduction in natural gas emissions by 2025 compared to 2015 values, in accordance with the UNEP Oil & Gas Methane Partnership initiative (OGMP);
• -40% of Scope 1 and 2 emissions by 2027 compared to 2018 values;
• -50% of Scope 1 and 2 emissions by 2030 compared to 2018 values;
• Net zero for Scope 1 and 2 emissions by 2040.

In addition, targets on Scope 3 emissions were also defined:
• -46% of emissions from investee companies, fuel and electricity production, business travel and employee commuting by 2030 compared to 2019 values;
• -55% of tCO2eq/M€ capex for suppliers by 2030 compared to 2019 values

Entitled to incentive

Chief Procurement Officer (CPO)

Type of incentive

Monetary reward

Incentive(s)

Bonus - % of salary

Performance indicator(s)

Increased engagement with suppliers on climate-related issues
Increased supplier compliance with a climate-related requirement
Increased value chain visibility (traceability, mapping, transparency)

Incentive plan(s) this incentive is linked to

Short-Term Incentive Plan

Further details of incentive(s)

The CPO has specific incentives related to the engagement of the company supply chain on environment aspects and policy, such as disclosure, setting targets, programs and strategy implementation.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan

The Snam strategy puts at the center the sustainability of its supply chain. The incentives of this manager contribute to accellerate the path throught the committment on suppliers that Snam toke in 2021.
For the definition of the two Scope 3 emission reduction targets in Snam's carbon neutrality strategy, the Group directly involves its suppliers through research and dissemination of energy efficiency, and innovative and low-emission solutions.
The initiation of a systematic awareness-raising action towards the Group's suppliers on sustainability issues, in order to accelerate their contribution to the energy transition, has resulted in the consolidation of existing partnerships, the sharing of values and objectives, the enhancement of strengths and the development of areas for improvement for each of them. In this regard, two rounds of meetings were organised in 2022 with key DT&T suppliers in which feedback and suggestions on ESG issues were shared, and an agenda of further meetings was planned that will include training activities, technical webinars and working groups.

Suppliers are also encouraged to establish appropriate corporate governance in order to make actions such as combating climate-changing emissions and a general approach to the adoption of sustainability criteria in supply chain management effective and efficient. Snam constantly supports its suppliers along the transition path, providing its know-how and experience in defining sustainability priorities, applying best practices and identifying the most valid monitoring measures to be implemented.

Finally, suppliers are also asked by Snam to increase their transparency and disclosure of data, projects and targets.

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	1	Snam creates value by carrying out business activities in the manner envisaged by standards and procedures, with particular importance assigned to risk management and the efficiency of operations. The main point of reference is the annual budget.
Medium-term	1	5	In the medium term, the ability to carry out investment programmes, thereby ensuring a flow of resources and that favourable economic conditions are maintained, is also important. The main point of reference is the Strategic Plan, which covers a period of up to 5 years.
Long-term	5	10	In the long term, it is vital that the investment decisions and strategic choices made have interpreted trends in the best way possible. The main point of reference is the Ten-year transmission network development plan submitted to the Authority, which covers a period of 10 years.

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

The actual and future risks and opportunities related to climate change are identified, assessed and managed through the ERM model (Enterprise Risk Management). After the identification of risky events that could affect company targets, the importance of every event is determined through the use of a prioritisation matrixes in which the probability of the event and its impacts (negative or positive) are represented. Each risk event (positive or negative) may have different types of impacts, some determined by the risk owners (Industrial/business, Economical/financial and Asset impacts) and others by specialist departments (e.g. Health&Safety, Environment, Social, Governance, Legal, Reputational and Market). The different types of impacts are evaluated with different metrics. In particular, the environmental impact also considers the effects related to climate change associated to the risks and opportunities identified and thereby determines their importance based on the significance of the contribution, positive or negative, on the management of climate change and environmental aspects related to the area in which Snam operates. Regarding the economic impact of the risks/opportunities identified, it is measured as reduction on Net income; the minimum threshold for considering a financial impact is 5,000,000 euro (low impact) along the time frame of the Strategic plan, while a substantive financial impact is classified as higher than 50,000,000 euro. Thus, risks are evaluated from different perspectives and prioritization is provided as a result of teamworking analysis. The prioritization of risks (positive or negative) is defined by combining the measurements of impact and probability.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered

Direct operations
Upstream
Downstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

As part of the integrated management of corporate risks for all companies in the Group, Snam adopts an Enterprise Risk Management Model (ERM Model), which follows the CoSO Framework, the 2020 Corporate Governance Code and international best practices. This Model enables the identification, assessment and monitoring of current and prospective risks and opportunities associated with Snam's corporate strategy taking into consideration the different time horizons, defined as the effect of uncertainty on the objectives of the annual budget (short-term), of the Strategic Plan (medium-term), and of the Ten-year transmission network development plan submitted to the Authority (long-term).
Under the scope of the ERM model, Snam identifies, among other things, the risks related to climate change which are embedded in the overall process, based on the following steps:
1) Identification: Identification of risky events relating to corporate processes and external risk factors that could affect the achievement of corporate objectives both through interviews conducted with Staff and Business Managers, responsible for the implementation of initiatives aimed at effectively managing risks, and specific analyses of operational processes of each Company and of the corporate Strategic Plan. The mapped events are reviewed at least twice a year also in light of the growing importance of new businesses development areas, in order to ensure proper monitoring of risks and opportunities relating to the latter
2) Evaluation and prioritization: Assessment and prioritisation of each event using prioritisation matrices in which the probability of occurrence of the event and its negative (risk) or positive (opportunity) impact are represented. The probability of an event is determined based on a scale from 1 (remote) to 4 (highly probable). The impact of the

event is assessed according to different dimensions, which can be qualitative (industrial/business, asset, reputational, legal, market, health and safety, environment, social and governance) or quantitative (economic/financial), also measured on a scale from 1 (low) to 4 (relevant). The prioritisation of risks takes into account the different points of view of the risk owners (first reports of the CEO/MD of the subsidiaries) and risk specialists, combining the measures of impact and probability obtained according to 4 priority classes (low, medium, high and critical for risks; slight, fair, good and excellent for opportunities)
3) Management: Definition of the management strategy (mitigation, monitoring, management, or transfer of risk), and any specific interventions for all risks, for which the relative timing for implementation are also identified. The mitigation interventions are aimed at limiting the probability and/or impacts of the risk in question; while the monitoring and management actions ensure that the level of severity of the risk does not worsen. The transfer of risk is aimed at transferring, partially or completely, the impacts inherent in a risk, to a third party external to the Snam group
4) Reporting: the periodic reporting activity guarantees that the results of each risk assessment are correctly represented, through the definition of specific metrics and Key Risk Indicators (KRI), to the various levels of the company, including the related activities of risk management and monitoring. Specific reporting flows are activated towards the CEO, the Chief Financial Officer (CFO) and the functions and control bodies
The opportunities are identified through a methodology similar to the one described for the risks. In this case too, there is an assessment of the impacts related to each opportunity.
Regarding the economic impact of the risks/opportunities identified, the minimum threshold for considering a financial impact is 5 €mln (low impact) along the time frame of the Strategic plan, while a substantive financial impact is classified as higher than 50 €mln.

Here below you can find two case studies:
PHYSICAL RISK:
DESCRIPTION: Damage to pipes and plants, which could cause malfunctions or unexpected interruptions to the service with the possibility of being unable to adequately meet gas demand as a result. Undoubtedly, the increase of the severity of extreme weather events, which is linked to climate change, could affect our service continuity and quality.
EVALUATION AND PRIORITIZATION: The likelihood is scored 3, i.e. very probable, with a potential financial impact of 2 to 3 €mln per year on EBITDA. This event is deemed to have a substantive strategic impact since it would affect both the infrastructure and the intellectual capital in the short term.
MANAGEMENT: Mitigation actions include, among others: technologically advanced tools for monitoring/controlling the state of infrastructures/plants, also in view of their useful life, and the environmental context in which they are located; systematic and continuous maintenance and control; timely implementation of Emergency Response Procedures; continuity of investments in gas storage, to provide additional flexibility in the event of supply discontinuity or possible more aggressive gas demand peaks; design and construction of transport infrastructures based on the latest technical and safety regulations, carrying out dedicated studies during the design.

TRANSITIONAL RISK:
DESCRIPTION: Reduction in gas demand due to greater penetration of intermittent renewables to the detriment of natural gas, alternative uses of gas and the development of new businesses (biomethane, etc.)
EVALUATION AND PRIORITIZATION: The likelihood is scored 2, i.e. probable, with a potential financial impact up to 9 €mln per year on EBITDA due to lower revenue. This event is expected to have a substantive strategic impact since it would affect not only Snam's financial resources, but also infrastructure, intellectual and natural capital in the long run.
MANAGEMENT: Mitigation actions include, among others: development of new businesses related to renewable gases (biomethane and hydrogen), the implementation of the use of gas to support energy transition (small scale LNG, CNG) and the efficient use of energy; investments in infrastructures in a multi-commodity perspective (e.g. hydrogen backbone, H2 test in depleted gas field, development of storage and CO2 skills); support to the diffusion of more efficient gas technologies (gas heat pumps and high- efficiency cogeneration heating pumps); taking part in Italian and European round table discussions, including association ones, as part of energy transition and climate neutrality; awareness-raising activities around public opinion on natural gas as a key source to ensure energy security and enable the phasing out of coal in electricity generation; participation in integrated projects on an international scale concerning green and low carbon gases (biomethane and green and blue hydrogen) along the entire value chain to support their further development.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	The main climate-related risk related to current regulation is to be non-compliance with the current greenhouse gas legislation. The regulation may require Snam to update its facilities, and to control or limit its emissions or take other actions that could increase the costs of complying with the regulations in force, and therefore have negative effects on Snam Group's operations, results, financial position and budget. As an example, the risks connected with the emissions market are in the scope of the European Union Directives on permits trading, relating to carbon dioxide emissions and the rules on controlling atmospheric pollutants emissions. With the beginning of the fourth regulation period (2021 - 2030), the updating of regulations has had, as its main objective, a constant reduction of the free allowances on emissions. Free allowances will no longer be constant, depending on the functionality of the plants, and will be assigned to each plant on a gradually decreasing basis.

Emerging regulation	Relevant, always included	The main risks related to the emerging regulation are associated to: • the reinforcement of the regulatory framework for greenhouse gas emissions (e.g. review with new EU Directives and Regulations of the overall emission GHG emissions reduction target to 2030 and the corresponding targets on renewable energy and energy efficiency resulting in different projections for the use of natural gas on one hand and incentives for different energy sources including renewable gases, biomethane and renewable/low carbon hydrogen and associated targets); • new reporting and strategy frameworks (e.g. Science-based targets, that could influence Snam's reporting or behaviors, new EFRAG sustainability reporting standard) • revision of regulation relating to the natural gas business (e.g. new rules for the gas market, incentivizing progressive shares of renewable gases, biomethane, renewable and low carbon hydrogen). • implementation of the European Taxonomy which excludes most of the natural gas related activities and businesses while it encourages the infrastructure conversion, repurposing and retrofitting for the transport of renewable and low carbon gases and hydrogen infrastructure. • For Snam, a top European energy infrastructure operator, the future European legislation or regulations linked to the renewed EU energy and climate change efforts (e.g., proposals for the European "Fit for 55" plan) present both risks related to the decline in natural gas consumption and opportunities related to the enabling role for the increasing shares of renewable and low carbon gases.
Technology	Relevant, always included	The climate-related risk connected to technology and innovation is associated to the reduction of natural gas demand as a result of the further subsidisation / promotion / diffusion of electrical technologies in the Heating and Cooling sector (greater number of electric HPs / limited diffusion of gas micro-cogeneration) in power generation, (without the corresponding support for the use of renewable and low carbon gases) and from the electrified high temperature systems for the hard-to-abate industries. The risk level would be even higher if Snam does not invest in decarbonization technologies and in technical competences in the low-carbon technology field As an example, the new European target for renewable energy (e.g. reaching 42,5% of the overall energy consumption by 2030) will ask for significant increase in energy efficiency improvements and the switch towards renewable sources (with the risk of a limited use of green/low carbon gases), reducing the gas consumption and the use of related technologies.
Legal	Not relevant, included	Climate change is a primary topic for Snam and it is always included within the group's risk analysis, considering also the legal context. However, this risk is considered to be not relevant since no dispute or

		litigation related to climate-related regulations or legislations have ever been in place (e.g., co2 emissions).
Market	Relevant, always included	Market risks are mainly related to the natural gas demand outlook. Particularly, the risk is associated to a greater penetration of intermittent renewables to the detriment of natural gas, of alternative uses of gas, while the development of new businesses (biomethane, hydrogen etc.) and/or the CNG market, can create new opportunities supported by new policy drivers (e.g. reaching 42,5 % of the energy consumed by renewable sources within 2030 as per the new EU Directive on renewable energy, reaching 35 bcc of biomethane in Europe and 20 mton of renewable hydrogen in Europe by 2030 as per the REPower EU Plan) will significantly impact Snam's market position, if the group won't be able to switch to different markets (e.g. renewable fuels, hydrogen, biomethane, …).
Reputation	Relevant, always included	Risks related to Snam reputation are associated with the negative perception of the companies that operate in the fossil fuel sector by public opinion. The establishment of organised groups that disagree with the new works could cause a delay or the non-acceptance of the facility construction by the institutions. An example of reputational impact can be linked to the perception that different stakeholders have or may have of the group's activity and investments. the case of FSRU in Piombino, in 2022, gives an idea of how a necessary operation can be disliked by the population causing reputational damage to the company.
Acute physical	Relevant, always included	Acute physical risks are associated to the increase in the severity of extreme atmospheric phenomena, with impacts on continuity and quality of services (e.g. damage to pipes and plants, which could cause malfunctions or unexpected interruptions to the service with the possibility of being unable to adequately meet gas demand as a result). Since the transportation infrastructure of Snam is purely underground, it is not affected by significant temperature differences resulting from the scenarios above 2 degrees. The remaining above-ground infrastructure, including line facilities and line points, consists of components whose operating ranges are compatible with the assumed temperature increase. However, although some of the indirect effects of rising temperatures and climate change, such as, for example, increased frequency of occurrence of extreme weather events with consequent land impacts such as floods and landslides, are already anticipated and managed within Snam's Pipeline Integrity Management System (PIMS), such extreme events could equally impact the transportation infrastructure.
Chronic physical	Relevant, always included	The main chronic physical risk is related to the decrease in the gas demand that is correlated to the increase in temperature as a consequence of climate change. In particular, temperatures are expected to increase in the next decades and, therefore, the gas

		demand for heating systems will likely decrease during winter season. For example, rising temperatures during the winter period, which are already visible and are likely to worsen, will result in a lower need for indoor space heating and thus a decreasing demand for gas.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Current regulation

Carbon pricing mechanisms

Primary potential financial impact

Increased indirect (operating) costs

Company-specific description

The directives and laws issued by the European Union, by the Italian Government and by the Authority (ARERA) can have a significant impact on the company's operations, economic results and investment plan. 1st January 2021 was the start of the fourth regulatory period (2021-2030) of the Emission Trading System (ETS), which is the extension and update of the third regulatory period (2013-2020). In 2022, the free allocation for the Snam Group was 154,657 allowances, an increase of 9.8 % compared to 2021-, due to the new rules introduced by the aforementioned legislation for the fourth ETS period, but with a significant decrease compared with 2016. The reduction was mainly due to the progressively decreasing allocation of free shares by the competent national authority, as established by the forth regulatory period (2021-2030; Article 10-bis of Directive 2009/29/EC). Moreover, for the fourth regulatory period (2021-2030) it is foreseen a further progressive reduction of freely allocated allowances and, as a natural consequence, a further price increase. Before 2018, Snam group has never bought allowances from the market due to a clever management of the free allowances, transferring them between Snam’s sites covered by ETS scheme. Nevertheless, in the years 2018-2022 the total amount of free allowances was not enough for covering all the emissions, so Snam group has bought the allowances from the market. Therefore,

Snam's Group is exposed to the risk of increasing its operational costs connected to the variation of the price of CO2 emission allowances in the ETS market.

Time horizon

Medium-term

Likelihood

Unlikely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

58,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

The potential financial impact has been estimated with a conservative approach due to the high uncertainty on free allowances amount, allowances market price and the gas demand. During 2022, the total amount accounted has been about 58m€. Anyway, from 2020 the Authority (ARERA) will recognize the entire costs incurred for the ETS, totally sterilizing the impact on the Net Income.

Cost of response to risk

300,000

Description of response and explanation of cost calculation

To manage this risk Snam monitors every 3 months the energy consumption and updates consumption forecasts related to the 23 installations subject to ETS, in order to promptly calculate the allowances needed and purchase them in the most cost-efficient way. In order to reduce CO2 emissions, Snam has made investments, partially reimbursed by Authority, to increase the energy efficiency of its plants, for example by installing turbocompressors with an higher energy efficiency compared to those already installed with a generation of a benefit in the consumption of some compressor storage stations. In 2022, carbon dioxide emissions of Snam facilities covered by ETS were overall greater than the emission permits allocated. In view of ca. 0.910 million tons of carbon dioxide emitted into the atmosphere, around 0.155 million tons were free allocated, resulting in a 0.774 million-tons deficit. This deficit was mainly offset by the allowances bought on the market and allowances already present in the registers for Snam plants, thanks to the surplus accumulated from the previous year. The weighed average price accounted in 2022 was around 77,3€. The management costs are mainly associated with internal staff costs of personnel dedicated to the monitoring of CO2

emissions, costs for third party verification activities and administrative taxes that can be estimated to be about 60,000 euros per year. Then, considering a time-horizon of 5 years, the total amount of management action costs will be around 300,000 euros.

Comment

-

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Upstream

Risk type & Primary climate-related risk driver

Emerging regulation

Mandates on and regulation of existing products and services

Primary potential financial impact

Decreased revenues due to reduced demand for products and services

Company-specific description

Directives and laws issued by the European Union and the Italian government can have a significant impact on the company's business, financial results, and investment plan. Changes in the gas regulatory framework, connected for example to the penalizing revision of European regulations related to the natural gas business and the strengthening of those related to greenhouse gas emissions (e.g., disincentives for the use of fossil fuels, incentives for intermittent renewable sources), could lead to a decrease in gas demand.

The spread of new technologies capable of favouring the use of energy sources alternative to gas could reduce consumer and customer demand for natural gas.

Finally, the risk of increased penetration of intermittent renewables to the detriment of natural gas, alternative uses of gas, and the development of energy transition businesses (biomethane, decarbonization, and energy efficiency projects) could reduce gas demand and adversely affect Snam Group's business, results, financial position, and cash flows.

Time horizon

Medium-term

Likelihood

Unlikely

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

10,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

The Authority established a mechanism to guarantee the portion of revenues correlated to volumes of gas transported; it provides for the reconciliation of revenue more than 4% higher or 4% lower than the reference revenue correlated to volumes transported. Under this mechanism, approximately 99.5% of total revenue from transportation activities is guaranteed. Therefore, the potential financial impact corresponds to 10 million (4% of the cap of the commodity revenues).

Cost of response to risk

1,000,000,000

Description of response and explanation of cost calculation

Our plan “Towards Carbon Neutrality”, establishes long-term objectives, which see Snam working to achieve carbon neutrality by 2040, in advance of the targets set by the European Union. In this context, the new 2022-2026 Strategic Plan and the Long-Term Vision to 2030 were presented. In particular, in the period 2022-2030, the Group plans to continue its commitment, with investments of up to 20 billion euros, on the three pillars of the “energy trilemma”, that is Supply Security, Sustainability, Competitiveness.
In line with European objectives and with a view to moving towards greater energy independence from Russian gas imports, ensuring the security of gas supply, and diversifying supplies, Snam has increased its investments to 10 billion euros by 2030 (+23% compared to the previous plan).
For 9 billion euros, in particular, they will aim to strengthen gas infrastructure, making it more flexible and multi-purpose.
At the same time, 1 billion euros will be allocated to energy transition businesses, leveraging energy efficiency, green molecules and CCS.
In addition, 450 million euros will be allocated to the Group's innovation and digitalisation programme, which will also contribute to security and continuity of supply with its projects.

Here an overview of our plan for the next years, planning investments for €1 billion in businesses for energy transition:
- around 550 million euros in biomethane infrastructure to reach a capacity of more than 100 MW by 2026;
- around 100 million euros in hydrogen, also with the support of NRRP funds, to help prepare the national ecosystem for the use of hydrogen;
- around 120 million euros in investments over the Plan period in CCS technologies focusing on the decarbonisation of hard-to-abate sectors in northern Italy;
- around 200 million euros in energy efficiency to consolidate its position as a national player.

Comment

-

Identifier

Risk 3

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Acute physical

Other, please specify

Hydrogeological instability

Primary potential financial impact

Increased capital expenditures

Company-specific description

The increase in the severity of extreme atmospheric phenomena has significant impacts on continuity and quality of service. Indeed, our assets, a very extended network of pipelines all over Italy (about 33,000 km for the transportation network), are subject to higher exposure to hydrogeological instability that is increased due to climate change-related phenomena, such as floods, rainy or droughty periods that could cause landslides and pipeline disruptions. The disruption of pipelines could cause malfunctions or unexpected interruptions to the service with the possibility of being unable to adequately meet gas demand as a result.

Time horizon

Short-term

Likelihood

Very likely

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

2,000,000

Potential financial impact figure – maximum (currency)

3,000,000

Explanation of financial impact figure

The annual financial impact of the hydrogeological risk can be estimated in a range between 2 and 3 million of euros. This estimation is based on the average amount paid by Snam as a consequence of damages to infrastructures caused by atmospheric phenomena (floods, landslides) occurred in recent years.

Cost of response to risk

82,782,123

Description of response and explanation of cost calculation

The monitoring phase of the areas impacted by Snam's infrastructure projects also includes continuous checks on the proper functioning of the network, which are carried out using technology and experienced personnel, in order to ensure complete, efficient and effective monitoring of all assets. The Dispatching center is the structure responsible for surveying and remote control of the transportation network, whose pipelines are subject to regular maintenance and inspection activities. Monitoring is carried out by the Company's specialised staff, who controls the pipelines on foot, by means of vehicles or through overflying activities. Additional experienced personnel are also assigned to guard the power plants, storage facilities and related auxiliary installations.

Among the technologies used for monitoring infrastructure, In Line Inspection (ILI) involves the use of intelligent pigs equipped with sensors to detect the presence of any defects, geometric anomalies, corrosion or minimal axial displacements of the pipelines themselves; additional remote control systems check the tensional state of pipelines laid in areas with potential hydrogeological instability. With a view to improving its infrastructure monitoring capacity, the company has equipped itself with drones assigned to its operational staff and an organisational structure based on an aviation model to ensure their operability, as well as satellite tracking technologies which, after a pilot project phase, are being introduced into operational processes.

Further attention is paid to monitoring storage facilities, which is done by means of detection systems (e.g., optical detectors, temperature-sensitive cables, fuse caps, smoke detectors, phonometers, pressure transmitters, etc.). These systems allow the activation of emergency (ESD) or process (PSD) shut-downs, ensuring the safety of the installations.

In particular, in 2022:

- 21,379 km of pipelines were inspected by helicopter.
- 1,602 km of network was inspected using smart pigs.
- 3,894 km of geological inspections of areas where landslide risk is high
- 11,160 km inspected with Leak Detection and Repair (LDAR) Programme

These activities implied capital costs of about €68,518,445 and €14,263,678 for operating costs.

Snam has subscribed an insurance regarding pipeline disruption, with a total maximum deductible amount of €500,000 per event.

Comment

-

Identifier

Risk 4

Where in the value chain does the risk driver occur?

Downstream

Risk type & Primary climate-related risk driver

Reputation

Increased stakeholder concern or negative stakeholder feedback

Primary potential financial impact

Other, please specify

disinvestment

Company-specific description

Exposure to a higher reputational risk is related to a negative perception of the companies that operate in the fossil fuel sector by public opinion. The establishment of organised groups that disagree with the new works could cause a delay or the non-acceptance, by the Institutions, of the construction of the works, resulting in increased stakeholder concern or negative feedback.

Time horizon

Medium-term

Likelihood

More likely than not

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

1,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Snam profitability is based on the return on its assets allowed by the Italian Authority. Given that a potential interruption of service shouldn't have an effective financial impact in terms of direct costs related to the replacement of damaged infrastructures (since these costs are covered by insurance and recognized by the Authority), the financial impact of a possible lowering of our reputation level is negligible, both from the point of view of the increase in the credit spread and from the point of view of the cost of risk capital (equity).

The expenses have been estimated to be less than 5,000,000 euro along the time frame

of the Strategic plan (5 years, 1,000,000 on average each year), that corresponds to the minimum threshold for considering a financial impact.

Cost of response to risk

175,000

Description of response and explanation of cost calculation

To prevent any kind of reputational crisis, including those deriving from environmental and climate change impacts, we believe that business conduct is key to our standards for doing business and acting in a responsible way. We have a range of rules, policies and systems at Snam that ensure good business conduct.
In order to promote its business as a tool in support of the fight against climate, Snam undertakes various initiatives of involvement and information with different stakeholders, such as for example:
- Representation actions with institutional stakeholders in order to promote the gas infrastructure as a tool for the energy security in the short-medium term and the development of renewable gases (such as biomethane and hydrogen) in the long-term;
- Dialogue and promotion/advocacy with reference stakeholders, institutional world and the financial world also in conjunction with associations and other gas chain operators;
- Taking part in European round table discussions, including association ones, as part of energy transition and climate neutrality;
- Supporting national, European and international initiatives aimed at strengthening the commitment to reducing methane emissions.
- ESG roadshow dedicated to its SRI community.

Snam shows its interest and commitment in the fight against climate change through the setting of ambitious emission reduction targets, the disclosure of climate change performance, through sustainability reporting and the TCFD (Task Force on Climate Related Financial Disclosure) document, and monitoring international, European and national public funding programmes for infrastructure, energy, sustainable transport.

Regarding reputational risks, we specifically have to consider the possible additional costs related to Communication activities such as stakeholder engagement in the territory, relations with local institutions (Region, Municipalities), media relations (online, newspapers, TV, radio) and crisis management. All these activities can be quantified in the magnitude of an estimate budget of 150,000-200,000 euro (with an average of 175,000 euros), but the real expenditure for managing each risk can vary over time and it is defined case by case.

Comment

-

Identifier

Risk 5

Where in the value chain does the risk driver occur?

Downstream

Risk type & Primary climate-related risk driver

Technology

Substitution of existing products and services with lower emissions options

Primary potential financial impact

Decreased revenues due to reduced demand for products and services

Company-specific description

The climate-related risk connected to technology and innovation is associated to the reduction of natural gas demand as a result of the further subsidisation / promotion / diffusion of electrical technologies in the Heating and Cooling sector (greater number of electric HPs / limited diffusion of gas micro-cogeneration) and / or in power generation, without corresponding support for the use of renewable and low carbon gases. The risk level could be higher if associated to Snam's lack of investment in additional technical competences in the low-carbon technology field.

As an example, the new European target for renewable energy (e.g. reaching 42,5% of the overall energy consumption by 2030) will ask for significant in energy efficiency improvements and the switch toward renewable source (with the risk of a limited use of green/low carbon gases), reducing the gas consumption and the use of related technologies.

Time horizon

Medium-term

Likelihood

About as likely as not

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

3,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

According to the Snam Strategic Plan, gas demand by 2025 will remain nearly 72 billion cubic meters, just below the 2021 demand (76.4 bcm) with a reduction in gas demand in the civil sector partially offset by thermoelectric generation. Even considering the penetration of more efficient technologies and alternatives to natural gas, the annual trend therefore amounts to approx. 1Bcm / y equal to approximately max 3M € / y less revenue. According to the ERM metric, this risk can therefore be considered to have a negligible impact.

Cost of response to risk

1,000,000,000

Description of response and explanation of cost calculation

With the aim of mitigating the risk of a future lower gas demand and operating in line with the European-defined decarbonisation objectives, Snam has developed the following management actions:
-Development of new businesses related to green gases (biomethane and hydrogen), the implementation of gas use to support the energy transition, the development of carbon capture and storage (CCS) technologies and the efficient use of energy (energy efficiency);
-Investments in multi-purpose infrastructures (e.g. hydrogen backbone, H2 tests in depleted gas field, development of storage and CCS expertise);
-Support for the diffusion of more efficient gas technologies (gas heat pumps and high-efficiency cogeneration heating pumps);
-Taking part in Italian, European and international round table discussions, including association ones, as part of energy transition and climate neutrality;
-Awareness-raising activities on public opinion on natural gas as a key source to ensure energy security and enable the phasing out of coal in electricity generation;
-Monitoring of European and national legislative initiatives within the natural gas field and representation for the company's interests with regards to the various institutional stakeholders;
-Positioning activities and taking part in industry studies;
-Monitoring of international, European and national public financing programmes in the infrastructure, energy and sustainable transportation fields;
-Participation in internationally integrated projects on green and low - carbon gases (biomethane and green and blue hydrogen) along the entire value chain to foster their further development.
To this end, Snam decided to increase its investment in the development and expansion of business serving the energy transition, which saw their share of investments reach €1 billion in 2022, to become more and more competitive in low emissions and energy transition options.
Here an overview of our plan for the next years:
-around 550 million euros in biomethane infrastructure to reach a capacity of more than 100 MW by 2026;
-around 100 million euros in hydrogen, also with the support of NRRP funds, to help prepare the national ecosystem for the use of hydrogen;
-around 120 million euros in investments over the Plan period in CCS technologies focusing on the decarbonisation of hard-to-abate sectors in northern Italy;
-around 200 million euros in energy efficiency to consolidate its position as a national player.

Comment

-

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Opp1

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Use of more efficient production and distribution processes

Primary potential financial impact

Reduced indirect (operating) costs

Company-specific description

Snam is responding to climate change challenges by leveraging on sustainable, safe, and technologically advanced infrastructures, capable of transporting and storing not only natural gas but also increasing shares of renewable gases such as biomethane and hydrogen, and on increasing investments in existing activities such as sustainable mobility and energy efficiency. Installation of low emission technologies represent an opportunity for Snam in terms of reduction of own GHG emissions with consequent reduction of the cost linked to the acquisition of CO2 allowances.

In 2019, the European Union endorsed the “European Green Deal” promoting carbon neutrality initiatives. In 2021, as part of the Green Deal, a new package, the “Fit for 55”, was added, which strengthens the target of reducing carbon dioxide emissions, increases the share of energy produced from renewable sources and increases the percentage of energy efficiency for final and primary energy consumption. In order to support the 2030 and 2050 targets, the European Commission approved in 2020: the EU Methane Strategy; the EU Strategy on Energy System Integration; the Hydrogen Strategy.

Finally, following Russia's invasion of Ukraine, the European Commission unveiled the REPower EU Plan in March 2022, setting out a series of legislative and non-legislative measures aimed at reducing Europe's dependence on natural gas from Russia, further increasing European ambitions on efficiency, renewables and hydrogen development targets. According to the Commission's analysis, REPowerEU will require additional

investments of 210 billion euros between now and 2027, in addition to those needed to achieve the objectives of the Fit for 55 package proposals. These investments will however pay off: by 2030, the implementation of the Fit for 55 framework and the REPowerEU plan will enable the EU to save 80 billion euros annually on gas imports, 12 billion euros on oil imports and 1.7 billion euros on coal imports.
At national level, Italy intends to pursue this opportunity and promote the production and use of hydrogen through the measures envisaged in the National Recovery and Resilience Plan (PNRR), which could be updated in the face of the energy crisis and by integrating the provisions of REPowerEU. The PNRR, which is part of the Next Generation EU programme, envisages investments and a coherent package of reforms on which to allocate resources amounting to around €220 billion.

Time horizon

Long-term

Likelihood

Very likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

27,400,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

The financial impact is related to the CO2 allowances that Snam doesn't buy thanks to the implementation of efficiency projects. Particularly, the project for the substitution of gas compressors with hybrid compressors stations (that consist of newly installed electric-powered compressors next to existing natural gas-powered compressors) allows to save around 209,000 tons of CO2 by 2030. Monetizing these emissions considering a price of 131 euros per ton (forecast price 2030 for the CO2 allowances), in the next years Snam will save around 27.4 million euros.

Cost to realize opportunity

1,893,000,000

Strategy to realize opportunity and explanation of cost calculation

The development of more efficient and sustainable technologies is very important in the reduction of the environmental impacts of a company. In order to increase its energy efficiency, Snam is responding with an increase in activities and investments aimed at achieving the decarbonization goals.

During the 10 years Strategic Plan horizon, 12 new Electric compressors will be installed in the main compression station of the Italian gas network, converting them into dual fuel stations where compressors are either driven by gas turbines or electrical motors.
The main advantages are:
- no consumption of natural gas to power the compressors, hence the absence of CO2 and NOx emissions at local level
- sector coupling: possibility to modulate the electricity consumption absorbing the grid overload
- reduction of the environmental impact given (i) the absence of treatment of lubricating oils and waste (ii) reduced noise and space needs
Snam is committed to a 50% reduction in direct CO2 emissions by 2030 (-28% by 2025) and to carbon neutrality by 2040 also thanks to the launch of this project.
The capital expenditure commitments related to the conversion of the power plants is equal to 1,893,000,000.

Comment

-

Identifier

Opp2

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Products and services

Primary climate-related opportunity driver

Ability to diversify business activities

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

Today more than ever, in a context characterized by sharp increases in energy prices and geopolitical tensions, Snam's infrastructure is proving its strategic value in terms of both diversification of supplies and future prospects. In particular, the network and storages of the Company, the most developed in the European Union, represent a guarantee for the energy security of Italy and the whole of Europe, together with the start-up of TAP (Trans Adriatic Pipeline A.G.), in which Snam is a major shareholder. Building on these strengths, combined with our growing exposure to the energy transition, we can play an even greater role in the momentous transformations expected over the next decade. In the 2022-2026 strategic plan, we outlined the Snam of the future, with investments of up to 20 billion euros, on the three pillars of the "energy trilemma": Supply Security, Sustainability and Competitiveness.

Energy transition, the promotion of renewable energy sources and resources, environmental protection, the achievement of carbon neutrality and the pursuit of sustainable success are some of Snam's key objectives, based on which it orients its activities. In particular, over the 2022-2026 plan period, the development of green gases (hydrogen and biomethane) and energy efficiency measures, including CCS technologies, will be the drivers that will accompany Snam in achieving decarbonisation and carbon neutrality with total investments of 1 billion euros.

Time horizon

Medium-term

Likelihood

Very likely

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

70,000,000

Potential financial impact figure – maximum (currency)

90,000,000

Explanation of financial impact figure

The IRR (internal return of investment) of the €1 bn investments in green energy projects by 2026 is ≥ high single digit (7-9%)

Cost to realize opportunity

1,000,000,000

Strategy to realize opportunity and explanation of cost calculation

In line with 2021, Snam has decided to invest in the development and expansion of activities serving the energy transition, with a share of investment reaching €1 billion in 2022, to become increasingly competitive in energy transition and low-emission options. Here an overview of our plan for the next years:
- around 550 million euros in biomethane infrastructure to reach a capacity of more than 100 MW by 2026;
-around 100 million euros in hydrogen, also with the support of NRRP funds, to help prepare the national ecosystem for the use of hydrogen;
-around 120 million euros in investments over the Plan period in CCS technologies focusing on the decarbonisation of hard-to-abate sectors in northern Italy;
-around 200 million euros in energy efficiency to consolidate its position as a national player.

The investments are aimed at strengthening Snam's positioning as an enabler of the energy transition.
The expansion strategy also includes the growth of companies acquired in the field of energy transition (energy efficiency, biomethane), as well as partnerships with technology companies supporting the hydrogen business (e.g., De Nora) and collaboration with companies experienced in the development of CCS technologies (Storegga and dCarbonX). In particular, Snam has allocated significant resources to the development of initiatives that exploit two types of gas: biomethane and hydrogen. This investment strategy aims to develop the value chain of the two gases with the goal of integrating them into existing infrastructure, thus facilitating the energy transition.
Through Renovit, our company specializing in energy efficiency that has again obtained B Corp certification in 2022, Snam has upgraded condominiums, businesses, and public administration buildings, and with Arbolia it has launched new urban forestation projects in synergy with the Cassa Depositi e Prestiti, for a total of more than 60,000 trees planted in more than ten regions of the country.

Comment

-

Identifier

Opp5

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Products and services

Primary climate-related opportunity driver

Ability to diversify business activities

Primary potential financial impact

Increased revenues resulting from increased production capacity

Company-specific description

2022 was a watershed year for the global energy system, which had to cope with the geopolitical, economic and social consequences of the Russian invasion of Ukraine. The ongoing war has completely reshaped the priorities of the energy sector, which had already been under strain in the previous months due to the structural reduction of investments and the negative events in the European electricity sector. The gradual decline in the flow of Russian-sourced natural gas to Europe has brought general attention back to the issue of security of supply. A complex scenario, which Snam was able to tackle effectively and quickly. In full harmony with the measures taken by the government and thanks to Snam’s tangible and intangible assets, the company responded to the short-term crisis in real time.
Indeed, while in 2021 about 40% of gas came to Italy from Russia, 2022 witnessed an unprecedented reversal of gas flows (19% from Russia), creating a scenario of extreme

uncertainty and volatility, making it necessary to shift the centre of gravity of the European energy system towards the south and the Mediterranean area, strengthening south-to-north transportation capacity and asset flexibility (+15% volumes from South, and +45% of LNG). In this context, Snam, as a leading gas operator in Europe and the first in Italy, provided a rapid response to the emergency situation, while managing its strategic assets with a long-term perspective. Indeed, the Group intends to play a key role in achieving energy independence from Russian gas imports. The actions, implemented in its Strategic Plan, aim to rebalance the “energy trilemma”, strengthen the national and European gas infrastructure, and maintain its commitment towards decarbonisation targets.
Today's Snam is a company with a clear strategic development path ahead, capable of rebalancing the 'energy trilemma' (security, competitiveness, sustainability of supplies) called into question by the events of recent years.

Time horizon

Medium-term

Likelihood

Very likely

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

131,300,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

The IRR (internal return of investment) deriving from the investments in Adriatic pipeline and in FRSU is:
- for transportation (Adriatic) equal to 5.1% of the 900 mln investment, with an IRR of 45.9 mln. In particular, by 2026, Snam will allocate 6.3 billion euros to the transportation network, particularly to the upgrading of the Adriatic backbone, which will be completed by 2027 and will allow for the expansion of South-North capacity, giving the system greater flexibility and, thus, cope with the effects of the Russian-Ukrainian conflict.
- for LNG (FRSU) amounting to 6.1 % of the 1.4 bn investment, with an IRR of 85.4 mln. In terms of regasification activity, Snam will invest a total of €1.4 billion in LNG import, which has already started in part with the acquisition and commissioning of 2 new floating regasification units (FSRUs) of 5 bn capacity each, in Ravenna and Piombino, as well as with the construction of related infrastructure works. In this way, and with a share of about 17 bcm of regasification capacity, Snam will become one of

the largest LNG operators in Europe, thus fostering greater security and diversification of Italy's energy supplies.

Cost to realize opportunity

9,000,000,000

Strategy to realize opportunity and explanation of cost calculation

Considering the “energy trilemma”, Snam, with its new Strategic Plan, places itself at the centre of it, investing along all three pillars: Gas infrastructure, Sustainability and Competitiveness.

Providing greater flexibility to the gas infrastructure along the entire value chain is one of the main objectives pursued by Snam in order to strengthen its resilience in times of emergency. In the new Strategic Plan, also for this reason, the Group has reconfirmed the investments earmarked in the last Plan to replace obsolete pipelines and storage equipment and install dual fuel compression stations, which will also contribute to reducing the Group's carbon footprint.

For 9 billion euros, in particular, Snam will aim to strengthen gas infrastructure, making it more flexible and multi-purpose.

Specifically, by 2026, Snam will allocate 6.3 billion euros to the transportation network, in particular, to the expansion of the adriatic backbone, which will be completed by 2027 and will allow the expansion of South-North capacity, giving the system greater flexibility and, thus cope with the effects of the Russian-Ukrainian conflict.

Furthermore, Snam intends to allocate 1.3 billion to expand, enhance and optimise the storage system in order to make it more flexible and increase its overall capacity to 16 bcm by 2026. More capacity will also be achieved thanks to the new Alfonsine plant, (+1.8 bcm or 15%), which will be completed within the next five years with the financial support of 50 million euros planned for 2022-2026.

As far as the regasification business is concerned, Snam will invest a total of 1.4 billion euros in the import of LNG, part of which has already begun with the acquisition and commissioning of 2 new floating regasification units (FSRUs) with 5bcm of capacity each, in Ravenna and Piombino, as well as the construction of the related infrastructure works. With a regasification capacity increased to about 27 bcm, LNG will be able to meet about 40% of the expected gas demand in the medium term. With this in mind, and with a share of about 17 bcm of regasification capacity, Snam will become one of the largest LNG operators in Europe, thus supporting greater security and greater diversification of Italy's energy supplies.

Comment

-

Identifier

Opp4

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Markets

Primary climate-related opportunity driver

Other, please specify

Access to new investors

Primary potential financial impact

Increased access to capital

Company-specific description

In a context of growing attention of investors to Climate Change issues, the opportunity for Snam is a widening of the shareholder base due to an increasing interest of SRI investors in the Company's share capital. The effort of the Company in pursuing a sustainable growth and the continuous attention to Corporate Social Responsibility, have granted Snam a higher presence of SRI investors in the Share Capital.
Furthermore, sustainable finance is a key part of Snam funding strategy and will increase its share over time, with approx. 70% of total committed funding as of end-2022 and with the target to increase it to 80% over the Plan horizon 2023-2027. This is consistent with Snam's ESG strategy and helps to diversify investor base which is showing a strong interest for Snam's instruments. Since February 2019, Snam issued the first Climate action bond in Europe and four Transition bond from June 2020 to June 2021 for a total of ca. €2.9 billion. In addition, Snam reached the target set on our € 3.2 billion "sustainable" loan granting a step down on the margin for 2.5 bps and, since 2021, Snam has secured €1.2 billion Term Loan and €2.9 bln RCF with a format similar to Sustainable Loan. In 2022, Snam also secured a €75 million Term Loan in Use of Proceeds format.
In November 2021, Snam published the Sustainable Finance Framework, on the basis of which the company has the option of issuing Bonds both in the "Use of Proceeds" (EU Taxonomy-aligned Transition Bond) or "General corporate purpose" format linked to environmental KPIs (Sustainable-Linked Bond).
As part of the Sustainable Finance Framework, Snam issued an inaugural dual-tranche Sustainable-Linked Bond for a total of €1.5 billion characterized by ESG investors accounting for around 85% of the total allocated and an inaugural EU Taxonomy Aligned Bond for €0.3 billion. While the latter is mainly related to Biomethane projects, the economic performance (step-up coupons) of the former is linked to the achievement of targets linked to specific KPIs. The short tranche has been associated with a natural gas emission reduction target of -55% by 2025 in respect to 2015 values and a Scope 1 and 2 emissions reduction target of -40% by 2027, while the long tranche has been associated with a Scope 1 and 2 emission reduction target of -50% by 2030 vs 2018.

Time horizon

Medium-term

Likelihood

Likely

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

20,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

The financial impact of the Climate action bond / Transition bonds is not easy to calculate. We can estimate a green premium (so called grenium) as the difference between the yield of a standard bond vs. ESG bond by no more than 5bps applied to 4.650m€ ESG bonds (SLB and Transition Bond) issued so far. Assuming an average maturity of approx. 8 years, we can calculate total cumulated savings close to 20m€ over the maturity of the instruments.

Cost to realize opportunity

150,000

Strategy to realize opportunity and explanation of cost calculation

In order to maintain and improve the relationship with SRI investors, Snam's management is periodically engaged in a Road Show activity aimed to meet institutional investors worldwide, included the SRI ones. In addition, every year the IR department of the Company is committed to participate in the assessment of the main international sustainability rating Agencies, in order to be included or reconfirmed in the related sustainability indexes, raising Company's visibility with SRI investors and, more generally, with the entire financial community. In 2022/2023 the Company also arranged a ESG roadshow held by the President, to meet the main Sustainabile Responsible investors of its portfolio.

The costs for this kind of activities are around 50,000 euro per year.

Coming to the sustainable finance, in order to implement its strategy, Snam is:
- looking at the development of the market standards / regulation (i.e., alignment with the Taxonomy) and constantly updating the Sustainable Finance Framework as appropriate.
- constantly talking with investors by participating to seminaries / roadshows, that are key elements to develop Snam's sustainable financial strategy.

The cost of management is estimated to be approximately 100,000€ per year, which include:
• a share of IR Road Show costs.
• cost to be supported in the Assessment activity with CSR rating Agencies.
• costs related to sustainable finance activities (bond report / SPO assessment on the Framework green advisory)

The total cost to realize opportunity is calculated as the sum of 50,000 euro and 100,000 euro, equal to 150,000 euro.

Comment

-

C3. Business Strategy

C3.1

(C3.1) Does your organization's strategy include a climate transition plan that aligns with a 1.5°C world?

Row 1

Climate transition plan

Yes, we have a climate transition plan which aligns with a 1.5°C world

Publicly available climate transition plan

Yes

Mechanism by which feedback is collected from shareholders on your climate transition plan

Our climate transition plan is voted on at Annual General Meetings (AGMs)

Attach any relevant documents which detail your climate transition plan (optional)

2022_2026_Strategic_Plan (2).pdf
PR-Strategy_2022_2026.pdf
2022_climate_change_report.pdf
2022_Sustainability_report.pdf

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

	Use of climate-related scenario analysis to inform strategy
Row 1	Yes, qualitative and quantitative

C3.2a

(C3.2a) Provide details of your organization's use of climate-related scenario analysis.

Climate-related scenario	Scenario analysis coverage	Temperature alignment of scenario	Parameters, assumptions, analytical choices
Transition scenarios IEA NZE 2050	Company-wide		Snam is engaged in the national energy transition path and aims to become a multi-molecule gas infrastructure by 2030, capable of transporting and storing different types of gas, including biomethane and hydrogen. In cooperation with Terna, Snam has prepared scenarios for the evolution of the national energy system in 2022. As an articulation of the national landscape of the ENTSO scenarios, they aiming the net zero by 2050. Using 2019 as their reference, they are developed over a time horizon up to 2040 using quantitative and quality analysis, assuming a single scenario for 2030 in line with the targets of the EU Fit-for-55 package and adapted to the national situation. Starting with a single scenario at 2030 for 2040, two scenarios were developed with different decarbonisation strategies on the path to net zero by 2050, which were complemented by a Late Transition scenario that reaches the 2030 and 2040 energy/environmental targets late. A description is given below: • Fit-for-55 to 2030, targets a reduction in CO2 emissions of -55% and a reduction in final consumption of around 16% to 2030 (hp: 66.2 billions of m3 gas and green gas demand to 2030; 11.5 % share of green gas in gas demand by 2030) • Distributed Energy Italia to 2040, characterised by a strong penetration of the electric carrier in all sectors (civil, transport and industry) maximising the use of electric renewables and marginal support in some specific areas of CCS (hp: 59.4 billions of m3 gas and green gas demand to 2040; 37 % share of green gas in gas demand by 2040) • Global Ambition Italia to 2040, reflects the development of green gas-fuelled technologies, particularly in the transport sector, against reduced renewable generation. CCS technologies will be used both in thermal power plants and in the industrial sector, especially in processes with hard-to-abate emissions (hp: 53 billions of m3 gas and green gas demand to 2040; 33 % share of green gas in gas demand by 2040) • Late Transition to 2030 and 2040, in line with the National Trend Italy (Feb 2021), which refers to the

			renewables, efficiency and emissions targets of the National Energy and Climate Plan 2019, aiming for a CO2 emission reduction of -40%, consistent with the Clean Energy Package target (hp: 61.7 billions of m3 gas and green gas demand to 2030; 67.5 billions of m3 gas and green gas demand to 2040; 1.8 % share of green gas in gas demand by 2030; 16.1 % share of green gas in gas demand by 2040).
Physical climate scenarios RCP 2.6	Company-wide		Climate-scenario analyses developed by Snam are based on a Paris Agreement - Allignment pathway, both in terms of strategic and environmental impact. In particular, Snam assesses physical future development (risks and opportunities) considering the Representative Concentration Pathway 2.6 (RCP 2.6).
Transition scenarios IEA STEPS (previously IEA NPS)	Company-wide		In addition to considering scenarios involving a temperature increase within 1.5°C, Snam also conducts scenario analyses considering a temperature increase above 2°C to assess the impacts that could occur in its infrastructure and, more generally, in its business activities. Regarding the latter, Snam considers the IEA STEPS transition scenario, which assumes that governments will not meet their climate targets. Since the transportation infrastructure of Snam is purely underground, it is not affected by significant temperature differences resulting from the assumed scenarios. The remaining above-ground infrastructure, including line facilities and line points, consists of components whose operating ranges are compatible with the assumed temperature increase. However, although some of the indirect effects of rising temperatures and climate change, such as, for example, increased frequency of occurrence of extreme weather events with consequent land impacts such as floods and landslides, are already anticipated and managed within Snam's Pipeline Integrity Management System (PIMS), such extreme events could equally impact the transportation infrastructure. Being aware of these risks and in order to improve its ability to prevent, detect and manage such events, Snam actively collaborates with universities and research centers, to develop innovative technologies to be applied in its operational processes of infrastructure monitoring and management.
Physical climate	Company-wide		Snam also considers the RCP 8.5 physical scenario, or high-emissions scenario, which assumes that there are

scenarios RCP 8.5			few restrictions on emissions, which will therefore grow rapidly, and an increase in the use of coal as a fossil fuel. Since the transportation infrastructure of Snam is purely underground, it is not affected by significant temperature differences resulting from the assumed scenarios. The remaining above-ground infrastructure, including line facilities and line points, consists of components whose operating ranges are compatible with the assumed temperature increase. However, although some of the indirect effects of rising temperatures and climate change, such as, for example, increased frequency of occurrence of extreme weather events with consequent land impacts such as floods and landslides, are already anticipated and managed within Snam's Pipeline Integrity Management System (PIMS), such extreme events could equally impact the transportation infrastructure.

C3.2b

(C3.2b) Provide details of the focal questions your organization seeks to address by using climate-related scenario analysis, and summarize the results with respect to these questions.

Row 1

Focal questions

By developing a proper climate-related scenario analysis, Snam seeks to answer the following focal questions:

-Within the new scenario occurred after the Ukranian crisis, how should companies that ensure gas transportation contribute to achieving the international community's challenging decarbonization goals while ensuring security of supply?
-Which are the renewable energy sources that could enable the decarbonization process and could be developed and consumed using the gas transportation network? (cfr. Repower EU)
- How could Snam enable the country's ecological transition, combating climate change and doing so reducing emissions considering its Scope 1, 2 and 3 greenhouse gas emission targets?

Results of the climate-related scenario analysis with respect to the focal questions

In consideration of these climate-related scenario analysis and of the current context, different answers have been obtained:
Snam Group, as Italy's leading operator in the natural gas transportation, is at the forefront of facilitating the development of value chains associated with the business of biomethane, hydrogen and energy efficiency through infrastructure projects capable of

meeting the current challenging needs of the energy transportation system. The rapid changes necessitated by the current situation and the demands of institutions have highlighted the key role that the energy world will play in ensuring a sustainable and secure energy future and achieving the energy transition. In order to facilitate the transition, it will be crucial to adopt a strategy of diversification of sources through the gradual replacement of fossil fuels by increasing the share of renewables in the energy mix and green gases (biomethane, hydrogen), as well as envisaging the application of CCUS technologies for natural gas uses.
Snam's infrastructure is proving its strategic value in terms of both diversification and future prospects now more so than ever. More specifically, our network and storage facilities support the energy security of Italy and all of Europe. Furthermore, through the 2 FRSUs, Snam will increase the Group's regasification capacity, helping to ensure greater security and diversification of Italy's energy supply.
In this context, in January 2023, the new 2022-2026 Strategic Plan and the long- Term Vision to 2030 were presented, with which Snam underlined its contribution to supporting the great transformation underway in the energy sector, leveraging on the enabling role of infrastructure to achieve a fully decarbonised economy through a plan of increasing investments. The Strategic Plan envisages investments totalling 10 billion euros over the next four years (up 23% compared to the previous plan), mainly including maintenance, modernisation and infrastructure development activities. In addition, investments of 1 billion euros are planned to achieve carbon neutrality and energy transition
Particularly, by 2030 we aim to build the first portion of a national hydrogen network, a 2,700 km backbone crossing Italy from south to north.
We are becoming an energy infrastructure company that is no longer focused solely on transporting and storing natural gas but also biomethane, hydrogen, CO2 and CCS technologies - focusing on achieving carbon neutrality and on the contribution we can make to the energy transition in the territories where we operate. Now more than ever. Also, climate-related scenario analysis that have been developed expect a decarbonized energy system by 2040. Snam Group's targets on Scope 1, 2, and 3 are in line with these projections. Also, Snam represents a crucial component for the Italian system and achieving these targets will allow for a significant acceleration for the overall country towards decarbonization.

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	Snam services can be potentially impacted by variations of the gas regulatory framework (as reported in C2.3a Risk 2), connected for example to the disincentive for the use of gas

		and the promotion of different energy sources with lower impact in terms of climate change. To manage this risk over a medium/long-term period and reduce impacts on its business, Snam actively promotes the use of flexible, low environmental-impact energy sources and green gases. In the new 2022-2026 Strategic Plan, Snam underlined its contribution to supporting the great transformation underway in the energy sector, leveraging on the enabling role of infrastructure to achieve a fully decarbonised economy through a plan of increasing investments for 1 billion euros in businesses for energy transition: • around 550 million euros in biomethane infrastructure to reach a capacity of more than 100 MW by 2026; • around 100 million euros in hydrogen, also with the support of NRRP funds, to help prepare the national ecosystem for the use of hydrogen; • around 120 million euros in investments over the Plan period in CCS technologies focusing on the decarbonisation of hard-to-abate sectors in northern Italy; • around 200 million euros in energy efficiency to consolidate its position as a national player.
Supply chain and/or value chain	Yes	In the next years, considering a medium/long-term time horizon, Snam value chain could be highly impacted by investors' and the public's growing concern around climate-related issues (as reported in C2.3a Risk 4 and C2.4a Opportunity 4). Snam has joined the CDP Supplier Engagement Rating (SER), supply chain programme for the fourth consecutive year, the CDP programme aimed at involving its supply chain in the climate change questionnaire. Snam has been awarded the title of "Supplier Engagement Leader", reserved for the most reliable companies in measuring the climate risk of the activities of their supply chain - which affect Scope 3 emissions not directly attributable to the company itself - and in actions to counter it. In particular, Snam obtained a score of A, demonstrating its commitment to engaging its suppliers on issues related to reducing emissions and developing sustainable strategies. This could represent both a risk, that Snam will have to support suppliers with extra help and knowledge to get to emission plans, and an opportunity for improving the supply chain climate-related performances and communication. The supply chain is a central part of the company's Climate Change Strategy, also in relation to the new carbon neutrality targets that Snam has developed. Climate issues have influenced our supplier strategy in the

		medium-term, as engagement activities with suppliers are needed in order to reduce Snam's Scope 3 emissions. Indeed, the integration of the decarbonisation objectives within Snam's Strategic Plan demonstrates the Group's willingness to operate concretely in order to reduce Scope 3 emissions deriving from the supply chain. It is with this in mind that a systematic awareness-raising action was launched regarding sustainability and on the supplier base in order to accelerate their contribution to the energy transition, which continued in 2022. This commitment translates into strengthening the existing partnership with them, sharing values and objectives, enhancing strengths and developing areas for improvement for each of them. Moreover, suppliers are constantly guided by Snam and put in a position to benefit from the sharing of know-how, the definition of sustainability priorities to be assigned to objectives related to daily work, the application of best practices and the most effective monitoring measures to be implemented.
Investment in R&D	Yes	Investment in R&D could be highly impacted by the dissemination of low-carbon technologies that could lead to a gas demand reduction. The risk level could be higher if associated with Snam's lack of technical competencies in the low-carbon technology field (C2.3a Risk 5). The reduction of gas demand could be a result of the spread of full-electric technologies in the residential sector, greater diffusion of electrical energy storage systems, changes in the legislative-regulatory context highly unbalanced towards the protection of the electricity system, and strategic changes of competitors. Therefore, Snam could then invest more in R&D to develop more efficient and low-impact alternative solutions to manage the risk in both the short and long term. In the 2022-2026 Strategic Plan, investments in digitalisation and innovation represent necessary activities for Snam to ensure the increasingly effective and efficient management of its business, allowing it, in parallel, to accelerate capacity for innovation, transformation and flexibility, as well as adaptation in the management of its assets and industrial processes, in order to respond to the challenges and opportunities offered, deriving from the evolution of the energy system and support the Group in its energy transition path. With a view to digitalising its industrial assets and its operations, Snam has earmarked around 450 million euros in investments over the plan period for SnamTEC, the Group's innovation and digitalisation programme that has a total of 52 projects. Snam’s innovation strategy is based on four macro-

		areas: security, asset resilience, process optimisation and improvement of business sustainability. Among the various innovations introduced are: predictive maintenance, which minimises costs and downtime, contributing to security and continuity of supply; the application of artificial intelligence to the operational management of network assets, which allows reducing consumption and emissions and the use of big data to support decisions related to industrial processes, which allows making the decision-making process more factual, faster and more effective. In 2022 Snam continued experimentation and studies aimed at supporting the energy transition by evaluating the existing infrastructure and the transportation of natural gas and hydrogen blends with H2 content up to 100%.
Operations	Yes	The operations are highly impacted by risks related to extreme events that could cause breakages or damages of pipelines/installations, which can cause malfunctioning and unexpected service interruption (high impact on the business, but also potentially on CH4 leaks due to emergencies), as reported in C2.3a Risk 3, in all time horizons. As a response to these risks, in order to ensure the complete, efficient and effective monitoring of all assets, Snam provides for continuous checks on the proper functioning of the network, which are carried out with the help of technologies and experienced personnel. Technologies are a fundamental aid in ensuring high levels of quality in terms of infrastructure monitoring. Among these, Snam uses In Line Inspection (ILI) instruments, which, through the use of intelligent pigs equipped with sensors, pass through the pipelines, detecting the presence of any defects, geometric anomalies, corrosion, or minimal axial displacement of the pipelines themselves. ILI technologies also include remote control systems to check the stress state of pipes laid in areas with potential hydrogeological instability. Technological innovations in this field are constantly evolving and Snam is committed to researching and developing new opportunities, with a view to constantly improving its ability to observe the infrastructure and prevent and/or intercept potential dangerous situations for network security. The company has recently equipped itself with drones and an organisational structure based on an aviation model, as well as with satellite tracking technologies. In this context, project work has been completed on a pilot route of approximately 1,400 km and field verification of the evidence produced is underway, with initial results being very satisfactory. In

		addition, the implementation of the Leak Detection and Repair (LDAR) project, developed in-house, continued in 2022, enabling inspection and field surveys to be carried out in order to prevent, detect and resolve any methane leaks from pipelines. For storage facilities, monitoring is carried out by means of detection systems, including optical detectors, temperature-sensitive cables, fuse plugs, smoke detectors, sound level meters, pressure transmitters, etc. These systems allow the activation of emergency (ESD) or process (PSD) shut-downs, ensuring the safety of the installations.

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Indirect costs Capital expenditures Capital allocation Acquisitions and divestments Access to capital Assets Liabilities	Revenues: the revenues would be impacted by the variation in the gas demand up to +/-4% or +/- 10 mln € (medium-low impact magnitude) as in C2.3a Risk2. In its 2022-2026 Strategic plan, Snam considers the estimate of gas volumes to be transported and the related impact on revenues. The direction to follow has been specified both in his Strategic Plan and in the vision to 2030: a) infrastructure development, all with a view to H2 readiness; b) decarbonisation through green gases (H2 and biomethane), CCS and energy efficiency; c) digitalisation and optimisation of assets and industrial processes. Snam has planned €10 billion investments over the plan period (as in C2.4a Opp2,) that would positively affect the revenue (high impact). It is expected that risk-adjusted returns (IRR - internal return of investment) deriving from the €1 bn investments in green energy projects by 2026 in is ≥ high single digit (7-9%). Ability to diversify business activities (as in C2.4 Opp5): revenue growth is linked to the potential increased production capacity resulting from the development of reliable, multipurpose and secure infrastructure. Snam, with its new Strategic Plan, intends to provide greater flexibility to the gas infrastructure to strengthen its resilience in times of emergency. In terms of regasification activity, Snam will invest in LNG import, which has already partly started with the acquisition and commissioning of the 2 FSRUs. In line with Snam's strategic goals, Snam will become one of the largest LNG operators in Europe, supporting greater diversification of Italy's energy supplies.

		Indirect costs: Increased pricing of GHG emissions (as in C2.3a Risk1): the increase in the CO2 emission allowance price has a relevant effect on the operating costs because of: i) the need of buying allowances at a higher price; ii) the need of implementing new low-carbon technologies with the aim of reduce the total CO2 emissions and the related purchased allowances. To manage this indirect costs Snam monitors every 3 months the energy consumption and updates consumption forecasts related to the 23 installations subject to ETS, in order to promptly calculate the allowances needed and purchase them in the most cost-efficient way. In order to reduce CO2 emissions, Snam has made investments, partially reimbursed by Authority, to increase the energy efficiency of its plants, for example by installing turbocompressors with a higher energy efficiency compared to those already installed with a generation of a benefit in the consumption of some compressor storage stations. Capital expenditures: Severity and frequency of extreme weather events (as in C2.3a Risk3): the risk of disruption of infrastructures due to hydrological instability has an impact on the operating costs and capital expenditures related to the maintenance and prevention activities. The monitoring phase of the areas impacted by Snam's infrastructure projects also includes continuous checks: in 2022, 21,379 km of pipelines were inspected by helicopter; 1,602 km of network was inspected using smart pigs; 3,894 km of geological inspections of areas where landslide risk is high; 11,160 km inspected with Leak Detection and Repair (LDAR) Programme. These activities implied capital costs of about €68,518,445 and €14,263,678 for operating costs. Snam has subscribed an insurance regarding pipeline disruption, with a total maximum deductible amount of €500K per event. Development of low emission services (as in C2.4 Opp2): capital expenditures related to development of the sustainable mobility and green gas businesses, have relevant effects on Snam's Strategic Plan. Capital allocation: The investment in the development and expansion of the business of the sustainable mobility (as in C2.4 Opp2) could have a high impact on capital allocations. The investment in the development of new businesses is considered in the Snam's ten-year plan. Acquisitions and divestments: Development of low emission services (as in C2.4a Opp2): the development and implementation of low emission services has a high magnitude impact on acquisitions and divestments. In 2020, through its subsidiary Bioenerys (ex Snam4Environment), Snam finalised the acquisition of Renerwaste S.r.l., a company active in biogas and

		biomethane infrastructure that operates through three plants located in the provinces of Lodi, Milan and Tortona. The Group also completed the acquisition of 50% of Iniziative Biometano, a company operating in Italy in the management of biogas and biomethane plants fuelled by biomasses of agricultural origin. In 2022, Bioenerys increased its shareholding in Iniziative Biometano S.p.A. to 51% of the share capital, resulting in the acquisition of control instead of joint control. In 2020, Snam also finalised the acquisition of 70% of Mieci SpA and Evolve SpA, which will allow the Group to improve its competitive positioning in the energy efficiency business and to integrate and enrich its expertise in both the public and private-residential sectors. Access to capital: All the risks and opportunities in answers 2.3a and 2.4a affect the access to capital and are considered in the new Strategic plan. For example: • Mandates on and regulation of existing products and services (as in C2.3a Risk2) would lead to a limited decrease in the revenue that could cause a loss of interest of the investors with a medium-low negative magnitude impact on the access to capital. • Snam's effort in pursuing as sustainable growth and the continuous attention to Corporate Social Responsibility (as in C2.4 Opp4) could positively impacts the relation with investors that are more sustainability-oriented and therefore facilitate the access to capital. Assets: All the risks and opportunities in answers 2.3a and 2.4a have impacts on the assets and are considered in both 2022-2026 strategic plan and ten-year Company plan. For example: • Extreme variability in weather patterns (as in C2.3a Risk3) would impact the assets due to the risk of disruption of infrastructures caused by hydrological instability. Despite the surveillance plan implemented by Snam, the magnitude of this impact is expected to be low. • Access to new markets (as in C2.4 Opp4) can affect assets development with the objective of increase the flexibility and the diversification of the sources of the European and international gas grid. The magnitude of this opportunity impact can be medium-high as one of the main parts of Snam’s ten-year plan. Liabilities: All the risks and opportunities in answers 2.3a and 2.4a have a small impact on the liabilities and are considered in both 2022-2026 strategic plan and ten-year Company plan. For example, all risks and opportunities that have potential impact on revenues could affect the Equity value of the company even if the size of

		risk/opportunity identified is quite small compared to the liabilities of the company.

C3.5

(C3.5) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's climate transition?

	Identification of spending/revenue that is aligned with your organization's climate transition	Indicate the level at which you identify the alignment of your spending/revenue with a sustainable finance taxonomy
Row 1		At both the company and activity level

C3.5a

(C3.5a) Quantify the percentage share of your spending/revenue that is aligned with your organization's climate transition.

Financial Metric

Revenue/Turnover

Type of alignment being reported for this financial metric

Alignment with a sustainable finance taxonomy

Taxonomy under which information is being reported

EU Taxonomy for Sustainable Activities

Objective under which alignment is being reported

Climate change mitigation

Amount of selected financial metric that is aligned in the reporting year (unit currency as selected in C0.4)

661,326

Percentage share of selected financial metric aligned in the reporting year (%)

20

Percentage share of selected financial metric planned to align in 2025 (%)

14

Percentage share of selected financial metric planned to align in 2030 (%)

20

Describe the methodology used to identify spending/revenue that is aligned

In 2021, in order to comply with the provisions of Article 10 of Regulation 2021/2178 of the European Commission, Snam assessed the share of eligible activities ("Taxonomy-eligible" activities) among those pursued by the Group based on the interpretation of the

activities described in the Climate Act and on the information published by the European Commission. From Snam's interpretation of the measures contained therein, all activities associated with the maintenance, develpment and reconversion of gas transportation networks, activities related to the production and transportation of biomethane and hydrogen, emissions reduction, and energy efficiency are mapped by the Climate Act and therefore considered eligible.
Compared to the interpretation given last year, further investigations carried out in 2022, with a large group of companies in the sector and coordinated by the main trade associations, led to a change in the approach towards certain activities carried out by the Group from a more cautious perspective. In particular, activities in the field of sustainable mobility were excluded from the eligible activities and, as far as transport network management activities are concerned, only a proportion of revenues proportional to the share of green gases (biomethane and hydrogen) transported in 2022 in relation to the total demand for the same year was considered eligible in the calculation of the revenue KPI.
In carrying out the analysis aimed at identifying eligible activities, the Q&A published by the European Commission on 2 February 2022 was taken into account, which suggests that qualifications such as "low carbon", to which certain articles of the Climate Act refer, should only be taken into account for the purpose of determining compliance with the technical screening criteria, thus for the purpose of identifying taxonomy-aligned activities. This clarification supports Snam's interpretation of the articles of the Climate Act, according to which Transportation activities, including the construction, maintenance and operation of gas networks are to be considered fully Taxonomy-Eligible (ref. Transmission and distribution networks for hydrogen and low-carbon gases, Article 4.14 of the Climate Act).
For the purposes of identifying Taxonomy-Eligible activities, Snam considered gas transportation activities eligible, but not storage activities. It should be noted that unlike Taxonomy-Eligible activities, Taxonomy- Aligned activities are activities that contribute to at least one of the environmental objectives contained in the Climate Act, meet the technical screening criteria of the delegated acts, do not significantly harm any of the other objectives and are carried out in compliance with minimum measures of social safeguards.
The Group's economic indicators, necessary for the calculation of the KPIs relating to the Taxonomy-Eligible and Aligned portion of the business for FY2022, were calculated using the following methodology for revenues: revenues from regulated and non-regulated activities, excluding pass-through fees (see Note 29 'Operating revenues and income' to the Consolidated Financial Statements).
Double accounting in the calculation of revenues, CapEx and OpEx is excluded as Snam uses financial data at the activity level and associates each Taxonomy-Eligible and Taxonomy-Aligned activity with the reference article of the Climate Act. For reporting purposes, aggregation is done on the basis of the individual items under which eligible activities fall.
The auditor's opinion and related verification activities did not cover the information required by Article 8 of European Regulation 2020/852.

Financial Metric

CAPEX

Type of alignment being reported for this financial metric

Alignment with a sustainable finance taxonomy

Taxonomy under which information is being reported

EU Taxonomy for Sustainable Activities

Objective under which alignment is being reported

Climate change mitigation

Amount of selected financial metric that is aligned in the reporting year (unit currency as selected in C0.4)

746,826

Percentage share of selected financial metric aligned in the reporting year (%)

38.8

Percentage share of selected financial metric planned to align in 2025 (%)

42

Percentage share of selected financial metric planned to align in 2030 (%)

50

Describe the methodology used to identify spending/revenue that is aligned

In 2021, in order to comply with the provisions of Article 10 of Regulation 2021/2178 of the European Commission, Snam assessed the share of eligible activities (“Taxonomy-eligible” activities) among those pursued by the Group based on the interpretation of the activities described in the Climate Act and on the information published by the European Commission. From Snam’s interpretation of the measures contained therein, all activities associated with the maintenance, develpment and reconversion of gas transportation networks, activities related to the production and transportation of biomethane and hydrogen, emissions reduction, and energy efficiency are mapped by the Climate Act and therefore considered eligible.

Compared to the interpretation given last year, further investigations carried out in 2022, with a large group of companies in the sector and coordinated by the main trade associations, led to a change in the approach towards certain activities carried out by the Group from a more cautious perspective. In particular, activities in the field of sustainable mobility were excluded from the eligible activities and, as far as transport network management activities are concerned, only a proportion of revenues proportional to the share of green gases (biomethane and hydrogen) transported in 2022 in relation to the total demand for the same year was considered eligible in the calculation of the revenue KPI.

In carrying out the analysis aimed at identifying eligible activities, the Q&A published by the European Commission on 2 February 2022 was taken into account, which suggests that qualifications such as "low carbon", to which certain articles of the Climate Act refer, should only be taken into account for the purpose of determining compliance with the technical screening criteria, thus for the purpose of identifying taxonomy-aligned

activities. This clarification supports Snam's interpretation of the articles of the Climate Act, according to which Transportation activities, including the construction, maintenance and operation of gas networks are to be considered fully Taxonomy-Eligible (ref. Transmission and distribution networks for hydrogen and low-carbon gases, Article 4.14 of the Climate Act).
For the purposes of identifying Taxonomy-Eligible activities, Snam considered gas transportation activities eligible, but not storage activities. It should be noted that unlike Taxonomy-Eligible activities, Taxonomy- Aligned activities are activities that contribute to at least one of the environmental objectives contained in the Climate Act, meet the technical screening criteria of the delegated acts, do not significantly harm any of the other objectives and are carried out in compliance with minimum measures of social safeguards.
The Group’s economic indicators, necessary for the calculation of the KPIs relating to the Taxonomy-Eligible and Aligned portion of the business for FY2022, were calculated using the following methodology for CapEx: investments in property, plant and equipment and intangible assets recognised in accordance with IFRS16 (include the investments in Note 8 'Property, plant and equipment' and Note 9 'Intangible assets and goodwill' to the Consolidated Financial Statements, and financial investments for FSRU and new biomethane companies).
Double accounting in the calculation of revenues, CapEx and OpEx is excluded as Snam uses financial data at the activity level and associates each Taxonomy-Eligible and Taxonomy-Aligned activity with the reference article of the Climate Act. For reporting purposes, aggregation is done on the basis of the individual items under which eligible activities fall.
The auditor’s opinion and related verification activities did not cover the information required by Article 8 of European Regulation 2020/852.

Financial Metric

OPEX

Type of alignment being reported for this financial metric

Alignment with a sustainable finance taxonomy

Taxonomy under which information is being reported

EU Taxonomy for Sustainable Activities

Objective under which alignment is being reported

Climate change mitigation

Amount of selected financial metric that is aligned in the reporting year (unit currency as selected in C0.4)

27,966

Percentage share of selected financial metric aligned in the reporting year (%)

37

Percentage share of selected financial metric planned to align in 2025 (%)

14

Percentage share of selected financial metric planned to align in 2030 (%)

20

Describe the methodology used to identify spending/revenue that is aligned

Regarding the forward-looking values of aligned opexes at 2025 and 2030, the taxonomy requires only maintenance opexes to be considered, not operating opexes. Based on this, Snam expects opex values proportional to aligned revenue percentages.
In 2021, in order to comply with the provisions of Article 10 of Regulation 2021/2178 of the European Commission, Snam assessed the share of eligible activities ("Taxonomy-eligible" activities) among those pursued by the Group based on the interpretation of the activities described in the Climate Act and on the information published by the European Commission. From Snam's interpretation of the measures contained therein, all activities associated with the maintenance, develpment and reconversion of gas transportation networks, activities related to the production and transportation of biomethane and hydrogen, emissions reduction, and energy efficiency are mapped by the Climate Act and therefore considered eligible.
Compared to the interpretation given last year, further investigations carried out in 2022, with a large group of companies in the sector and coordinated by the main trade associations, led to a change in the approach towards certain activities carried out by the Group from a more cautious perspective. In particular, activities in the field of sustainable mobility were excluded from the eligible activities and, as far as transport network management activities are concerned, only a proportion of revenues proportional to the share of green gases (biomethane and hydrogen) transported in 2022 in relation to the total demand for the same year was considered eligible in the calculation of the revenue KPI.
In carrying out the analysis aimed at identifying eligible activities, the Q&A published by the European Commission on 2 February 2022 was taken into account, which suggests that qualifications such as "low carbon", to which certain articles of the Climate Act refer, should only be taken into account for the purpose of determining compliance with the technical screening criteria, thus for the purpose of identifying taxonomy-aligned activities. This clarification supports Snam's interpretation of the articles of the Climate Act, according to which Transportation activities, including the construction, maintenance and operation of gas networks are to be considered fully Taxonomy-Eligible (ref. Transmission and distribution networks for hydrogen and low-carbon gases, Article 4.14 of the Climate Act).
For the purposes of identifying Taxonomy-Eligible activities, Snam considered gas transportation activities eligible, but not storage activities. It should be noted that unlike Taxonomy-Eligible activities, Taxonomy- Aligned activities are activities that contribute to at least one of the environmental objectives contained in the Climate Act, meet the technical screening criteria of the delegated acts, do not significantly harm any of the other objectives and are carried out in compliance with minimum measures of social safeguards.
The Group's economic indicators, necessary for the calculation of the KPIs relating to the Taxonomy-Eligible and Aligned portion of the business for FY2022, were calculated using the following methodology for OpEx: direct costs of managing group activities

excluding overheads such as Snam S.p.A. costs, service contracts with subsidiaries and the costs of managing development and R&D projects.
Double accounting in the calculation of revenues, CapEx and OpEx is excluded as Snam uses financial data at the activity level and associates each Taxonomy-Eligible and Taxonomy-Aligned activity with the reference article of the Climate Act. For reporting purposes, aggregation is done on the basis of the individual items under which eligible activities fall.
The auditor's opinion and related verification activities did not cover the information required by Article 8 of European Regulation 2020/852.

C3.5b

(C3.5b) Quantify the percentage share of your spending/revenue that was associated with eligible and aligned activities under the sustainable finance taxonomy in the reporting year.

Economic activity

Transmission and distribution networks for renewable and low-carbon gases

Taxonomy under which information is being reported

EU Taxonomy for Sustainable Activities

Taxonomy Alignment

Taxonomy-aligned

Financial metric(s)

Turnover
CAPEX

Taxonomy-aligned turnover from this activity in the reporting year (unit currency as selected in C0.4)

6

Taxonomy-aligned turnover from this activity as % of total turnover in the reporting year

0

Taxonomy-aligned turnover from this activity that substantially contributed to climate change mitigation as a % of total turnover in the reporting year

100

Taxonomy-aligned turnover from this activity that substantially contributed to climate change adaptation as a % of total turnover in the reporting year

0

Taxonomy-eligible but not aligned turnover from this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-eligible but not aligned turnover from this activity as % of total turnover in the reporting year

Taxonomy-aligned CAPEX from this activity in the reporting year (unit currency as selected in C0.4)

445

Taxonomy-aligned CAPEX from this activity as % of total CAPEX in the reporting year

23

Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change mitigation as a % of total CAPEX in the reporting year

100

Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change adaptation as a % of total CAPEX in the reporting year

0

Taxonomy-eligible but not aligned CAPEX associated with this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-eligible but not aligned CAPEX associated with this activity as % of total CAPEX in the reporting year

Taxonomy-aligned OPEX from this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-aligned OPEX from this activity as % of total OPEX in the reporting year

Taxonomy-aligned OPEX from this activity that substantially contributed to climate change mitigation as a % of total OPEX in the reporting year

Taxonomy-aligned OPEX from this activity that substantially contributed to climate change adaptation as a % of total OPEX in the reporting year

Taxonomy-eligible but not aligned OPEX associated with this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-eligible but not aligned OPEX associated with this activity as % total OPEX in the reporting year

Type(s) of substantial contribution

Own performance

Calculation methodology and supporting information

Since the first developments of the European Taxonomy, Snam has welcomed the direction defined by the European Commission, in line with the strategy and investment choices of the Company, aimed at decarbonisation and the creation of a low-carbon economy.
The Group's economic indicators needed to calculate KPIs for the portion of the business subject to taxation for fiscal year 2022 were calculated on each activity deemed taxonomy aligned or taxnomy eligible by Snam, using the following methodology:
• Revenues: revenues from regulated and non-regulated activities, excluding pass-through fees;
• CapEx: investments in property, plant and equipment and intangible assets recognised in accordance with IFRS16;
• OpEx: direct costs of managing group activities excluding overheads such as Snam S.p.A. costs, service contracts with subsidiaries and the costs of managing development and R&D projects.

Technical screening criteria met

Yes

Details of technical screening criteria analysis

On 4 June 2021, the European Commission adopted Delegated Regulation (EU) 2021/2139, which sets out the criteria for technical screening to determine when a given economic activity can be considered "environmentally sustainable" because it contributes substantially to climate change mitigation or adaptation, without causing significant harm to one or more of the other environmental objectives (the “Climate Act”).
The Climate Act outlines the two sets of technical screening criteria respectively in Annex 1, for climate change mitigation (art. 10 of EU Regulation 2020/852), and Annex 2, for climate change adaptation (art. 11 of EU Regulation 2020/852).
Snam's economic activities defined as Taxonomy-Eligible are described in the Delegated Acts with respect to the intended environmental objectives.
In carrying out the analysis aimed at identifying eligible activities, the Q&A published by the European Commission on 2 February 2022 was taken into account, which suggests that qualifications such as "low carbon", to which certain articles of the Climate Act refer, should only be taken into account for the purpose of determining compliance with the technical screening criteria, thus for the purpose of identifying taxonomy-aligned activities. Snam's economic activities defined as Taxonomy-Aligned are, among other things, in compliance with the technical screening criteria defined in the Climate Act.

Do no significant harm requirements met

Yes

Details of do no significant harm analysis

'Environmentally-sustainable activities' (aligned activities) are defined as all those activities that contribute to at least one of the following environmental objectives, without, at the same time, causing significant harm to other environmental objectives (Do No Significant Harm - DNSH) and carried out in compliance with minimum social safeguards: Climate change mitigation, Adaptation to climate change, Sustainable use and protection of water and marine resources, Transition to a circular economy, Pollution prevention and control and Protection of ecosystems and biodiversity. Snam, for all activities assessed as aligned, does not cause significant harm to other objectives environment (Do No Significant Harm - DNSH).

Minimum safeguards compliance requirements met

Yes

Details of minimum safeguards compliance analysis

As regards the minimum social protection requirements, the topics Human Rights, Corruption, Taxation and Competition were assessed, as identified by the Platform on Sustainable Finance. Snam has adopted solid policies and procedures with the aim of identifying, preventing and monitoring risks and managing the negative impacts relating to the areas described above. In addition, during 2022 Snam was not involved nor was it convicted in this regard.

Economic activity

Electricity generation from bioenergy

Taxonomy under which information is being reported

EU Taxonomy for Sustainable Activities

Taxonomy Alignment

Taxonomy-aligned

Financial metric(s)

Turnover
CAPEX
OPEX

Taxonomy-aligned turnover from this activity in the reporting year (unit currency as selected in C0.4)

69

Taxonomy-aligned turnover from this activity as % of total turnover in the reporting year

2

Taxonomy-aligned turnover from this activity that substantially contributed to climate change mitigation as a % of total turnover in the reporting year

100

Taxonomy-aligned turnover from this activity that substantially contributed to climate change adaptation as a % of total turnover in the reporting year

0

Taxonomy-eligible but not aligned turnover from this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-eligible but not aligned turnover from this activity as % of total turnover in the reporting year

Taxonomy-aligned CAPEX from this activity in the reporting year (unit currency as selected in C0.4)

101

Taxonomy-aligned CAPEX from this activity as % of total CAPEX in the reporting year

5

Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change mitigation as a % of total CAPEX in the reporting year

100

Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change adaptation as a % of total CAPEX in the reporting year

0

Taxonomy-eligible but not aligned CAPEX associated with this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-eligible but not aligned CAPEX associated with this activity as % of total CAPEX in the reporting year

Taxonomy-aligned OPEX from this activity in the reporting year (unit currency as selected in C0.4)

2

Taxonomy-aligned OPEX from this activity as % of total OPEX in the reporting year

2

Taxonomy-aligned OPEX from this activity that substantially contributed to climate change mitigation as a % of total OPEX in the reporting year

100

Taxonomy-aligned OPEX from this activity that substantially contributed to climate change adaptation as a % of total OPEX in the reporting year

0

Taxonomy-eligible but not aligned OPEX associated with this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-eligible but not aligned OPEX associated with this activity as % total OPEX in the reporting year

Type(s) of substantial contribution

Own performance

Calculation methodology and supporting information

Since the first developments of the European Taxonomy, Snam has welcomed the direction defined by the European Commission, in line with the strategy and investment choices of the Company, aimed at decarbonisation and the creation of a low-carbon economy.
The Group's economic indicators needed to calculate KPIs for the portion of the business subject to taxation for fiscal year 2022 were calculated on each activity deemed taxonomy aligned or taxnomy eligible by Snam, using the following methodology:
• Revenues: revenues from regulated and non-regulated activities, excluding pass-through fees;
• CapEx: investments in property, plant and equipment and intangible assets recognised in accordance with IFRS16;
• OpEx: direct costs of managing group activities excluding overheads such as Snam S.p.A. costs, service contracts with subsidiaries and the costs of managing development and R&D projects.

Technical screening criteria met

Yes

Details of technical screening criteria analysis

On 4 June 2021, the European Commission adopted Delegated Regulation (EU) 2021/2139, which sets out the criteria for technical screening to determine when a given economic activity can be considered "environmentally sustainable" because it contributes substantially to climate change mitigation or adaptation, without causing significant harm to one or more of the other environmental objectives (the “Climate Act”).
The Climate Act outlines the two sets of technical screening criteria respectively in Annex 1, for climate change mitigation (art. 10 of EU Regulation 2020/852), and Annex 2, for climate change adaptation (art. 11 of EU Regulation 2020/852).
Snam's economic activities defined as Taxonomy-Eligible are described in the Delegated Acts with respect to the intended environmental objectives.
In carrying out the analysis aimed at identifying eligible activities, the Q&A published by the European Commission on 2 February 2022 was taken into account, which suggests

that qualifications such as "low carbon", to which certain articles of the Climate Act refer, should only be taken into account for the purpose of determining compliance with the technical screening criteria, thus for the purpose of identifying taxonomy-aligned activities. Snam's economic activities defined as Taxonomy-Aligned are, among other things, in compliance with the technical screening criteria defined in the Climate Act.

Do no significant harm requirements met

Yes

Details of do no significant harm analysis

'Environmentally-sustainable activities' (aligned activities) are defined as all those activities that contribute to at least one of the following environmental objectives, without, at the same time, causing significant harm to other environmental objectives (Do No Significant Harm - DNSH) and carried out in compliance with minimum social safeguards: Climate change mitigation, Adaptation to climate change, Sustainable use and protection of water and marine resources, Transition to a circular economy, Pollution prevention and control and Protection of ecosystems and biodiversity.
Snam, for all activities assessed as aligned, does not cause significant harm to other objectives environment (Do No Significant Harm - DNSH).

Minimum safeguards compliance requirements met

Yes

Details of minimum safeguards compliance analysis

As regards the minimum social protection requirements, the topics Human Rights, Corruption, Taxation and Competition were assessed, as identified by the Platform on Sustainable Finance. Snam has adopted solid policies and procedures with the aim of identifying, preventing and monitoring risks and managing the negative impacts relating to the areas described above. In addition, during 2022 Snam was not involved nor was it convicted in this regard.

Economic activity

Anaerobic digestion of bio-waste

Taxonomy under which information is being reported

EU Taxonomy for Sustainable Activities

Taxonomy Alignment

Taxonomy-aligned

Financial metric(s)

Turnover
CAPEX
OPEX

Taxonomy-aligned turnover from this activity in the reporting year (unit currency as selected in C0.4)

46

Taxonomy-aligned turnover from this activity as % of total turnover in the reporting year

1

Taxonomy-aligned turnover from this activity that substantially contributed to climate change mitigation as a % of total turnover in the reporting year

100

Taxonomy-aligned turnover from this activity that substantially contributed to climate change adaptation as a % of total turnover in the reporting year

0

Taxonomy-eligible but not aligned turnover from this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-eligible but not aligned turnover from this activity as % of total turnover in the reporting year

Taxonomy-aligned CAPEX from this activity in the reporting year (unit currency as selected in C0.4)

155

Taxonomy-aligned CAPEX from this activity as % of total CAPEX in the reporting year

8

Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change mitigation as a % of total CAPEX in the reporting year

100

Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change adaptation as a % of total CAPEX in the reporting year

0

Taxonomy-eligible but not aligned CAPEX associated with this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-eligible but not aligned CAPEX associated with this activity as % of total CAPEX in the reporting year

Taxonomy-aligned OPEX from this activity in the reporting year (unit currency as selected in C0.4)

9

Taxonomy-aligned OPEX from this activity as % of total OPEX in the reporting year

12

Taxonomy-aligned OPEX from this activity that substantially contributed to climate change mitigation as a % of total OPEX in the reporting year

100

Taxonomy-aligned OPEX from this activity that substantially contributed to climate change adaptation as a % of total OPEX in the reporting year

0

Taxonomy-eligible but not aligned OPEX associated with this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-eligible but not aligned OPEX associated with this activity as % total OPEX in the reporting year

Type(s) of substantial contribution

Own performance

Calculation methodology and supporting information

Since the first developments of the European Taxonomy, Snam has welcomed the direction defined by the European Commission, in line with the strategy and investment choices of the Company, aimed at decarbonisation and the creation of a low-carbon economy.

The Group's economic indicators needed to calculate KPIs for the portion of the business subject to taxation for fiscal year 2022 were calculated on each activity deemed taxonomy aligned or taxnomy eligible by Snam, using the following methodology:

• Revenues: revenues from regulated and non-regulated activities, excluding pass-through fees;

• CapEx: investments in property, plant and equipment and intangible assets recognised in accordance with IFRS16;

• OpEx: direct costs of managing group activities excluding overheads such as Snam S.p.A. costs, service contracts with subsidiaries and the costs of managing development and R&D projects.

Technical screening criteria met

Yes

Details of technical screening criteria analysis

On 4 June 2021, the European Commission adopted Delegated Regulation (EU) 2021/2139, which sets out the criteria for technical screening to determine when a given economic activity can be considered "environmentally sustainable" because it contributes substantially to climate change mitigation or adaptation, without causing significant harm to one or more of the other environmental objectives (the “Climate Act”).

The Climate Act outlines the two sets of technical screening criteria respectively in Annex 1, for climate change mitigation (art. 10 of EU Regulation 2020/852), and Annex 2, for climate change adaptation (art. 11 of EU Regulation 2020/852).
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Do no significant harm requirements met

Yes

Details of do no significant harm analysis

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Snam, for all activities assessed as aligned, does not cause significant harm to other objectives environment (Do No Significant Harm - DNSH).

Minimum safeguards compliance requirements met

Yes

Details of minimum safeguards compliance analysis

As regards the minimum social protection requirements, the topics Human Rights, Corruption, Taxation and Competition were assessed, as identified by the Platform on Sustainable Finance. Snam has adopted solid policies and procedures with the aim of identifying, preventing and monitoring risks and managing the negative impacts relating to the areas described above. In addition, during 2022 Snam was not involved nor was it convicted in this regard.

Economic activity

Manufacture of equipment for the production and use of hydrogen

Taxonomy under which information is being reported

EU Taxonomy for Sustainable Activities

Taxonomy Alignment

Taxonomy-aligned

Financial metric(s)

Turnover
CAPEX
OPEX

Taxonomy-aligned turnover from this activity in the reporting year (unit currency as selected in C0.4)

0

Taxonomy-aligned turnover from this activity as % of total turnover in the reporting year

0

Taxonomy-aligned turnover from this activity that substantially contributed to climate change mitigation as a % of total turnover in the reporting year

100

Taxonomy-aligned turnover from this activity that substantially contributed to climate change adaptation as a % of total turnover in the reporting year

0

Taxonomy-eligible but not aligned turnover from this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-eligible but not aligned turnover from this activity as % of total turnover in the reporting year

Taxonomy-aligned CAPEX from this activity in the reporting year (unit currency as selected in C0.4)

0

Taxonomy-aligned CAPEX from this activity as % of total CAPEX in the reporting year

0

Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change mitigation as a % of total CAPEX in the reporting year

100

Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change adaptation as a % of total CAPEX in the reporting year

0

Taxonomy-eligible but not aligned CAPEX associated with this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-eligible but not aligned CAPEX associated with this activity as % of total CAPEX in the reporting year

Taxonomy-aligned OPEX from this activity in the reporting year (unit currency as selected in C0.4)

0

Taxonomy-aligned OPEX from this activity as % of total OPEX in the reporting year

0

Taxonomy-aligned OPEX from this activity that substantially contributed to climate change mitigation as a % of total OPEX in the reporting year

100

Taxonomy-aligned OPEX from this activity that substantially contributed to climate change adaptation as a % of total OPEX in the reporting year

0

Taxonomy-eligible but not aligned OPEX associated with this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-eligible but not aligned OPEX associated with this activity as % total OPEX in the reporting year

Type(s) of substantial contribution

Activity enabling mitigation

Calculation methodology and supporting information

Since the first developments of the European Taxonomy, Snam has welcomed the direction defined by the European Commission, in line with the strategy and investment choices of the Company, aimed at decarbonisation and the creation of a low-carbon economy.

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• CapEx: investments in property, plant and equipment and intangible assets recognised in accordance with IFRS16;

• OpEx: direct costs of managing group activities excluding overheads such as Snam S.p.A. costs, service contracts with subsidiaries and the costs of managing development and R&D projects.

Technical screening criteria met

Yes

Details of technical screening criteria analysis

On 4 June 2021, the European Commission adopted Delegated Regulation (EU) 2021/2139, which sets out the criteria for technical screening to determine when a given economic activity can be considered "environmentally sustainable" because it contributes substantially to climate change mitigation or adaptation, without causing significant harm to one or more of the other environmental objectives (the “Climate Act”). The Climate Act outlines the two sets of technical screening criteria respectively in Annex 1, for climate change mitigation (art. 10 of EU Regulation 2020/852), and Annex 2, for climate change adaptation (art. 11 of EU Regulation 2020/852).
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Do no significant harm requirements met

Yes

Details of do no significant harm analysis

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Snam, for all activities assessed as aligned, does not cause significant harm to other objectives environment (Do No Significant Harm - DNSH).

Minimum safeguards compliance requirements met

Yes

Details of minimum safeguards compliance analysis

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Economic activity

Electricity generation using solar photovoltaic technology

Taxonomy under which information is being reported

EU Taxonomy for Sustainable Activities

Taxonomy Alignment

Taxonomy-aligned

Financial metric(s)

Turnover
CAPEX
OPEX

Taxonomy-aligned turnover from this activity in the reporting year (unit currency as selected in C0.4)

4

Taxonomy-aligned turnover from this activity as % of total turnover in the reporting year

0

Taxonomy-aligned turnover from this activity that substantially contributed to climate change mitigation as a % of total turnover in the reporting year

100

Taxonomy-aligned turnover from this activity that substantially contributed to climate change adaptation as a % of total turnover in the reporting year

0

Taxonomy-eligible but not aligned turnover from this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-eligible but not aligned turnover from this activity as % of total turnover in the reporting year

Taxonomy-aligned CAPEX from this activity in the reporting year (unit currency as selected in C0.4)

11

Taxonomy-aligned CAPEX from this activity as % of total CAPEX in the reporting year

1

Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change mitigation as a % of total CAPEX in the reporting year

100

Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change adaptation as a % of total CAPEX in the reporting year

0

Taxonomy-eligible but not aligned CAPEX associated with this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-eligible but not aligned CAPEX associated with this activity as % of total CAPEX in the reporting year

Taxonomy-aligned OPEX from this activity in the reporting year (unit currency as selected in C0.4)

4

Taxonomy-aligned OPEX from this activity as % of total OPEX in the reporting year

5

Taxonomy-aligned OPEX from this activity that substantially contributed to climate change mitigation as a % of total OPEX in the reporting year

100

Taxonomy-aligned OPEX from this activity that substantially contributed to climate change adaptation as a % of total OPEX in the reporting year

0

Taxonomy-eligible but not aligned OPEX associated with this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-eligible but not aligned OPEX associated with this activity as % total OPEX in the reporting year

Type(s) of substantial contribution

Own performance

Calculation methodology and supporting information

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• OpEx: direct costs of managing group activities excluding overheads such as Snam

S.p.A. costs, service contracts with subsidiaries and the costs of managing development and R&D projects.

Technical screening criteria met

Yes

Details of technical screening criteria analysis

On 4 June 2021, the European Commission adopted Delegated Regulation (EU) 2021/2139, which sets out the criteria for technical screening to determine when a given economic activity can be considered "environmentally sustainable" because it contributes substantially to climate change mitigation or adaptation, without causing significant harm to one or more of the other environmental objectives (the “Climate Act”). The Climate Act outlines the two sets of technical screening criteria respectively in Annex 1, for climate change mitigation (art. 10 of EU Regulation 2020/852), and Annex 2, for climate change adaptation (art. 11 of EU Regulation 2020/852).
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Do no significant harm requirements met

Yes

Details of do no significant harm analysis

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Snam, for all activities assessed as aligned, does not cause significant harm to other objectives environment (Do No Significant Harm - DNSH).

Minimum safeguards compliance requirements met

Yes

Details of minimum safeguards compliance analysis

As regards the minimum social protection requirements, the topics Human Rights, Corruption, Taxation and Competition were assessed, as identified by the Platform on Sustainable Finance. Snam has adopted solid policies and procedures with the aim of identifying, preventing and monitoring risks and managing the negative impacts relating to the areas described above. In addition, during 2022 Snam was not involved nor was it convicted in this regard.

Economic activity

Renovation of existing buildings

Taxonomy under which information is being reported

EU Taxonomy for Sustainable Activities

Taxonomy Alignment

Taxonomy-aligned

Financial metric(s)

Turnover

CAPEX

Taxonomy-aligned turnover from this activity in the reporting year (unit currency as selected in C0.4)

458

Taxonomy-aligned turnover from this activity as % of total turnover in the reporting year

14

Taxonomy-aligned turnover from this activity that substantially contributed to climate change mitigation as a % of total turnover in the reporting year

100

Taxonomy-aligned turnover from this activity that substantially contributed to climate change adaptation as a % of total turnover in the reporting year

0

Taxonomy-eligible but not aligned turnover from this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-eligible but not aligned turnover from this activity as % of total turnover in the reporting year

Taxonomy-aligned CAPEX from this activity in the reporting year (unit currency as selected in C0.4)

6

Taxonomy-aligned CAPEX from this activity as % of total CAPEX in the reporting year

0

Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change mitigation as a % of total CAPEX in the reporting year

100

Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change adaptation as a % of total CAPEX in the reporting year

0

Taxonomy-eligible but not aligned CAPEX associated with this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-eligible but not aligned CAPEX associated with this activity as % of total CAPEX in the reporting year

Taxonomy-aligned OPEX from this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-aligned OPEX from this activity as % of total OPEX in the reporting year

Taxonomy-aligned OPEX from this activity that substantially contributed to climate change mitigation as a % of total OPEX in the reporting year

Taxonomy-aligned OPEX from this activity that substantially contributed to climate change adaptation as a % of total OPEX in the reporting year

Taxonomy-eligible but not aligned OPEX associated with this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-eligible but not aligned OPEX associated with this activity as % total OPEX in the reporting year

Type(s) of substantial contribution

Own performance

Calculation methodology and supporting information

Since the first developments of the European Taxonomy, Snam has welcomed the direction defined by the European Commission, in line with the strategy and investment choices of the Company, aimed at decarbonisation and the creation of a low-carbon economy.

The Group's economic indicators needed to calculate KPIs for the portion of the business subject to taxation for fiscal year 2022 were calculated on each activity deemed taxonomy aligned or taxnomy eligible by Snam, using the following methodology:

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through fees;
• CapEx: investments in property, plant and equipment and intangible assets recognised in accordance with IFRS16;
• OpEx: direct costs of managing group activities excluding overheads such as Snam S.p.A. costs, service contracts with subsidiaries and the costs of managing development and R&D projects.

Technical screening criteria met

Yes

Details of technical screening criteria analysis

On 4 June 2021, the European Commission adopted Delegated Regulation (EU) 2021/2139, which sets out the criteria for technical screening to determine when a given economic activity can be considered "environmentally sustainable" because it contributes substantially to climate change mitigation or adaptation, without causing significant harm to one or more of the other environmental objectives (the “Climate Act”). The Climate Act outlines the two sets of technical screening criteria respectively in Annex 1, for climate change mitigation (art. 10 of EU Regulation 2020/852), and Annex 2, for climate change adaptation (art. 11 of EU Regulation 2020/852).
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Do no significant harm requirements met

Yes

Details of do no significant harm analysis

'Environmentally-sustainable activities' (aligned activities) are defined as all those activities that contribute to at least one of the following environmental objectives, without, at the same time, causing significant harm to other environmental objectives (Do No Significant Harm - DNSH) and carried out in compliance with minimum social safeguards: Climate change mitigation, Adaptation to climate change, Sustainable use and protection of water and marine resources, Transition to a circular economy, Pollution prevention and control and Protection of ecosystems and biodiversity.
Snam, for all activities assessed as aligned, does not cause significant harm to other objectives environment (Do No Significant Harm - DNSH).

Minimum safeguards compliance requirements met

Yes

Details of minimum safeguards compliance analysis

As regards the minimum social protection requirements, the topics Human Rights, Corruption, Taxation and Competition were assessed, as identified by the Platform on

Sustainable Finance. Snam has adopted solid policies and procedures with the aim of identifying, preventing and monitoring risks and managing the negative impacts relating to the areas described above. In addition, during 2022 Snam was not involved nor was it convicted in this regard.

Economic activity

Installation, maintenance and repair of energy efficiency equipment

Taxonomy under which information is being reported

EU Taxonomy for Sustainable Activities

Taxonomy Alignment

Taxonomy-aligned

Financial metric(s)

Turnover
OPEX

Taxonomy-aligned turnover from this activity in the reporting year (unit currency as selected in C0.4)

4

Taxonomy-aligned turnover from this activity as % of total turnover in the reporting year

0

Taxonomy-aligned turnover from this activity that substantially contributed to climate change mitigation as a % of total turnover in the reporting year

100

Taxonomy-aligned turnover from this activity that substantially contributed to climate change adaptation as a % of total turnover in the reporting year

0

Taxonomy-eligible but not aligned turnover from this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-eligible but not aligned turnover from this activity as % of total turnover in the reporting year

Taxonomy-aligned CAPEX from this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-aligned CAPEX from this activity as % of total CAPEX in the reporting year

Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change mitigation as a % of total CAPEX in the reporting year

Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change adaptation as a % of total CAPEX in the reporting year

Taxonomy-eligible but not aligned CAPEX associated with this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-eligible but not aligned CAPEX associated with this activity as % of total CAPEX in the reporting year

Taxonomy-aligned OPEX from this activity in the reporting year (unit currency as selected in C0.4)

0

Taxonomy-aligned OPEX from this activity as % of total OPEX in the reporting year

0

Taxonomy-aligned OPEX from this activity that substantially contributed to climate change mitigation as a % of total OPEX in the reporting year

100

Taxonomy-aligned OPEX from this activity that substantially contributed to climate change adaptation as a % of total OPEX in the reporting year

0

Taxonomy-eligible but not aligned OPEX associated with this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-eligible but not aligned OPEX associated with this activity as % total OPEX in the reporting year

Type(s) of substantial contribution

Activity enabling mitigation

Calculation methodology and supporting information

Since the first developments of the European Taxonomy, Snam has welcomed the direction defined by the European Commission, in line with the strategy and investment choices of the Company, aimed at decarbonisation and the creation of a low-carbon economy.

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• OpEx: direct costs of managing group activities excluding overheads such as Snam S.p.A. costs, service contracts with subsidiaries and the costs of managing development and R&D projects.

Technical screening criteria met

Yes

Details of technical screening criteria analysis

On 4 June 2021, the European Commission adopted Delegated Regulation (EU) 2021/2139, which sets out the criteria for technical screening to determine when a given economic activity can be considered "environmentally sustainable" because it contributes substantially to climate change mitigation or adaptation, without causing significant harm to one or more of the other environmental objectives (the “Climate Act”).
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Do no significant harm requirements met

Yes

Details of do no significant harm analysis

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Snam, for all activities assessed as aligned, does not cause significant harm to other objectives environment (Do No Significant Harm - DNSH).

Minimum safeguards compliance requirements met

Yes

Details of minimum safeguards compliance analysis

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Economic activity

Professional services related to energy performance of buildings

Taxonomy under which information is being reported

EU Taxonomy for Sustainable Activities

Taxonomy Alignment

Taxonomy-aligned

Financial metric(s)

Turnover
CAPEX
OPEX

Taxonomy-aligned turnover from this activity in the reporting year (unit currency as selected in C0.4)

74

Taxonomy-aligned turnover from this activity as % of total turnover in the reporting year

2

Taxonomy-aligned turnover from this activity that substantially contributed to climate change mitigation as a % of total turnover in the reporting year

100

Taxonomy-aligned turnover from this activity that substantially contributed to climate change adaptation as a % of total turnover in the reporting year

0

Taxonomy-eligible but not aligned turnover from this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-eligible but not aligned turnover from this activity as % of total turnover in the reporting year

Taxonomy-aligned CAPEX from this activity in the reporting year (unit currency as selected in C0.4)

6

Taxonomy-aligned CAPEX from this activity as % of total CAPEX in the reporting year

0

Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change mitigation as a % of total CAPEX in the reporting year

100

Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change adaptation as a % of total CAPEX in the reporting year

0

Taxonomy-eligible but not aligned CAPEX associated with this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-eligible but not aligned CAPEX associated with this activity as % of total CAPEX in the reporting year

Taxonomy-aligned OPEX from this activity in the reporting year (unit currency as selected in C0.4)

13

Taxonomy-aligned OPEX from this activity as % of total OPEX in the reporting year

17

Taxonomy-aligned OPEX from this activity that substantially contributed to climate change mitigation as a % of total OPEX in the reporting year

100

Taxonomy-aligned OPEX from this activity that substantially contributed to climate change adaptation as a % of total OPEX in the reporting year

0

Taxonomy-eligible but not aligned OPEX associated with this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-eligible but not aligned OPEX associated with this activity as % total OPEX in the reporting year

Type(s) of substantial contribution

Own performance

Calculation methodology and supporting information

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• OpEx: direct costs of managing group activities excluding overheads such as Snam S.p.A. costs, service contracts with subsidiaries and the costs of managing development and R&D projects.

Technical screening criteria met

Yes

Details of technical screening criteria analysis

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Do no significant harm requirements met

Yes

Details of do no significant harm analysis

'Environmentally-sustainable activities' (aligned activities) are defined as all those activities that contribute to at least one of the following environmental objectives, without, at the same time, causing significant harm to other environmental objectives (Do No Significant Harm - DNSH) and carried out in compliance with minimum social safeguards: Climate change mitigation, Adaptation to climate change, Sustainable use

and protection of water and marine resources, Transition to a circular economy, Pollution prevention and control and Protection of ecosystems and biodiversity. Snam, for all activities assessed as aligned, does not cause significant harm to other objectives environment (Do No Significant Harm - DNSH).

Minimum safeguards compliance requirements met

Yes

Details of minimum safeguards compliance analysis

As regards the minimum social protection requirements, the topics Human Rights, Corruption, Taxation and Competition were assessed, as identified by the Platform on Sustainable Finance. Snam has adopted solid policies and procedures with the aim of identifying, preventing and monitoring risks and managing the negative impacts relating to the areas described above. In addition, during 2022 Snam was not involved nor was it convicted in this regard.

Economic activity

Installation and operation of electric heat pumps

Taxonomy under which information is being reported

EU Taxonomy for Sustainable Activities

Taxonomy Alignment

Taxonomy-eligible but not aligned

Financial metric(s)

Turnover

Taxonomy-aligned turnover from this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-aligned turnover from this activity as % of total turnover in the reporting year

Taxonomy-aligned turnover from this activity that substantially contributed to climate change mitigation as a % of total turnover in the reporting year

Taxonomy-aligned turnover from this activity that substantially contributed to climate change adaptation as a % of total turnover in the reporting year

Taxonomy-eligible but not aligned turnover from this activity in the reporting year (unit currency as selected in C0.4)

0

Taxonomy-eligible but not aligned turnover from this activity as % of total turnover in the reporting year

0

Taxonomy-aligned CAPEX from this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-aligned CAPEX from this activity as % of total CAPEX in the reporting year

Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change mitigation as a % of total CAPEX in the reporting year

Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change adaptation as a % of total CAPEX in the reporting year

Taxonomy-eligible but not aligned CAPEX associated with this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-eligible but not aligned CAPEX associated with this activity as % of total CAPEX in the reporting year

Taxonomy-aligned OPEX from this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-aligned OPEX from this activity as % of total OPEX in the reporting year

Taxonomy-aligned OPEX from this activity that substantially contributed to climate change mitigation as a % of total OPEX in the reporting year

Taxonomy-aligned OPEX from this activity that substantially contributed to climate change adaptation as a % of total OPEX in the reporting year

Taxonomy-eligible but not aligned OPEX associated with this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-eligible but not aligned OPEX associated with this activity as % total OPEX in the reporting year

Type(s) of substantial contribution

Calculation methodology and supporting information

Since the first developments of the European Taxonomy, Snam has welcomed the direction defined by the European Commission, in line with the strategy and investment choices of the Company, aimed at decarbonisation and the creation of a low-carbon economy.
The Group's economic indicators needed to calculate KPIs for the portion of the business subject to taxation for fiscal year 2022 were calculated on each activity deemed taxonomy aligned or taxnomy eligible by Snam, using the following methodology:
• Revenues: revenues from regulated and non-regulated activities, excluding pass-through fees;
• CapEx: investments in property, plant and equipment and intangible assets recognised in accordance with IFRS16;
• OpEx: direct costs of managing group activities excluding overheads such as Snam S.p.A. costs, service contracts with subsidiaries and the costs of managing development and R&D projects.

Technical screening criteria met

No

Details of technical screening criteria analysis

On 4 June 2021, the European Commission adopted Delegated Regulation (EU) 2021/2139, which sets out the criteria for technical screening to determine when a given economic activity can be considered "environmentally sustainable" because it contributes substantially to climate change mitigation or adaptation, without causing significant harm to one or more of the other environmental objectives (the “Climate Act”).
The Climate Act outlines the two sets of technical screening criteria respectively in Annex 1, for climate change mitigation (art. 10 of EU Regulation 2020/852), and Annex 2, for climate change adaptation (art. 11 of EU Regulation 2020/852).
Snam's economic activities defined as Taxonomy-Eligible are described in the Delegated Acts with respect to the intended environmental objectives.
In carrying out the analysis aimed at identifying eligible activities, the Q&A published by the European Commission on 2 February 2022 was taken into account, which suggests that qualifications such as "low carbon", to which certain articles of the Climate Act refer, should only be taken into account for the purpose of determining compliance with the technical screening criteria, thus for the purpose of identifying taxonomy-aligned activities. Snam's economic activities defined as Taxonomy-Aligned are, among other things, in compliance with the technical screening criteria defined in the Climate Act.

Do no significant harm requirements met

No

Details of do no significant harm analysis

'Environmentally-sustainable activities' (aligned activities) are defined as all those activities that contribute to at least one of the following environmental objectives, without, at the same time, causing significant harm to other environmental objectives (Do No Significant Harm - DNSH) and carried out in compliance with minimum social safeguards: Climate change mitigation, Adaptation to climate change, Sustainable use and protection of water and marine resources, Transition to a circular economy, Pollution prevention and control and Protection of ecosystems and biodiversity. Snam, for all activities assessed as aligned, does not cause significant harm to other objectives environment (Do No Significant Harm - DNSH).

Minimum safeguards compliance requirements met

Yes

Details of minimum safeguards compliance analysis

As regards the minimum social protection requirements, the topics Human Rights, Corruption, Taxation and Competition were assessed, as identified by the Platform on Sustainable Finance. Snam has adopted solid policies and procedures with the aim of identifying, preventing and monitoring risks and managing the negative impacts relating to the areas described above. In addition, during 2022 Snam was not involved nor was it convicted in this regard.

Economic activity

Cogeneration of heat/cool and power from renewable non-fossil gaseous and liquid fuels

Taxonomy under which information is being reported

EU Taxonomy for Sustainable Activities

Taxonomy Alignment

Taxonomy-eligible but not aligned

Financial metric(s)

Turnover
CAPEX
OPEX

Taxonomy-aligned turnover from this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-aligned turnover from this activity as % of total turnover in the reporting year

Taxonomy-aligned turnover from this activity that substantially contributed to climate change mitigation as a % of total turnover in the reporting year

Taxonomy-aligned turnover from this activity that substantially contributed to climate change adaptation as a % of total turnover in the reporting year

Taxonomy-eligible but not aligned turnover from this activity in the reporting year (unit currency as selected in C0.4)

40

Taxonomy-eligible but not aligned turnover from this activity as % of total turnover in the reporting year

1

Taxonomy-aligned CAPEX from this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-aligned CAPEX from this activity as % of total CAPEX in the reporting year

Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change mitigation as a % of total CAPEX in the reporting year

Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change adaptation as a % of total CAPEX in the reporting year

Taxonomy-eligible but not aligned CAPEX associated with this activity in the reporting year (unit currency as selected in C0.4)

19

Taxonomy-eligible but not aligned CAPEX associated with this activity as % of total CAPEX in the reporting year

1

Taxonomy-aligned OPEX from this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-aligned OPEX from this activity as % of total OPEX in the reporting year

Taxonomy-aligned OPEX from this activity that substantially contributed to climate change mitigation as a % of total OPEX in the reporting year

Taxonomy-aligned OPEX from this activity that substantially contributed to climate change adaptation as a % of total OPEX in the reporting year

Taxonomy-eligible but not aligned OPEX associated with this activity in the reporting year (unit currency as selected in C0.4)

4

Taxonomy-eligible but not aligned OPEX associated with this activity as % total OPEX in the reporting year

5

Type(s) of substantial contribution

Calculation methodology and supporting information

Since the first developments of the European Taxonomy, Snam has welcomed the direction defined by the European Commission, in line with the strategy and investment choices of the Company, aimed at decarbonisation and the creation of a low-carbon economy.
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• CapEx: investments in property, plant and equipment and intangible assets recognised in accordance with IFRS16;
• OpEx: direct costs of managing group activities excluding overheads such as Snam S.p.A. costs, service contracts with subsidiaries and the costs of managing development and R&D projects.

Technical screening criteria met

No

Details of technical screening criteria analysis

On 4 June 2021, the European Commission adopted Delegated Regulation (EU) 2021/2139, which sets out the criteria for technical screening to determine when a given economic activity can be considered "environmentally sustainable" because it contributes substantially to climate change mitigation or adaptation, without causing significant harm to one or more of the other environmental objectives (the “Climate Act”).
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that qualifications such as "low carbon", to which certain articles of the Climate Act refer, should only be taken into account for the purpose of determining compliance with the technical screening criteria, thus for the purpose of identifying taxonomy-aligned activities. Snam's economic activities defined as Taxonomy-Aligned are, among other things, in compliance with the technical screening criteria defined in the Climate Act.

Do no significant harm requirements met

No

Details of do no significant harm analysis

'Environmentally-sustainable activities' (aligned activities) are defined as all those activities that contribute to at least one of the following environmental objectives, without, at the same time, causing significant harm to other environmental objectives (Do No Significant Harm - DNSH) and carried out in compliance with minimum social safeguards: Climate change mitigation, Adaptation to climate change, Sustainable use and protection of water and marine resources, Transition to a circular economy, Pollution prevention and control and Protection of ecosystems and biodiversity.
Snam, for all activities assessed as aligned, does not cause significant harm to other objectives environment (Do No Significant Harm - DNSH).

Minimum safeguards compliance requirements met

Yes

Details of minimum safeguards compliance analysis

As regards the minimum social protection requirements, the topics Human Rights, Corruption, Taxation and Competition were assessed, as identified by the Platform on Sustainable Finance. Snam has adopted solid policies and procedures with the aim of identifying, preventing and monitoring risks and managing the negative impacts relating to the areas described above. In addition, during 2022 Snam was not involved nor was it convicted in this regard.

Economic activity

Construction of new buildings

Taxonomy under which information is being reported

EU Taxonomy for Sustainable Activities

Taxonomy Alignment

Taxonomy-aligned

Financial metric(s)

CAPEX

Taxonomy-aligned turnover from this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-aligned turnover from this activity as % of total turnover in the reporting year

Taxonomy-aligned turnover from this activity that substantially contributed to climate change mitigation as a % of total turnover in the reporting year

Taxonomy-aligned turnover from this activity that substantially contributed to climate change adaptation as a % of total turnover in the reporting year

Taxonomy-eligible but not aligned turnover from this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-eligible but not aligned turnover from this activity as % of total turnover in the reporting year

Taxonomy-aligned CAPEX from this activity in the reporting year (unit currency as selected in C0.4)

6

Taxonomy-aligned CAPEX from this activity as % of total CAPEX in the reporting year

0

Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change mitigation as a % of total CAPEX in the reporting year

100

Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change adaptation as a % of total CAPEX in the reporting year

0

Taxonomy-eligible but not aligned CAPEX associated with this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-eligible but not aligned CAPEX associated with this activity as % of total CAPEX in the reporting year

Taxonomy-aligned OPEX from this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-aligned OPEX from this activity as % of total OPEX in the reporting year

Taxonomy-aligned OPEX from this activity that substantially contributed to climate change mitigation as a % of total OPEX in the reporting year

Taxonomy-aligned OPEX from this activity that substantially contributed to climate change adaptation as a % of total OPEX in the reporting year

Taxonomy-eligible but not aligned OPEX associated with this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-eligible but not aligned OPEX associated with this activity as % total OPEX in the reporting year

Type(s) of substantial contribution

Own performance

Calculation methodology and supporting information

Since the first developments of the European Taxonomy, Snam has welcomed the direction defined by the European Commission, in line with the strategy and investment choices of the Company, aimed at decarbonisation and the creation of a low-carbon economy.

The Group's economic indicators needed to calculate KPIs for the portion of the business subject to taxation for fiscal year 2022 were calculated on each activity deemed taxonomy aligned or taxnomy eligible by Snam, using the following methodology:

• Revenues: revenues from regulated and non-regulated activities, excluding pass-through fees;

• CapEx: investments in property, plant and equipment and intangible assets recognised in accordance with IFRS16;

• OpEx: direct costs of managing group activities excluding overheads such as Snam S.p.A. costs, service contracts with subsidiaries and the costs of managing development and R&D projects.

Technical screening criteria met

Yes

Details of technical screening criteria analysis

On 4 June 2021, the European Commission adopted Delegated Regulation (EU) 2021/2139, which sets out the criteria for technical screening to determine when a given economic activity can be considered "environmentally sustainable" because it contributes substantially to climate change mitigation or adaptation, without causing significant harm to one or more of the other environmental objectives (the “Climate Act”).

The Climate Act outlines the two sets of technical screening criteria respectively in Annex 1, for climate change mitigation (art. 10 of EU Regulation 2020/852), and Annex 2, for climate change adaptation (art. 11 of EU Regulation 2020/852).
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Do no significant harm requirements met

Yes

Details of do no significant harm analysis

'Environmentally-sustainable activities' (aligned activities) are defined as all those activities that contribute to at least one of the following environmental objectives, without, at the same time, causing significant harm to other environmental objectives (Do No Significant Harm - DNSH) and carried out in compliance with minimum social safeguards: Climate change mitigation, Adaptation to climate change, Sustainable use and protection of water and marine resources, Transition to a circular economy, Pollution prevention and control and Protection of ecosystems and biodiversity.
Snam, for all activities assessed as aligned, does not cause significant harm to other objectives environment (Do No Significant Harm - DNSH).

Minimum safeguards compliance requirements met

Yes

Details of minimum safeguards compliance analysis

As regards the minimum social protection requirements, the topics Human Rights, Corruption, Taxation and Competition were assessed, as identified by the Platform on Sustainable Finance. Snam has adopted solid policies and procedures with the aim of identifying, preventing and monitoring risks and managing the negative impacts relating to the areas described above. In addition, during 2022 Snam was not involved nor was it convicted in this regard.

Economic activity

Data processing, hosting and related activities

Taxonomy under which information is being reported

EU Taxonomy for Sustainable Activities

Taxonomy Alignment

Taxonomy-aligned

Financial metric(s)

CAPEX

Taxonomy-aligned turnover from this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-aligned turnover from this activity as % of total turnover in the reporting year

Taxonomy-aligned turnover from this activity that substantially contributed to climate change mitigation as a % of total turnover in the reporting year

Taxonomy-aligned turnover from this activity that substantially contributed to climate change adaptation as a % of total turnover in the reporting year

Taxonomy-eligible but not aligned turnover from this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-eligible but not aligned turnover from this activity as % of total turnover in the reporting year

Taxonomy-aligned CAPEX from this activity in the reporting year (unit currency as selected in C0.4)

1

Taxonomy-aligned CAPEX from this activity as % of total CAPEX in the reporting year

0

Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change mitigation as a % of total CAPEX in the reporting year

100

Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change adaptation as a % of total CAPEX in the reporting year

0

Taxonomy-eligible but not aligned CAPEX associated with this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-eligible but not aligned CAPEX associated with this activity as % of total CAPEX in the reporting year

Taxonomy-aligned OPEX from this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-aligned OPEX from this activity as % of total OPEX in the reporting year

Taxonomy-aligned OPEX from this activity that substantially contributed to climate change mitigation as a % of total OPEX in the reporting year

Taxonomy-aligned OPEX from this activity that substantially contributed to climate change adaptation as a % of total OPEX in the reporting year

Taxonomy-eligible but not aligned OPEX associated with this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-eligible but not aligned OPEX associated with this activity as % total OPEX in the reporting year

Type(s) of substantial contribution

Transitional activity
Activity enabling mitigation

Calculation methodology and supporting information

Since the first developments of the European Taxonomy, Snam has welcomed the direction defined by the European Commission, in line with the strategy and investment choices of the Company, aimed at decarbonisation and the creation of a low-carbon economy.
The Group's economic indicators needed to calculate KPIs for the portion of the business subject to taxation for fiscal year 2022 were calculated on each activity deemed taxonomy aligned or taxnomy eligible by Snam, using the following methodology:
• Revenues: revenues from regulated and non-regulated activities, excluding pass-through fees;
• CapEx: investments in property, plant and equipment and intangible assets recognised in accordance with IFRS16;
• OpEx: direct costs of managing group activities excluding overheads such as Snam S.p.A. costs, service contracts with subsidiaries and the costs of managing development and R&D projects.

Technical screening criteria met

Yes

Details of technical screening criteria analysis

On 4 June 2021, the European Commission adopted Delegated Regulation (EU) 2021/2139, which sets out the criteria for technical screening to determine when a given economic activity can be considered "environmentally sustainable" because it contributes substantially to climate change mitigation or adaptation, without causing significant harm to one or more of the other environmental objectives (the “Climate Act”). The Climate Act outlines the two sets of technical screening criteria respectively in Annex 1, for climate change mitigation (art. 10 of EU Regulation 2020/852), and Annex 2, for climate change adaptation (art. 11 of EU Regulation 2020/852).
Snam's economic activities defined as Taxonomy-Eligible are described in the Delegated Acts with respect to the intended environmental objectives.
In carrying out the analysis aimed at identifying eligible activities, the Q&A published by the European Commission on 2 February 2022 was taken into account, which suggests that qualifications such as "low carbon", to which certain articles of the Climate Act refer, should only be taken into account for the purpose of determining compliance with the technical screening criteria, thus for the purpose of identifying taxonomy-aligned activities. Snam's economic activities defined as Taxonomy-Aligned are, among other things, in compliance with the technical screening criteria defined in the Climate Act.

Do no significant harm requirements met

Yes

Details of do no significant harm analysis

'Environmentally-sustainable activities' (aligned activities) are defined as all those activities that contribute to at least one of the following environmental objectives, without, at the same time, causing significant harm to other environmental objectives (Do No Significant Harm - DNSH) and carried out in compliance with minimum social safeguards: Climate change mitigation, Adaptation to climate change, Sustainable use and protection of water and marine resources, Transition to a circular economy, Pollution prevention and control and Protection of ecosystems and biodiversity.
Snam, for all activities assessed as aligned, does not cause significant harm to other objectives environment (Do No Significant Harm - DNSH).

Minimum safeguards compliance requirements met

Yes

Details of minimum safeguards compliance analysis

As regards the minimum social protection requirements, the topics Human Rights, Corruption, Taxation and Competition were assessed, as identified by the Platform on Sustainable Finance. Snam has adopted solid policies and procedures with the aim of identifying, preventing and monitoring risks and managing the negative impacts relating to the areas described above. In addition, during 2022 Snam was not involved nor was it convicted in this regard.

Economic activity

Data-driven solutions for GHG emissions reductions

Taxonomy under which information is being reported

EU Taxonomy for Sustainable Activities

Taxonomy Alignment

Taxonomy-aligned

Financial metric(s)

CAPEX

Taxonomy-aligned turnover from this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-aligned turnover from this activity as % of total turnover in the reporting year

Taxonomy-aligned turnover from this activity that substantially contributed to climate change mitigation as a % of total turnover in the reporting year

Taxonomy-aligned turnover from this activity that substantially contributed to climate change adaptation as a % of total turnover in the reporting year

Taxonomy-eligible but not aligned turnover from this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-eligible but not aligned turnover from this activity as % of total turnover in the reporting year

Taxonomy-aligned CAPEX from this activity in the reporting year (unit currency as selected in C0.4)

1

Taxonomy-aligned CAPEX from this activity as % of total CAPEX in the reporting year

0

Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change mitigation as a % of total CAPEX in the reporting year

100

Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change adaptation as a % of total CAPEX in the reporting year

0

Taxonomy-eligible but not aligned CAPEX associated with this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-eligible but not aligned CAPEX associated with this activity as % of total CAPEX in the reporting year

Taxonomy-aligned OPEX from this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-aligned OPEX from this activity as % of total OPEX in the reporting year

Taxonomy-aligned OPEX from this activity that substantially contributed to climate change mitigation as a % of total OPEX in the reporting year

Taxonomy-aligned OPEX from this activity that substantially contributed to climate change adaptation as a % of total OPEX in the reporting year

Taxonomy-eligible but not aligned OPEX associated with this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-eligible but not aligned OPEX associated with this activity as % total OPEX in the reporting year

Type(s) of substantial contribution

Transitional activity
Activity enabling mitigation

Calculation methodology and supporting information

Since the first developments of the European Taxonomy, Snam has welcomed the direction defined by the European Commission, in line with the strategy and investment choices of the Company, aimed at decarbonisation and the creation of a low-carbon economy.
The Group's economic indicators needed to calculate KPIs for the portion of the business subject to taxation for fiscal year 2022 were calculated on each activity deemed taxonomy aligned or taxnomy eligible by Snam, using the following methodology:
• Revenues: revenues from regulated and non-regulated activities, excluding pass-through fees;
• CapEx: investments in property, plant and equipment and intangible assets recognised in accordance with IFRS16;
• OpEx: direct costs of managing group activities excluding overheads such as Snam

S.p.A. costs, service contracts with subsidiaries and the costs of managing development and R&D projects.

Technical screening criteria met

Yes

Details of technical screening criteria analysis

On 4 June 2021, the European Commission adopted Delegated Regulation (EU) 2021/2139, which sets out the criteria for technical screening to determine when a given economic activity can be considered "environmentally sustainable" because it contributes substantially to climate change mitigation or adaptation, without causing significant harm to one or more of the other environmental objectives (the “Climate Act”). The Climate Act outlines the two sets of technical screening criteria respectively in Annex 1, for climate change mitigation (art. 10 of EU Regulation 2020/852), and Annex 2, for climate change adaptation (art. 11 of EU Regulation 2020/852).
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Do no significant harm requirements met

Yes

Details of do no significant harm analysis

'Environmentally-sustainable activities' (aligned activities) are defined as all those activities that contribute to at least one of the following environmental objectives, without, at the same time, causing significant harm to other environmental objectives (Do No Significant Harm - DNSH) and carried out in compliance with minimum social safeguards: Climate change mitigation, Adaptation to climate change, Sustainable use and protection of water and marine resources, Transition to a circular economy, Pollution prevention and control and Protection of ecosystems and biodiversity.
Snam, for all activities assessed as aligned, does not cause significant harm to other objectives environment (Do No Significant Harm - DNSH).

Minimum safeguards compliance requirements met

Yes

Details of minimum safeguards compliance analysis

As regards the minimum social protection requirements, the topics Human Rights, Corruption, Taxation and Competition were assessed, as identified by the Platform on Sustainable Finance. Snam has adopted solid policies and procedures with the aim of identifying, preventing and monitoring risks and managing the negative impacts relating to the areas described above. In addition, during 2022 Snam was not involved nor was it convicted in this regard.

Economic activity

Transport of CO2

Taxonomy under which information is being reported

EU Taxonomy for Sustainable Activities

Taxonomy Alignment

Taxonomy-aligned

Financial metric(s)

CAPEX

Taxonomy-aligned turnover from this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-aligned turnover from this activity as % of total turnover in the reporting year

Taxonomy-aligned turnover from this activity that substantially contributed to climate change mitigation as a % of total turnover in the reporting year

Taxonomy-aligned turnover from this activity that substantially contributed to climate change adaptation as a % of total turnover in the reporting year

Taxonomy-eligible but not aligned turnover from this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-eligible but not aligned turnover from this activity as % of total turnover in the reporting year

Taxonomy-aligned CAPEX from this activity in the reporting year (unit currency as selected in C0.4)

20

Taxonomy-aligned CAPEX from this activity as % of total CAPEX in the reporting year

1

Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change mitigation as a % of total CAPEX in the reporting year

100

Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change adaptation as a % of total CAPEX in the reporting year

0

Taxonomy-eligible but not aligned CAPEX associated with this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-eligible but not aligned CAPEX associated with this activity as % of total CAPEX in the reporting year

Taxonomy-aligned OPEX from this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-aligned OPEX from this activity as % of total OPEX in the reporting year

Taxonomy-aligned OPEX from this activity that substantially contributed to climate change mitigation as a % of total OPEX in the reporting year

Taxonomy-aligned OPEX from this activity that substantially contributed to climate change adaptation as a % of total OPEX in the reporting year

Taxonomy-eligible but not aligned OPEX associated with this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-eligible but not aligned OPEX associated with this activity as % total OPEX in the reporting year

Type(s) of substantial contribution

Activity enabling mitigation

Calculation methodology and supporting information

Since the first developments of the European Taxonomy, Snam has welcomed the direction defined by the European Commission, in line with the strategy and investment choices of the Company, aimed at decarbonisation and the creation of a low-carbon economy.

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through fees;
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• OpEx: direct costs of managing group activities excluding overheads such as Snam S.p.A. costs, service contracts with subsidiaries and the costs of managing development and R&D projects.

Technical screening criteria met

Yes

Details of technical screening criteria analysis

On 4 June 2021, the European Commission adopted Delegated Regulation (EU) 2021/2139, which sets out the criteria for technical screening to determine when a given economic activity can be considered "environmentally sustainable" because it contributes substantially to climate change mitigation or adaptation, without causing significant harm to one or more of the other environmental objectives (the “Climate Act”). The Climate Act outlines the two sets of technical screening criteria respectively in Annex 1, for climate change mitigation (art. 10 of EU Regulation 2020/852), and Annex 2, for climate change adaptation (art. 11 of EU Regulation 2020/852).
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Do no significant harm requirements met

Yes

Details of do no significant harm analysis

'Environmentally-sustainable activities' (aligned activities) are defined as all those activities that contribute to at least one of the following environmental objectives, without, at the same time, causing significant harm to other environmental objectives (Do No Significant Harm - DNSH) and carried out in compliance with minimum social safeguards: Climate change mitigation, Adaptation to climate change, Sustainable use and protection of water and marine resources, Transition to a circular economy, Pollution prevention and control and Protection of ecosystems and biodiversity.
Snam, for all activities assessed as aligned, does not cause significant harm to other objectives environment (Do No Significant Harm - DNSH).

Minimum safeguards compliance requirements met

Yes

Details of minimum safeguards compliance analysis

As regards the minimum social protection requirements, the topics Human Rights, Corruption, Taxation and Competition were assessed, as identified by the Platform on

Sustainable Finance. Snam has adopted solid policies and procedures with the aim of identifying, preventing and monitoring risks and managing the negative impacts relating to the areas described above. In addition, during 2022 Snam was not involved nor was it convicted in this regard.

Economic activity

Transmission and distribution networks for renewable and low-carbon gases

Taxonomy under which information is being reported

EU Taxonomy for Sustainable Activities

Taxonomy Alignment

Taxonomy-eligible but not aligned

Financial metric(s)

CAPEX
OPEX

Taxonomy-aligned turnover from this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-aligned turnover from this activity as % of total turnover in the reporting year

Taxonomy-aligned turnover from this activity that substantially contributed to climate change mitigation as a % of total turnover in the reporting year

Taxonomy-aligned turnover from this activity that substantially contributed to climate change adaptation as a % of total turnover in the reporting year

Taxonomy-eligible but not aligned turnover from this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-eligible but not aligned turnover from this activity as % of total turnover in the reporting year

Taxonomy-aligned CAPEX from this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-aligned CAPEX from this activity as % of total CAPEX in the reporting year

Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change mitigation as a % of total CAPEX in the reporting year

Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change adaptation as a % of total CAPEX in the reporting year

Taxonomy-eligible but not aligned CAPEX associated with this activity in the reporting year (unit currency as selected in C0.4)

378

Taxonomy-eligible but not aligned CAPEX associated with this activity as % of total CAPEX in the reporting year

20

Taxonomy-aligned OPEX from this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-aligned OPEX from this activity as % of total OPEX in the reporting year

Taxonomy-aligned OPEX from this activity that substantially contributed to climate change mitigation as a % of total OPEX in the reporting year

Taxonomy-aligned OPEX from this activity that substantially contributed to climate change adaptation as a % of total OPEX in the reporting year

Taxonomy-eligible but not aligned OPEX associated with this activity in the reporting year (unit currency as selected in C0.4)

25

Taxonomy-eligible but not aligned OPEX associated with this activity as % total OPEX in the reporting year

33

Type(s) of substantial contribution

Calculation methodology and supporting information

Since the first developments of the European Taxonomy, Snam has welcomed the direction defined by the European Commission, in line with the strategy and investment choices of the Company, aimed at decarbonisation and the creation of a low-carbon economy.

The Group's economic indicators needed to calculate KPIs for the portion of the business subject to taxation for fiscal year 2022 were calculated on each activity deemed taxonomy aligned or taxnomy eligible by Snam, using the following methodology:
• Revenues: revenues from regulated and non-regulated activities, excluding pass-through fees;
• CapEx: investments in property, plant and equipment and intangible assets recognised in accordance with IFRS16;
• OpEx: direct costs of managing group activities excluding overheads such as Snam S.p.A. costs, service contracts with subsidiaries and the costs of managing development and R&D projects.

Technical screening criteria met

No

Details of technical screening criteria analysis

On 4 June 2021, the European Commission adopted Delegated Regulation (EU) 2021/2139, which sets out the criteria for technical screening to determine when a given economic activity can be considered "environmentally sustainable" because it contributes substantially to climate change mitigation or adaptation, without causing significant harm to one or more of the other environmental objectives (the “Climate Act”).
The Climate Act outlines the two sets of technical screening criteria respectively in Annex 1, for climate change mitigation (art. 10 of EU Regulation 2020/852), and Annex 2, for climate change adaptation (art. 11 of EU Regulation 2020/852).
Snam's economic activities defined as Taxonomy-Eligible are described in the Delegated Acts with respect to the intended environmental objectives.
In carrying out the analysis aimed at identifying eligible activities, the Q&A published by the European Commission on 2 February 2022 was taken into account, which suggests that qualifications such as "low carbon", to which certain articles of the Climate Act refer, should only be taken into account for the purpose of determining compliance with the technical screening criteria, thus for the purpose of identifying taxonomy-aligned activities. Snam's economic activities defined as Taxonomy-Aligned are, among other things, in compliance with the technical screening criteria defined in the Climate Act.

Do no significant harm requirements met

No

Details of do no significant harm analysis

'Environmentally-sustainable activities' (aligned activities) are defined as all those activities that contribute to at least one of the following environmental objectives, without, at the same time, causing significant harm to other environmental objectives (Do No Significant Harm - DNSH) and carried out in compliance with minimum social safeguards: Climate change mitigation, Adaptation to climate change, Sustainable use and protection of water and marine resources, Transition to a circular economy, Pollution prevention and control and Protection of ecosystems and biodiversity.
Snam, for all activities assessed as aligned, does not cause significant harm to other objectives environment (Do No Significant Harm - DNSH).

Minimum safeguards compliance requirements met

Yes

Details of minimum safeguards compliance analysis

As regards the minimum social protection requirements, the topics Human Rights, Corruption, Taxation and Competition were assessed, as identified by the Platform on Sustainable Finance. Snam has adopted solid policies and procedures with the aim of identifying, preventing and monitoring risks and managing the negative impacts relating to the areas described above. In addition, during 2022 Snam was not involved nor was it convicted in this regard.

Economic activity

District heating/cooling distribution

Taxonomy under which information is being reported

EU Taxonomy for Sustainable Activities

Taxonomy Alignment

Taxonomy-eligible but not aligned

Financial metric(s)

CAPEX
OPEX

Taxonomy-aligned turnover from this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-aligned turnover from this activity as % of total turnover in the reporting year

Taxonomy-aligned turnover from this activity that substantially contributed to climate change mitigation as a % of total turnover in the reporting year

Taxonomy-aligned turnover from this activity that substantially contributed to climate change adaptation as a % of total turnover in the reporting year

Taxonomy-eligible but not aligned turnover from this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-eligible but not aligned turnover from this activity as % of total turnover in the reporting year

Taxonomy-aligned CAPEX from this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-aligned CAPEX from this activity as % of total CAPEX in the reporting year

Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change mitigation as a % of total CAPEX in the reporting year

Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change adaptation as a % of total CAPEX in the reporting year

Taxonomy-eligible but not aligned CAPEX associated with this activity in the reporting year (unit currency as selected in C0.4)

1

Taxonomy-eligible but not aligned CAPEX associated with this activity as % of total CAPEX in the reporting year

0

Taxonomy-aligned OPEX from this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-aligned OPEX from this activity as % of total OPEX in the reporting year

Taxonomy-aligned OPEX from this activity that substantially contributed to climate change mitigation as a % of total OPEX in the reporting year

Taxonomy-aligned OPEX from this activity that substantially contributed to climate change adaptation as a % of total OPEX in the reporting year

Taxonomy-eligible but not aligned OPEX associated with this activity in the reporting year (unit currency as selected in C0.4)

4

Taxonomy-eligible but not aligned OPEX associated with this activity as % total OPEX in the reporting year

5

Type(s) of substantial contribution

Calculation methodology and supporting information

Since the first developments of the European Taxonomy, Snam has welcomed the direction defined by the European Commission, in line with the strategy and investment choices of the Company, aimed at decarbonisation and the creation of a low-carbon economy.

The Group's economic indicators needed to calculate KPIs for the portion of the business subject to taxation for fiscal year 2022 were calculated on each activity deemed taxonomy aligned or taxnomy eligible by Snam, using the following methodology:

• Revenues: revenues from regulated and non-regulated activities, excluding pass-through fees;

• CapEx: investments in property, plant and equipment and intangible assets recognised in accordance with IFRS16;

• OpEx: direct costs of managing group activities excluding overheads such as Snam S.p.A. costs, service contracts with subsidiaries and the costs of managing development and R&D projects.

Technical screening criteria met

No

Details of technical screening criteria analysis

On 4 June 2021, the European Commission adopted Delegated Regulation (EU) 2021/2139, which sets out the criteria for technical screening to determine when a given economic activity can be considered "environmentally sustainable" because it contributes substantially to climate change mitigation or adaptation, without causing significant harm to one or more of the other environmental objectives (the “Climate Act”).

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Do no significant harm requirements met

No

Details of do no significant harm analysis

'Environmentally-sustainable activities' (aligned activities) are defined as all those activities that contribute to at least one of the following environmental objectives, without, at the same time, causing significant harm to other environmental objectives (Do No Significant Harm - DNSH) and carried out in compliance with minimum social safeguards: Climate change mitigation, Adaptation to climate change, Sustainable use

and protection of water and marine resources, Transition to a circular economy, Pollution prevention and control and Protection of ecosystems and biodiversity. Snam, for all activities assessed as aligned, does not cause significant harm to other objectives environment (Do No Significant Harm - DNSH).

Minimum safeguards compliance requirements met

Yes

Details of minimum safeguards compliance analysis

As regards the minimum social protection requirements, the topics Human Rights, Corruption, Taxation and Competition were assessed, as identified by the Platform on Sustainable Finance. Snam has adopted solid policies and procedures with the aim of identifying, preventing and monitoring risks and managing the negative impacts relating to the areas described above. In addition, during 2022 Snam was not involved nor was it convicted in this regard.

Economic activity

Data processing, hosting and related activities

Taxonomy under which information is being reported

EU Taxonomy for Sustainable Activities

Taxonomy Alignment

Taxonomy-eligible but not aligned

Financial metric(s)

CAPEX

Taxonomy-aligned turnover from this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-aligned turnover from this activity as % of total turnover in the reporting year

Taxonomy-aligned turnover from this activity that substantially contributed to climate change mitigation as a % of total turnover in the reporting year

Taxonomy-aligned turnover from this activity that substantially contributed to climate change adaptation as a % of total turnover in the reporting year

Taxonomy-eligible but not aligned turnover from this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-eligible but not aligned turnover from this activity as % of total turnover in the reporting year

Taxonomy-aligned CAPEX from this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-aligned CAPEX from this activity as % of total CAPEX in the reporting year

Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change mitigation as a % of total CAPEX in the reporting year

Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change adaptation as a % of total CAPEX in the reporting year

Taxonomy-eligible but not aligned CAPEX associated with this activity in the reporting year (unit currency as selected in C0.4)

43

Taxonomy-eligible but not aligned CAPEX associated with this activity as % of total CAPEX in the reporting year

2

Taxonomy-aligned OPEX from this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-aligned OPEX from this activity as % of total OPEX in the reporting year

Taxonomy-aligned OPEX from this activity that substantially contributed to climate change mitigation as a % of total OPEX in the reporting year

Taxonomy-aligned OPEX from this activity that substantially contributed to climate change adaptation as a % of total OPEX in the reporting year

Taxonomy-eligible but not aligned OPEX associated with this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-eligible but not aligned OPEX associated with this activity as % total OPEX in the reporting year

Type(s) of substantial contribution

Calculation methodology and supporting information

Since the first developments of the European Taxonomy, Snam has welcomed the direction defined by the European Commission, in line with the strategy and investment choices of the Company, aimed at decarbonisation and the creation of a low-carbon economy.
The Group's economic indicators needed to calculate KPIs for the portion of the business subject to taxation for fiscal year 2022 were calculated on each activity deemed taxonomy aligned or taxnomy eligible by Snam, using the following methodology:
• Revenues: revenues from regulated and non-regulated activities, excluding pass-through fees;
• CapEx: investments in property, plant and equipment and intangible assets recognised in accordance with IFRS16;
• OpEx: direct costs of managing group activities excluding overheads such as Snam S.p.A. costs, service contracts with subsidiaries and the costs of managing development and R&D projects.

Technical screening criteria met

No

Details of technical screening criteria analysis

On 4 June 2021, the European Commission adopted Delegated Regulation (EU) 2021/2139, which sets out the criteria for technical screening to determine when a given economic activity can be considered "environmentally sustainable" because it contributes substantially to climate change mitigation or adaptation, without causing significant harm to one or more of the other environmental objectives (the “Climate Act”).
The Climate Act outlines the two sets of technical screening criteria respectively in Annex 1, for climate change mitigation (art. 10 of EU Regulation 2020/852), and Annex 2, for climate change adaptation (art. 11 of EU Regulation 2020/852).
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Do no significant harm requirements met

No

Details of do no significant harm analysis

'Environmentally-sustainable activities' (aligned activities) are defined as all those activities that contribute to at least one of the following environmental objectives, without, at the same time, causing significant harm to other environmental objectives (Do No Significant Harm - DNSH) and carried out in compliance with minimum social safeguards: Climate change mitigation, Adaptation to climate change, Sustainable use and protection of water and marine resources, Transition to a circular economy, Pollution prevention and control and Protection of ecosystems and biodiversity. Snam, for all activities assessed as aligned, does not cause significant harm to other objectives environment (Do No Significant Harm - DNSH).

Minimum safeguards compliance requirements met

Yes

Details of minimum safeguards compliance analysis

As regards the minimum social protection requirements, the topics Human Rights, Corruption, Taxation and Competition were assessed, as identified by the Platform on Sustainable Finance. Snam has adopted solid policies and procedures with the aim of identifying, preventing and monitoring risks and managing the negative impacts relating to the areas described above. In addition, during 2022 Snam was not involved nor was it convicted in this regard.

Economic activity

Data-driven solutions for GHG emissions reductions

Taxonomy under which information is being reported

EU Taxonomy for Sustainable Activities

Taxonomy Alignment

Taxonomy-eligible but not aligned

Financial metric(s)

CAPEX

Taxonomy-aligned turnover from this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-aligned turnover from this activity as % of total turnover in the reporting year

Taxonomy-aligned turnover from this activity that substantially contributed to climate change mitigation as a % of total turnover in the reporting year

Taxonomy-aligned turnover from this activity that substantially contributed to climate change adaptation as a % of total turnover in the reporting year

Taxonomy-eligible but not aligned turnover from this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-eligible but not aligned turnover from this activity as % of total turnover in the reporting year

Taxonomy-aligned CAPEX from this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-aligned CAPEX from this activity as % of total CAPEX in the reporting year

Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change mitigation as a % of total CAPEX in the reporting year

Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change adaptation as a % of total CAPEX in the reporting year

Taxonomy-eligible but not aligned CAPEX associated with this activity in the reporting year (unit currency as selected in C0.4)

43

Taxonomy-eligible but not aligned CAPEX associated with this activity as % of total CAPEX in the reporting year

2

Taxonomy-aligned OPEX from this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-aligned OPEX from this activity as % of total OPEX in the reporting year

Taxonomy-aligned OPEX from this activity that substantially contributed to climate change mitigation as a % of total OPEX in the reporting year

Taxonomy-aligned OPEX from this activity that substantially contributed to climate change adaptation as a % of total OPEX in the reporting year

Taxonomy-eligible but not aligned OPEX associated with this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-eligible but not aligned OPEX associated with this activity as % total OPEX in the reporting year

Type(s) of substantial contribution

Calculation methodology and supporting information

Since the first developments of the European Taxonomy, Snam has welcomed the direction defined by the European Commission, in line with the strategy and investment choices of the Company, aimed at decarbonisation and the creation of a low-carbon economy.
The Group's economic indicators needed to calculate KPIs for the portion of the business subject to taxation for fiscal year 2022 were calculated on each activity deemed taxonomy aligned or taxnomy eligible by Snam, using the following methodology:
• Revenues: revenues from regulated and non-regulated activities, excluding pass-through fees;
• CapEx: investments in property, plant and equipment and intangible assets recognised in accordance with IFRS16;
• OpEx: direct costs of managing group activities excluding overheads such as Snam S.p.A. costs, service contracts with subsidiaries and the costs of managing development and R&D projects.

Technical screening criteria met

No

Details of technical screening criteria analysis

On 4 June 2021, the European Commission adopted Delegated Regulation (EU) 2021/2139, which sets out the criteria for technical screening to determine when a given economic activity can be considered "environmentally sustainable" because it contributes substantially to climate change mitigation or adaptation, without causing significant harm to one or more of the other environmental objectives (the “Climate Act”).
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activities. Snam's economic activities defined as Taxonomy-Aligned are, among other things, in compliance with the technical screening criteria defined in the Climate Act.

Do no significant harm requirements met

No

Details of do no significant harm analysis

'Environmentally-sustainable activities' (aligned activities) are defined as all those activities that contribute to at least one of the following environmental objectives, without, at the same time, causing significant harm to other environmental objectives (Do No Significant Harm - DNSH) and carried out in compliance with minimum social safeguards: Climate change mitigation, Adaptation to climate change, Sustainable use and protection of water and marine resources, Transition to a circular economy, Pollution prevention and control and Protection of ecosystems and biodiversity.
Snam, for all activities assessed as aligned, does not cause significant harm to other objectives environment (Do No Significant Harm - DNSH).

Minimum safeguards compliance requirements met

Yes

Details of minimum safeguards compliance analysis

As regards the minimum social protection requirements, the topics Human Rights, Corruption, Taxation and Competition were assessed, as identified by the Platform on Sustainable Finance. Snam has adopted solid policies and procedures with the aim of identifying, preventing and monitoring risks and managing the negative impacts relating to the areas described above. In addition, during 2022 Snam was not involved nor was it convicted in this regard.

Economic activity

Renovation of existing buildings

Taxonomy under which information is being reported

EU Taxonomy for Sustainable Activities

Taxonomy Alignment

Taxonomy-eligible but not aligned

Financial metric(s)

CAPEX

Taxonomy-aligned turnover from this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-aligned turnover from this activity as % of total turnover in the reporting year

Taxonomy-aligned turnover from this activity that substantially contributed to climate change mitigation as a % of total turnover in the reporting year

Taxonomy-aligned turnover from this activity that substantially contributed to climate change adaptation as a % of total turnover in the reporting year

Taxonomy-eligible but not aligned turnover from this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-eligible but not aligned turnover from this activity as % of total turnover in the reporting year

Taxonomy-aligned CAPEX from this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-aligned CAPEX from this activity as % of total CAPEX in the reporting year

Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change mitigation as a % of total CAPEX in the reporting year

Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change adaptation as a % of total CAPEX in the reporting year

Taxonomy-eligible but not aligned CAPEX associated with this activity in the reporting year (unit currency as selected in C0.4)

14

Taxonomy-eligible but not aligned CAPEX associated with this activity as % of total CAPEX in the reporting year

1

Taxonomy-aligned OPEX from this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-aligned OPEX from this activity as % of total OPEX in the reporting year

Taxonomy-aligned OPEX from this activity that substantially contributed to climate change mitigation as a % of total OPEX in the reporting year

Taxonomy-aligned OPEX from this activity that substantially contributed to climate change adaptation as a % of total OPEX in the reporting year

Taxonomy-eligible but not aligned OPEX associated with this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-eligible but not aligned OPEX associated with this activity as % total OPEX in the reporting year

Type(s) of substantial contribution

Calculation methodology and supporting information

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• CapEx: investments in property, plant and equipment and intangible assets recognised in accordance with IFRS16;
• OpEx: direct costs of managing group activities excluding overheads such as Snam S.p.A. costs, service contracts with subsidiaries and the costs of managing development and R&D projects.

Technical screening criteria met

No

Details of technical screening criteria analysis

On 4 June 2021, the European Commission adopted Delegated Regulation (EU) 2021/2139, which sets out the criteria for technical screening to determine when a given economic activity can be considered "environmentally sustainable" because it contributes substantially to climate change mitigation or adaptation, without causing significant harm to one or more of the other environmental objectives (the “Climate Act”).
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Do no significant harm requirements met

No

Details of do no significant harm analysis

'Environmentally-sustainable activities' (aligned activities) are defined as all those activities that contribute to at least one of the following environmental objectives, without, at the same time, causing significant harm to other environmental objectives (Do No Significant Harm - DNSH) and carried out in compliance with minimum social safeguards: Climate change mitigation, Adaptation to climate change, Sustainable use and protection of water and marine resources, Transition to a circular economy, Pollution prevention and control and Protection of ecosystems and biodiversity.
Snam, for all activities assessed as aligned, does not cause significant harm to other objectives environment (Do No Significant Harm - DNSH).

Minimum safeguards compliance requirements met

Yes

Details of minimum safeguards compliance analysis

As regards the minimum social protection requirements, the topics Human Rights, Corruption, Taxation and Competition were assessed, as identified by the Platform on Sustainable Finance. Snam has adopted solid policies and procedures with the aim of identifying, preventing and monitoring risks and managing the negative impacts relating to the areas described above. In addition, during 2022 Snam was not involved nor was it convicted in this regard.

Economic activity

Transport by motorbikes, passenger cars and light commercial vehicles

Taxonomy under which information is being reported

EU Taxonomy for Sustainable Activities

Taxonomy Alignment

Taxonomy-eligible but not aligned

Financial metric(s)

CAPEX

Taxonomy-aligned turnover from this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-aligned turnover from this activity as % of total turnover in the reporting year

Taxonomy-aligned turnover from this activity that substantially contributed to climate change mitigation as a % of total turnover in the reporting year

Taxonomy-aligned turnover from this activity that substantially contributed to climate change adaptation as a % of total turnover in the reporting year

Taxonomy-eligible but not aligned turnover from this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-eligible but not aligned turnover from this activity as % of total turnover in the reporting year

Taxonomy-aligned CAPEX from this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-aligned CAPEX from this activity as % of total CAPEX in the reporting year

Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change mitigation as a % of total CAPEX in the reporting year

Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change adaptation as a % of total CAPEX in the reporting year

Taxonomy-eligible but not aligned CAPEX associated with this activity in the reporting year (unit currency as selected in C0.4)

10

Taxonomy-eligible but not aligned CAPEX associated with this activity as % of total CAPEX in the reporting year

1

Taxonomy-aligned OPEX from this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-aligned OPEX from this activity as % of total OPEX in the reporting year

Taxonomy-aligned OPEX from this activity that substantially contributed to climate change mitigation as a % of total OPEX in the reporting year

Taxonomy-aligned OPEX from this activity that substantially contributed to climate change adaptation as a % of total OPEX in the reporting year

Taxonomy-eligible but not aligned OPEX associated with this activity in the reporting year (unit currency as selected in C0.4)

Taxonomy-eligible but not aligned OPEX associated with this activity as % total OPEX in the reporting year

Type(s) of substantial contribution

Calculation methodology and supporting information

Since the first developments of the European Taxonomy, Snam has welcomed the direction defined by the European Commission, in line with the strategy and investment choices of the Company, aimed at decarbonisation and the creation of a low-carbon economy.

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• Revenues: revenues from regulated and non-regulated activities, excluding pass-through fees;

• CapEx: investments in property, plant and equipment and intangible assets recognised in accordance with IFRS16;

• OpEx: direct costs of managing group activities excluding overheads such as Snam S.p.A. costs, service contracts with subsidiaries and the costs of managing development and R&D projects.

Technical screening criteria met

No

Details of technical screening criteria analysis

On 4 June 2021, the European Commission adopted Delegated Regulation (EU) 2021/2139, which sets out the criteria for technical screening to determine when a given economic activity can be considered "environmentally sustainable" because it contributes substantially to climate change mitigation or adaptation, without causing significant harm to one or more of the other environmental objectives (the “Climate Act”).

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Do no significant harm requirements met

No

Details of do no significant harm analysis

'Environmentally-sustainable activities' (aligned activities) are defined as all those activities that contribute to at least one of the following environmental objectives, without, at the same time, causing significant harm to other environmental objectives (Do No Significant Harm - DNSH) and carried out in compliance with minimum social safeguards: Climate change mitigation, Adaptation to climate change, Sustainable use and protection of water and marine resources, Transition to a circular economy, Pollution prevention and control and Protection of ecosystems and biodiversity.
Snam, for all activities assessed as aligned, does not cause significant harm to other objectives environment (Do No Significant Harm - DNSH).

Minimum safeguards compliance requirements met

Yes

Details of minimum safeguards compliance analysis

As regards the minimum social protection requirements, the topics Human Rights, Corruption, Taxation and Competition were assessed, as identified by the Platform on Sustainable Finance. Snam has adopted solid policies and procedures with the aim of identifying, preventing and monitoring risks and managing the negative impacts relating to the areas described above. In addition, during 2022 Snam was not involved nor was it convicted in this regard.

C3.5c

(C3.5c) Provide any additional contextual and/or verification/assurance information relevant to your organization’s taxonomy alignment.

The 2022 Sustainability Report has been subjected to a limited assurance engagement in accordance with the criteria indicated in the “International Standard on Assurance Engagements ISAE 3000 Revised - Assurance Engagements Other than Audits or Reviews of Historical Financial Information” issued by the International Auditing and Assurance Standards Board (IAASB) by Deloitte & Touche S.p.A, which expresses its opinion in a special “Independent Auditors’ Report” contained hereinafter in the document. The auditor’s opinion

and related verification activities did not cover the information required by Article 8 of European Regulation 2020/852 included in the section 'Snam's strategy, European Taxonomy for Eco-sustainable Activities' of the Sustainability Report.

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Absolute target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number

Abs 1

Is this a science-based target?

No, but we are reporting another target that is science-based

Target ambition

Year target was set

2022

Target coverage

Company-wide

Scope(s)

Scope 1

Scope 2 accounting method

Scope 3 category(ies)

Base year

2015

Base year Scope 1 emissions covered by target (metric tons CO2e)

936,540

Base year Scope 2 emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)

Base year Scope 3, Other (upstream) emissions covered by target (metric tons CO2e)

Base year Scope 3, Other (downstream) emissions covered by target (metric tons CO2e)

Base year total Scope 3 emissions covered by target (metric tons CO2e)

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

936,540

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

66

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)

Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

66

Target year

2030

Targeted reduction from base year (%)

65

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

327,789

Scope 1 emissions in reporting year covered by target (metric tons CO2e)

507,715

Scope 2 emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Other (upstream) emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Other (downstream) emissions in reporting year covered by target (metric tons CO2e)

Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

507,715

Does this target cover any land-related emissions?

No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

% of target achieved relative to base year [auto-calculated]

70.4434161094

Target status in reporting year

New

Please explain target coverage and identify any exclusions

Snam has set a natural gas emission target of -55% by 2025 and of -65% by 2030 (vs. 2015) - newly added in 2022 - , more challenging than what has been established by both the OGMP 2.0 (-45% by 2025 vs. 2015) and the Global Methane Pledge (-30% by 2030 vs. 2020) in relation to methane. The new, longer-term target has been presented. Moreover, in 2022, the methane coefficient for global warming potential (GWP) was updated. According to the Sixth Assessment Report - IPCC, the new value is 29.8 compared to the previous value of 28. Therefore, GHG Scope 1 emissions from previous years were recalculated, including the target's base year.

Plan for achieving target, and progress made to the end of the reporting year

Snam has implemented several best practices to reduce natural gas emissions and consequently methane emissions, in accordance with its Carbon Neutrality strategy. In 2022, Snam reduced

• methane emissions through the adoption of more advanced emission estimation methodologies, supported by point measurements in the field, to obtain more reliable

and accurate information on the causes and extent of emissions, on which to define appropriate operational actions. In order to improve the emission accounting system, initial tests were carried out to measure methane emissions at site level using top-down technology through drone-mounted instrumentation in order to reconcile quantified emissions at individual emission source level with this technique. This experiment was conducted in four compression and storage plants and four pressure reduction plants;
• vent emissions through the use of gas recompression systems that allow, during major works on the transport network, gas to be injected back into the network, avoiding its release into the atmosphere. A similar gas recovery system has been permanently installed in some compressor stations. The emission of about 6 million m³ of gas into the atmosphere was avoided in 2022, recovering >60% of the amount of gas that would have been emitted without mitigation measures, including gas recompression in the network and in booster stations, lowering the discharge pressure when working on the network, and tapping machine operations, a technology that allows the disconnection of pipelines in operation for new connections without interrupting service. Snam also continued with the initiative at the LNG terminal, which will be completed in 2023 and which involves modifying the existing compressor to allow the gas to be re-compressed into the network even when the plant is running, and installing a back-up compressor;
• pneumatic emissions, replacing existing models with new low- or zero-emission equipment and, in some power plants, with air-fuelled instead of gas-fuelled actuation systems. In 2022, these emissions were reduced by about 2 mln m³ thanks to the installation of new thermal power stations with high efficiency and the campaign to replace/remove high-emission control and command devices on control valves;
• fugitive emissions, including through Leak Detection And Repair (LDAR) programmes, which consist of monitoring campaigns of plant components to detect methane leaks and schedule maintenance work.

List the emissions reduction initiatives which contributed most to achieving this target

Target reference number

Abs 2

Is this a science-based target?

Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

Target ambition

1.5°C aligned

Year target was set

2020

Target coverage

Company-wide

Scope(s)

Scope 1
Scope 2

Scope 2 accounting method

Market-based

Scope 3 category(ies)

Base year

2018

Base year Scope 1 emissions covered by target (metric tons CO2e)

1,546,706

Base year Scope 2 emissions covered by target (metric tons CO2e)

31,887

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)

Base year Scope 3, Other (upstream) emissions covered by target (metric tons CO2e)

Base year Scope 3, Other (downstream) emissions covered by target (metric tons CO2e)

Base year total Scope 3 emissions covered by target (metric tons CO2e)

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

1,578,593

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)

Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

Target year

2030

Targeted reduction from base year (%)

50

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

789,296.5

Scope 1 emissions in reporting year covered by target (metric tons CO2e)

1,484,996

Scope 2 emissions in reporting year covered by target (metric tons CO2e)

32,771

Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Other (upstream) emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Other (downstream) emissions in reporting year covered by target (metric tons CO2e)

Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

1,517,767

Does this target cover any land-related emissions?

No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

% of target achieved relative to base year [auto-calculated]

7.7063562299

Target status in reporting year

Underway

Please explain target coverage and identify any exclusions

Snam plans to reduce direct (Scope 1) and energy indirect (Scope 2 MB) emissions by 28%, 40% and 50% (vs 2018) by 2025, 2027 and 2030 respectively, until the Group's operations will reach carbon neutrality by 2040. Actions aimed at reducing natural gas emissions (-55% by 2025 and -65% vs 2030 vs 2015, both more challenging than what has been established by both the OGMP 2.0 (-45% by 2025 vs. 2015) and the Global Methane Pledge (-30% by 2030 vs. 2020) in relation to methane) will also contribute to reaching the targets, as mentioned in target Abs1. In addition, during 2022, the methane coefficient for global warming potential was updated: the new value, according to the Sixth Assessment Report - IPCC, is 29.8 compared to the previous value of 28. Therefore, GHG Scope 1 from previous years have been recalculated, including the base year.
Developed using the generic SBTi (Science-Based Targets initiative) methodology, Snam's 2030 targets are in line with the goal of limiting global warming to within 1.5°C set in the Paris Agreement. This is why Snam considers this target to be science-based. However, the Company could not seek validation as the SBTi is currently unable to accept commitments or validate targets for companies in the O&G or fossil fuels sectors. Once the Oil&Gas methodology is made available by SBTi, Snam will initiate its review to submit targets.

Plan for achieving target, and progress made to the end of the reporting year

To reduce Scope 1 emissions, Snam has planned a series of initiatives :

Reducing emissions from combustion
• Conversion of compressor stations to dual fuel (installation of new electric compressors in compressor stations and gas storage)
• Installation of boilers/ high-efficiency heat generators
• Increasing energy efficiency and energy savings in buildings

Reduction of methane emissions
• Adoption of Leak Detection and Repair (LDAR) systems in all the most relevant installations
• Replacement of valves in approximately 350 pressure reduction and compressor stations
• Replacement of more than 3,000 pneumatic actuators with low emission, air-powered or electric instruments
• Recompression of natural gas in the network during planned maintenance (with an annual reduction target of 40%)
• Modification of gas boil-off compressors and installation of backup compressors in the LNG terminal

To reduce Scope 2 emissions, Snam intends to develop the following activities:
• Progressive increase in the share of renewable electricity, including production from photovoltaic plants
• New headquarters with LEED GOLD certification

List the emissions reduction initiatives which contributed most to achieving this target

Target reference number

Abs 3

Is this a science-based target?

No, but we are reporting another target that is science-based

Target ambition

Year target was set

2020

Target coverage

Company-wide

Scope(s)

Scope 1
Scope 2

Scope 2 accounting method

Market-based

Scope 3 category(ies)

Base year

2018

Base year Scope 1 emissions covered by target (metric tons CO2e)

1,546,706

Base year Scope 2 emissions covered by target (metric tons CO2e)

31,887

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)

Base year Scope 3, Other (upstream) emissions covered by target (metric tons CO2e)

Base year Scope 3, Other (downstream) emissions covered by target (metric tons CO2e)

Base year total Scope 3 emissions covered by target (metric tons CO2e)

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

1,578,593

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)

Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

Target year

2040

Targeted reduction from base year (%)

100

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

0

Scope 1 emissions in reporting year covered by target (metric tons CO2e)

1,484,996

Scope 2 emissions in reporting year covered by target (metric tons CO2e)

32,771

Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Other (upstream) emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Other (downstream) emissions in reporting year covered by target (metric tons CO2e)

Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

1,517,767

Does this target cover any land-related emissions?

No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

% of target achieved relative to base year [auto-calculated]

3.8531781149

Target status in reporting year

Underway

Please explain target coverage and identify any exclusions

Snam plans to reduce direct (Scope 1) and energy indirect (Scope 2 MB) emissions by 28%, 40% and 50% (vs 2018) by 2025, 2027 and 2030 respectively, until the Group's operations will reach carbon neutrality by 2040 (to be understood as net zero emissions, also taking off-setting actions into account). The target reported here is among the first carbon neutral targets on Scope 1 and Scope 2 emissions ever reported in our sector. Actions aimed at reducing natural gas emissions (-55% by 2025 and -65% vs 2030 vs 2015, both more challenging than what has been established by both the OGMP 2.0 (-45% by 2025 vs. 2015) and the Global Methane Pledge (-30% by 2030 vs. 2020) in relation to methane) will also contribute to reaching the targets, as mentioned in target Abs1. In addition, during 2022, the methane coefficient for global warming potential was updated: the new value, according to the Sixth Assessment Report - IPCC, is 29.8 compared to the previous value of 28. Therefore, GHG Scope 1 from previous years have been recalculated, including the base year.

Plan for achieving target, and progress made to the end of the reporting year

The initiatives implemented by Snam to reach carbon neutrality in its operational activities mainly consist of programmes to limit natural gas emissions through the modernisation, efficiency and maintenance of the network (LDAR), interventions to reduce carbon dioxide (CO_2) emissions, thanks to the conversion of compressor stations to dual fuel (thus replacing gas turbocompressors with electric compressors), and the use of green electricity. In addition, Snam is proceeding with the adaptation of existing infrastructure for the transport and storage of different types of gas, including hydrogen. To date, around 99% of the network is capable of transporting up to 100% hydrogen. In 2022, Snam continued experimentation and studies aimed at supporting the energy transition by evaluating the existing infrastructure and the transportation of natural gas and hydrogen blends with H_2 content up to 100%. In this regard, the main activities carried out during the year concerned the successful execution of field tests on

the BH model NovaLT12 turbine (with a capacity of 12 MW), already used for factory tests in 2020, and the PGT25 turbine (with a capacity of 25 MW) to verify the efficiency of their operation with a blend of hydrogen and methane (H2 up to 10% by volume, variable).
Finally, for emissions that cannot be eliminated by 2040, offsetting measures will be implemented through certified offsetting projects. For a more detailed description of actions aimed at reducing Scope 1 and Scope 2 emissions please refer to actions reported in the targets above (Abs1 and Abs2).

List the emissions reduction initiatives which contributed most to achieving this target

Target reference number

Abs 4

Is this a science-based target?

Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

Target ambition

1.5°C aligned

Year target was set

2021

Target coverage

Company-wide

Scope(s)

Scope 3

Scope 2 accounting method

Scope 3 category(ies)

Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)
Category 6: Business travel
Category 7: Employee commuting
Category 15: Investments

Base year

2019

Base year Scope 1 emissions covered by target (metric tons CO2e)

Base year Scope 2 emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)

94,037

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)

5,181

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)

2,111

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)

666,665

Base year Scope 3, Other (upstream) emissions covered by target (metric tons CO2e)

Base year Scope 3, Other (downstream) emissions covered by target (metric tons CO2e)

Base year total Scope 3 emissions covered by target (metric tons CO2e)

767,994

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

767,994

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

100

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)

100

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)

100

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)

100

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)

Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

100

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

78

Target year

2030

Targeted reduction from base year (%)

46

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

414,716.76

Scope 1 emissions in reporting year covered by target (metric tons CO2e)

Scope 2 emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)

174,895

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)

1,161

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)

1,685

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)

309,370

Scope 3, Other (upstream) emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Other (downstream) emissions in reporting year covered by target (metric tons CO2e)

Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)

487,111

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

487,111

Does this target cover any land-related emissions?

No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

% of target achieved relative to base year [auto-calculated]

79.5078109193

Target status in reporting year

Underway

Please explain target coverage and identify any exclusions

As part of Snam’s other indirect emissions (Scope 3), the Group has set two separate reduction targets. The first, reported in this section of the CDP, consist of a -46% by 2030 compared to 2019 levels, and it takes into account emissions from associate companies and other minor emission categories (Abs4). The second, -55% by 2030 compared to 2019, is expressed in terms of the emission intensity of the supply chain compared to CapEx. Both targets apply to the whole company and all the emissions in the relevant Scope.

In addition, during 2022, the methane coefficient for global warming potential was updated: the new value, according to the Sixth Assessment Report - IPCC, is 29.8 compared to the previous value of 28. Therefore, GHG Scope 3 emissions from category 15 "Investments" from previous years have been recalculated, including the base year.

Developed using the generic SBTi (Science-Based Targets initiative) methodology, Snam's 2030 targets are in line with the goal of limiting global warming to within 1.5°C set in the Paris Agreement. This is why Snam considers this target to be science-based.

However, Snam could not seek validation as the SBTi is currently unable to accept commitments or validate targets for companies in the O&G or fossil fuels sectors. Once the Oil&Gas methodology is made available by SBTi, Snam will initiate its review to submit targets.

Plan for achieving target, and progress made to the end of the reporting year

As part of Snam's target of -46% by 2030 compared to 2019 levels which takes into account emissions from associate companies and other minor emission categories (Abs4), in 2022 Snam has planned and carried out several initiatives:
• with associate companies-->Snam maintains ongoing dialogue with investee companies to share best practices and guide them in defining decarbonisation strategies and plans.
• to reduce other indirect emissions-->Snam intends to reduce fuel and electricity consumption, the number of business trips by favouring online meetings and promoting a remote work policy.

As part of Snam's target of -55% by 2030 compared to 2019 expressed in terms of the emission intensity of the supply chain compared to CapEx, in 2022 Snam has planned and carried out several initiatives with suppliers through which Snam encourages its suppliers to reduce their emissions:
• involving them in the definition of clear reduction plans by establishing new ESG criteria in scoring models, including specific requirements related to decarbonisation;
• supporting them at the beginning of their emission reduction journey through webinars to raise awareness of climate change and GHG emissions and through one-to-one interviews;
• by asking its most significant suppliers (in terms of emissions) to complete the CDP Supply Chain questionnaire.

List the emissions reduction initiatives which contributed most to achieving this target

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

Net-zero target(s)
Other climate-related target(s)

C4.2b

(C4.2b) Provide details of any other climate-related targets, including methane reduction targets.

Target reference number

Oth 1

Year target was set

2020

Target coverage

Company-wide

Target type: absolute or intensity

Absolute

Target type: category & Metric (target numerator if reporting an intensity target)

Low-carbon vehicles

Percentage of low-carbon vehicles in company fleet

Target denominator (intensity targets only)

Base year

2020

Figure or percentage in base year

39

Target year

2025

Figure or percentage in target year

88

Figure or percentage in reporting year

59

% of target achieved relative to base year [auto-calculated]

40.8163265306

Target status in reporting year

Underway

Is this target part of an emissions target?

Snam plans to reduce GHG (greenhouse gas) Scope 1 and Scope 2 emissions by 28% by 2025, 40% by 2027 and 50% by 2030 (vs 2018) (Abs2 in question 4.1a), up to achieving carbon neutrality by 2040 (Abs3 in question 4.1a). In order to achieve the targets, Snam has planned a series of initiatives including the conversion of the company fleet to natural gas vehicles.

Is this target part of an overarching initiative?

No, it’s not part of an overarching initiative

Please explain target coverage and identify any exclusions

The target is company-wide, with no exclusions, and part of the overall carbon neutrality target (2040).

Plan for achieving target, and progress made to the end of the reporting year

To reduce Scope 1 and Scope 2 emissions, Snam has planned a series of initiatives including the conversion of the company fleet to natural gas vehicles. In 2022, the number of retrofitted cars increased to a total of 793 methane-powered vehicles in the company's entire fleet, or 59% of the entire fleet. This project will be discontinued in 2023 as a result of a strategic review of the car management model, including a shift towards a long-term rental model. The new company car list will be defined in 2023 for both operating and mixed-use cars, also taking into account CO2 emission parameters. This conversion of cars is a part of the overall carbon neutrality target (2040).

List the actions which contributed most to achieving this target

Target reference number

Oth 2

Year target was set

2022

Target coverage

Company-wide

Target type: absolute or intensity

Absolute

Target type: category & Metric (target numerator if reporting an intensity target)

R&D investments

Other, please specify

€ invested in R&D of low-carbon products/services

Target denominator (intensity targets only)

Base year

2022

Figure or percentage in base year

0

Target year

2026

Figure or percentage in target year

13,300,000

Figure or percentage in reporting year

0

% of target achieved relative to base year [auto-calculated]

0

Target status in reporting year

New

Is this target part of an emissions target?

Snam recognises the need to pursue a path towards decarbonisation across all sectors and industries, while ensuring a continuous and reliable energy supply. New energy carriers will be required to transfer the growing share of decarbonised primary energy to the energy demand side, providing flexibility, security, and diversification of energy supply sources, while maintaining the quality of services provided and accessibility. To date, there are few options available that can provide scalable solutions and support the transition to a low-carbon economy. Among those currently available, hydrogen and carbon capture technologies are essential in achieving decarbonisation targets, as they can help to meet energy demand while significantly reducing CO2 emissions.

Is this target part of an overarching initiative?

No, it's not part of an overarching initiative

Please explain target coverage and identify any exclusions

The goal is to reach the indicated amount of 13,300,000€ to be invested by 2025 (cumulatively) to support research and development towards the implementation of hydrogen and CCS technology. This funding will be allocated to a variety of projects at different technology readiness levels (TRLs). Projects supported will include prototypes of emerging technologies with low TRLs, as well as more established technologies for both H2 and CO2 with medium TRLs. We will also invest in high TRL projects, including H2 demo testing, to further advance the development and deployment of hydrogen technology.

Plan for achieving target, and progress made to the end of the reporting year

With 2030 Vision, Snam intends to guarantee the security of supply but also evolve from small-scale projects to integrated hydrogen and CCS-related initiatives in Italy and in strategic geographies such as North Africa.

List the actions which contributed most to achieving this target

C4.2c

(C4.2c) Provide details of your net-zero target(s).

Target reference number

NZ1

Target coverage

Company-wide

Absolute/intensity emission target(s) linked to this net-zero target

Abs1
Abs2
Abs3
Abs4

Target year for achieving net zero

2050

Is this a science-based target?

No, but we are reporting another target that is science-based

Please explain target coverage and identify any exclusions

With its net zero strategy, Snam envisages concrete actions and significant investments for a gradual reduction in direct and indirect carbon emissions, in line with the commitments defined in the Paris Agreement to limit the rise in global temperature to no more than 1.5°C. The target has full coverage and includes Scope 1, Scope 2 and Scope 3 emissions.

Do you intend to neutralize any unabated emissions with permanent carbon removals at the target year?

Yes

Planned milestones and/or near-term investments for neutralization at target year

In order to cope with the residual emissions and to reach the goal of net zero by 2050, Snam's strategy envisages the use of CCUS technologies. To this end, within the country, the first steps are being taken towards the creation of a CCUS technology infrastructure with the Ravenna CO2 capture and storage project (Ravenna CCS Project) where depleted gas fields and decommissioned assets will be exploited for carbon dioxide storage. The Ravenna CCS Project sees the collaboration of Snam and Eni, who signed a 50:50 joint venture agreement in December 2022. In Phase 1, 25,000 tonnes of CO2 will be captured from Eni's natural gas processing plant in Casalborsetti (Ravenna), taking advantage of Snam's expertise in transport and molecule management. The CO2 will then be piped to the Porto Corsini Mare Ovest platform and finally injected into the depleted gas field of the same name.
The contribution of CCS to capture of 20-40 millions tons of CO2 is also forseen by the Long Term Italian Strategy on the emissions reduction (https://www.mase.gov.it/sites/default/files/archivio/allegati/PTE/NLTS_lts_gennaio_2021.pdf).

Planned actions to mitigate emissions beyond your value chain (optional)

To reduce Scope 1 emissions, Snam has planned a series of initiatives :

Reducing emissions from combustion
• Conversion of compressor stations to dual fuel (installation of new electric compressors in compressor stations and gas storage)
• Installation of boilers/ high-efficiency heat generators

• Increasing energy efficiency and energy savings in buildings

Reduction of methane emissions
• Adoption of Leak Detection and Repair (LDAR) systems in all the most relevant installations
• Replacement of valves in approximately 350 pressure reduction and compressor stations
• Replacement of more than 3,000 pneumatic actuators with low emission, air-powered or electric instruments
• Recompression of natural gas in the network during planned maintenance (with an annual reduction target of 40%)
• Modification of gas boil-off compressors and installation of backup compressors in the LNG terminal

To reduce Scope 2 emissions, Snam intends to develop the following activities:
• Progressive increase in the share of renewable electricity, including production from photovoltaic plants
• New headquarters with LEED GOLD certification

With regard to the reduction of Scope 3 emissions, firstly, Snam will work closely with associate companies and suppliers to define shared action plans in order to achieve the new targets set, and will implement specific actions based on the following guidelines:

•Initiatives with Associate companies -->Snam maintains ongoing dialogue with investee companies to share best practices and guide them in defining decarbonization strategies and plans.

•Initiatives with suppliers -->Snam encourages its suppliers to reduce their emissions:
- involving them in the definition of clear reduction plans by establishing new ESG criteria in scoring models, including specific requirements related to decarbonization;
-supporting them at the beginning of their emission reduction journey through webinars to raise awareness of climate change and GHG emissions and through one-to-one interviews;
- by asking its most significant suppliers (in terms of emissions) to complete the CDP Supply Chain questionnaire.

Initiatives to reduce other indirect emissions Snam intends to reduce fuel and electricity consumption, the number of business trips by favouring online meetings and promoting a remote work policy.

C-OG4.2d

(C-OG4.2d) Indicate which targets reported in C4.1a/b incorporate methane emissions, or if you do not have a methane-specific emissions reduction target for your oil and gas activities, please explain why not and forecast how your methane emissions will change over the next five years.

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	0	0
To be implemented*	0	0
Implementation commenced*	0	0
Implemented*	7	250,255
Not to be implemented	0	0

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Fugitive emissions reductions

Other, please specify

Gas recompression

Estimated annual CO2e savings (metric tonnes CO2e)

190,797

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 1

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

747,057

Investment required (unit currency – as specified in C0.4)

14,648,170

Payback period

16-20 years

Estimated lifetime of the initiative

Ongoing

Comment

In order to limit natural gas emissions from the transportation network, gas recovery is voluntarily performed through in-line gas recompression during maintenance activities in the network, recompression in compression stations (use of cubogas), hot tapping and the reduction of pressure at the lowest allowed level, replacement of pneumatic actuators, installation of dedicated equipment to reduce fugitive emissions. The total amount of gas recovered is 10.3 million cubic meters. This reduction applies to Scope 1 emissions, it is totally voluntary and it is a year by year initiative.

Initiative category & Initiative type

Low-carbon energy generation

Solar PV

Estimated annual CO2e savings (metric tonnes CO2e)

269

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

265,965

Investment required (unit currency – as specified in C0.4)

5,215,000

Payback period

16-20 years

Estimated lifetime of the initiative

Ongoing

Comment

This reduction applies to Scope 2 emissions. It is totally voluntary.

Initiative category & Initiative type

Low-carbon energy consumption

Other, please specify

Purchase of green power energy

Estimated annual CO2e savings (metric tonnes CO2e)

19,378

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

0

Investment required (unit currency – as specified in C0.4)

59,623

Payback period

1-3 years

Estimated lifetime of the initiative

Ongoing

Comment

In 2022 Snam purchased 74.529 MWh from low carbon sources for the electricity use at Panigaglia (GNL Italia), Brugherio (Stogit), Messina, Terranuova, Enna, Poggio Renatico, Melizzano, Malborghetto, Montesano (Snam Rete Gas), Headquarters, S4Mobility and Bioenerys plants. This reduction applies to Scope 2 emissions and it is totally voluntary.

Initiative category & Initiative type

Company policy or behavioral change

Other, please specify

Smartworking

Estimated annual CO2e savings (metric tonnes CO2e)

1,210

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 3 category 7: Employee commuting

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

0

Investment required (unit currency – as specified in C0.4)

0

Payback period

1-3 years

Estimated lifetime of the initiative

>30 years

Comment

The Smart Working project allows employees to work outside of office premises, on average for three days a week in 2022. The initiative has been involving about 3000 people.

Initiative category & Initiative type

Energy efficiency in buildings
Lighting

Estimated annual CO2e savings (metric tonnes CO2e)

484

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (location-based)
Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

19,329

Investment required (unit currency – as specified in C0.4)

379,000

Payback period

16-20 years

Estimated lifetime of the initiative

16-20 years

Comment

Installation of LED lighting systems - Target : to replace 534 kW in 2022 with a saving of 1860 MWh. In 2022 were saved 1.860 MWh

Initiative category & Initiative type

Energy efficiency in buildings
Other, please specify
Building renovation

Estimated annual CO2e savings (metric tonnes CO2e)

117

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 1

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

205,377

Investment required (unit currency – as specified in C0.4)

4,027,000

Payback period

16-20 years

Estimated lifetime of the initiative

Ongoing

Comment

Renovation of buildings with an annualy saving of 75,000 cubic meters of gas and 210 MWh of electricity by 2022. In 2022 Snam achieved 40,000 cubic meters of gas and 145 MWh of electricity.

Initiative category & Initiative type

Low-carbon energy generation
Biogas

Estimated annual CO2e savings (metric tonnes CO2e)

38,000

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 1

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

2,800,000

Investment required (unit currency – as specified in C0.4)

40,000,000

Payback period

16-20 years

Estimated lifetime of the initiative

Ongoing

Comment

Technical investments in energy transition business for the financial year 2022 amounted to 98 million euros, up by +45 million euros; +84.9% compared to 2021 and mainly refer to:
• energy efficiency investments amounting to 37 million euros, mainly attributable to: (i)

engineering activities, support for the authorisation process and construction of plants for industrial and tertiary sector customers (29 million euros); (ii) investments for the development of new IT infrastructures and the purchase of new applications (4 million euros); (iii) works for Public Administration customers;
• investments in biomethane and biogas amounting to 40 million euros mainly related to the construction of greenfield plants and the conversion of biogas plants to biomethane;
• investments in decarbonisation projects amounting to 21 million euros, mainly related to engineering studies for hydrogen-based projects

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Dedicated budget for low-carbon product R&D	In a progressive scenario of decarbonisation for the country in which natural gas will play an increasingly more central role, Snam is reinforcing its position as a partner for Italian energy transition: Snam's infrastructure has always supported the Italian economy by expanding and maintaining the network, heating millions of homes and contributing to the country's energy security. Thanks to its assets, know-how and belief in the importance of acting responsibly, Snam is aware of its role and the opportunity it has to make a significant contribution to reducing greenhouse gas emissions for the entire country system. With the new 2022-2026 Strategic Plan, Snam intends to pursue decarbonisation goals, leveraging green molecules, mainly hydrogen and biomethane, with investments amounting to 1 billion euros, bringing the new Plan in line with the European 36% taxonomy. All the investments envisaged in the Plan are perfectly consistent with the European 2030 objectives and with the decarbonisation pathway that envisages a progressive increase in the use of green gases, first through the development of biomethane production and, subsequently, with an increasingly decisive role for hydrogen and natural gas, in combination with CO2 capture. Snam intends to strengthen its positioning in new businesses for the energy transition, developing green gases and contributing to the decarbonisation of consumption, throght the energy transition platform: Biomethane, H2 projects, CCS technologies, energy efficiency. With the goal of achieving carbon neutrality by 2040, Snam will continue to leverage its gas infrastructure business, converting existing assets to 'multi-commodity, i.e. operating to make them capable of transporting and storing not only natural gas, but also renewable gases such as hydrogen and biomethane, which are essential for reducing the use of fossil fuels, with continuous modernisation of the network from a hydrogen-ready perspective to provide the country with state-of-the-art infrastructure, ready to receive the new energy source. In 2022, Snam spent about 160 million euros (4.6 percent of revenues) on R&D expenses and SnamTec innovation projects.

Dedicated budget for energy efficiency	In the field of energy efficiency, Snam, in just a few years, has been able to position itself among the leading Italian operators offering such services. Through Renovit, Snam is consolidating and accelerating its path to energy independence, planning around 200 million euros of investments in the period 2022-2026. In fact, Renovit offers energy efficiency solutions in the residential, industrial, tertiary and public administration sectors, working in demand efficiency and distributed generation with a focus on long-term energy performance contracts. With a view to contributing to the sustainable development and energy transition of the entire country system, in 2021, CDP Equity acquired a 30% stake in Snam4Efficiency, Snam's energy efficiency subsidiary, which took the name Renovit. In 2022, Renovit's work with customers in the various sectors resulted in the avoidance of around 26,000 tonnes of CO2 emissions, which will rise to around 190,000 by 2026 and a significant increase over 2021 (14,000 tonnes). By 2026, thanks to Renovit energy efficiency measures and Bioenerys' biomethane production, Snam will play a key role as an enabler for third-party emission reductions. In particular, by 2025, the Group expects avoided emissions to rise from the current 70 ktons of CO2 avoided per year to around 500 ktons. In January 2022, Renovit achieved the B Corp certification, becoming the first certified company in terms of turnover and number of employees in the energy and environment sector and one of the top five in Europe. In 2022, Renovit joined Co2alition, which promotes the decarbonisation of companies' activities and processes. The company also implemented three major decarbonisation and energy efficiency projects: Turin Parc, a residential redevelopment project aimed at reducing energy consumption and improving the quality of life of the inhabitants; Smart community in Cassino, a project for the energy requalification of the Cassino (FR) plant; Portofino Carbon Free, which intends to support Portofino's public administration in its efforts to reduce the impact of services offered to the community, through the definition of decarbonisation strategies and plans and the development of energy transition projects.
Employee engagement	Some of the employee's engagement activities implemented in 2022 included: • On its intranet, in continuity with the company's commitment to energy efficiency issues, Snam - in collaboration with Renovit - created the handbook for more efficient energy consumption: a set of good practices not only to deal with the delicate scenario in which we we find, but also to raise the general level of awareness of the energy savings we can achieve. • launch of an internal awarness campaign on Snam website: Every small gesture can generate a major impact on our country's energy system. In fact, each of us, without profoundly changing our habits, can adopt some small and simple daily precautions, for our own good, for the community and for the environment. Making the best use of energy is important because it allows us to save money, to be more sustainable and also to contribute individually to the better management of the country's energy reserves. • Volunteer activities: Snam Foundation has launched the "Donate to Learn"

	programme, through which Snam volunteers develop training courses in school of all grades to raise awareness of Energy Transition and stimulate young people to adopt virtuous behaviour • Snaminnova: Open Innovation programme aimed at the entire corporate population to accelerate Snam's capacity for innovation, seizing the opportunities offered by the energy system and its developments. The programme envisaged the launch of three initiatives during 2022: Innovation Ambassador, Call4Start Sustainable Innovation, Idea Central (Call4Ideas Sustainable Innovation). • Webinars: Webinars are tools used by Snam to conduct training and information activities, during which employees can interact with each other. Among the most popular ones, mention should be made of the webinar presenting the "New Snam HQ" project, the ESG strategy webinar, as well as the year-end webinar with the CEO dedicated to the strategic plan • Workshops: make it possible to bring working groups together to discuss specific issues in an interactive manner. For example, Snam has engaged employees to assess sustainability issues relevant to the Group with this tool, in order to update the materiality matrix, and has raised awareness of developments in corporate sustainability, the sustainability strategy and the ESG Scorecard, focusing on initiatives aimed at employees.
Dedicated budget for other emissions reduction activities	The ambitious objectives confirmed in the new 2022-2026 Strategic Plan envisage concrete short-to medium-term intermediate targets for reducing greenhouse gas emissions from its activities (Scope 1 and 2) and targets for reducing emissions associated with its value chain (Scope 3). Snam thus becomes the first energy infrastructure company within the EU to set Scope 3 emission reduction targets, also related to its suppliers, by 2030. Some of the emission reduction initiative in place to reduce the Group's total GHG emissions included: • reduction of natural gas emissions through gas recompression, hot tapping, LDAR, etc; • production and/or purchase of electricity from renewable sources; • installation of heat generators with greater efficiency; • installation of plants with LED lighting replacing other lighting equipment with greater consumption; • savings derived from the restructuring and energy efficiency of buildings; • expansion of smart working by employees, partly due to the Covid-19 pandemic. With regard to Scope 3 emissions reduction initiatives: Initiatives with Associate companies: Snam intends to build an ongoing dialogue with its subsidiaries to present best practices and guide them in defining decarbonisation plans and strategies. Initiatives with suppliers: Snam encourages its suppliers to reduce their emissions by: -involving them in the definition of emission reduction plans by establishing new ESG criteria in scoring models, including requirements related to decarbonization;

	-supporting them at the beginning of their emission reduction journey through webinars to raise awareness of GHG emissions and through one-to-one interviews to offer solutions and best practices in this area; -requesting its most significant suppliers in terms of emissions to complete the CDP Supply Chain questionnaire. In order to ensure the security of gas supply, Snam has increased its investments to €10 billion. For €9 billion, in particular, they will aim to strengthen gas infrastructure, making it more flexible and multi-purpose. At the same time, Snam intends to pursue decarbonisation goals, leveraging green molecules, mainly H2 and CH4, with investments amounting to €1 billion. In addition, €450 million will be allocated to the Group's innovation and digitalisation programme, which will also contribute to security and continuity of supply with its projects.
Partnering with governments on technology development	The 2022 stakeholder engagement activities focused on the topics of infrastructure settlement, technological innovation, decarbonisation, the importance of education, sustainability and cybersecurity. Snam engages with European and national regulators: • Regulatory Authority for Energy, Networks and Environment (ARERA): there were more than 21,200 exchanges in 2022. • Gestore Servizi Energetici (GSE): constant dialogue to monitor the possibility of benefiting from economic incentives for the production of energy from renewable sources and high-efficiency cogeneration plants. Snam believes it is essential to maintain a constant relationship with state, regional and local administrations in order to satisfy requests for information on the company's activities, promote the acceptability of plants in the area and submit applications to obtain the necessary authorisations for the construction of new infrastructure. In 2022, were held over 100 meetings, national and local on territories affected by Snam’s activities and infrastructure; 10 meetings with mayors to illustrate implementation projects; 8 meetings with local farmers’ associations; 4 meetings with local associations. Moreover, Snam has active participation in working groups and technical tables: • organised by the associations of which Snam is a member, including Proxigas, Confindustria Nazionale and its territorial branches • on the role of gas in the future energy mix and the use of renewable energy vectors, with the following associations: World Energy Council; East Mediterranean Gas Forum (EMGF); Istituto Affari Internazionali; Observatoire Méditerranéen de l'Energie (OME).
Financial optimization calculations	Snam, since 2018, has progressively aligned its financial strategy with the Group's sustainability objectives. To this end, Snam aim to increase the weight of sustainable finance in total funding to 80% by 2026 - reaching 70% in 2022 - as well as issuing bonds to finance investments in environmental sustainability and the energy transition. In this regard, between 2019 and 2022, Snam issued a Climate Action Bond, four Transition Bonds and an Inaugural EU Taxonomy-Aligned Transition Bond. Among other sustainable finance instruments used by Snam, a Sustainability-linked bond was issued

	for the first time in January 2022, the issuance of which was associated with a Liability Management exercise, which accelerated the transition from plain vanilla bonds to sustainable finance instruments. The inaugural Sustainable-Linked Bond (General corporate purpose format), for €1.5 billion, and the EU Taxonomy-Aligned Transition Bond (Use Of Proceeds format), for €300 million, were issued as part of the Sustainable Finance Framework published in 2021. For these first Bonds, the economic performance (step-up coupons) is linked to the achievement of targets linked to specific kPIs. The short tranche has been associated with a natural gas emission reduction target of -55% by 2025 compared to 2015 values and a Scope 1 and 2 emission reduction target of -40% by 2027, while the long tranche has been associated with a Scope 1 and 2 emission reduction target of -50% by 2030 compared to 2018. Finally, starting in 2018, Snam has a Euro Commercial Paper programme available, which has been linked to environmental and social sustainability objectives in line with the Sustainable Loan since 2020, obtaining an EE+ ESG rating for the instrument from the ESG rating company Standard Ethics, increased in 2022 compared to the previous year. Confirming Snam's commitment to sustainable finance, in 2021 the Group joined the Nasdaq Sustainable Bond Network, a sustainable finance platform which brings together investors, issuers, investment banks and specialist organisations. In this regard, Snam significantly increases its relations with the financial community and socially responsible investors, developing dynamic synergies that guarantee the creation of value over time through constant and transparent reporting on business strategy and performance.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products.

Level of aggregation

Product or service

Taxonomy used to classify product(s) or service(s) as low-carbon

The EU Taxonomy for environmentally sustainable economic activities

Type of product(s) or service(s)

Biofuels

Biomass gasification

Description of product(s) or service(s)

Biogas and biomethane are thus one of the solutions in which Snam has invested to relaunch and renew the current agri-ecological model. In fact, biogas is one of the most widely used alternative sources of renewable energy. It is the result of the fermentation of organic substances (vegetable biomass or livestock waste) by numerous bacteria in the absence of oxygen and at a controlled temperature. This process of biomass degradation (from agricultural residues, livestock or sewage effluents, supplementary crops, organic fraction of separately collected municipal waste, etc.) is called anaerobic digestion.

When subjected to the refining and purification process (called upgrading), the biogas becomes biomethane, which has a methane or CH4 concentration of more than 98%. Biomethane is therefore renewable and circular because it is produced from agricultural biomass (specific crops, agricultural by-products and waste and animal manure) and agri-industrial biomass (waste from the food chain) and from OFMSW . In particular, biomethane produced from OFMSW can be fed into the grid for energy uses (automotive, domestic heating), following circular economy criteria, as well as becoming quality compost for agriculture. In 2022, thanks to the biomethane, the emissions avoided amount to 38 Kton CO2eq. Through the production of biomethane, Snam estimates the avoidance of 285 kton CO2eq emissions in 2025 to the country system.

Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

Yes

Methodology used to calculate avoided emissions

Other, please specify

The methodology used is based on the calculation of emissions avoided by using biogas and biomethane as a substitute for natural gas considering the use stage, obtained through the comparison of emissions factors.

Life cycle stage(s) covered for the low-carbon product(s) or services(s)

Use stage

Functional unit used

The functional unit used is represented by the combustion (use stage) of 1 standard cubic meter of biomethane vs. the combustion (use stage) of 1 standard cubic meter of natural gas

Reference product/service or baseline scenario used

Given Snam's role as the main domestic and European transportation network of natural gas, the choice of the reference product or baseline scenario fell on natural gas which is the most likely alternative solution among fuels in the absence of biomethane.

Life cycle stage(s) covered for the reference product/service or baseline scenario

Use stage

Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario

0.00199

Explain your calculation of avoided emissions, including any assumptions

Using the attributional approach, the estimated avoided emissions were calculated using the formula “Use stage emissions of 1 standard cubic meter of natural gas – Use stage emissions of 1 standard cubic meter of biomethane”, leading to an amount of avoided emissions of 0.00199 metric tons of CO2e per functional unit. The methodology involves calculating the emissions of one functional unit of reference product or baseline scenario (equal to the emission factor of natural gas in the use stage, namely 0.00199 metric tons of CO2e/ std m3 – source: ISPRA 2022) compared to the emissions of one functional unit of low-carbon product (equal to the emission factor of biomethane, namely 0 metric tons of CO2e/ std m3 – source: ISPRA 2022). Overall, through the production of biomethane, Snam estimates the avoidance of 285 kton CO2eq emissions in 2025 to the country system.

Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

3.3

C-OG4.6

(C-OG4.6) Describe your organization’s efforts to reduce methane emissions from your activities.

C-OG4.7

(C-OG4.7) Does your organization conduct leak detection and repair (LDAR) or use other methods to find and fix fugitive methane emissions from oil and gas production activities?

C-OG4.8

(C-OG4.8) If flaring is relevant to your oil and gas production activities, describe your organization’s efforts to reduce flaring, including any flaring reduction targets.

In our operations we don’t have any flare, so this question is not applicable.

C5. Emissions methodology

C5.1

(C5.1) Is this your first year of reporting emissions data to CDP?

No

C5.1a

(C5.1a) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

Row 1

Has there been a structural change?

Yes, other structural change, please specify

Growth of new businesses acquired in previous years

Name of organization(s) acquired, divested from, or merged with

The structural changes undergone during the reporting year did not involve new acquisitions, divestments, or mergers, but rather resulted from the growth of the "New business", and particularly the green businesses, acquired in the previous years, some of which in 2022 turned from corporate offices only to industrial premises and/or facilities. Becoming fully operational, this led to an increase in consumptions and therefore a significant change to the company's emissions structure.

Details of structural change(s), including completion dates

The growth of "New business" has led to a significant increase in consumption in 2022. Indeed, the consumption of "New business" grew 10-fold compared to 2021 , with a weight equal to that of LNG ITALY. In particular, the main companies belonging to the "New businesses" are:
- IES BIOGAS and TEP ENERGY SOLUTION , acquired in 2018
- RENERWASTE, acquired in 2019
- INIZIATIVE BIOMETHANE, MIECI and EVOLVE acquired in 2020
- DE NORA and DCARBONX, acquired in 2021

C5.1b

(C5.1b) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

	Change(s) in methodology, boundary, and/or reporting year definition?	Details of methodology, boundary, and/or reporting year definition change(s)
Row 1	Yes, a change in methodology	In 2022, the methane coefficient for global warming potential (GWP) was updated. According to the Sixth Assessment Report - IPCC, the new value is 29.8 compared to the previous value of 28. Therefore, GHG Scope 1 and GHG Scope 3 Category 15: "Investments" emissions from previous years (including the base year) were recalculated.

		Furthermore, as part of the project carried out in 2021 to set Scope 3 emissions reduction targets, Snam refined the methodology for calculating Scope 3 emissions (impacting on previous years emissions - including 2019 as the base year as well) with more timely data obtained directly from counterparts, such as suppliers, and thus gradually reducing reliance on estimates. This impacted on all Scope 3 categories except categories 6 and 7. Although targets were already set using base year emissions obtained with the updated methodology, the previous CDP 2022 questionnaire displayed 2019 emissions with the old methodology, which were then restated in the present CDP 2023 questionnaire. The recalculation has no impact on 2020 and 2021 emissions, since they were already been calculated and submitted with the refined methodology.

C5.1c

(C5.1c) Have your organization's base year emissions and past years' emissions been recalculated as a result of any changes or errors reported in C5.1a and/or C5.1b?

	Base year recalculation	Scope(s) recalculated	Base year emissions recalculation policy, including significance threshold	Past years' recalculation
Row 1	Yes	Scope 1 Scope 3	In line with the GHG Protocol, Snam's policy requires for base year emissions recalculation to occur in case of structural changes in the organization, significant changes in calculation methodology or improvements in the accuracy of emission factors or activity data, or discovery of significant errors that result in a significant impact on base year emissions. The significance threshold for base year emissions recalculation is considered in qualitative terms, and aims to take into consideration all changes which may significantly alter the organization's GHG inventory. Considering the structural change described in question 5.1a, it did not lead to a restatement in neither base year nor previous years data since the "New Businesses" were always accounted for (though with a more marginal weigth on our total GHG inventory). Considering the changes in emissions accounting methodology described in question C5.1b, in this case: - the recalculation of Scope 1 emissions and Scope 3 Category 15 emissions (both base	Yes

			year and previous years) was due to the updating of emission factors (with the revised GWP); - the recalculation of all reported categories of Scope 3 emissions except for categories 6 and 7 (only base year) was due to a significant improvement in the accuracy of data gathering and lower use of estimates.	

C5.2

(C5.2) Provide your base year and base year emissions.

Scope 1

Base year start

January 1, 2018

Base year end

December 31, 2018

Base year emissions (metric tons CO2e)

1,546,706

Comment

The base year is 2018 in order to be aligned with Snam targets.
In 2022, the methane coefficient for global warming potential (GWP) was updated. According to the Sixth Assessment Report - IPCC, the new value is 29.8 compared to the previous value of 28. Therefore, Scope 1 emissions from previous years were recalculated.

Scope 2 (location-based)

Base year start

January 1, 2018

Base year end

December 31, 2018

Base year emissions (metric tons CO2e)

34,050

Comment

The base year is 2018 in order to be aligned with Snam targets.

Scope 2 (market-based)

Base year start

January 1, 2018

Base year end

December 31, 2018

Base year emissions (metric tons CO2e)

31,887

Comment

The base year is 2018 in order to be aligned with Snam targets.

Scope 3 category 1: Purchased goods and services

Base year start

January 1, 2019

Base year end

December 31, 2019

Base year emissions (metric tons CO2e)

42,545

Comment

The base year is 2019 in order to be aligned with Snam targets.
Compared to the previous CDP 2022 questionnaire, Scope 3 emissions for 2019 have been restated reflecting the refined calculation methodology based on more timely data obtained directly from counterparts, e.g., suppliers, and thus lower reliance on estimates. It should be noted that Scope 3 emission reduction targets were already set taking as a baseline the 2019 Scope 3 emissions recalculated with the refined methodology. Please see question 5.1b

Scope 3 category 2: Capital goods

Base year start

January 1, 2019

Base year end

December 31, 2019

Base year emissions (metric tons CO2e)

174,510

Comment

The base year is 2019 in order to be aligned with Snam targets.
Compared to the previous CDP 2022 questionnaire, Scope 3 emissions for 2019 have been restated reflecting the refined calculation methodology based on more timely data obtained directly from counterparts, e.g., suppliers, and thus lower reliance on estimates. It should be noted that Scope 3 emission reduction targets were already set taking as a baseline the 2019 Scope 3 emissions recalculated with the refined methodology. Please see question 5.1b

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

Base year start

January 1, 2019

Base year end

December 31, 2019

Base year emissions (metric tons CO2e)

94,037

Comment

The base year is 2019 in order to be aligned with Snam targets.
Compared to the previous CDP 2022 questionnaire, Scope 3 emissions for 2019 have been restated reflecting the refined calculation methodology based on more timely data obtained directly from counterparts, e.g., suppliers, and thus lower reliance on estimates. It should be noted that Scope 3 emission reduction targets were already set taking as a baseline the 2019 Scope 3 emissions recalculated with the refined methodology. Please see question 5.1b

Scope 3 category 4: Upstream transportation and distribution

Base year start

January 1, 2019

Base year end

December 31, 2019

Base year emissions (metric tons CO2e)

1,486

Comment

The base year is 2019 in order to be aligned with Snam targets.
Compared to the previous CDP 2022 questionnaire, Scope 3 emissions for 2019 have been restated reflecting the refined calculation methodology based on more timely data obtained directly from counterparts, e.g., suppliers, and thus lower reliance on estimates. It should be noted that Scope 3 emission reduction targets were already set taking as a baseline the 2019 Scope 3 emissions recalculated with the refined methodology. Please see question 5.1b

Scope 3 category 5: Waste generated in operations

Base year start

January 1, 2019

Base year end

December 31, 2019

Base year emissions (metric tons CO2e)

901

Comment

The base year is 2019 in order to be aligned with Snam targets.
Compared to the previous CDP 2022 questionnaire, Scope 3 emissions for 2019 have been restated reflecting the refined calculation methodology based on more timely data obtained directly from counterparts, e.g., suppliers, and thus lower reliance on estimates. It should be noted that Scope 3 emission reduction targets were already set taking as a baseline the 2019 Scope 3 emissions recalculated with the refined methodology. Please see question 5.1b

Scope 3 category 6: Business travel

Base year start
January 1, 2019

Base year end
December 31, 2019

Base year emissions (metric tons CO2e)
5,181

Comment
The base year is 2019 in order to be aligned with Snam targets.

Scope 3 category 7: Employee commuting

Base year start
January 1, 2019

Base year end
December 31, 2019

Base year emissions (metric tons CO2e)
2,111

Comment
The base year is 2019 in order to be aligned with Snam targets.

Scope 3 category 8: Upstream leased assets

Base year start
January 1, 2019

Base year end
December 31, 2019

Base year emissions (metric tons CO2e)
199

Comment
The base year is 2019 in order to be aligned with Snam targets.
Compared to the previous CDP 2022 questionnaire, Scope 3 emissions for 2019 have been restated reflecting the refined calculation methodology based on more timely data obtained directly from counterparts, e.g., suppliers, and thus lower reliance on

estimates. It should be noted that Scope 3 emission reduction targets were already set taking as a baseline the 2019 Scope 3 emissions recalculated with the refined methodology. Please see question 5.1b

Scope 3 category 9: Downstream transportation and distribution

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 10: Processing of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 11: Use of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 12: End of life treatment of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 13: Downstream leased assets

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 14: Franchises

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 15: Investments

Base year start

January 1, 2019

Base year end

December 31, 2019

Base year emissions (metric tons CO2e)

666,665

Comment

The base year is 2019 in order to be aligned with Snam targets.
In 2022, the methane coefficient for global warming potential (GWP) was updated. According to the Sixth Assessment Report - IPCC, the new value is 29.8 compared to the previous value of 28. Therefore, Scope 3 Category 15: "Investments" emissions

from previous years were recalculated.
Compared to the previous CDP 2022 questionnaire, Scope 3 emissions for 2019 have been restated reflecting the refined calculation methodology based on more timely data obtained directly from counterparts, e.g., suppliers, and thus lower reliance on estimates. It should be noted that Scope 3 emission reduction targets were already set taking as a baseline the 2019 Scope 3 emissions recalculated with the refined methodology. Please see question 5.1b

Scope 3: Other (upstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3: Other (downstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

C5.3

(C5.3) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

European Union Emission Trading System (EU ETS): The Monitoring and Reporting Regulation (MMR) – General guidance for installations
The Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Standard
Other, please specify
CH4 emissions (scope 1): UNEP OGMP. Scope 2 LB: Italian GHG Inventory (National Report 2022) - ISPRA Scope 2 MB: European Residual Mixes 2021 (AIB) 2.0, GRI US EPA (Tier 3 Marcogaz).

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)

1,484,996

Start date

January 1, 2022

End date

December 31, 2022

Comment

In 2022, direct emissions amounted to 1.48 million tonnes of CO2eq, up 3% compared to 2021, but down 4% compared to 2018, the base year used in the Scope 1 and 2 emissions reduction target included in the Group's decarbonisation strategy; on the perimeter of regulated businesses only (more similar to that of 2020 when the decarbonisation targets were announced), direct emissions are 1.43 million tonnes of CO2eq (0.3% lower than in 2021 and 7.5% lower than in 2018). If compared to the previous year, CO2 emissions from combustion increased by 25% compared to 2021, reaching 0.98 million tonnes as a result of the increased activities carried out during 2022 for the purposes of security of supply (e.g. the reversal of the hourglass with the increase in imports from the south) as demonstrated by the increase in overall consumption in the compression plants of the gas transport network (+12%), in storage facilities (+20%), in the Panigaglia regasification terminal (+110%). Instead, CH4 emissions decreased sharply, going from 658 thousand tonnes of CO2eq to 508 thousand tonnes of CO2eq in 2022. HFC emissions were almost the same, combing in at 1.13 thousand tonnes of CO2eq (+12% compared with 2021).

Past year 1

Gross global Scope 1 emissions (metric tons CO2e)

1,436,650

Start date

January 1, 2021

End date

December 31, 2021

Comment

In 2021 direct CO2eq emissions amounted to approximately 1.44 million tonnes, an increase of 10% compared with 2020, however down -7% vs. 2018, the reference year

for the NZ target. CO2 emissions from combustion amounted to approximately 778,123 metric tons of CO2eq; the marginal contribution from the use of hydrofluorocarbons (HFC) in refrigeration systems was equal to 1,006 metric tons of CO2eq; while CH4 emissions amounted to approximately 617,804 metric tons of CO2 eq. The 2021 natural gas emission is essentially unchanged from 2020 (+0.4%) and remains in line with the Company's projection for 2025. The CO2eq was assessed in accordance with the instructions of the most recent Intergovernmental Panel on Climate Change (IPCC) "Sixth Assessment Report" that assigned methane a Global Warming Potential (GWP) of 29.8. The 2020 and 2021 emissions have been recalculated with the new GWP.

Past year 2

Gross global Scope 1 emissions (metric tons CO2e)

1,313,430

Start date

January 1, 2020

End date

December 31, 2020

Comment

In 2020 direct CO2eq emissions amounted to approximately 1.31 million tonnes, a clear reduction compared to 2019 (-5%) and 2018 (-15%). CO2 emissions from combustion amounted to approximately 0.66 million tonnes (in line with 2019 and -9% if compared to 2018), while CO2eq emissions deriving from methane and HFC emissions were equal to approximately 0.62 million tonnes and 0.001 million tonnes (-11% compared to 2019 and -20% compared to 2018).
The CO2eq was assessed in accordance with the instructions of the most recent Intergovernmental Panel on Climate Change (IPCC) "Sixth Assessment Report" that assigned methane a Global Warming Potential (GWP) of 29.8. The 2020 and 2021 emissions have been recalculated with the new GWP.

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We are reporting a Scope 2, market-based figure

Comment

The Market-Based (MB) approach attributes a zero CO2eq emission factor to energy consumption deriving from certified renewable sources. (e.g., guarantees of origin); the Location-Based (LB) approach considers an average CO2eq emission factor based on the national energy grid mix.

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based

38,581

Scope 2, market-based (if applicable)

32,771

Start date

January 1, 2022

End date

December 31, 2022

Comment

In 2022, electricity consumption of around 146 thousand MWh increased by 32% compared to 2021 as a result of the increased operations of GNL Italia, Snam Rete Gas and Stogit, and to a predominant extent from new business, particularly the Bioenerys sites. This energy increase is not reflected in a similar increase in CO2eq Market Based emissions, as the Company has pursued its commitment to increasingly use electricity from renewable sources. In fact, the share of green electricity use stood at 52%, of the total consumed, a marked increase compared to 2021 when this share was 41%. As a result, the increase in Market Based Scope 2 emissions was limited to only six percentage points, from 30.8 thousand tonnes CO2eq in 2021 to 32.8 thousand tonnes CO2eq in 2022. The new sites switched to electricity from renewable sources are the Malborghetto and Montesano plants, all the Snam headquarter offices in San Donato Milanese and Crema, the Snam4Mobility plants and some of the Bioenerys plants. The year 2022 also saw an increase in the amount of green electricity produced by installed photovoltaic panels. As a result of these actions, approximately 20 thousand tonnes of CO2eq were avoided.

Past year 1

Scope 2, location-based

31,486

Scope 2, market-based (if applicable)

30,829

Start date

January 1, 2021

End date

December 31, 2021

Comment

In 2021, electricity consumption, at around 111 thousand MWh, decreased by 14% compared to 2020 as a result of the reduction in LNG consumption in Italy (-57% compared to 2020), due to the decrease in regasified gas. This decrease is reflected in the reduction of CO2eq Location Based emissions (-20.5%). Market-based CO2eq emissions, on the other hand, remained in line with the previous year, as a result of increased consumption by new businesses (+24% vs. 2020), mainly due to the energy expenditure required for waste treatment and biogas production at Snam4Environment sites, which are now fully operational and account for 85% of the total electricity consumption of the new businesses.

Past year 2

Scope 2, location-based

38,751

Scope 2, market-based (if applicable)

31,313

Start date

January 1, 2020

End date

December 31, 2020

Comment

Our Market Based figure has been derived by applying a null emission factor to our electricity supply, which is GO-certified. Such quota corresponds to the electricity consumed by our plants in Poggio Renatico, Brugherio, Messina and Terranova Bracciolini, Enna and Panigaglia.

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure?

No

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

102,728

Emissions calculation methodology

Supplier-specific method
Average data method
Spend-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

9.64

Please explain

The data disclosed are the result of a carbon emissions model on Snam's supply chain. The direct emissions of Snam's main suppliers have been estimated considering expenditure and data publically disclosed. The suppliers considered correspond to 100% of total Snam expenditure. GHG emissions are analysed in accordance with the Greenhouse gas protocol. Emissions reported here provide an indication of Snam's scope 3 emissions from information services (software and periodical publishers and telecommunication), professional scientific and technical services, employment services and business support services, manufacturing of goods other than capital goods, wholesale trade (i.e. motor vehicle, machinery equipment and suppliers wholesalers) and ‘other’ services (among which automotive repairs, personal care, electronic and precision equipment repair and maintenance).

Capital goods

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

739,795

Emissions calculation methodology

Supplier-specific method
Average data method
Spend-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0.31

Please explain

The data disclosed are the result of a carbon emissions model on Snam's supply chain. The direct emissions of Snam's main suppliers have been estimated considering expenditure and data publically disclosed. The suppliers considered correspond to 100% of total Snam expenditure. GHG emissions are analysed in accordance with the Greenhouse gas protocol, an international corporate accounting and reporting framework developed by the Word Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD). Emissions reported here provide an indication of Snam's scope 3 emissions from manufacturing and construction of our

assets, including mining activities.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

174,895

Emissions calculation methodology

Fuel-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Emissions estimated here refer to: i) the upstream activities for the Italian production of electricity (i.e. fuel extraction and transport); ii) the upstream activities for all the fuels consumed by the Company, including the gas-related ones (exctraction and transportation), calculated for the first time in 2019; iii) the electricity losses along the Italian network. The source of all emission factors used is 'UK Government GHG Conversion Factors for Company Reporting'. The 2022 UK Government Greenhouse Gas Conversion factors for Company Reporting represent the current official set of UK government conversion factors. These factors are also used in a number of different policies.

Upstream transportation and distribution

Evaluation status

Not relevant, calculated

Emissions in reporting year (metric tons CO2e)

4,106

Emissions calculation methodology

Supplier-specific method
Average data method
Spend-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

The data disclosed are the result of a carbon emissions model on Snam's supply chain. The direct emissions of Snam's main suppliers have been estimated considering

expenditure and data publically disclosed. The suppliers considered correspond to 100% of total Snam expenditure. GHG emissions are analysed in accordance with the Greenhouse gas protocol, an international corporate accounting and reporting framework developed by the Word Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD).
Emissions reported here provide an indication of Snam's scope 3 emissions from upstream transportation and warehousing.

Waste generated in operations

Evaluation status

Not relevant, calculated

Emissions in reporting year (metric tons CO2e)

3,321

Emissions calculation methodology

Supplier-specific method
Average data method
Spend-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

The data disclosed are the result of a carbon emissions model on Snam's supply chain. The direct emissions of Snam's main suppliers have been estimated considering expenditure and data publically disclosed. The suppliers considered correspond to 100% of total Snam expenditure. GHG emissions are analysed in accordance with the Greenhouse gas protocol, an international corporate accounting and reporting framework developed by the Word Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD). Emissions reported here provide an indication of Snam's scope 3 emissions from waste management and remediation services.

Business travel

Evaluation status

Not relevant, calculated

Emissions in reporting year (metric tons CO2e)

1,161

Emissions calculation methodology

Supplier-specific method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

Snam Business Travel Scope 3 GHG emissions data have been estimated making reference to international methodology: US-EPA Climate Leaders/ Optional Emissions from Commuting, Business Travel and Product Transport, may 2008. The activity data (distance, transport type, number of travels) have been provided internally by Human Resources Business Travel Management.

Employee commuting

Evaluation status

Not relevant, calculated

Emissions in reporting year (metric tons CO2e)

1,685

Emissions calculation methodology

Fuel-based method
Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

23

Please explain

The calculation is based on real data collected through a survey to which 23% of employees, belonging to different offices, responded. According to GHG Protocol – Technical Guidance for Calculating Scope 3 Emissions -data gathered on distances covered and means of transport was then multiplied for emission factors taken from international standards or governmental agencies' guidelines. In order to integrate the value obtained from the survey to represent the emissions related to the entire Group, the resulting average annual carbon intensity per employee metric was applied to the number of employees excluded from the survey.

Upstream leased assets

Evaluation status

Not relevant, calculated

Emissions in reporting year (metric tons CO2e)

1,232

Emissions calculation methodology

Supplier-specific method
Average data method
Spend-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

The data disclosed are the result of a carbon emissions model on Snam's supply chain. The direct emissions of Snam's main suppliers have been estimated considering expenditure and data publically disclosed. The suppliers considered correspond to 100% of total Snam expenditure. GHG emissions are analysed in accordance with the Greenhouse gas protocol, an international corporate accounting and reporting framework developed by the Word Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD). Emissions reported here provide an indication of Snam's scope 3 emissions from automotive equipment rental and leasing. Emissions deriving from fuels used by leasedcars assigned to senior managers have been included in our scope 1 emissions.

Downstream transportation and distribution

Evaluation status

Not relevant, explanation provided

Please explain

There is no good transportation downstream of our activities. Emissions from distributors to which we deliver natural gas are not considered to be relevant because the Company does not have any influence on the amount of gas transmitted over the network.

Processing of sold products

Evaluation status

Not relevant, explanation provided

Please explain

This category is not relevant for Snam as we currently sell a capacity service, with no further processing required.

Use of sold products

Evaluation status

Not relevant, explanation provided

Please explain

With reference to the Scope 3 category ‘Use of sold products' Snam is responsible for the management of the infrastructure.
However, we are not a gas distributor, since we do not purchase or sell gas, we do not have any contact with the final users or any commercial contact with gas producers. We are responsible for the management of the network and we ensure that no interruptions will occur (i.e. due to landslides or floods). We have also been preparing our network for transporting green gases: currently ≈ 99% of the network is ready to transport 100% H2 and 100% of the network can transport biomethane.
The gas that flows into the network doesn't belong to us but to shippers sellers. Indeed, Snam works to promote the decarbonization of the system through assessment and development of assets to be ready for green gases.

End of life treatment of sold products

Evaluation status

Not relevant, explanation provided

Please explain

This category is not applicable for Snam, because Snam does not sell products, but services. In the gas system, the end of life of products correspond to the combustion (i.e. "use") of the gases itself. Therefore, the end of life treatment of transported products (not owned by Snam at any stage of the process) correspond to the combustion of natural gas, and consequently to the Category "Use of sold product".

Downstream leased assets

Evaluation status

Not relevant, explanation provided

Please explain

This category is not relevant as all Snam companies own and manage their own assets except for Snam Rete Gas that owns a small part of transport grid that is managed by external companies (about 1-2% of the transmission grid).

Franchises

Evaluation status

Not relevant, explanation provided

Please explain

This category does not apply to Snam, as it doesn't have any franchises.

Investments

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

309,370

Emissions calculation methodology

Supplier-specific method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

The figure refers to the following stakes: i) 40.5% of TEREGA; ii) JV with Fluxys, holding 100% of Interconnector UK (Snam 23.68%) and of the Interconnector Zeebrugge (Snam 25.0%); iii) JV Snam and Allianz Capital Partners (40% and 60%, respectively), holding 49% of GCA, Austrian TSO that operates a transport and distribution network of 900 km; vi) 84.47% of TAG , company that owns the pipeline linking the Slovakian/ Austrian

border with the Tarvisio entry point; v) The European consortium made up of Snam (54%), Enagás (20%) and Fluxys (20%) completed the acquisition of a 66% of DESFA, the greek operator in the gas infrastructure sector; vi) 13.5% of Italgas, the Italian company specialised in the downstream distribution of natural gas; vii) 20% of TAP, which will connect the italian system with the Trans Anatolian Pipeline (TANAP), by crossing Northern Greece, Albania and the Adriatic Sea; viii) 7.3% of Adriatic LNG, regasification LNG terminal in the northern Adriatic Sea (Rovigo).

Other (upstream)

Evaluation status

Not relevant, explanation provided

Please explain

N/A

Other (downstream)

Evaluation status

Not relevant, explanation provided

Please explain

N/A

C6.5a

(C6.5a) Disclose or restate your Scope 3 emissions data for previous years.

Past year 1

Start date

January 1, 2021

End date

December 31, 2021

Scope 3: Purchased goods and services (metric tons CO2e)

109,812

Scope 3: Capital goods (metric tons CO2e)

219,494

Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

141,000

Scope 3: Upstream transportation and distribution (metric tons CO2e)

889

Scope 3: Waste generated in operations (metric tons CO2e)

1,752

Scope 3: Business travel (metric tons CO2e)

766

Scope 3: Employee commuting (metric tons CO2e)

1,255

Scope 3: Upstream leased assets (metric tons CO2e)

164

Scope 3: Downstream transportation and distribution (metric tons CO2e)

Scope 3: Processing of sold products (metric tons CO2e)

Scope 3: Use of sold products (metric tons CO2e)

Scope 3: End of life treatment of sold products (metric tons CO2e)

Scope 3: Downstream leased assets (metric tons CO2e)

Scope 3: Franchises (metric tons CO2e)

Scope 3: Investments (metric tons CO2e)

463,331

Scope 3: Other (upstream) (metric tons CO2e)

Scope 3: Other (downstream) (metric tons CO2e)

Comment

In 2022, the methane coefficient for global warming potential (GWP) was updated. This value expresses the contribution to the greenhouse effect of a gas compared to CO2, whose reference potential is 1. According to the Sixth Assessment Report - IPCC, the new value is 29.8 compared to the previous value of 28. Therefore, the GHG Scope 3 emissions for the three-year period 2019-2021 for the investee companies (category 15: investments) have been recalculated in accordance with the new GWP.

Past year 2

Start date

January 1, 2020

End date

December 31, 2020

Scope 3: Purchased goods and services (metric tons CO2e)

106,042

Scope 3: Capital goods (metric tons CO2e)

227,897

Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

93,060

Scope 3: Upstream transportation and distribution (metric tons CO2e)

45

Scope 3: Waste generated in operations (metric tons CO2e)

1,201

Scope 3: Business travel (metric tons CO2e)

817

Scope 3: Employee commuting (metric tons CO2e)

2,268

Scope 3: Upstream leased assets (metric tons CO2e)

1,545

Scope 3: Downstream transportation and distribution (metric tons CO2e)

Scope 3: Processing of sold products (metric tons CO2e)

Scope 3: Use of sold products (metric tons CO2e)

Scope 3: End of life treatment of sold products (metric tons CO2e)

Scope 3: Downstream leased assets (metric tons CO2e)

Scope 3: Franchises (metric tons CO2e)

Scope 3: Investments (metric tons CO2e)

600,639

Scope 3: Other (upstream) (metric tons CO2e)

Scope 3: Other (downstream) (metric tons CO2e)

Comment

In 2022, the methane coefficient for global warming potential (GWP) was updated. This value expresses the contribution to the greenhouse effect of a gas compared to CO2, whose reference potential is 1. According to the Sixth Assessment Report - IPCC, the new value is 29.8 compared to the previous value of 28. Therefore, the GHG Scope 3 emissions for the three-year period 2019-2021 for the investee companies (category 15: investments) have been recalculated in accordance with the new GWP.

C6.7

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.000432

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

1,517,767

Metric denominator

unit total revenue

Metric denominator: Unit total

3,515,000,000

Scope 2 figure used

Market-based

% change from previous year

3

Direction of change

Decreased

Reason(s) for change

Change in methodology

Please explain

In 2022, the methane coefficient for global warming potential (GWP) was updated. According to the Sixth Assessment Report-IPCC, the new value is 29.8 compared to the

previous value of 28. Therefore, GHG Scope 1 emissions from previous years were recalculated. Specifically, with the revised 2021 GHG Scope 1 emissions recalculated based on the new GWP value (1,436,650 instead of 1,396,933 metric tons CO2e), the new numerator for 2021 is equal to 1,467,479 metric tons CO2e (compared to the previously stated 1,427,762); compared to the total 2021 revenues (equal to 3,297,000,000) would result in an intensity figure of 0.000445 (instead of 0.000433 as previously stated). The 3% decrease in intensity figure in 2022 vs 2021 is only due to the updated GWP, which leads to a more marked increase in total revenues compared to the total Scope 1+2 emissions. Without the restatement in 2021 values, there would be a 0% change in the intensity figure.

C-OG6.12

(C-OG6.12) Provide the intensity figures for Scope 1 emissions (metric tons CO2e) per unit of hydrocarbon category.

C-OG6.13

(C-OG6.13) Report your methane emissions as percentages of natural gas and hydrocarbon production or throughput.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	976,153	Other, please specify ETS
CH4	507,715	IPCC Sixth Assessment Report (AR6 - 100 year)
HFCs	1,128	IPCC Sixth Assessment Report (AR6 - 100 year)

C-OG7.1b

(C-OG7.1b) Break down your total gross global Scope 1 emissions from oil and gas value chain production activities by greenhouse gas type.

Emissions category

Value chain

Product

Gross Scope 1 CO2 emissions (metric tons CO2)

Gross Scope 1 methane emissions (metric tons CH4)

Total gross Scope 1 emissions (metric tons CO2e)

Comment

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/area/region.

Country/area/region	Scope 1 emissions (metric tons CO2e)
Italy	1,484,996

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By activity

C7.3c

(C7.3c) Break down your total gross global Scope 1 emissions by business activity.

Activity	Scope 1 emissions (metric tons CO2e)
Transmission (Snam Rete Gas + Infrastrutture trasporto gas)	946,744
Storage (Stogit)	364,688

Regassification (GNL)	117,749
Corporate (Snam and other companies)	55,815

C-CE7.4/C-CH7.4/C-CO7.4/C-EU7.4/C-MM7.4/C-OG7.4/C-ST7.4/C-TO7.4/C-TS7.4

(C-CE7.4/C-CH7.4/C-CO7.4/C-EU7.4/C-MM7.4/C-OG7.4/C-ST7.4/C-TO7.4/C-TS7.4) Break down your organization's total gross global Scope 1 emissions by sector production activity in metric tons CO2e.

	Gross Scope 1 emissions, metric tons CO2e	Comment
Oil and gas production activities (upstream)		
Oil and gas production activities (midstream)		
Oil and gas production activities (downstream)		

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/area/region.

Country/area/region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Italy	38,581	32,771

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By activity

C7.6c

(C7.6c) Break down your total gross global Scope 2 emissions by business activity.

Activity	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Transmission (Snam rete gas + Infrastrutture trasporto gas)	10,334	9,294
Storage (Stogit)	10,158	11,071
Regassification (Gnl)	7,885	9
Corporate (Snam and other companies)	10,204	12,397

C7.7

(C7.7) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?

Yes

C7.7a

(C7.7a) Break down your gross Scope 1 and Scope 2 emissions by subsidiary.

Subsidiary name

Snam rete gas

Primary activity

Gas utilities

Select the unique identifier(s) you are able to provide for this subsidiary

Another unique identifier, please specify

Business Registration No. (REA Number)

ISIN code – bond

ISIN code – equity

CUSIP number

Ticker symbol

SEDOL code

LEI number

Other unique identifier

MI - 1964271

Scope 1 emissions (metric tons CO2e)

946,743

Scope 2, location-based emissions (metric tons CO2e)

10,328

Scope 2, market-based emissions (metric tons CO2e)

9,283

Comment

Main TSO (Transmission System Operator) of the group, the scope of application covers natural gas dispatch and transportation activities.

Subsidiary name

Stogit

Primary activity

Oil & gas pipelines & storage

Select the unique identifier(s) you are able to provide for this subsidiary

Another unique identifier, please specify

Business Registration No. (REA Number)

ISIN code – bond

ISIN code – equity

CUSIP number

Ticker symbol

SEDOL code

LEI number

Other unique identifier

MI - 1633445

Scope 1 emissions (metric tons CO2e)

364,688

Scope 2, location-based emissions (metric tons CO2e)

10,158

Scope 2, market-based emissions (metric tons CO2e)

11,071

Comment

UGS (Underground Gas Storage) company, the scope of application covers natural gas storage and modulation activities in geological units.

Subsidiary name

GNL

Primary activity

Gas utilities

Select the unique identifier(s) you are able to provide for this subsidiary

Another unique identifier, please specify

Business Registration No. (REA Number)

ISIN code – bond

ISIN code – equity

CUSIP number

Ticker symbol

SEDOL code

LEI number

Other unique identifier

MI - 1659334

Scope 1 emissions (metric tons CO2e)

117,749

Scope 2, location-based emissions (metric tons CO2e)

7,885

Scope 2, market-based emissions (metric tons CO2e)

9

Comment

LNG (Liquefied Natural Gas) terminal, the scope of application covers receipt of LNG by sea, transfer to tanks, storage, subsequent regasification and injection into the pipeline network

Subsidiary name

ITG

Primary activity

Gas utilities

Select the unique identifier(s) you are able to provide for this subsidiary

Another unique identifier, please specify

Business Registration No. (REA Number)

ISIN code – bond

ISIN code – equity

CUSIP number

Ticker symbol

SEDOL code

LEI number

Other unique identifier

MI - 1994377

Scope 1 emissions (metric tons CO2e)

0

Scope 2, location-based emissions (metric tons CO2e)

6

Scope 2, market-based emissions (metric tons CO2e)

11

Comment

Marginal TSO (Transmission System Operator) (1km), the scope of application covers natural gas pipeline, ancillary plant and metering activities.

Subsidiary name

Corporate

Primary activity

Gas utilities

Select the unique identifier(s) you are able to provide for this subsidiary

Another unique identifier, please specify

Business Registration No. (REA Number)

ISIN code – bond

ISIN code – equity

CUSIP number

Ticker symbol

SEDOL code

LEI number

Other unique identifier

MI - 1633443

Scope 1 emissions (metric tons CO2e)

749

Scope 2, location-based emissions (metric tons CO2e)

950

Scope 2, market-based emissions (metric tons CO2e)

620

Comment

Corporate activities

Subsidiary name

Renovit

Primary activity

Energy services & equipment

Select the unique identifier(s) you are able to provide for this subsidiary

Another unique identifier, please specify

Business Registration No. (REA Number)

ISIN code – bond

ISIN code – equity

CUSIP number

Ticker symbol

SEDOL code

LEI number

Other unique identifier

MI - 2515883

Scope 1 emissions (metric tons CO2e)

47,758

Scope 2, location-based emissions (metric tons CO2e)

504

Scope 2, market-based emissions (metric tons CO2e)

884

Comment

Energy efficiency company, the scope of application covers the strategic direction, management, coordination and control of operating companies focused on the management and development of their businesses with non-regulated activities.

Subsidiary name

Bioenerys

Primary activity

Biofuels

Select the unique identifier(s) you are able to provide for this subsidiary

Another unique identifier, please specify

Business Registration No. (REA Number)

ISIN code – bond

ISIN code – equity

CUSIP number

Ticker symbol

SEDOL code

LEI number

Other unique identifier

MI - 2528509

Scope 1 emissions (metric tons CO2e)

7,103

Scope 2, location-based emissions (metric tons CO2e)

8,259

Scope 2, market-based emissions (metric tons CO2e)

10,790

Comment

Biomethane company, the scope of application covers the management and development of activities for the production of biomethane from organic waste, agricultural and agro-industrial waste and livestock effluents, as well as promotion of green business aimed at achieving sustainability and decarbonisation objectives, with particular reference to the transport sector.

Subsidiary name

Greenture

Primary activity

Transportation support services

Select the unique identifier(s) you are able to provide for this subsidiary

Another unique identifier, please specify

Business Registration No. (REA Number)

ISIN code – bond

ISIN code – equity

CUSIP number

Ticker symbol

SEDOL code

LEI number

Other unique identifier

MI - 2097214

Scope 1 emissions (metric tons CO2e)

206

Scope 2, location-based emissions (metric tons CO2e)

491

Scope 2, market-based emissions (metric tons CO2e)

103

Comment

Green mobility company, the scope of application covers the design and management of the production, installation, maintenance and marketing of compression and delivery systems for natural gas for automotive use.

C-CE7.7/C-CH7.7/C-CO7.7/C-MM7.7/C-OG7.7/C-ST7.7/C-TO7.7/C-TS7.7

(C-CE7.7/C-CH7.7/C-CO7.7/C-MM7.7/C-OG7.7/C-ST7.7/C-TO7.7/C-TS7.7) Break down your organization's total gross global Scope 2 emissions by sector production activity in metric tons CO2e.

	Scope 2, location-based, metric tons CO2e	Scope 2, market-based (if applicable), metric tons CO2e	Comment
Oil and gas production activities (upstream)			
Oil and gas production activities (midstream)			
Oil and gas production activities (downstream)			

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Increased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change in emissions	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption				
Other emissions reduction activities	149,805		10.2	For several years now, Snam has implemented several best practices to reduce natural gas emissions and consequently methane emissions, in accordance with its Carbon Neutrality strategy. In this context, during 2022, Snam reduced methane emissions through the adoption of more advanced emission estimation methodologies, supported by point measurements in the field, to obtain more reliable and accurate information on the causes and extent of emissions, on which to define more appropriate operational actions. In order to improve the emission accounting system, initial tests were carried out to measure methane emissions at site level using top-down technology through drone-mounted instrumentation in order to reconcile quantified emissions at individual emission source level with this technique. This experiment was conducted in four compression and storage plants and four pressure reduction plants. Activity will also continue in the coming years at the main transport, storage and regasification facilities. The reported decrease results from the methane emission change (149,805) divided by the total 2021 scope (1 + 2): (149,805/1,467,479).
Divestment				
Acquisitions				
Mergers				

Change in output				
Change in methodology				
Change in boundary				
Change in physical operating conditions	200,093		13.6	2022 was a turning point for the global energy system, which had to cope with the geopolitical, economic and social consequences of the Russian invasion of Ukraine. The ongoing war has completely reshaped the priorities of the energy sector, which had already been under strain in the previous months due to the structural reduction of investments and negative events which hit the European electricity sector. The gradual decline in the flow of Russian-sourced natural gas to Europe brought general attention back to the issue of security of supply in a way that was unprecedented since the energy crises of the 1970s and 1980s. The centre of gravity of the entire Italian energy system was reversed, shifting to the Mediterranean: gas volumes transported from North to South fell by 31% year-on-year, while imports from the southern routes grew by 15%. Meanwhile, the quantities of LNG (liquefied natural gas) from the US, Africa and the Middle East recorded a surge of 46%. A complex scenario that Snam was able to tackle effectively and quickly. In full harmony with the measures taken by the government and thanks to our tangible and intangible assets, we responded to the short-term crisis in real time while still managing not to lose sight of the objective of working towards building a more resilient energy system geared towards enabling the energy transition.

				The hourglass of gas flows was overturned, and Snam accompanied this change of direction while preventing any disturbances to the system. Total gas transport consumption increased by 12% vs. 2021 and represents 61% of Snam's global consumption. There was also an increase in consumption for storage (+20% vs 2021), which is slightly lower than the higher amount of gas stored (+22%) because the ratio of gas consumed by turbochargers to gas stored has improved; this consumption accounts for 27% of Snam's total. With regard to the Panigaglia gas regasification plant, which accounts for 6% of Snam's global consumption, here has been a doubling of consumption (+103% compared to 2021), in line with the increase in regasified gas (+113% compared to 2021) and with the changes in gas flows induced by the different geopolitical scenario. The reported increase results from the physical conditions change (200,093) divided by the total 2021 scope (1 + 2): (200,093/1,467,479).
Unidentified				
Other				

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Market-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 5% but less than or equal to 10%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	Yes
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	LHV (lower heating value)	0	4,750,614	4,750,614
Consumption of purchased or acquired electricity		74,529	70,472	145,001
Consumption of purchased or acquired heat		0	3,488	3,488
Consumption of self-generated non-fuel renewable energy		1,096		1,096
Total energy consumption		75,625	4,824,574	4,900,199

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	No
Consumption of fuel for the generation of heat	No
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Sustainable biomass

Heating value

LHV

Total fuel MWh consumed by the organization

0

Comment

Snam did not consume Sustainable biomass in the reporting year.

Other biomass

Heating value

LHV

Total fuel MWh consumed by the organization

0

Comment

Snam did not consume Other biomass during the reporting year.

Other renewable fuels (e.g. renewable hydrogen)

Heating value

LHV

Total fuel MWh consumed by the organization

0

Comment

Snam did not consume Other renewable fuels during the reporting year.

Coal

Heating value

LHV

Total fuel MWh consumed by the organization

0

Comment

Snam did not consume Coal during the reporting year.

Oil

Heating value

LHV

Total fuel MWh consumed by the organization

0

Comment

Snam did not consume oil during the reporting year.

Gas

Heating value

LHV

Total fuel MWh consumed by the organization

4,725,070

Comment

Snam's main energy consumption is due to gas turbines used in the compression plants that provide the pressure needed to transport gas in the network, in storage plants and in LNG terminal.

Other non-renewable fuels (e.g. non-renewable hydrogen)

Heating value

LHV

Total fuel MWh consumed by the organization

25,544

Comment

The amount includes the diesel consumption (21,128 MWh), gasoline (4,363 MWh) and LPG (53 MWh).

Total fuel

Heating value

LHV

Total fuel MWh consumed by the organization

4,750,614

Comment

-

C8.2d

(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	1,096	803	1,096	803
Heat	0	0	0	0
Steam	0	0	0	0
Cooling	0	0	0	0

C8.2e

(C8.2e) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero or near-zero emission factor in the market-based Scope 2 figure reported in C6.3.

Country/area of low-carbon energy consumption

Italy

Sourcing method

Unbundled procurement of energy attribute certificates (EACs)

Energy carrier

Electricity

Low-carbon technology type

Wind

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

74,529

Tracking instrument used

GO

Country/area of origin (generation) of the low-carbon energy or energy attribute

Italy

Are you able to report the commissioning or re-powering year of the energy generation facility?

Yes

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2013

Comment

-

C8.2g

(C8.2g) Provide a breakdown by country/area of your non-fuel energy consumption in the reporting year.

Country/area

Italy

Consumption of purchased electricity (MWh)

145,001

Consumption of self-generated electricity (MWh)

1,096

Consumption of purchased heat, steam, and cooling (MWh)

3,488

Consumption of self-generated heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

149,585

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

Description

Energy usage

Metric value

17,641

Metric numerator

Tera Joule

Metric denominator (intensity metric only)

n.a.

% change from previous year

25

Direction of change

Increased

Please explain

In 2022, Snam's total energy consumption amounted to 17,641 TJ, almost entirely attributable to natural gas (96.4%) used mainly for the operation of transportation, storage and regasification plants, for heating buildings and for automotive use. The regulated business accounts for 94% of the total (+18% compared to 2021) while the unregulated and energy transition business accounts for 6% (tenfold compared to 2021).

C-OG9.5a/C-CO9.5a

(C-OG9.5a/C-CO9.5a) Break down, by fossil fuel expansion activity, your organization's CAPEX in the reporting year and CAPEX planned over the next 5 years.

	CAPEX in the reporting year for this expansion activity (unit currency as selected in C0.4)	CAPEX in the reporting year for this expansion activity as % of total CAPEX in the reporting year	CAPEX planned over the next 5 years for this expansion activity as % of total CAPEX planned over the next 5 years	Explain your CAPEX calculations, including any assumptions
Exploration of new oil fields				
Exploration of new natural gas fields				
Expansion of existing oil fields				

Expansion of existing natural gas fields				

C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6

(C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6) Does your organization invest in research and development (R&D) of low-carbon products or services related to your sector activities?

	Investment in low-carbon R&D	Comment
Row 1		

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

2022_Sustainability_report.pdf

Page/ section reference

INDEPENDENT AUDITORS' REPORT, p. XXXIII-XXXV of the Sustainability Report 2022

Please, refer to the following sections and pages related for verified Scope 1 emissions:
-GHG SCOPE 1 AND SCOPE 2 EMISSIONS p. 28
-COMBATING CLIMATE CHANGE AND REDUCING EMISSIONS p. 77-79;
-DATA AND PERFORMANCE INDICATORS p. IX

Relevant standard

ISAE3000

Proportion of reported emissions verified (%)

100

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Reasonable assurance

Attach the statement

698_VR P4_IT_en_020222_Rev.1.xlsx
2482-EUETS_2022-Tep Energy-RV_DNV_Rev.1.xlsx
235_ripalta_2022-VR P4_IT_en_020222_Rev.1.xlsx
367_malborghetto_2022-VR P4_IT_en_020222_Rev.1.xlsx
0663_VR P4_IT_en_020222_Rev.1.xlsx
523_minerbio_2022-VR P4_IT_en_020222_Rev.1.xlsx
2442_minerbio_2022-VR P4_IT_en_020222_Rev.1.xlsx
729_fiumetreste_2022-VR P4_IT_en_020222_Rev.1.xlsx
786_VR P4_IT_en_020222_Rev.1.xlsx
2441_sergnano_2022-VR P4_IT_en_020222_Rev.1.xlsx
155_stogit_2022-VR P4_IT_en_020222_Rev.1.xlsx
1529_renatico_2022-VR P4_IT_en_020222_Rev.1.xlsx
811-SNAM Enna_EUETS_2022_RV_DNV Rev.1.XLSX
542_sabbioncello_2022-VR P4_IT_en_020222_Rev.1.xlsx
315-SNAM ISTRANA_EUETS_2022_RV_Rev.1.xlsx
635_VR P4_IT_en_020222_Rev.1.xlsx

801-SNAM_Messina_EUETS_2022_RV_DNV Rev.1.xlsx
714_VR P4_IT_en_020222_REV TR.xlsx
109_panigaglia_2022-VR P4_IT_en_020222_Rev.1.xlsx
236_sergnano_2022-VR P4_IT_en_020222_Rev.1.xlsx
870-SNAM MASERA_EUETS_2022_RV_Rev.1.xlsx
2411_bordolano_2022-VR P4_IT_en_020222_Rev.1.xlsx
338_cortemaggiore_2022-VR P4_IT_en_020222_Rev.1.xlsx

Page/ section reference

Please refer to the "Opinion Statement (inst)" tab for each attachment.

Relevant standard

European Union Emissions Trading System (EU ETS)

Proportion of reported emissions verified (%)

61

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach

Scope 2 location-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

2022_Sustainability_report.pdf

Page/ section reference

INDEPENDENT AUDITORS' REPORT, p. XXXIII-XXXV of the Sustainability Report 2022

Please, refer to the following sections and pages related for verified Scope 2 location-based emissions:

-GHG SCOPE 1 AND SCOPE 2 EMISSIONS p. 28

-COMBATING CLIMATE CHANGE AND REDUCING EMISSIONS p. 78-80;
-DATA AND PERFORMANCE INDICATORS p. IX

Relevant standard

ISAE3000

Proportion of reported emissions verified (%)

100

Scope 2 approach

Scope 2 market-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

2022_Sustainability_report.pdf

Page/ section reference

INDEPENDENT AUDITORS' REPORT, p. XXXIII-XXXV of the Sustainability Report 2022
Please, refer to the following sections and pages related for verified Scope 2 market-based emissions:
-GHG SCOPE 1 AND SCOPE 2 EMISSIONS p. 28
-COMBATING CLIMATE CHANGE AND REDUCING EMISSIONS p. 78-80;
-DATA AND PERFORMANCE INDICATORS p. IX

Relevant standard

ISAE3000

Proportion of reported emissions verified (%)

100

C10.1c

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category

Scope 3: Purchased goods and services

Scope 3: Capital goods
Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)
Scope 3: Upstream transportation and distribution
Scope 3: Waste generated in operations
Scope 3: Business travel
Scope 3: Employee commuting
Scope 3: Investments

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

2022_Sustainability_report.pdf

Page/section reference

INDEPENDENT AUDITORS' REPORT; XXXIII-XXXV
Please, refer to the following sections and pages related for verified Scope 3 emissions:
-GHG SCOPE 3 EMISSIONS p. 29
-COMBATING CLIMATE CHANGE AND REDUCING EMISSIONS p. 77-78; p.82
-DATA AND PERFORMANCE INDICATORS p. IX

Relevant standard

ISAE3000

Proportion of reported emissions verified (%)

100

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosure module verification relates to	Data verified	Verification standard	Please explain

C7. Emissions breakdown	Year on year change in emissions (Scope 1 and 2)	ISAE3000	These data were verified in the same context of the data reported in question 10.1. Snam decided to audit this data not only in response to increased stakeholder awareness of this issue, but also to demonstrate Snam's commitment to combating climate change and the energy transition. Annually, Snam's Sustainability Report undergoes a limited audit. The audit has been extended to the entire organization (Snam S.p.A. and its subsidiaries). 1
C7. Emissions breakdown	Year on year change in emissions (Scope 3)	ISAE3000	These data were verified in the same context of the data reported in question 10.1. Snam decided to audit this data not only in response to increased stakeholder awareness of this issue, but also to demonstrate Snam's commitment to combating climate change and the energy transition. Annually, Snam's Sustainability Report undergoes a limited audit. The audit has been extended to the entire organization (Snam S.p.A. and its subsidiaries). 1
C6. Emissions data	Year on year emissions intensity figure	ISAE3000	These data were verified in the same context of the data reported in question 10.1. Snam decided to audit this data not only in response to increased stakeholder awareness of this issue, but also to demonstrate Snam's commitment to combating climate change and the energy transition. Annually, Snam's Sustainability Report undergoes a limited audit. The audit has been extended to the entire organization (Snam S.p.A. and its subsidiaries). 1
C4. Targets and performance	Progress against emissions reduction target	ISAE3000	These data were verified in the same context of the data reported in question 10.1. Snam decided to audit this data not only in response to increased stakeholder awareness of this issue, but also to demonstrate Snam's commitment to combating climate change and the energy transition. Annually, Snam's Sustainability Report undergoes a limited audit. The audit has been extended to the entire organization (Snam S.p.A. and its subsidiaries). 1

C4. Targets and performance	Emissions reduction activities	ISAE3000	These data were verified in the same context of the data reported in question 10.1. Snam decided to audit this data not only in response to increased stakeholder awareness of this issue, but also to demonstrate Snam's commitment to combating climate change and the energy transition. Annually, Snam's Sustainability Report undergoes a limited audit. The audit has been extended to the entire organization (Snam S.p.A. and its subsidiaries). 1
C8. Energy	Energy consumption	ISAE3000	These data were verified in the same context of the data reported in question 10.1. Snam decided to audit this data not only in response to increased stakeholder awareness of this issue, but also to demonstrate Snam's commitment to combating climate change and the energy transition. Annually, Snam's Sustainability Report undergoes a limited audit. The audit has been extended to the entire organization (Snam S.p.A. and its subsidiaries). 1

[1]2022_Sustainability_report.pdf

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

Yes

C11.1a

(C11.1a) Select the carbon pricing regulation(s) which impacts your operations.

EU ETS

C11.1b

(C11.1b) Complete the following table for each of the emissions trading schemes you are regulated by.

EU ETS

% of Scope 1 emissions covered by the ETS

61

% of Scope 2 emissions covered by the ETS

0

Period start date

January 1, 2022

Period end date

December 31, 2022

Allowances allocated

154,657

Allowances purchased

774,668

Verified Scope 1 emissions in metric tons CO2e

910,755

Verified Scope 2 emissions in metric tons CO2e

0

Details of ownership

Facilities we own and operate

Comment

In 2022, the total CO2 emissions from Snam ETS plants certified by the competent national authority amounted approximately to ca. 910 ktonnes of carbon dioxide emitted into the atmosphere. Around 155 ktonnes have been given as free allowances, resulting in a ca. 774 ktonnes deficit. Specifically, in 2022 the free allocation for the Snam Group was 154,657 allowances; the total amount increased compared to 2021.

C11.1d

(C11.1d) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?

The purchase of allowances is carried out on the external market because during last year the total amount of free allowances allocated for Snam operating subsidiaries didn’t cover all the 2022 emissions in the framework of Emission Trading Scheme. Snam’s subsidiaries, through a financial intermediary, buy the allowances periodically all over the year with the aim to replicate the average price of CO2 (at the end the average price of all the purchased allowances is close to the annual average CO2 price), thus avoiding any speculation. The annual balance of allowances of each plant can be covered by the number of free allowances allocated by the Ministry and the allowances purchased on the market. Snam's strategy therefore requires to balance purchase of allowances (if necessary) from the market and continuously reducing GHG emissions generated, thanks to efficiency or low-carbon energy projects. An example of our strategy for complying to the system is the following: the Gallese plant in 2022 issued a total of 93,263 tons in part covered by 6,307 tons of free allowances, and in part by 86,956 tons allowances purchased on the market. Moreover, Snam invests in energy efficiency projects and

low carbon emission sources, such as the substitution of gas compressors with highly efficient heat generators and hybrid compressors, representing a clear opportunity for Snam in terms of reduction of GHG emissions with a consequent lower amount of allowances to be purchased from the market.

C11.2

(C11.2) Has your organization canceled any project-based carbon credits within the reporting year?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?

Yes

C11.3a

(C11.3a) Provide details of how your organization uses an internal price on carbon.

Type of internal carbon price

Shadow price

How the price is determined

Social cost of carbon

Objective(s) for implementing this internal carbon price

Change internal behavior
Drive energy efficiency
Drive low-carbon investment
Identify and seize low-carbon opportunities

Scope(s) covered

Scope 1

Pricing approach used – spatial variance

Uniform

Pricing approach used – temporal variance

Evolutionary

Indicate how you expect the price to change over time

According to data provided by Scenario Low from "European Commission Handbook on the external costs of transport, Version 2019, expressed in current currency, in 2035 the carbon shadow price will be 117 €/ton CO2 and in 2040 170 €/ton CO2.

Actual price(s) used – minimum (currency as specified in C0.4 per metric ton CO2e)

65

Actual price(s) used – maximum (currency as specified in C0.4 per metric ton CO2e)

65

Business decision-making processes this internal carbon price is applied to

Capital expenditure
Operations

Mandatory enforcement of this internal carbon price within these business decision-making processes

Yes, for some decision-making processes, please specify

For the approval of projects by the Italian Regulatory Authority for Energy, Networks and the Environment

Explain how this internal carbon price has contributed to the implementation of your organization's climate commitments and/or climate transition plan

In order to direct investments towards low-carbon solutions and green technologies, Snam quantifies the positive externalities resulting from the reduction of CO2 emissions obtained through the implementation of its investments. In particular, for the approval of its projects by the Italian Regulatory Authority for Energy, Networks and the Environment (c.d. Autorità di Regolazione per Energia Reti e Ambiente - ARERA) and their subsequent implementation, Snam performs cost-benefit analyses, in which the reduction in GHG emissions (CO2, direct CH4 emissions, etc.) enabled by the implementation of a project is quantified, valuing it with the social cost of CO2 or Carbon Shadow Price. The Carbon Shadow Price differs from other market-based prices (ETS, carbon tax, etc.) because it includes all costs required to achieve decarbonization targets, including those to mitigate the negative effects of climate changing emissions on people's health.

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers
Yes, other partners in the value chain

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Innovation & collaboration (changing markets)

Details of engagement

Run a campaign to encourage innovation to reduce climate impacts on products and services

Collaborate with suppliers on innovative business models to source renewable energy

% of suppliers by number

15

% total procurement spend (direct and indirect)

74

% of supplier-related Scope 3 emissions as reported in C6.5

50.7

Rationale for the coverage of your engagement

The selection of suppliers to be involved was made among all suppliers related to new business development (e.g., hydrogen and biomethane), suppliers of open innovation, social cooperatives and Third Sector companies, also considering their impact on procurement, with the goal of covering a high percentage of total procurement. Thus, 15% of suppliers were involved out of the total number of suppliers contracted in the last 3 years. The objective of this initiative is to encourage Snam's suppliers to develop strategies to reduce climate impact in their operations. The main activity we have to achieve this goal is the formal campaign of the CDP supply chain program, joined in 2019. This participation stems from the awareness that a company’s environmental impact does not end within its boundaries, but also extends to its suppliers and employees, with whom it has established a lasting partnership. Sensitizing suppliers to operate responsibly with respect to climate change and collecting data on their atmospheric emissions is essential, because global supply chains have the power to drive environmental action on a large scale. In 2022, the Company has further expanded the scope of analysis, involving more suppliers (+46% than in 2021) in the data submission, among those most significant in terms of procured and those most strategic to the business: 190 suppliers were invited to the questionnaire, of which 112 responded. As in 2021, CDP awarded Snam an A score in 2022, recognizing its commitment to supplier engagement activities on issues related to emissions reduction and the development of sustainability strategies,

Impact of engagement, including measures of success

The success of this engagement activity is evaluated by considering two different measures, which are considered positive if they increase the previous year's results:
- CDP questionnaire response
- Integration of climate issues into supplier objectives

The success of the engagement is significant, looking at the improvement of the feedbacks provided by the suppliers in the 3 years of the project. To measure the success of the initiative, Snam has identified a threshold equal to the annual increase in the number of responses to the questionnaire (responses in reporting year> responses in reporting year -1). In 2022, the response number to the questionnaire has further increased compared to 2021, from 99 to 112 (+13%). Also the quality of the answers raised: the percentage of suppliers reporting active targets reached 70%, from 60% in

2021, and the percentage of them reporting Scope 1 operational emissions grew from 78% to 85%, and from 64% to 80% for scope 2. In addition, percentage of disclosing suppliers engaging their own suppliers has further increased compared to 2020, from 60% to 70% . As a consequence, the final score was further improved and reached the highest level (A) in 2022, recognizing the commitment to engaging suppliers on issues related to reducing emissions and developing sustainable strategies. Snam aims to get to engage with this initiative, in the next years, the totality of the group's suppliers since the questionnaire submitted is adaptable to any type of supplier without having to make any distinction of sector geography or supplier activity.

Comment

-

Type of engagement

Information collection (understanding supplier behavior)

Details of engagement

Collect GHG emissions data at least annually from suppliers

% of suppliers by number

40

% total procurement spend (direct and indirect)

78.5

% of supplier-related Scope 3 emissions as reported in C6.5

56.3

Rationale for the coverage of your engagement

The OpenEs platform was created with the aim of engaging our suppliers on sustainability issues, measuring their performance and sharing their strategic improvement plans. A digital platform for the sustainable development of industrial supply chains to direct companies involved in the energy transition towards a common path of sharing, improving and increasing sustainability performance, based on four fundamental pillars: Planet, People, Economic Prosperity and Corporate Governance Principles.

For this initiative, 40% of the suppliers on Snam's vendor list were involved, amounting to 1.189 suppliers compared to 2.947 total (qualified suppliers). In 2022, Snam’s suppliers in the ecosystem will be more than 46.7% of those registered in the Supplier Register, including around 300 large companies and 900 small and medium-sized enterprises. In a future perspective currently under evaluation, Open-es registration could be considered as an evaluation criterion in the scoring model of tenders and also for the qualification of new supplier applications.

Our goal is to have more and more of our suppliers on the platform by continuing onboarding campaigns, through our targeted reminders and periodic email reminders. In addition, as part of the Open-es program, periodic training sessions are organized for

suppliers on topics dedicated to sustainable energy, corporate governance, Sustainability Report, etc.

Impact of engagement, including measures of success

Top emitter suppliers, toward whom we are systematically collecting decarbonization targets, have been identified and invited to join the initiative, what will allow us to monitor their progress against the Scope 3 decarbonization targets we have set. Specifically, out of about 58 top emitters we have already brought 90% percent on board Open-es. In addition, another encouraging figure is the number of suppliers that have registered on the platform, currently 1.189. Our goal is to have more and more of our suppliers on the platform by continuing onboarding campaigns, through our targeted and periodic email reminders, reaching 1.189 suppliers involved (+15% vs 2021). Snam aims to get to engage with this initiative, in the next years, the totality of the group's suppliers since the questionnaire submitted is adaptable to any type of supplier without having to make any distinction of sector geography or supplier activity.

Comment

-

Type of engagement

Engagement & incentivization (changing supplier behavior)

Details of engagement

Run an engagement campaign to educate suppliers about climate change
Provide training, support, and best practices on how to make credible renewable energy usage claims
Directly work with suppliers on exploring corporate renewable energy sourcing mechanisms
Climate change performance is featured in supplier awards scheme
Offer financial incentives for suppliers who reduce your operational emissions (Scopes 1 & 2)
Offer financial incentives for suppliers who reduce your downstream emissions (Scopes 3)
Offer financial incentives for suppliers who reduce your upstream emissions (Scopes 3)
Offer financial incentives for suppliers who increase the share of renewable energy in their total energy mix

% of suppliers by number

4

% total procurement spend (direct and indirect)

73

% of supplier-related Scope 3 emissions as reported in C6.5

57

Rationale for the coverage of your engagement

Snam is committed to reducing emissions along its value chain (Scope 3 emissions, mainly attributable to suppliers), conducting a new and in-depth analysis of its supply chain in order to assess the potential for emission reductions. Snam has set a target on suppliers' GHG emissions in 2021, projecting a 55% reduction to 2030 from 2019 values of normalized emissions per million euros of Capex. Snam's strategic choices have focused on innovation and green economy businesses. In 2022, Snam further accelerated the optimization of Supply Chain 4.0 by integrating suppliers' climate data to achieve even safer, faster and more flexible performance. Involved suppliers correspond to 4% of suppliers with active contracts over the 3 past years, amounting to 1400. The administration of new and increasingly targeted questionnaires to suppliers enabled in-depth mapping of the supply chain to better plan their involvement and identify the most appropriate actions to be implemented in the future to significantly reduce GHG emissions. The qualification process aims to verify not only the supplier's current capabilities but also its future potential. Snam interfaces with a wide variety of suppliers belonging to different commodity sectors; ranked in terms of criticality, technological complexity and impact on business performance. Moreover, through the tool granted by CDP, suppliers were invited to respond to the Climate Change Questionnaire. To achieve this goal, incentives will be given firstly to those suppliers who define clear plans to reduce greenhouse gas emissions. Secondly, joint projects will be developed with suppliers to promote emerging technologies that enable them to increase the use of green fuels (biomethane, hydrogen) and renewable energy in their production processes, and to convert their vehicle fleets to green fuels. In addition, dialogue and the exchange of know-how will also be encouraged with suppliers who are at the beginning of their reduction journey in order to measure their emissions and reduction more effectively. Finally, in 2022 two meetings were organized with key DT&T suppliers in which feedback and suggestions on ESG issues were shared. In particular, through the Road To Decarbonization Workshop decarbonization initiatives will be shared with the first cluster of suppliers significant to our business.

Impact of engagement, including measures of success

The fight against climate-changing emissions and the general approach to the adoption of sustainability criteria in supply chain management were presented to suppliers both in terms of appropriate corporate governance to be implemented and new partnership models to be established between contracting companies and supply chain operators. The validity of this prospect and the favorable spin-offs associated therewith in terms of new business development opportunities have been the focus of the dialogue carried out with supply chain actors. Supplier involvement is designed to provide each actor in the chain with the most suitable approach, taking due account the heterogeneity of Snam's supplier base and the different sensitivities and specific skills on sustainability issues, by raising awareness of Scope 1 and 2 emissions reporting among suppliers. Therefore, we expect that by following this approach we will be able to involve the entire supply chain and achieve the set reduction target by 2030.

Comment

-

C12.1d

(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.

In the course of 2022, also as a result of the changes in the geo-political environment brought about mainly by the Russian-Ukrainian conflict, engagement activities focused on contributing to energy security. Furthermore, topics of constant relevance for the Group have not been forgotten, including the enhancement of territories and local communities, the promotion of energy transition businesses and innovation, but also the importance of training, sustainability and cybersecurity.

As far as the climate-related engagement strategy is concerned, Snam works closely with other operators in the sector, especially to create an integrated European network and to continue the development of market- oriented services, as well as to spread alternative uses of gas, through the promotion of biomethane, hydrogen and CCS technologies as the main solutions for achieving decarbonisation targets.

In addition, with the aim to promote its commitment in decarbonisation and innovation, Snam has organised:

• the launch of the call for start-ups and the HY Accelerator award event,

• the Innovation Day event with the award ceremony for the finalists of Snaminnova's internal call for ideas,

Snam also actively participates in forums and platforms directly supported by the European Union:

• European Clean Hydrogen Alliance (ECHA) in the Transmission and Distribution Roundtable, at the Hydrogen Forum, with focus on large-scale implementation of clean hydrogen technologies,

• European Biomethane Industrial Partnership (BIP), to support the achievement of the European target of producing 35 bcm of biomethane by 2030 defined in the REPowerEU Plan,

• European Energy Forum (EEF), with focus on relevant energy and climatetopics.

Snam participates in international and national initiatives including:

• Italian Hydrogen and Fuel Cells Association H2IT, where Snam held the position of Vice-President for the two-year period 2020-2022,

• Hydrogen Council (HC), to accelerate the implementation of hydrogen solutions worldwide,

• Carbon Capture and Storage Association (CCSA), to support the commercial development of carbon capture, utilisation and storage (CCUS),

• Natural & bio Gas Vehicle Association (NGVA Europe), to promote the use of natural and renewable gas as a transport fuel,

• Gas for Climate (GFC), to raise awareness of the role of renewable and low-carbon gas in the future energy system. In this context, Snam is part of the European Hydrogen Backbone Initiative, which involves 29 European TSOs,

• Business at OECD, in which Snam participated as a member in the anti-corruption, integrity and transparency events,

• Transparency International Italia, in which Snam participated, through speeches and round tables and the Business Integrity Forum,

• Forum Business 20, as part of the work of the integrity & Compliance Task force, of which Snam was an active member during the B20 Indonesian Presidency.

In addition, through the intervention of Snam Foundation, a Third Sector Entity and a non-profit business foundation established, Snam collaborates with local communities, authorities and institutions through a co-design process to jointly define the activities to be implemented.
The Foundation has a strong focus on the just transition: the organisation's purpose is to work with the territory and for the territory in support of a Just Transition, with a focus on energy and ecological aspects.
To this end, with the initiative of "ENERGY POVERTY" Snam aims to support the community to combat energy poverty also in the light of the consequences of the Russian-Ukrainian conflict. Through partnership with numerous entities, including the City of Milan, Caritas Ambrosiana Foundation, Circolo Legambiente Modena and Cagliari, Giuseppe Di Vittorio Foundation, etc., the project has reached about 900 people, developing the following initiatives:
• Consume less to live better, scale upà With the opening of the support desk in Sissa Trecasali (PR), support was given to eight households for energy consumption diagnosis and education.
• ECOSOM Project à The local community and fragile people in the municipality of Rittana (CN) were involved in the project to establish a Renewable Energy Community (REC), a tool to bring development to mountain villages.
• Energy for all Territorial Nodes, needs, opportunitiesà In Modena and Cagliari, more than 300 people were interviewed with the aim, following the analysis of the results, of defining focus group activities starting in January 2023 in order to educate people on how to tackle energy poverty and inform them about available support measures.
• Inclusive Milan to reduce energy povertyàThird Sector organisations in the area around Cascina Cuccagna, Milan, were involved in order to build a network between the different realities and orient them towards a support desk in cases of energy poverty.

C12.2

(C12.2) Do your suppliers have to meet climate-related requirements as part of your organization's purchasing process?

Yes, climate-related requirements are included in our supplier contracts

C12.2a

(C12.2a) Provide details of the climate-related requirements that suppliers have to meet as part of your organization's purchasing process and the compliance mechanisms in place.

Climate-related requirement

Waste reduction and material circularity

Description of this climate related requirement

Among all the engagement activities related to suppliers, Snam PlasticLess is an initiative aimed at reducing plastic in packaging. Through the initiative, Snam has involved suppliers in defining new supply specifications with the goal of eliminating all plastics for packaging by 2023, except for the amount required for safety reasons. This requirement has been introduced in the 100% of the goods suppliers contracts since

2021. By 2022, incoming plastic was reduced by 96 percent and the amount of plastic in and out of the packaging of centralized warehouses.

% suppliers by procurement spend that have to comply with this climate-related requirement

100

% suppliers by procurement spend in compliance with this climate-related requirement

100

Mechanisms for monitoring compliance with this climate-related requirement

Supplier self-assessment
Supplier scorecard or rating

Response to supplier non-compliance with this climate-related requirement

Exclude

C12.3

(C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?

Row 1

External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

Yes, we engage directly with policy makers
Yes, our membership of/engagement with trade associations could influence policy, law, or regulation that may impact the climate
Yes, we fund organizations or individuals whose activities could influence policy, law, or regulation that may impact the climate

Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?

Yes

Attach commitment or position statement(s)

The stakeholders engagement approach is based on constant and proactive communication with our interlocutors and aims to stimulate mutual growth and the commitment to favor the energy transition towards forms of use of resources and energy sources compatible with environmental protection and progressive decarbonization. Over the years we have established a constructive relationship of active collaboration with the institutions and the national regulatory authority for energy. Snam maintains a constant relationship with state, regional, local and European administrations. Besides, Snam works closely with industry players to create an integrated European network and to enhance the development of a decarbonized energy system.

Snam - Climate Policy Position and Business Associations_Final (3).pdf

Describe the process(es) your organization has in place to ensure that your external engagement activities are consistent with your climate commitments and/or climate transition plan

Snam's overall climate change strategy is developed considering energy scenarios, in line with EU climate policies (including the proposals under the Fit-for-55 and Hydrogen and decarbonized gas packages, RePowerEU/RePowerEU Plan and the EU Taxonomy of environmentally sustainable activities, EU and national legislative frameworks, the regulatory framework set by ARERA, the National Energy Strategy and the ENTSOG scenarios). The definition of the strategy and reduction targets is based on the results of the analysis of risks and opportunities, including those associated with decarbonization targets. There are several processes ensuring that all the activities (projects, engagement, investments, M&A etc.) carried out by the company are in line with its climate change strategy:
- the drafting of long-term Italian energy scenarios jointly with Terna (policy driven)
- the risks assessment which identifies all the risks linked to climate change and the mitigation actions;
- the materiality analysis, which crosses the company's priorities with the external stakeholders' perspectives.
- the sustainability model, which integrate business and sustainability and includes planning, control and stakeholder engagement (including continuous dialogue also on climate change topics with shareholders).
This model ensures that improvement goals are set for priority topics (e.g. climate change) and that corporate functions, activities and projects are identified, ensuring that these initiatives are implemented, monitored and reported. The Sustainability (SUST) unit acts as a bridge between the management and the Board (through the ESG and STE Committee). Topics and ESG issues addressed in the engagement with policymakers are reported to the CSR unit, that monitors the link between the activity and the company's climate change strategy. Half yearly, the results of sustainability activities and the climate change related performances are submitted to the ESG and STE Committee and subsequently approved, which also analyzes and approves the Climate Change Report drafted according to TCFD recommendations.
In addition, Snam has focused on further strengthening its system to set and monitor sustainability KPIs, set ambitious goals in all ESG areas relevant to its business, and demonstrate them to stakeholders through the development of an ESG Scorecard. The scope of the indicators contained in the ESG Scorecard in 2022 remained unchanged from 2021.

C12.3a

(C12.3a) On what policy, law, or regulation that may impact the climate has your organization been engaging directly with policy makers in the reporting year?

Specify the policy, law, or regulation on which your organization is engaging with policy makers

At EU level:
• Gas and Hydrogen decarbonization package
• Fit for 55 (includes RED III, EU ETS, CBAM, AFIR, etc.)
• Heavy Duty Vehicles Regulation
• Energy Performance of Building Directive
• State Aid rules
• REPower EU
• Green Deal Industrial Plan

At national level:
• National Decree implementing RED II
• National Decree setting out support to Biomethane production
• National Decree PNRR update
• National Decree on Guarantees of Origin (currently under discussion)
• National Decree setting out support to Hydrogen production (currently under discussion)

Category of policy, law, or regulation that may impact the climate

Climate change mitigation

Focus area of policy, law, or regulation that may impact the climate

Climate-related targets
Climate transition plans
Emissions – CO2
Emissions – methane
International agreement related to climate change mitigation
Low-carbon, non-renewable energy generation
Renewable energy generation

Policy, law, or regulation geographic coverage

Regional

Country/area/region the policy, law, or regulation applies to

United Kingdom of Great Britain and Northern Ireland
EU27

Your organization's position on the policy, law, or regulation

Support with no exceptions

Description of engagement with policy makers

Snam works closely with policy makers and creates partnerships of strategic importance with market companies to support and to accelerate the decarbonization of the energy system.
Snam works in close contact with the main Gas European System Operators to enhance an integrated Gas European network (including hydrogen) and continue the development of market-oriented services, as well as to spread alternative uses of gas through the promotion of biomethane and hydrogen as the main solutions for achieving the decarbonisation targets.

In 2022, several agreements signed concerned investments for security of supply and diversification of energy supplies in order to enable the use of green gases, particularly biomethane and hydrogen. As last years, projects and feasibility studies have also been launched in 2022 to support the decarbonization of the energy system. Research and development activities have also included Carbon Capture and Storage technologies. Collaborations and partnerships throughout the hydrogen chain continues play a crucial role in Snam's strategic positioning, in developing the possible uses of hydrogen.

Snam is also strongly committed to initiatives for the reduction of methane emissions and in 2022 it participated at national level in working tables for the update of a document on the Italian Strategy on Methane Emissions, while at National / European level it took part in working groups together with the Gas Trade Associations to give advice on the proposed EU regulation on the reduction of methane emissions, published in December 2021 that has very stringent requirements.

Furthermore, the company is a member of several associations which urge companies to monitor methane emissions more closely and effectively.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation

Have you evaluated whether your organization's engagement on this policy, law, or regulation is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Please explain whether this policy, law or regulation is central to the achievement of your climate transition plan and, if so, how?

Snam's climate transition plan and long term business plan are developed in consistency with EU-wide decarbonization targets.
These policies are central to the achievement of Snam transition plan as EU policies altogether define decarbonization targets across the board. Depending on policy evolution, Snam will have different option for its climate projects strategy.

C12.3b

(C12.3b) Provide details of the trade associations your organization is a member of, or engages with, which are likely to take a position on any policy, law or regulation that may impact the climate.

Trade association

Other, please specify

Proxigas

Is your organization's position on climate change policy consistent with theirs?

Consistent

Has your organization attempted to influence their position in the reporting year?

Yes, we publicly promoted their current position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position

Proxigas operates with all institutional, technical and regulatory bodies in Italy as well as in Europe with the aim of giving effective and adequate representation to the interests of companies operating in the natural gas sector.

In this context, the Association's activities are aimed at promoting and enhancing:

- The role of natural gas in the energy transition, as a more clean, flexible and reliable source, as well as a factor enabling the development of renewables to achieve the objectives set by the Paris Agreement (COP21);
- Research, development and dissemination of new technologies that use natural gas and / or use the related infrastructure, also through cooperation with other sectors and energy sources;
- The gas infrastructure system in our country to ensure economic sustainability of the energy transition path and promote the use of green gas (biomethane and hydrogen);

With these objectives, Proxigas' commitment is aimed at:

- Promote an image and information on natural gas that is correct, simple and thorough, as well as accessible to all, both to the institutional interlocutor and to the general public;
- Dialogue proactively with institutional, technical and regulatory stakeholders in the energy sector to offer an effective contribution with respect to the advanced policy proposals and the evolutionary scenarios hypothesized with reference to the gas sector;
- Carry out studies and research on issues of importance for the sector represented;
- Organize events and conferences to promote greater knowledge of the represented sector and associative positions.

Snam positions in line with this approach and Cecilia Gatti, Senior Vice President Institutional Affairs,, is one of the five Proxigas Vicepresidents.

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)

300,000

Describe the aim of your organization's funding

The funding is finalized to promote the Snam's vision at EU and national level in favor of rebalancing the energy trilemma on the three pillars of Security of supply, sustainability and competitiveness. Snam's strategy aims at balancing these three pillars through:
• Gas infrastructure development: investing along the entire value chain (by purchasing and commissioning two FSRUs, expanding and optimising the storage system, strengthening the Adriatic Line, developing small-scale LNG – midstream - and expanding LNG and bio-LNG station networks with an outlook on hydrogen)
• Energy transition and decarbonization: developing green gases (hydrogen and biomethane) and contributing to decarbonising consumption by implementing energy efficiency measures and Carbon Capture and Storage (CCS) technology
• Digitalising and streamlining of assets and industrial processes

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Trade association

Other, please specify

Confindustria

Is your organization's position on climate change policy consistent with theirs?

Consistent

Has your organization attempted to influence their position in the reporting year?

Yes, we publicly promoted their current position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position

Snam is directly involved in some of Confindustria's working groups and studies related to climate change issues, such as "Energy efficiency", "Emission trading", and IED (Industrial Emission Directive) and Energy Transition. Snam endorses mechanisms which favour an increase of emission allowance prices. It also supports the EU Parliament proposal for an Emission Performance Standard (EPS) to be introduced in the Modernisation Fund foreseen by the ETS Directive.

In 2021 Confindustria Energia launched a second update of a study (2018) in order to identify the necessary investments in energy infrastructures by 2030, in Italy. Compared to the previous analysis, the new study includes aspects relating to the sustainability, circular economy, green gases, H2 asset readiness of the natural gas pipelines and security of supply. A spin off of the study has been also carried on in order to explore social and employment support aspects in energy sector. The study concluded on December 2022.

The aim of the initiative is to support the Government in the definition of measures and policies useful to support a sustainable energy transition in the short/medium term.

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)

226,937

Describe the aim of your organization's funding

The funding is finalized to promote the Snam's vision at EU and national level in favor of rebalancing the energy trilemma on the three pillars of Security of supply, sustainability and competitiveness. Snam's strategy aims at balancing these three pillars through:
• Gas infrastructure development: investing along the entire value chain (by purchasing and commissioning two FSRUs, expanding and optimising the storage system, strengthening the Adriatic Line, developing small-scale LNG – midstream - and expanding LNG and bio-LNG station networks with an outlook on hydrogen)
• Energy transition and decarbonization: developing green gases (hydrogen and biomethane) and contributing to decarbonising consumption by implementing energy efficiency measures and Carbon Capture and Storage (CCS) technology
• Digitalising and streamlining of assets and industrial processes

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Trade association

Other, please specify

Marcogaz

Is your organization's position on climate change policy consistent with theirs?

Consistent

Has your organization attempted to influence their position in the reporting year?

Yes, we publicly promoted their current position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position

Since 2001 Snam has been participating to a number of technical working groups of the European gas industry technical association (Marcogaz); Marcogaz has developed over the years an efficient reputation with the official bodies in the European Union and other influential partners. Marcogaz chief mission is to serve its members as the European window for any technical issue regarding natural gas. As the representative organisation of the European Natural Gas Industry, it aims at monitoring and taking influence when needed on European technical regulation, standardisation and certificationwith respect to safety and integrity of gas systems and equipment, and rational use of energy.

Snam supports the activities of Marcogaz in order to influence the European Commission during its legislative decision process, contributing through its technical know-how and making its business peculiarities known and acknowledged. Currently Snam is involved in the European survey on methane emissions for transmission, storage, regasification and distribution sector, also collecting the best practices to reduce methane emissions within the gas chain. Additionally Snam is involved in the best available techniques process revision for large combustion plants.

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)

9,400

Describe the aim of your organization's funding

The funding is finalized to promote the Snam's vision at EU and national level in favor of rebalancing the energy trilemma on the three pillars of Security of supply, sustainability and competitiveness. Snam's strategy aims at balancing these three pillars through:
• Gas infrastructure development: investing along the entire value chain (by purchasing and commissioning two FSRUs, expanding and optimising the storage system, strengthening the Adriatic Line, developing small-scale LNG – midstream - and expanding LNG and bio-LNG station networks with an outlook on hydrogen)
• Energy transition and decarbonization: developing green gases (hydrogen and biomethane) and contributing to decarbonising consumption by implementing energy efficiency measures and Carbon Capture and Storage (CCS) technology
• Digitalising and streamlining of assets and industrial processes

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Trade association

Other, please specify

GIE

Is your organization's position on climate change policy consistent with theirs?

Consistent

Has your organization attempted to influence their position in the reporting year?

Yes, we publicly promoted their current position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position

GIE aims to find market-based solutions in order to best meet the interests of the network users; with regard to regulated activities of our members we advocate a stable

and predictable regulatory framework consistent throughout the European Union in order to create an environment that facilitates investments. This is of particular importance since infrastructure is a prerequisite both for security of supply and for creating competition. Only if investments into infrastructure and the creation of new capacity are sufficient in order to cope with the rising demand for natural gas can natural gas remain a cornerstone of the European energy mix. GIE is promoting interoperability of the European gas systems to enhance cross-border gas exchanges through the work done within GIE on this issue and in cooperation with other stakeholders.
Snam supports the activities of GIE in order to influence the main international stakeholders

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)

67,000

Describe the aim of your organization's funding

The funding is finalized to promote the Snam's vision at EU and national level in favor of rebalancing the energy trilemma on the three pillars of Security of supply, sustainability and competitiveness. Snam's strategy aims at balancing these three pillars through:
• Gas infrastructure development: investing along the entire value chain (by purchasing and commissioning two FSRUs, expanding and optimising the storage system, strengthening the Adriatic Line, developing small-scale LNG – midstream - and expanding LNG and bio-LNG station networks with an outlook on hydrogen)
• Energy transition and decarbonization: developing green gases (hydrogen and biomethane) and contributing to decarbonising consumption by implementing energy efficiency measures and Carbon Capture and Storage (CCS) technology
• Digitalising and streamlining of assets and industrial processes

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Trade association

Other, please specify

Entsog

Is your organization's position on climate change policy consistent with theirs?

Consistent

Has your organization attempted to influence their position in the reporting year?

Yes, we publicly promoted their current position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position

ENTSOG's mission is to facilitate and enhance cooperation between national gas transmission system operators (TSOs) across Europe in order to ensure the development of a pan-European transmission system in line with European Union energy goals. It was established to promote the completion of the internal market for gas and stimulate cross-border trade, to ensure the efficient management and coordinated operation of the European gas network and to facilitate the network's sound technical evolution. Snam takes part in the ENTSOG activities of analysis, monitoring, and development scenarios of gas system.

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)

578,842

Describe the aim of your organization's funding

The funding is finalized to promote the Snam's vision at EU and national level in favor of rebalancing the energy trilemma on the three pillars of Security of supply, sustainability and competitiveness. Snam's strategy aims at balancing these three pillars through:
• Gas infrastructure development: investing along the entire value chain (by purchasing and commissioning two FSRUs, expanding and optimising the storage system, strengthening the Adriatic Line, developing small-scale LNG – midstream - and expanding LNG and bio-LNG station networks with an outlook on hydrogen)
• Energy transition and decarbonization: developing green gases (hydrogen and biomethane) and contributing to decarbonising consumption by implementing energy efficiency measures and Carbon Capture and Storage (CCS) technology
• Digitalising and streamlining of assets and industrial processes

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Trade association

Other, please specify

H2IT

Is your organization's position on climate change policy consistent with theirs?

Consistent

Has your organization attempted to influence their position in the reporting year?

Yes, we publicly opposed their current position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position

The Italian Hydrogen and Fuel Cells Association - H2IT - is an autonomous association aimed at promoting the progress of knowledge and the study of the disciplines

related to technologies and systems for the production and use of hydrogen. The Association has always set out to achieve the objectives:
• to stimulate the creation of the infrastructure for the use of hydrogen,
• being the spokesperson for the sector's players and ensuring a leading role for Italy in the world market
Snam supports the activities of H2IT in the definition of a clear regulatory framework and making the Government and citizens aware of the importance of hydrogen in a zero-emission energy system.

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)

7,500

Describe the aim of your organization's funding

The funding is finalized to promote the Snam's vision at EU and national level in favor of rebalancing the energy trilemma on the three pillars of Security of supply, sustainability and competitiveness. Snam's strategy aims at balancing these three pillars through:
• Gas infrastructure development: investing along the entire value chain (by purchasing and commissioning two FSRUs, expanding and optimising the storage system, strengthening the Adriatic Line, developing small-scale LNG – midstream - and expanding LNG and bio-LNG station networks with an outlook on hydrogen)
• Energy transition and decarbonization: developing green gases (hydrogen and biomethane) and contributing to decarbonising consumption by implementing energy efficiency measures and Carbon Capture and Storage (CCS) technology
• Digitalising and streamlining of assets and industrial processes

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Trade association

Other, please specify

GERG

Is your organization's position on climate change policy consistent with theirs?

Consistent

Has your organization attempted to influence their position in the reporting year?

Yes, we publicly promoted their current position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position

The European Gas Research Group, GERG, along with its member organisations work with the European energy community to develop innovative solutions which place our

gas infrastructure at the heart of the energy system, now and in the future. European and global energy systems are in a state of transformation as they look to meet the challenges of a low carbon future while maintaining competitiveness and energy security. The gas industry must work alongside other players in the energy sector to meet these challenges which include: - The need to reduce emissions for the energy sector, whether for electricity production, heat or transport; - The need to actively work alongside renewables to increase the efficiency of our low carbon energy supply. We are working to ensure that Europe's energy transformation will keep Europe competitive and energy secure while providing the lowest cost road to a sustainable future.
Snam is collaborating on a project to define two new methodologies for estimating natural gas emissions and a project to study the potential impacts, on the entire gas chain, of trace chemical components in biomethane in order to ensure the entry of biomethane security in the transport network and effectively face any operational problems for all operators involved.

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)

15,300

Describe the aim of your organization's funding

The funding is finalized to promote the Snam's vision at EU and national level in favor of rebalancing the energy trilemma on the three pillars of Security of supply, sustainability and competitiveness. Snam's strategy aims at balancing these three pillars through:
• Gas infrastructure development: investing along the entire value chain (by purchasing and commissioning two FSRUs, expanding and optimising the storage system, strengthening the Adriatic Line, developing small-scale LNG – midstream - and expanding LNG and bio-LNG station networks with an outlook on hydrogen)
• Energy transition and decarbonization: developing green gases (hydrogen and biomethane) and contributing to decarbonising consumption by implementing energy efficiency measures and Carbon Capture and Storage (CCS) technology
• Digitalising and streamlining of assets and industrial processes

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Trade association

Other, please specify

Hydrogen Europe

Is your organization's position on climate change policy consistent with theirs?

Consistent

Has your organization attempted to influence their position in the reporting year?

Yes, we publicly promoted their current position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position

Hydrogen Europe is an association promoting best practice, helping companies become more competitive and formulating effective public policy. With the European Commission, Hydrogen Europe parteners in the innovation programme Fuel Cells and Hydrogen Joint Undertaking (FCH JU). Its aim is to accelerate the market introduction of fuel cell technologies, realizing their potential as an instrument in achieving a carbon-lean energy system.
Snam supports the activities of Hydrogen Europe in order to development the production and the use of hydrogen through the existing grid of gas

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)

25,000

Describe the aim of your organization's funding

The funding is finalized to promote the Snam's vision at EU and national level in favor of rebalancing the energy trilemma on the three pillars of Security of supply, sustainability and competitiveness. Snam's strategy aims at balancing these three pillars through:
• Gas infrastructure development: investing along the entire value chain (by purchasing and commissioning two FSRUs, expanding and optimising the storage system, strengthening the Adriatic Line, developing small-scale LNG – midstream - and expanding LNG and bio-LNG station networks with an outlook on hydrogen)
• Energy transition and decarbonization: developing green gases (hydrogen and biomethane) and contributing to decarbonising consumption by implementing energy efficiency measures and Carbon Capture and Storage (CCS) technology
• Digitalising and streamlining of assets and industrial processes

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Trade association

Other, please specify

CIB Consorzio Italiano Biogas

Is your organization's position on climate change policy consistent with theirs?

Consistent

Has your organization attempted to influence their position in the reporting year?

Yes, we publicly promoted their current position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position

CIB promotes the development of biogas and biomethane to achieve the renewable energy targets set at European and national level. The Consortium aims to be a reference point for institutions in the national, regional and local legislation choices. CIB relates to European and National regulatory authorities in order to promote and to support the development of biogas and biomethane sector.
Snam supports the activities of CIB in order to development the production and the use of biomethane into the existing grid of gas through dedicated meetings/public events and positionings at institutional levels.

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)

8,000

Describe the aim of your organization's funding

The funding is finalized to promote the Snam's vision at EU and national level in favor of rebalancing the energy trilemma on the three pillars of Security of supply, sustainability and competitiveness. Snam's strategy aims at balancing these three pillars through:
• Gas infrastructure development: investing along the entire value chain (by purchasing and commissioning two FSRUs, expanding and optimising the storage system, strengthening the Adriatic Line, developing small-scale LNG – midstream - and expanding LNG and bio-LNG station networks with an outlook on hydrogen)
• Energy transition and decarbonization: developing green gases (hydrogen and biomethane) and contributing to decarbonising consumption by implementing energy efficiency measures and Carbon Capture and Storage (CCS) technology
• Digitalising and streamlining of assets and industrial processes

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

C12.3c

(C12.3c) Provide details of the funding you provided to other organizations or individuals in the reporting year whose activities could influence policy, law, or regulation that may impact the climate.

Type of organization or individual

Research organization

State the organization or individual to which you provided funding

Agici

Funding figure your organization provided to this organization or individual in the reporting year (currency as selected in C0.4)

10,000

Describe the aim of this funding and how it could influence policy, law or regulation that may impact the climate

Initiative launched by AGICI in 2020 to actively support the Government in the implementation of the EU Green Deal. The initiate involves several partners from the world of energy utilities. In 2022, the activities were extended in order to deepen policies aspects of the Taxonomy and Repower EU proposal. Furthermore, progress monitoring of the projects of the Italian recovery plan have been carried out on by the working group in AGICI in the same year.

Snam proposed to support Green Deal implementation sectors in relation to energy efficiency, development of renewable gases, sustainable mobility. The measures include legislative intervention proposals, interpretation of the laws, development of new products or services, etc.

Besides, in 2022 AGICI launched the Hydrogen Observatory in collaboration of a consulting company (Fichtner). Snam took part in the work of this initiative as an observer. The activities focus on the identification of optimal models for the production and consumption of green hydrogen and on the analysis of projects and public funding at national and international level.

Have you evaluated whether this funding is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Type of organization or individual

Publicly-listed company

State the organization or individual to which you provided funding

ENI and Snam joint venture to develop the first CCS project in Italy

Funding figure your organization provided to this organization or individual in the reporting year (currency as selected in C0.4)

0

Describe the aim of this funding and how it could influence policy, law or regulation that may impact the climate

The project represents a fundamental step to respond to the decarbonisation needs of steel mills, cement plants, ceramics and chemical industries and more generally of the "hard-to-abate" industry through an immediately available, highly efficient and effective technological process, which makes it possible to exploit the infrastructures and skills already present in the area.

The important role of CCS in climate change mitigation strategies is reflected in the analyses of the Intergovernmental Panel on Climate Change (IPPC) and the

International Energy Agency (IEA), which in their latest reports confirm CO2 capture, utilisation and storage as one of the "must-have" solutions for achieving climate goals.

Have you evaluated whether this funding is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Type of organization or individual

Publicly-listed company

State the organization or individual to which you provided funding

Snam and Edison sign agreement for the joint development of Small-Scale LNG projects in Italy

Funding figure your organization provided to this organization or individual in the reporting year (currency as selected in C0.4)

0

Describe the aim of this funding and how it could influence policy, law or regulation that may impact the climate

Memorandum of Understanding aimed at co-operating to the development of the Small-Scale LNG market in Italy to foster the decarbonisation of land, sea and rail transport, as well as off-grid industrial and household users. he development of the Small-Scale supply chain will also enable the progressive use of Bio-LNG thus further contributing to the decarbonisation plan announced by the EU with its Fit for 55 package.

Have you evaluated whether this funding is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Type of organization or individual

Non-Governmental Organization (NGO) or charitable organization

State the organization or individual to which you provided funding

IGU

Funding figure your organization provided to this organization or individual in the reporting year (currency as selected in C0.4)

18,000

Describe the aim of this funding and how it could influence policy, law or regulation that may impact the climate

Snam has been participating at the IGU Committees to advocate for the development of natural and green/low carbon gases as a key fuel for sustainable energy mix and promote natural gas as the fuel to associate to renewable energy in the decarbonization of our economy. Particularly Snam is participating at Transmission, Storage, Market and

Utilisation committees, including methane emissions expert group

In association with IGU and with the knowledge partner Rystad Energy, Snam launched in 2022 the Global Gas Report.
The report shows as gas infrastructures will play a critical role to support supply diversification, creating connected and liquid markets. Besides, investments in hydrogen-ready will be necessary to achieve a sustainable and inclusive energy transition

Have you evaluated whether this funding is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In mainstream reports

Status

Complete

Attach the document

Remuneration-Report.pdf
annual_report_2022 - 2023-07-21T101858.555.pdf
2022_Sustainability_report.pdf

Page/Section reference

Annual_Report 2022 : mainly from p.54 to p.145
Sustainability report 2022: the whole document relates to climate change and GHG
Remuneration Report 2023 : p. 18

Content elements

Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment

All ESG aspects, such as corporate governance, climate change strategy, risks and opportunity assessment, emissions figures and targets and social topics are fully integrated in the corporate Snam strategy and therefore analysed and developed in all our main public documents and reports.

Publication

In mainstream reports, incorporating the TCFD recommendations

Status

Complete

Attach the document

2022_climate_change_report.pdf

Page/Section reference

Climate change report 2022 : the whole document relates to climate change and GHG

Content elements

Governance
Strategy
Risks & opportunities
Emissions figures

Comment

TCFD document is an important instrument of communication and engagement with our SRI community.

C12.5

(C12.5) Indicate the collaborative frameworks, initiatives and/or commitments related to environmental issues for which you are a signatory/member.

	Environmental collaborative framework, initiative and/or commitment	Describe your organization's role within each framework, initiative and/or commitment
Row 1	Pledge to Net Zero Task Force on Climate-related Financial Disclosures (TCFD) UN Global Compact	INTEGRATION OF TCFD RECOMMENDATIONS Snam's commitment to act as a major player in the energy transition is made concrete realized through more transparent reporting focussing on the issue of fighting climate change. In this regard, since 2018, the Group has published a stand-alone document in accordance with the recommendations of the Task Force on Climate-Related Financial Disclosure (TCFD). The recommendations indicated by the Task Force are structured around four thematic areas, representing the elements underlying the operations of organisations:

		1. GOVERNANCE--> Describe an organisation's governance model in relation to climate change issues; 2. STRATEGY-->Describe the actual or potential impacts of the risks and opportunities related to climate change on the business, strategy and financial planning of the organisation; 3. RISK MANAGEMETN-->Describe how the organisation identifies, measures, and manages climate change risks; 4. METRICS AND OBJETCTIVES-->Describe the metrics and objectives used to measure and manage relevant climate change risks and opportunities. ADHERENCE TO THE UN GLOBAL COMPACT Snam has long been a member of the United Nations Global Compact (UNCG), the international initiative launched in July 2000 by the United Nations which promotes the creation of a business model based on ten fundamental principles in the areas of human rights, labour, the environment and the fight against corruption, and aims to achieve the 17 Sustainable Development Goals of the 2030 Agenda. In this context, Snam participates in the CFO Coalition for the SDGs (formerly the UNGC CFO Taskforce), an initiative launched by the UN as part of the Global Compact with the aim of expanding the sustainable finance market and promoting the flow of capital towards investments that significantly contribute to the achievement of the SDGs ADHERENCE TO PLEDGE TO NET ZERO Snam, according to its decarbonisation strategy and being its 2030 targets in line with 1.5 scenario according to the generic Science Based Targets methodology, has adhered to Pledge to Net Zero in 2022. Pledge to net zero is the environmental industry's global commitment, requiring science-based targets from its signatories to tackle greenhouse gas emissions within their organisations. The pledge recognises the need for those in the environmental sector to demonstrate leadership and take strong actions to mitigate the most significant impacts of climate change. The commitment asks to 1. Set and commit to deliver greenhouse gas reductions in line with Science Based Targets' 1.5°C climate change scenario. 2. Publicly report greenhouse gas emissions and progress against this target each year. Snam respect both these two criteria.

C15. Biodiversity

C15.1

(C15.1) Is there board-level oversight and/or executive management-level responsibility for biodiversity-related issues within your organization?

	Board-level oversight and/or executive management-level responsibility for biodiversity-related issues	Description of oversight and objectives relating to biodiversity
Row 1	Yes, both board-level oversight and executive management-level responsibility	As off "Regulation of ESG and ETS Committee". The ESG and ETS Committee also supports the Board of Directors in the analysis of relevant issues for the long-term generation of value for the purposes of the Board of Directors' examination and approval of the Company's and Group's business plan, and in particular it examines: a) the policies to integrate environmental, social and governance issues into the business model, including through the analysis of the relative KPIs; b) the initiatives undertaken by the Company to address issues raised by climate change and the relative reporting; c) the approaches, objectives and consequent processes regarding sustainability and the sustainability reporting (including biodiversity topics) submitted annually to the Board of Directors; d) the correct use of the standards adopted in order to prepare the non-financial information and the document to be submitted for the approval of the Board of Directors including, and liaising with the Control, Risk and Related Party Transactions Committee, the reporting of risks relating to ESG factors in the medium/long-term; e) proposals and/or opinions relating to the definition and calculation of performance targets which include indicators relating to ESG factors, in coordination with the Compensation Committee; f) the profit and not-for-profit strategy of the company and the Company's gas & energy transition advocacy initiatives; g) the policy for managing dialogue with all shareholders, formulated on the proposal of the Chairman of the Board of Directors in agreement with the CEO, as well as the periodic check of the correct application of such policy, where adopted; h) the sustainable finance initiatives.

C15.2

(C15.2) Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?

	Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity	Biodiversity-related public commitments	Initiatives endorsed
Row 1	Yes, we have made public commitments and publicly endorsed initiatives related to biodiversity	Commitment to No Net Loss Adoption of the mitigation hierarchy approach Commitment to avoidance of negative impacts on threatened and protected species Commitment to no conversion of High Conservation Value areas Commitment to no trade of CITES listed species	SDG

C15.3

(C15.3) Does your organization assess the impacts and dependencies of its value chain on biodiversity?

Impacts on biodiversity

Indicate whether your organization undertakes this type of assessment

No, but we plan to within the next two years

Dependencies on biodiversity

Indicate whether your organization undertakes this type of assessment

No, but we plan to within the next two years

C15.4

(C15.4) Does your organization have activities located in or near to biodiversity-sensitive areas in the reporting year?

Yes

C15.4a

(C15.4a) Provide details of your organization's activities in the reporting year located in or near to biodiversity -sensitive areas.

Classification of biodiversity -sensitive area

Natura 2000 network of protected areas

Country/area

Italy

Name of the biodiversity-sensitive area

Lagoni di Mercurago and Valle del Noce (Piedmont)

Proximity

Overlap

Briefly describe your organization's activities in the reporting year located in or near to the selected area

Snam has developed an approach for infrastructure management, from the design phase to decommissioning, that is based on four key aspects that express a strict application of the mitigation hierarchy: firstly, seeking solutions to avoid and prevent the occurrence of negative impacts, and only secondly reducing their effects or compensating for residual negative impacts.

The main environmental impacts, which may occur mainly during the construction and decommissioning phases of the project, concern noise pollution, dust generation and release of emissions into the atmosphere, the use of water and soil resources, and possible aesthetic and chromatic alterations to the landscape due to the possible cutting of vegetation.

Snam minimises these environmental impacts, which are temporary, through appropriate construction measures to avoid damaging the environment and the biodiversity of the areas where the infrastructure is located, while at the same time ensuring compliance with the principle of preserving ecosystems, public health, the safety of workers and the environmental sustainability of construction sites.

If it cannot avoid crossing them, Snam takes great care with operations near Sites of Community Interest (SCIs), Special Areas of Conservation (SACs) and Special Protection Areas (SPAs), which together constitute the Natura 2000 Network Sites. In 2022, the extent of Natura 2000 Network Sites subject to infrastructure laying was significantly lower than in the previous year (1.9 km vs 9.7 km) and affected the regions of Piedmont, Calabria and Basilicata.

In addition, Snam Rete Gas adopts good site practices, including wetting the tracks and reducing the speed of vehicles to reduce dust lifting, shutting down vehicles when not in use and carrying out their periodic testing and overhaul, storing waste in delimited areas and disposing of it in accordance with the terms and methods envisaged by law, and antihydrocarbon spillage practices.

Once the design phase has begun, all works are subjected to Environmental Impact Assessment (EIA) or Integrated Environmental Authorisation (IEA) procedures, which meet stringent environmental compatibility and safety assessments and ensure maximum respect for the natural environment and the protection of biodiversity.

Indicate whether any of your organization's activities located in or near to the selected area could negatively affect biodiversity

Yes, but mitigation measures have been implemented

Mitigation measures implemented within the selected area

Physical controls
Operational controls
Abatement controls
Restoration

Explain how your organization’s activities located in or near to the selected area could negatively affect biodiversity, how this was assessed, and describe any mitigation measures implemented

To develop new infrastructures we adopt procedures that respond to stringent assessments of environmental compatibility and safety and we safeguard biodiversity through an all-round strategy aimed at minimizing our impacts by referring to the principle of "No net loss of biodiversity" and, when possible, the “Net improvement”.
The importance of safeguarding biodiversity is demonstrated by a target that demonstrates our commitment: our ESG Scorecard includes a specific objective for the restoration of vegetation in the natural areas affected by the construction of the Group's pipelines, which aims to ensure the almost complete (> 99%) of the vegetation in question until 2026. The 2022 performance reached 100%, offsetting the little areas not restored by means of a partnership with Arbolia..
We apply a hierarchy of mitigation of the potential impacts of our activities (direct or carried out through our suppliers): first by looking for solutions to avoid and prevent the occurrence of negative impacts and only secondarily, if the impacts cannot be avoided, by reducing and eliminating their effects or offsetting the residual negative impacts.
Thanks to an Environmental Impact Assessment (EIA), the route of the gas pipelines is designed in order to avoid or minimize the involvement of areas of environmental value, protected areas and cultural sites and areas such as national or regional parks, Natura 2000 sites, World Heritage Areas, IUCN Category I-IV Protected Areas, etc…
We carry out specialist field surveys ante operam and post operam to analyze the faunal, botanical and pedological parameters of the area, without impacting the vegetation, waters and ecosystems present. These operations are carried out by highly specialized personnel also in collaboration with organizations and universities: engineers, topographers, geologists, agronomists, foresters and naturalists.
Our goal is to completely restore the pre-construction conditions of the areas involved in the construction of our pipeline routes. We undertake in particular to reforest (no net deforestation) or to restore the original vegetation of the natural and semi-natural areas involved in the construction of the work (no net loss), providing crop treatments and replacement of defects for a period of 5 subsequent years at the conclusion of the works. The same process is used in case of decommissioning of the plant.
Some points and line plants, with negligible area extension (overall <1%), may be located in natural or semi-natural areas due to the need to reconcile compliance with technical and safety regulations (Ministerial Decree 04/17/08) with the surrounding territorial constraints. In these cases, we are committed to compensating with reforestation projects of the same size.
The total length of our network corresponds to 32,862 km, of which approximately 51 km built in the last 5 years inside Natura 2000 areas: all of the latter have a biodiversity management plan in place.

C15.5

(C15.5) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

	Have you taken any actions in the reporting period to progress your biodiversity-related commitments?	Type of action taken to progress biodiversity- related commitments
Row 1	Yes, we are taking actions to progress our biodiversity-related commitments	Land/water protection Land/water management Education & awareness

C15.6

(C15.6) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
Row 1	Yes, we use indicators	Pressure indicators Response indicators

C15.7

(C15.7) Have you published information about your organization's response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Report type	Content elements	Attach the document and indicate where in the document the relevant biodiversity information is located
In voluntary sustainability report or other voluntary communications	Details on biodiversity indicators	https://www.snam.it/en/esg/environment/protection-of-land-and-biodiversity.html
In mainstream financial reports	Content of biodiversity-related policies or commitments	pag 84-85 [1]
In mainstream financial reports	Content of biodiversity-related policies or commitments	pag 246-247 [2]

[1] 2022_Sustainability_report.pdf

[2] annual_report_2022 - 2023-07-21T101858.555.pdf

C16. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C16.1

(C16.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	CEO	Chief Executive Officer (CEO)

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please confirm below

I have read and accept the applicable Terms