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OUR SUSTAINABLE MARK TOWARD A LOW-CARBON WORLD

2024 — 2040 — 2050

snam

AMBITION

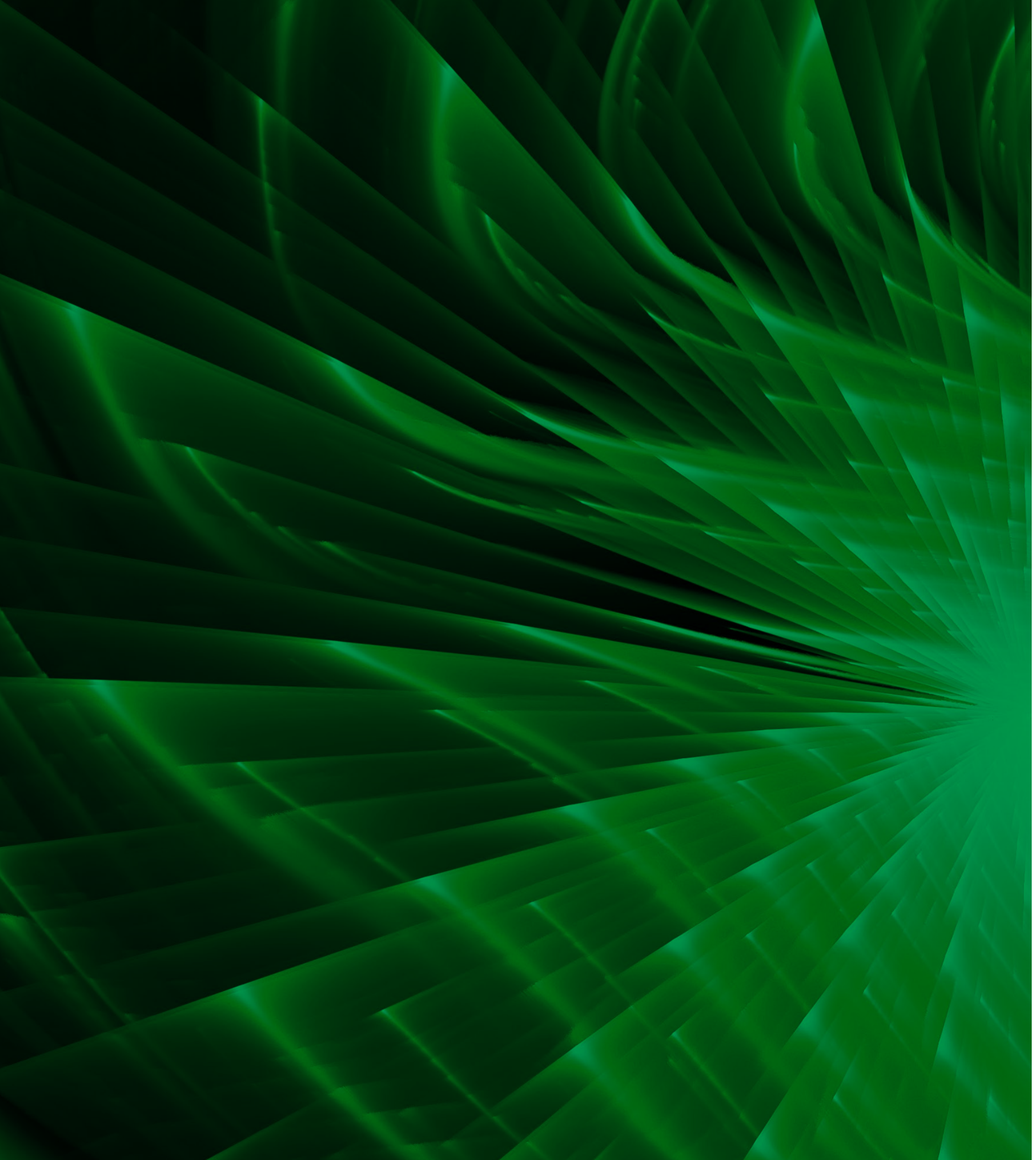
A future-proof multi-molecule infrastructure shaping the sustainable energy transition

ACTION

Reducing own carbon footprint and enabling system decarbonisation through energy transition activities

ACCOUNTABILITY

Strategic governance and key investments driving the green transition



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OUR SUSTAINABLE MARK TOWARDS A LOW CARBON WORLD

INTRODUCTION

WHY WE NEED A TRANSITION PLAN ROADMAP

The aim of this Transition Plan Roadmap is to clearly and systematically outline Snam's strategy, targets, actions and resources to sustain the transition towards a lower-carbon economy leveraging the most recent global frameworks. There cannot be a transition without careful planning; at the same time, this roadmap needs to remain agile and flexible in its implementation and constantly adapt to the rapid changes in global scenarios and progress in technological innovations.

This document aims to improve the **information available** to our investors, lenders and other stakeholders, empowering them to make well-informed investment decisions and more accurately evaluate the risks and emerging opportunities associated with our business.

Snam has historically strived to be at the **forefront of sustainability**, maintaining an open dialogue with all of the company's stakeholders and a **high level of transparency** in our disclosures throughout the years.

Our reporting activities are structured to provide an integrated, complete and transparent response to stakeholders' requests, while presenting a detailed view of activities, performance and objectives for the future.

WHERE WE ARE TODAY

The company, in addition to mandatory disclosures, has dedicated parts of its communication to Sustainability and Environmental, Social, and Governance (ESG) topics including a dedicated website and a specific Sustainability Annex to its most recent capital market day presentation in January ’24.

It has long been committed to implement effective climate change disclosure and has been publishing the **Climate Change Report** (now integrated into the Non-Financial Statement in Annual Report) since 2018, in line with the recommendations of the Task Force on Climate related Financial Disclosures (TCFD) established by the Financial Stability Board.[1]

Snam periodically discloses the alignment of its investments, revenues and OpEx to the European taxonomy for sustainable activities, which is also connected to the issuance of sustainability bonds on the debt market.

The ERM (Enterprise Risk Management) Model has progressively integrated environmental and social factors into the assessment of risks and opportunities, and a more focused exercise on **Climate Change Risk Management** has been carried out in 2023 (and a similar work is ongoing on biodiversity). The outcomes of the CCRM assessment have already been published in detail in the integrated 2023 Annual Report, those on biodiversity will be part of the 2024 Annual Report.

Snam’s 2023 Non-Financial Statement was subject to a limited assurance conformity assessment, with extended assurance activities on two Global Reporting Initiative (GRI) indicators (Scope 1 and Scope 2) for which a full review (reasonable assurance) was performed.

Snam is working to report according to the Corporate Sustainability Reporting Directive (CSRD) starting in 2024 and has already anticipated the implementation of some items in the disclosure related to 2023.

This **Transition Plan Roadmap**, is intended to be a continuously evolving document that will be **updated periodically** (i.e. every 2-3 years) to reflect the ongoing evolution of the energy and technological contexts, as well as the results gained via the implementation of Snam’s strategy[2].

1 Concurrent with the release of its 2023 status report on October 12, 2023, the TCFD has fulfilled its remit and disbanded. The FSB has asked the IFRS Foundation to take over the monitoring of the progress of companies’ climate-related disclosures.

2 The document has been prepared considering the latest business plan presented to the market in January ’24 (business plan period 2023-2027 and vision to 2032) and scenario projections available in October ’24. It is Snam’s intention to annually update this document with the latest business plan’s financial figures.

A QUICK GUIDE TO WHAT IS INSIDE

This document intends to anticipate the reporting requirements of CSRD ESRS-E1 (related to Climate Change) to disclose a corporate Transition Plan for climate change mitigation (Disclosure Requirement E1-1). To this end, it follows the **Principles and Disclosure Elements of the Transition Plan Taskforce (TPT) Disclosure Framework**, acknowledged as one of the most influential standards about Transition Plan disclosures globally, as detailed here

PRINCIPLES	DISCLOSURE ELEMENTS	CHAPTERS IN THIS DOCUMENT
AMBITION	Foundations	1. Repurposing the Gas Infrastructure for a Sustainable Energy Transition
		2. Mapping the Future: Assessing Impact, Risks, and Opportunities within Planetary Boundaries
ACTION	Implementation Strategy	3. Reducing emissions in gas infrastructure: from Innovation to Action
	Engagement Strategy	4. Shaping Europe's Transition to a Thriving Green Economy
ACCOUNTABILITY	Metrics & Targets	5. Setting key Indicators of the Transition: Metrics, Timelines and Targets
	Governance	6. Strategic governance and investments driving the energy transition

In addition, to ensure continuity with Snam's previous TCFD-based disclosures, a **TCFD** (and CDP) **cross-reference** table can be found in the Appendix.

EXECUTIVE SUMMARY

Snam is the largest European gas regulated midstream operator: our mission is to build and operate infrastructures to guarantee security and reliability of energy supply providing capacity of transportation, regasification and storage of gas to third parties, on a non-discriminatory basis and under regulated tariffs. Its ambition is to become a multi-molecule pan-European infrastructure operator. Snam is committed to its mission while delivering value to stakeholders in accordance with the Paris Agreement and enabling transition to renewable and decarbonised gases through adequate infrastructures.

This Roadmap presents the company's climate and biodiversity Strategy, describing key targets and metrics, as well as the assessment of physical and transition risks, and explains how the company will contribute to provide secure, sustainable and long-lasting infrastructures for affordable energy along and beyond the transition to Net Zero.
The document lays out **long-term energy scenarios** that represent the most up-to-date expected evolution of energy demand in Italy, and in particular of gas. The scenarios were developed in a joint effort with the Italian electricity transmission operator Terna and incorporate the 2024 National Energy and Climate Plan (NECP) and European industry scenarios (e.g. ENTSOs). These references underpin the 10-year development plan and set the context in which Snam will operate in line with its ambition to reach Carbon Neutrality by 2040. In addition, it gives a **perspective of gas evolution up to 2050 to support the final goal, transition to Net Zero.**

KEY MESSAGES

#01 OUR AMBITION

Snam's vision is to become a future-proof pan-European multi-molecule infrastructure. To achieve this objective, the latest Strategic Plan projects **up to €26 billion (net of grants) in cumulative CapEx**.

- The first part of the investment program from 2024 to 2027 (€11.5bn net of grants) will focus on maintaining world-class reliability and resilience of assets while reducing their carbon footprint.
- In the longer run (2028-32), overall investment opportunities (€14.5bn net of grants) will remain significant. Large investments will be required to transition the energy system, including repurposing the existing infrastructure towards a multi-molecule set up. The level and timing of the investments needed in the Hydrogen backbone and in the scale-up of Carbon Capture and Storage (CCS) technologies will be assessed in view of future regulatory frameworks, market dynamics and the availability of grants and financial support. The company does not foresee any material risk when stress testing projected investments under various scenarios.

#02 RISKS AND OPPORTUNITIES IN ENERGY SCENARIOS

Snam's assets, investments and business model are not only resilient in the face of climate change, but are also key in transitioning to Net Zero.

In particular:

- **Molecules are a core component of the Italian energy system**, today as fossil gas molecules and in the future as green and decarbonised alternatives:
  - They currently represent ~40% of the energy mix;
  - In the medium term: gas electricity production will play a key role as a back-up solution of redominantly Renewable Energy Sources (RES) power system;
  - In the long term: bio-decarbonised molecules and hydrogen will become a significant part of the mix by 2050. Even though the overall annual natural gas demand is projected to decrease, the increase of production of biomethane and the lower energy density of hydrogen will sustain the need for the current infrastructure capacity. Moreover, daily peak demand will remain relatively high: it was ca. 400 Msm^3 in 2018 and is projected to stay at ca. 370 Msm^3 in 2040 (with ca. 45 bcm demand) and ca. 275 Msm^3 in 2050 (with 35 bcm gas demand).
- **Other factors** have also to be considered in the picture:
  - **the current high usage** of the Italian gas network, which transports twice the energy of the electricity infrastructures,
  - **the central geographic position** of Italy as a bridge between the Mediterranean and Europe, located close to rich energy and natural resources in North Africa and Eastern Mediterranean and connected to Central European demand via Italian infrastructures,
  - **the Italian Regulatory Framework** which provides for no volume risk and incentives based on the quality of the service offered to the system,
  - **the flexibility and repurposability** of the gas infrastructure for other kinds of gas, and the emerging opportunities for the energy transition businesses
  - **the affordability** of gas transport which represents less than 5% of the final bill (cost of gas transport infrastructure today is €3.6/MWh vs €8.4/MWh for electricity).
- **The above considerations matched with a network usage analysis in 2040 and in 2050** (restricted to decarbonised methane, and considering neither transit imports nor repurposing of the network for hydrogen) highlight that, even in this conservative scenario, **only 1% of the pipelines will see less than 25% capacity utilisation**.

Transition risks are therefore assessed as having **minimal impact. Physical risks to assets are deemed negligible in the short and medium term**, thanks to robust direct safeguards (e.g., physical mitigants, insurance coverage) and indirect safeguards (e.g., the structural resilience of the assets).

KEY MESSAGES

#03 CLIMATE AND BIODIVERSITY STRATEGY

Snam is committed to reducing its carbon footprint across its operations and value chain (Scopes 1, 2 and 3) in line with the Paris Agreement, to have a positive impact on Nature by 2027, to become Carbon Neutral across scopes 1&2 by 2040, and Net Zero across all scopes by 2050.

- Our Scope 1&2 Emission Reduction Plan is in line with the SBTi 1.5° general methodology, setting near term targets in 2027, 2030 and 2032 and Carbon Neutrality by 2040. The plan is based on existing and scalable technologies and investments are already included in our 10-year CapEx plan;
- A dedicated plan to reduce methane emissions has been implemented, setting targets that surpass the ambitions outlined in the United Nations Oil & Gas Methane Pledge. Snam has already established a significant track-record, reducing emissions by 57.7% vs. our 2015 standard baseline to reach the expected 72% reduction in 2032;
- Scope 3 emissions primarily originate from the Group's value chain (suppliers) and investments (Associates' portfolio). The company has already established absolute reduction targets for 2030 and 2032 and is committed to reach Group Net Zero by 2050.

While awaiting the publication of specific sector methodology guidelines from SBTi, Snam underwent a Net-Zero assessment by Moody's in February 2024, becoming globally the first corporate to be covered by such an evaluation.

In addition to its climate commitments, a third-party assessment of Snam's impact on biodiversity was conducted in 2023 following the SBTN (Science Based Targets for Nature) methodology available at the time.
As a result, two key targets were established:
- No Net Conversion by 2024: A commitment to avoid any change in land use by fully restoring vegetation in areas affected by unavoidable impacts;
- Net Positive Impact by 2027: A commitment to regenerate, reintroduce or protect wildlife and vegetation within Snam's high-risk hotspots.

#04 TRANSITION TO A LOW-CARBON WORLD

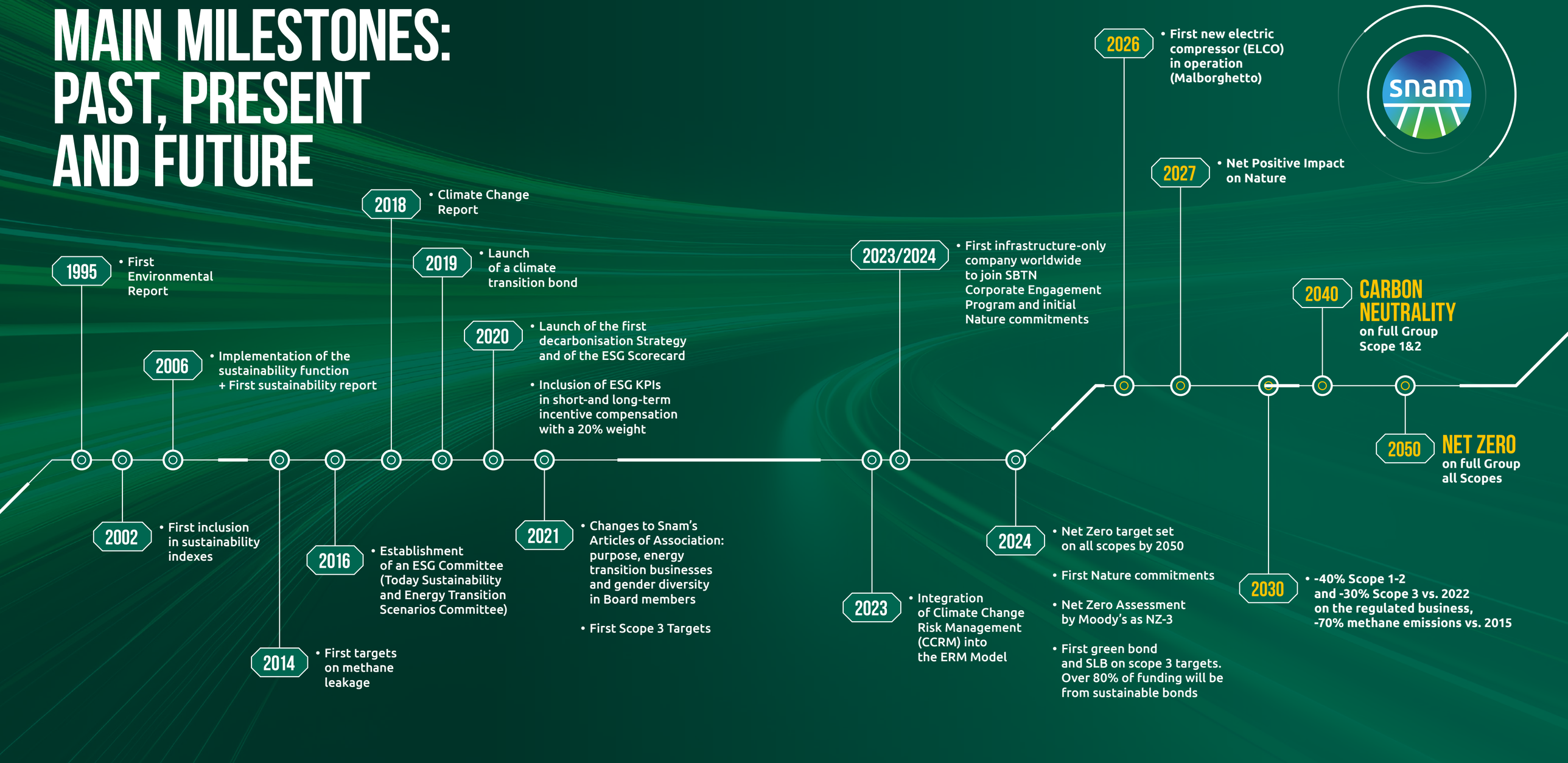
While working to reduce its own carbon footprint, Snam also plays a crucial role as an enabler of system-wide decarbonisation through its assets and energy transition activities.

Snam will leverage its expertise, as well as its flexible and repurposable assets to support green and decarbonised gas development. Our development plan includes:
- Playing a dual role in the bio methane sector by (i) connecting new plants to the network & (ii) developing a large production platform;
- Developing the largest CCS project in the Mediterranean, the Ravenna cluster in partnership with Eni;
- Promoting the South H2 Corridor as well as developing H2 storage in Italy and UK;
- Partnering with other players in H2 production projects in Italy and through De Nora to support the H2 value chain.

Simultaneously, the company has recently launched a portfolio of energy transition businesses aimed at significantly reducing system emissions through direct investments, including:
- Energy efficiency solutions and Energy performance contracts;
- Biomethane for transportation and industrial use;
- Sustainable mobility initiatives.

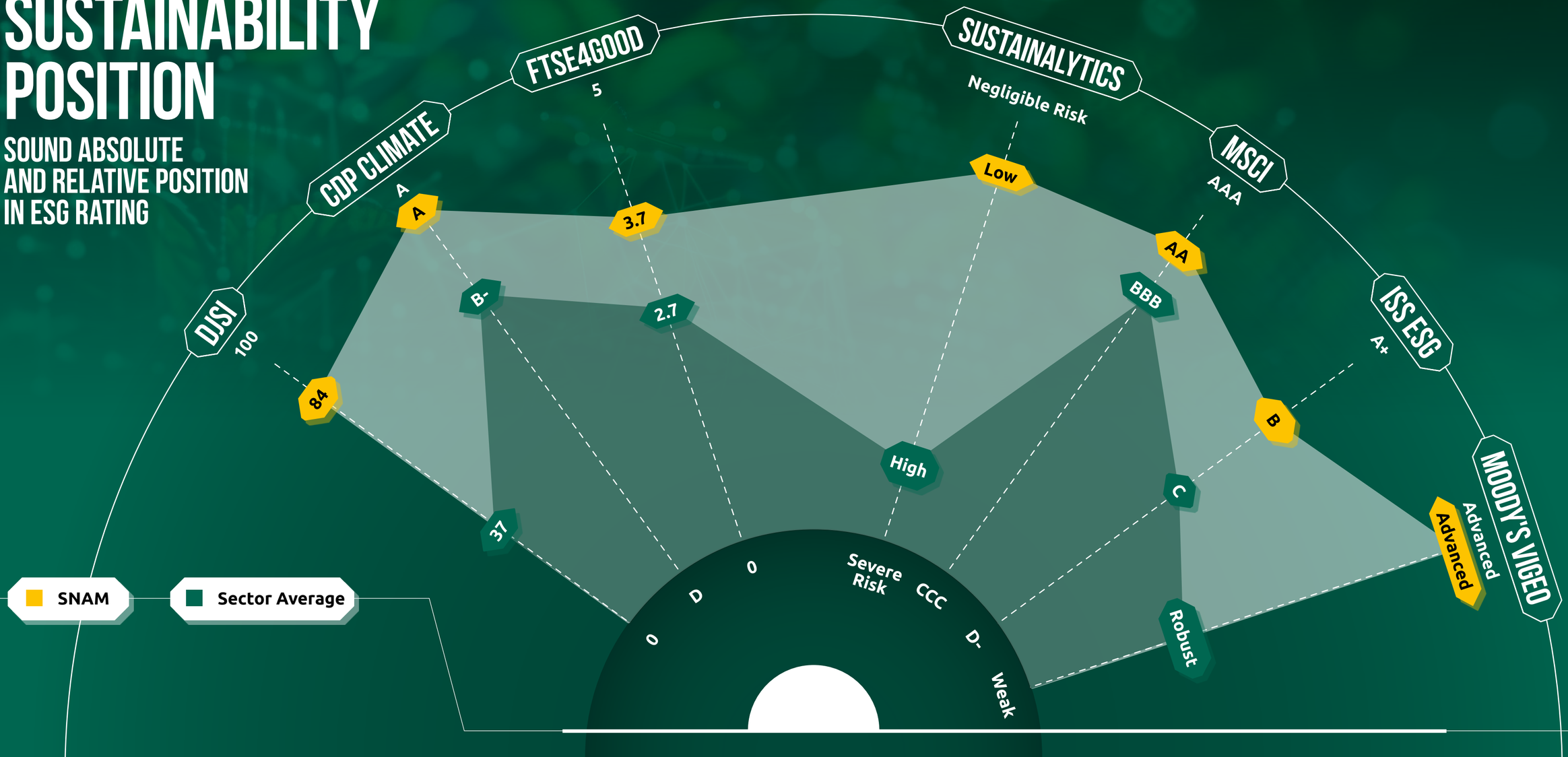
Collectively, these businesses will help avoid 500 kton of CO_2eq emissions by 2027.

MAIN MILESTONES: PAST, PRESENT AND FUTURE



SNAM'S CURRENT SUSTAINABILITY POSITION

SOUND ABSOLUTE AND RELATIVE POSITION IN ESG RATING



AMBITION

01

REPURPOSING THE GAS INFRASTRUCTURE FOR A SUSTAINABLE ENERGY TRANSITION

Recognising the urgency and commitment to support the transition to a low-carbon economy, Snam has proactively developed a platform of energy transition businesses, including biomethane, energy efficiency solutions, and hydrogen.

In line with its corporate mission to provide and maintain an “energy infrastructure for a sustainable future”, the company aims to capitalise on its existing assets and develop a pan-European, multi-molecule energy infrastructure. Its ambition is to drive system decarbonisation and sustainable growth, positioning the company as a strategic operator at both national and European levels. The infrastructure will provide transport and storage capacity for a variety of molecules, including biomethane, hydrogen and CO_2.

Fully integrated into the Company’s industrial plan, Snam has set clear goals within its Sustainability Strategy which centres on seven key pillars.

Snam is one of the largest energy infrastructure players in Europe.

The company’s business model, focused on gas, must comply with strict unbundling rules and is limited to midstream operations.

Its ambition is to drive system decarbonisation and sustainable growth, positioning the company as a strategic operator at both national and European levels. The infrastructure will provide transport and storage capacity for a variety of molecules, including biomethane, hydrogen and CO_2.

1.1 BUILDING ON OUR INTEGRATED MIDSTREAM CORE OPERATIONS

1,135 mln/€
REPORTED NET PROFIT 2023

30,915 mln/€
ENTERPRISE VALUE 2023

3,798
EMPLOYEES 2023

For over 80 years, Snam's core business has focused on transport, dispatching, storage and regasification of natural gas, within both the national and European energy landscape, significantly contributing to the continent's energy security.

Snam figures among the leading Italian listed companies by market capitalisation. As a fully integrated player along the entire gas value chain, both domestically and internationally, the company leverages a natural gas transport network of more than 37,000 km, operates in storage activities holding approximately 20% of Europe's capacity, and manages regasification infrastructures of about 20 billion cubic meters per year.

ITALIAN AND INTERNATIONAL ASSETS
(PRO QUOTA)

TRANSPORT	STORAGE	REGASIFICATION
~37,400 km[1]	~20 bcm capacity[2]	~20 bcm/y capacity[3]

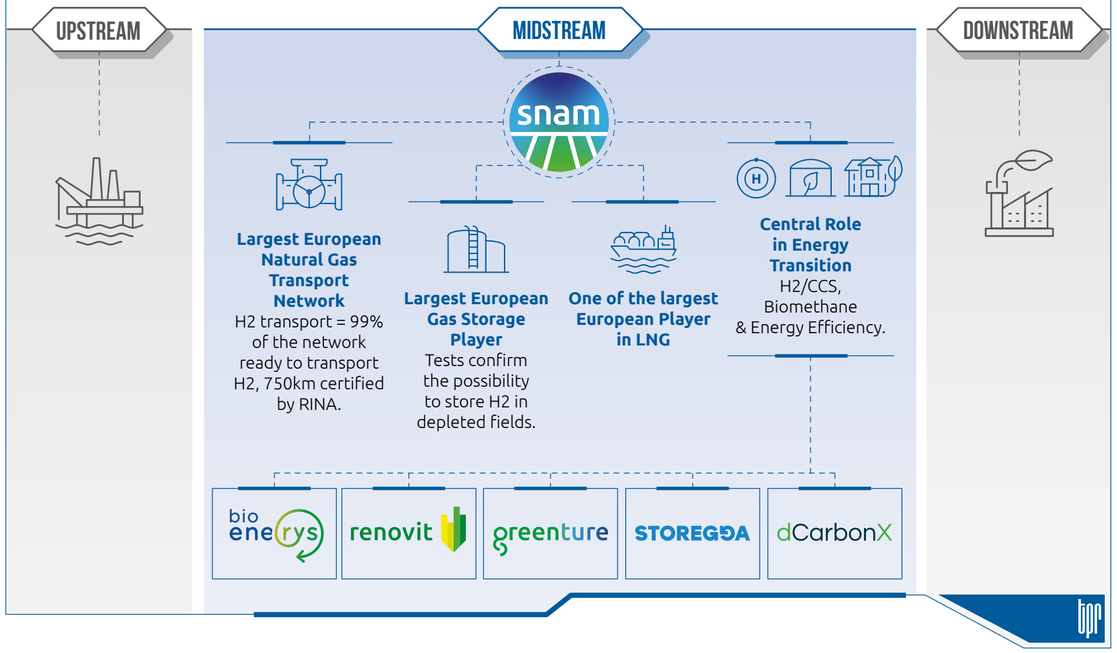
1 Including TAG, Desfa, GCA, Terega, Interconnector, TAP, Adnoc gas pipelines, EMG, Seacorridor pro-quota transport km
2 Including also Terega pro-quota storage capacity
3 Including also Italis LNG, BW Singapore and the pro-quota of OLT, Adriatic LNG, Revithoussa and Alexandroupolis

BUSINESS MODEL AND ROLE IN THE VALUE CHAIN

As a regulated transmission system operator (TSO), **Snam has to comply with European and Italian regulations**. In a nutshell, **Snam does not sell, produce nor own gas molecules but sells transport, storage and regasification capacity**. Pursuant to the applicable European and domestic legislative frameworks, these **midstream activities are regulated** by an independent regulatory agency (the Italian Regulatory Authority for Energy, Networks and Environment, ARERA) **in terms of contractual terms, quality of services, conditions and rates.**

Main features of its business model include:
- Snam has to guarantee energy security and system reliability
- Snam cannot be involved in upstream and downstream operations, hence Snam doesn't sell natural gas and cannot be a producer of green molecules. (Current biomethane production operations are possible due to a temporary derogation)
- In all its midstream businesses, Snam has to provide non-discriminatory, equitable access and capacity to third parties and cannot vary fees based on factors such as the carbon intensity of the gas it transports.
- Daily operations are governed by the so-called Network Code
- To maintain its operating license, Snam must be certified by the Italian Regulatory Authority which primarily focuses on compliance with the Network Code and ensures that there are no upstream or downstream operations.
- Snam has very limited interactions with end users.

EUROPE'S LEADING MIDSTREAM OPERATOR IN THE NATURAL GAS VALUE CHAIN

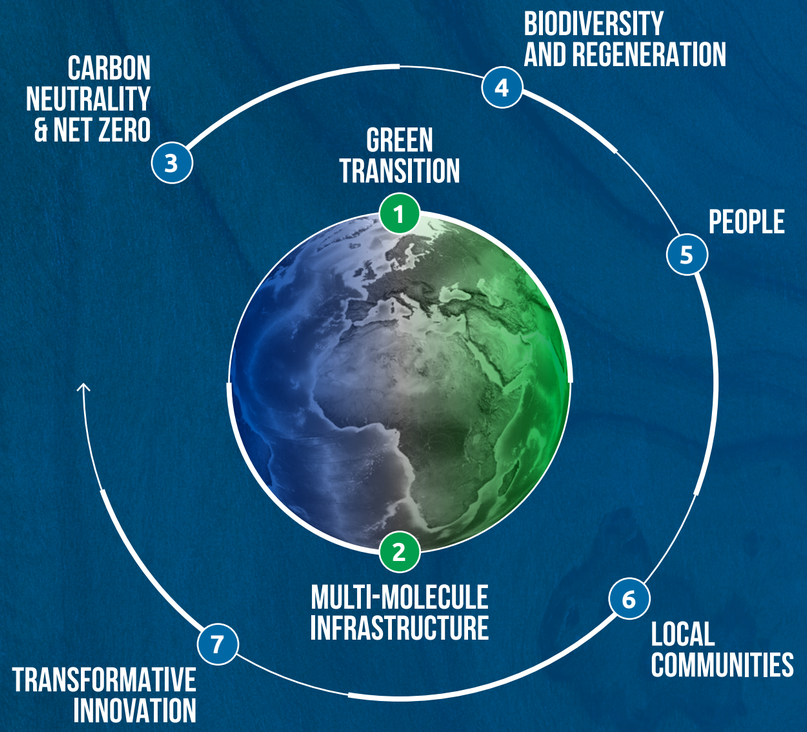


1.2 DRIVING TRANSITION AND PROMOTING NET-POSITIVE IMPACT IN THE ENERGY LANDSCAPE

Recognising the urgency and commitment to support the transition to a low-carbon economy, Snam has positioned itself as a key enabler of the energy transition in line with its corporate purpose: **"energy infrastructure for a sustainable future"**.

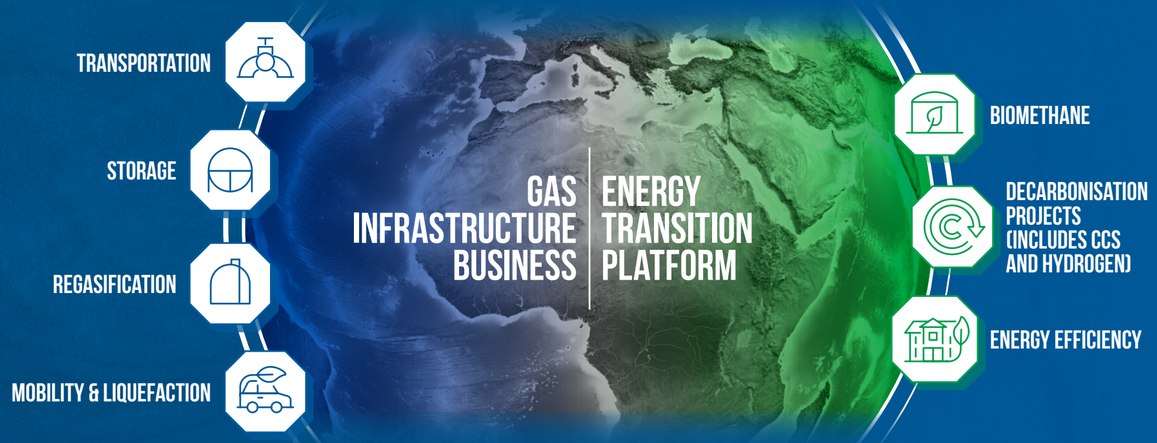
Snam's Strategic Plan integrates a Sustainability Strategy based on 7 pillars to reach the goal of achieving a fair and balanced transition to a low-carbon economy.

Within this Strategy, the company focuses not only on an ambitious plan to strengthen its business leadership in infrastructures and support European energy transition (pillars 1 and 2), but also encompasses other crucial dimensions such as innovation and people – key drivers for a harmonious transition. Furthermore, the Plan supports the preservation of biodiversity and fosters territorial regeneration.



Concerning to the **first two pillars**, the company aims at managing a modular, flexible and repurposable infrastructure to secure energy supply across the Mediterranean Sea, Italy and Europe, fostering the resilience, adaptability and just transition of the territories it serves.

To do that, **Snam intends to develop a pan-European multi-molecule energy infrastructure to achieve system decarbonisation and sustainable growth**, with transport and storage capacity for different types of molecules, including biomethane, hydrogen and CO_2.



As gas infrastructure and energy transition businesses become increasingly synergistic and interconnected, **Snam will leverage its assets to drive the development of green and decarbonised gases**, including:

- Playing a dual role in **biomethane** by (i) connecting new plants to the network & (ii) developing a large production platform;
- Co-developing in a joint venture with Eni, the largest **CCS** project in the Mediterranean Sea (the Ravenna cluster);
- Promoting the **South H2 Corridor** as well as preparing **H2 asset readiness**.

The company is also active on sustainable mobility and liquefaction and creates new green urban landscapes through a benefit corporation focused on urban afforestation projects.

The sustainability strategy framework includes five other strategic pillars. For each pillar, the Group has defined a clear ambition with a 2030 outlook:

3 **Carbon Neutrality & Net Zero: Decarbonise the core business by collaborating with suppliers to achieve Carbon Neutrality of the group's activities by 2040 and Net Zero by 2050 for all direct and indirect emissions;**

4 **Biodiversity and regeneration: Achieve a positive impact on nature by setting targets aligned with the Science Based Target for Nature (SBTN) such as Zero Net Conversion by 2024 and Net Positive Impact by 2027;**

5 **People: Valuing all Snam People by fostering their professional growth and promoting their harmonious and comprehensive development in a holistic manner;**

6 **Local communities: Continue to generate value for local communities by acting as a System Operator, integrating attention and attending to specific local needs;**

7 **Transformative innovation; Foster a culture of innovation among all Snam People to maximise the effectiveness of technology, improving the safety and reliability of assets, as well as their sustainability within the operations and the value chain.**

Drawing from Snam's Sustainability Plan, this **Transition Plan** outlines the Group's comprehensive approach **to address climate change** and preserve biodiversity, by directly **contributing to the energy transition** while simultaneously enabling the decarbonisation of the overall national energy system.

AMBITION

02

MAPPING THE FUTURE: ASSESSING IMPACT, RISKS, AND OPPORTUNITIES WITHIN PLANETARY BOUNDARIES

Snam places a high value on the health of the planet and strives to minimise the company's impact on all the planetary boundaries, not just climate change.

The ongoing transition towards renewable energy sources represents the most significant re-engineering of the modern economy since the industrial revolution. While the pace of this transition remains uncertain due to various influencing factors, such as funding, regulatory support, technology disruption and geopolitical events, energy scenarios must prioritise achieving Net Zero by 2050. Snam's plan aligns with Italian and European current targets, emphasising the continued importance of molecules in the energy system both now and in the medium to long term, ultimately leading to a future where only decarbonised molecules are transported.

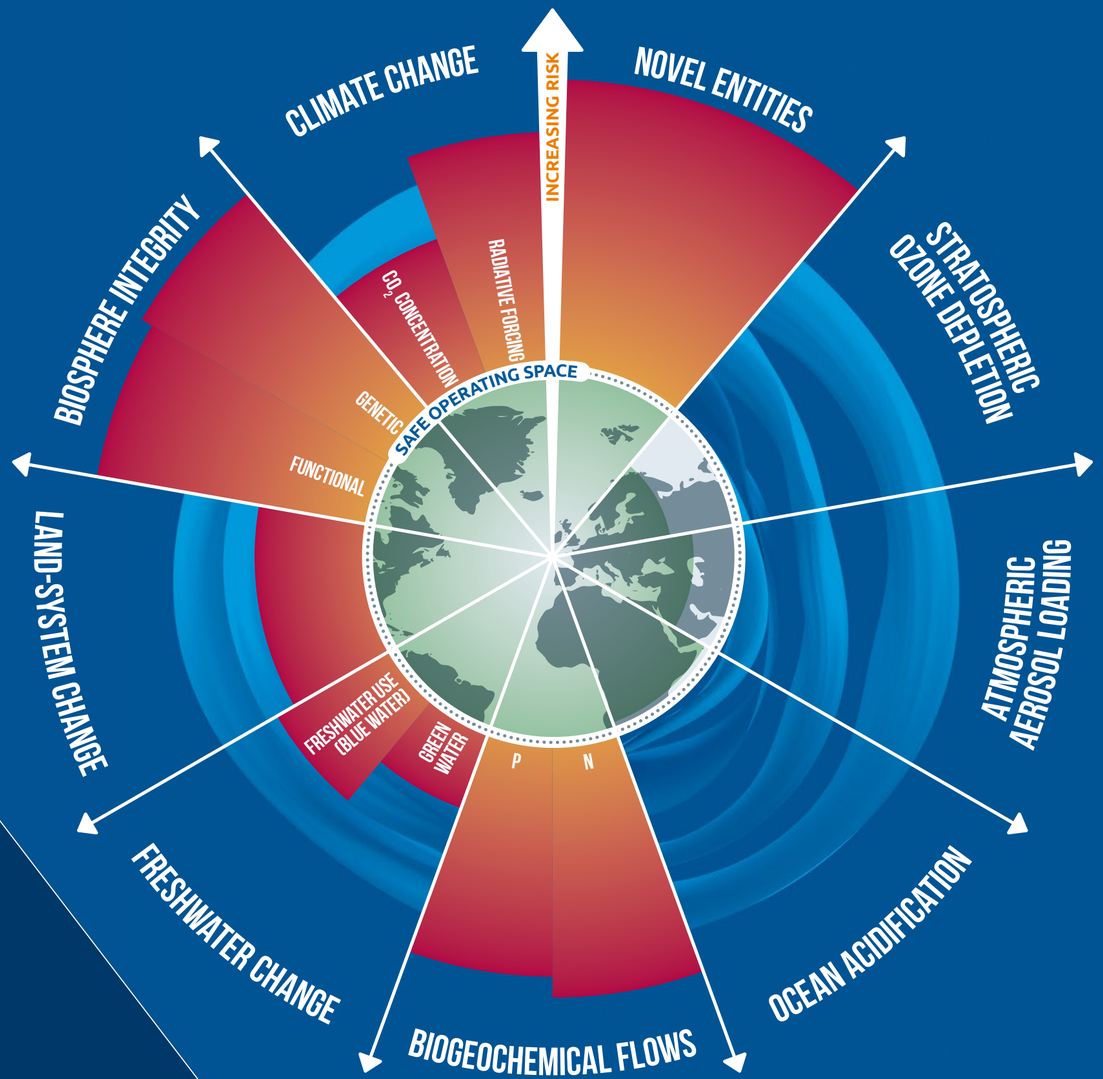
A comprehensive analysis of risks and opportunities associated with climate change is crucial for ensuring long-term sustainability and strategic decision-making. Snam has conducted extensive climate change risk management exercises including assessment of both physical and transition risks as part of its business risk management activities.

The impact of transition risks is expected to be limited in the short to medium term, with scenarios, asset resilience and current strategies effectively mitigating long-term risks, particularly those related to reduced gas demand. Physical risks are minimal in the short to medium term, thanks to the effectiveness of direct safeguards, such as physical mitigants and insurance coverage, as well as indirect safeguards.

2.1.

ASSESSING SNAM'S IMPACT ON PLANETARY BOUNDARIES

The **planetary boundaries framework**, developed by the Stockholm Resilience Centre, **offers a science-based approach to understanding humanity's impact on Earth at the planetary scale.** This framework views Earth as a single, complex system governed by nine interrelated processes that regulate its stability and resilience. The term "boundaries" refers to the quantitative thresholds within which humanity must operate to ensure sustainable development and well-being for future generations. Crossing these boundaries increases the risk of triggering large-scale, abrupt, or irreversible environmental changes. As of the latest assessment in 2023[1], six out of nine planetary boundaries have already been breached.



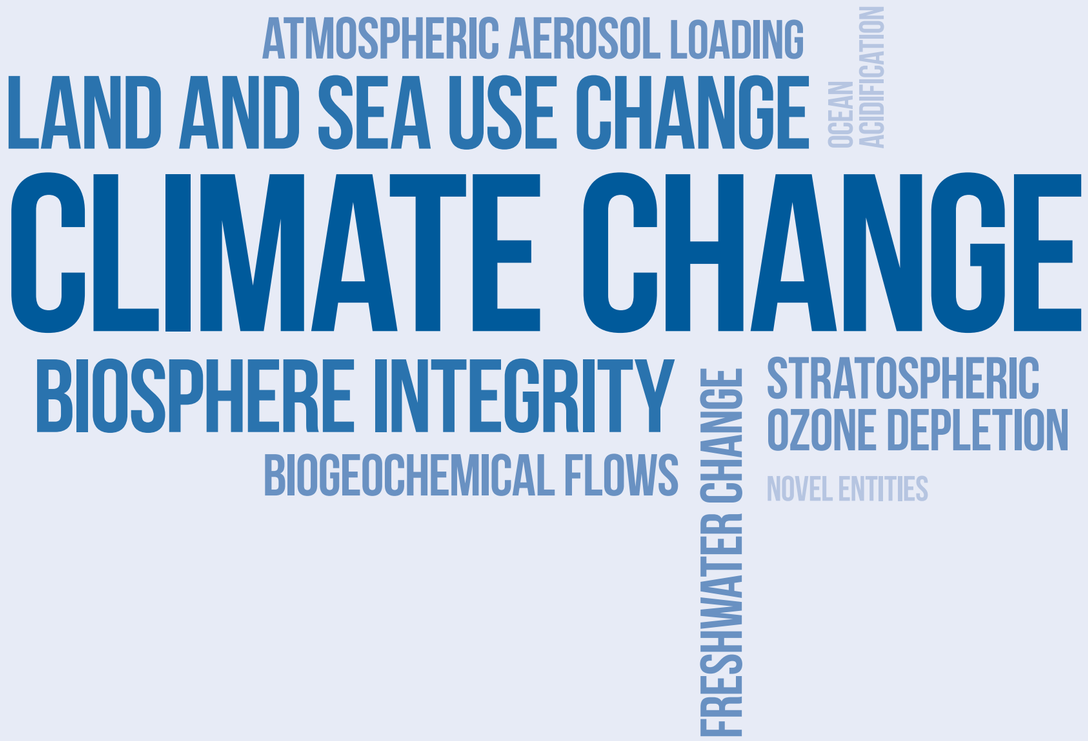
Credit: Stockholm Resilience Centre, Stockholm University

1 Azote for Stockholm Resilience Centre, Stockholm University. Based on Richardson et al. 2023: Earth beyond six of nine Planetary Boundaries. Science Advances, 9, 37.

As part of its Sustainability Strategy, **Snam has evaluated the impact of its nationwide direct operations on planetary boundaries**, and across **the entire value chain**, using the **SBTN Sector Materiality tool**. The assessment gave the following results:

- Mitigating our impact on the **"Climate change"** planetary boundary is a **high priority. This is being actively addressed** via the company's Decarbonisation plan and Net Zero strategy.
- A **medium impact** has been identified on **"Biosphere integrity" and "Land and sea use change"** (collectively referred to as **Biodiversity**). This impact is linked to the initial phase of Snam's construction activities, which does not yet account for the restoration phase. The latter is however an integral part of our business model and is already being addressed by our Biodiversity strategy.
- Impact on "Freshwater change", "Ozone depletion", "Biogeochemical flows" and "Aerosol loading" is low.
- Impact on "Novel entities" and "Ocean acidification" was not evaluated or was considered null.

RELEVANCE FOR SNAM



2.2 OUTLINING ENERGY SCENARIOS FOR THE FUTURE

Policy landscape

With the adoption of the **European Green Deal in 2019**, the European Union (EU) embarked on a **journey towards a low-carbon economy**, aiming for Carbon Neutrality by 2050. To this end, the European Commission has introduced several legislative initiatives to help achieve the 2030 and 2050 targets.

FIT-FOR-55 PACKAGE	**The package is significant for gas markets as the combination of the proposed regulations will influence the energy mix within the EU and, in turn, affect the volumes of natural gas, low-carbon gas and renewable gas over time.**
HYDROGEN AND GAS MARKETS DECARBONISATION PACKAGE	The package is relevant for gas infrastructure operators as it defines the regulatory framework for hydrogen, decarbonised and renewable gas infrastructure, as well as for infrastructure planning.
REPOWER EU PLAN	The Plan aims at rapidly reducing Europe's dependence on natural gas, diversifying supply sources and accelerating the transition to clean energy in all sectors.
NECP: NATIONAL ENERGY AND CLIMATE PLAN (in Italian PNIEC)	The National Energy and Climate Plans (NECPs) outline the EU targets for emission reduction and include a binding set of measures to achieve these targets.

REPOWER EU

The Repower EU Plan outlines a strategic vision for European energy, while the National Climate and Energy Plans detail the implementation policies necessary to achieve decarbonisation targets.

The main measures of the REPower EU can be summarised as follows:
- Diversify gas supply sources, increase LNG capacity, strengthen Europe's gas transport infrastructure and storage
- Increase biomethane availability to 35 bcm by 2030
- Accelerate the use and production of hydrogen by establishing a European hydrogen market, targeting 20 Mtons of demand by 2030 (with 10 Mtons produced in Europe and 10 Mtons imported), and by developing the necessary infrastructure for transport
- Reduce fossil fuel consumption in hard-to-abate industrial and transport sectors, in particular via conversion to hydrogen and integration of renewable energies
- Increase the integration of renewable energy into the mix at a faster pace than the Fit-for-55 target
- Boost energy savings, such as by doubling the target for heat pumps

Given Snam's ambition to evolve into a multi-molecule infrastructure that supports the energy transition with flexible and repurposable assets, **the company's investment plan is** de-facto **aligned with the REPowerEU vision**. For instance, the Adriatic Line, a significant infrastructure project operated by Snam will receive Repower EU grants due to its key role in improving security of supply at both national and European levels.

At the national level, the main energy policy reference is the National Climate and Energy Plan (NECP or PNIEC in Italian). Initially published in 2019, it is updated every 5 years, and the latest edition was published in June 2024. As system operator, Snam has an obligation to elaborate infrastructure plans that meet NECP/PNIEC targets.

NATIONAL ENERGY AND CLIMATE PLAN

The EU Directive 2018/2002 mandates that each Member State in Europe prepare a National Energy and Climate Plan (NECP) to be updated every 5 years. The National Energy and Climate Plans must present a binding set of measures to achieve EU targets regarding efficiency, integration of renewables into the energy mix, and level of decarbonisation.

The first National Energy and Climate Plan for Italy called PNIEC was presented by the Ministry of Environment and Energy Security (MASE) in 2019 with targets of 32.5% efficiency, 32% renewables, and a 41% reduction in emissions compared to 1990, in line with the European "Clean Energy" package.

As per the Directive, the PNIEC was updated and published in June 2024, to incorporate the Fit-For-55 targets (-55% emissions by 2030 compared to 1990), with projections for 2030 and 2040.

The main 2024 PNIEC targets for the gas sector can be summarised as follows:
- **52 bcm of natural gas demand by 2030, equalling 496 TWh in energy terms**
- **5 bcm of biomethane by 2030, equalling 48 TWh**
- **2.7 bcm of green hydrogen by 2030; equalling 9 TWh**
- **4 Mtons of CCS by 2030**

The national policy landscape is further complemented by documents such as the National Recovery and Resilience Plan (NRRP), the National Hydrogen Strategy, and the Biomethane Decree.

Building Scenarios in this landscape for 2030 and 2040

In this European and national policy context, Snam plays a major role in identifying and implementing the actions needed to build resilient and flexible energy systems that meet both national and international decarbonisation targets. To ensure that its infrastructure remains aligned with future market demand, Snam builds energy demand and supply scenarios to set short, medium, and long-term business objectives. This ongoing exercise takes into account the ever-evolving landscape of energy transition, ensuring compliance with national and European goals on the journey to Carbon Neutrality by 2050.

Snam, in collaboration with Terna, the Italian electricity transmission system operator (TSO), elaborates medium to long-term integrated scenarios of the evolution of the national energy system every two years. These scenarios focus on the integrated evolution of molecules and electrons demand, infrastructure and supply, in line with the Italian Regulatory resolutions. **The latest results, published at the beginning of October 2024, are available on Snam's website.**

The Snam-Terna scenarios underpin the preparation of the Development Plans and guide national investment decisions for both electric and gas networks. They provide a forward-looking perspective up to 2040, with an intermediate focus on 2030 and 2035. These scenarios are based on the most recent national and European policy reference decarbonisation scenarios, and in particular on the NECP scenario for 2030 and the Global Ambition (GA) and Distributed Energy (DE) scenarios for 2040, developed by the European Network of Transmission System Operators for Gas and Electricity (ENTSO-e and ENTSOG). **The energy scenarios considered to built Snam scenarios are aligned with the Paris Agreement's objectives of keeping global temperature rise well below 2°C compared to pre-industrial levels, and to pursue efforts to further limit the increase to 1.5°C.**

A brief **description of the scenarios** is provided below:

- For 2030, the NECP scenario imposes an overall 55% reduction in CO_2 emissions by 2030 compared to 1990 levels for Europe (which translates to ca. 50% for Italy, given the differences in starting points among EU countries) as set by the EU as the mid-term objective towards the 2050 targets. It envisions sustained growth of renewable energy sources to cover 63% of electricity needs, along with significant development of biomethane production, application of CCS in hard-to-abate sectors and the partial transition of the steel industry to gas usage. As a result, green gas is expected to represent 10% of total gas demand by 2030.
- For 2040, Distributed Energy Italy (DE-IT) is marked by a significant adoption of electricity across all sectors (residential, commercial, transport, and industry), maximizing the use of renewable electric sources and CCS applied to industrial sector.
- For 2040, Global Ambition Italy (GA-IT) projects the development of green gas-powered technologies with a lower share of electrification in final uses in favour of green molecules.

The scenarios for 2040 diverge in response to the Regulatory Authority (ARERA) requirement to propose “contrasting” scenarios, aimed at testing the resilience of the infrastructure against uncertainties in mid- to long-term evolutions. GA-IT and DE-IT represent potential ambitious evolutions of the energy mix leading up to 2050, supporting increased efficiency and adoption of renewable energies in final uses, aligned with ENTSOs scenarios. The scenarios also incorporate the latest market insights from gas and electricity TSOs. For instance, Italy’s Electricity System Operator, Terna, has reviewed it to factor in the country’s specificity, providing the most accurate understanding of the Italian electric system.

These scenarios project the evolution of gas demand and energy mix composition for natural gas (±CCS), methane (bio- and synthetic), and green hydrogen as depicted in the image.

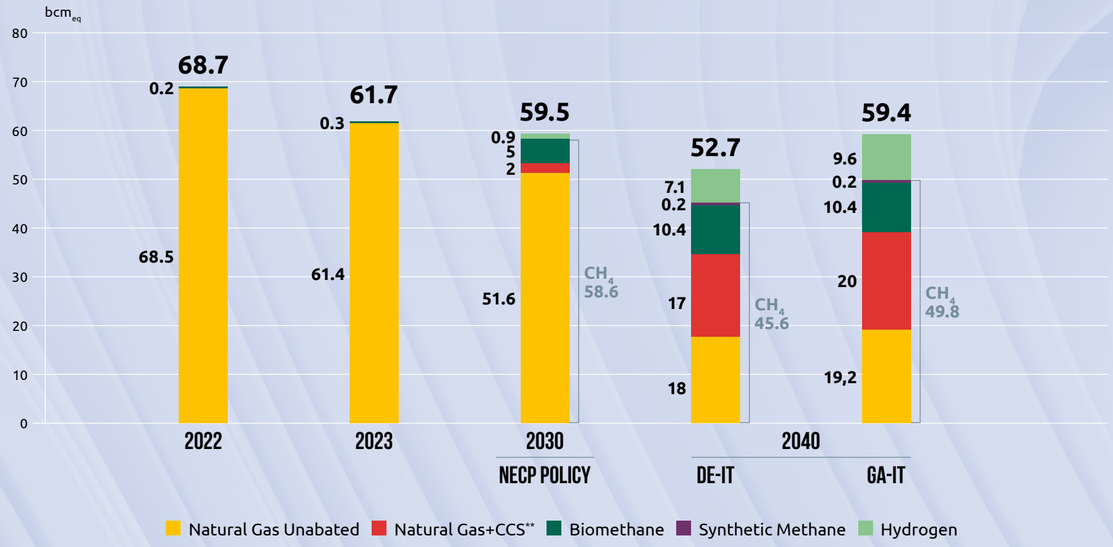
SCENARIOS AND INFRASTRUCTURE DESIGN - FACTORING IN PEAK DEMAND

When planning investment in transport and storage infrastructure, several factors beyond gas demand are considered, starting with the assessment of daily peak demand.

The maximum daily peak from the past 10 years is used as a benchmark to test the resilience of the gas system. Currently, this value stands at around 400 Mm^3/d, (reached in coldest winter days) and is expected to decrease to around 370 Mm^3/d by 2040 in GA-IT. This reduction is partly compensated by an increase in peak demand in thermoelectric gas, resulting from a growing share of non-programmable renewables, rising electricity demand and a winter electricity peak that is increasingly temperature-dependent as more and more electric heating systems such as heat pumps are installed.

As a result, the gas-powered thermoelectric system must provide additional back-up to renewable generation. Additionally, there is an increasing need for peak flexibility in the gas-powered thermoelectric system due to the potential unavailability of some renewable sources during extended periods of low wind and sunlight, such as those recently experienced in Germany and dubbed "dunkelflaute". This requirement is estimated at maximum of 40 Mm^3/d, adding to the peak demand projected for 2040.

EVOLUTION OF GAS DEMAND AND ENERGY MIX UNDER MID-TERM SCENARIOS*

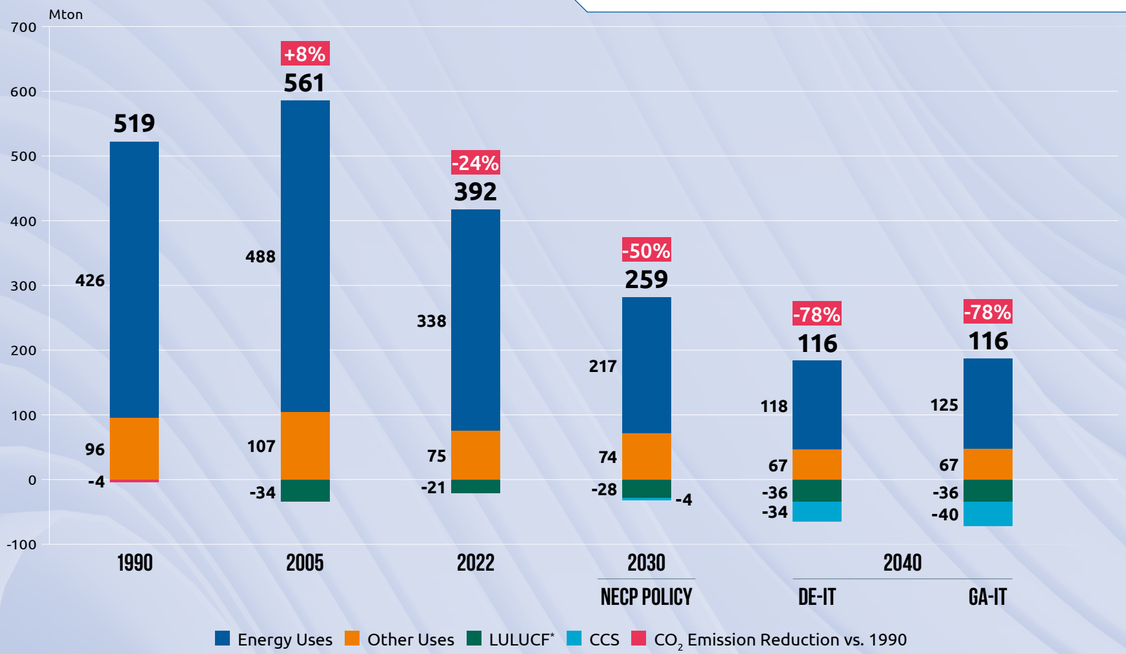


Source: Snam-Terna scenarios DDS 2024

* In Snam-Terna scenarios, the 2030 gas demand includes +1.1 bcm for bunkering and +0.3 bcm in thermoelectric, as result of Terna power system modelling
**Blue hydrogen consumption included in the natural gas demand

CO_2 EMISSION

In terms of emissions, these scenarios result in a 50% reduction in 2030 and 78% in 2040 compared to the 1990 baseline.



*Land Use, Land Use Change and Forestry

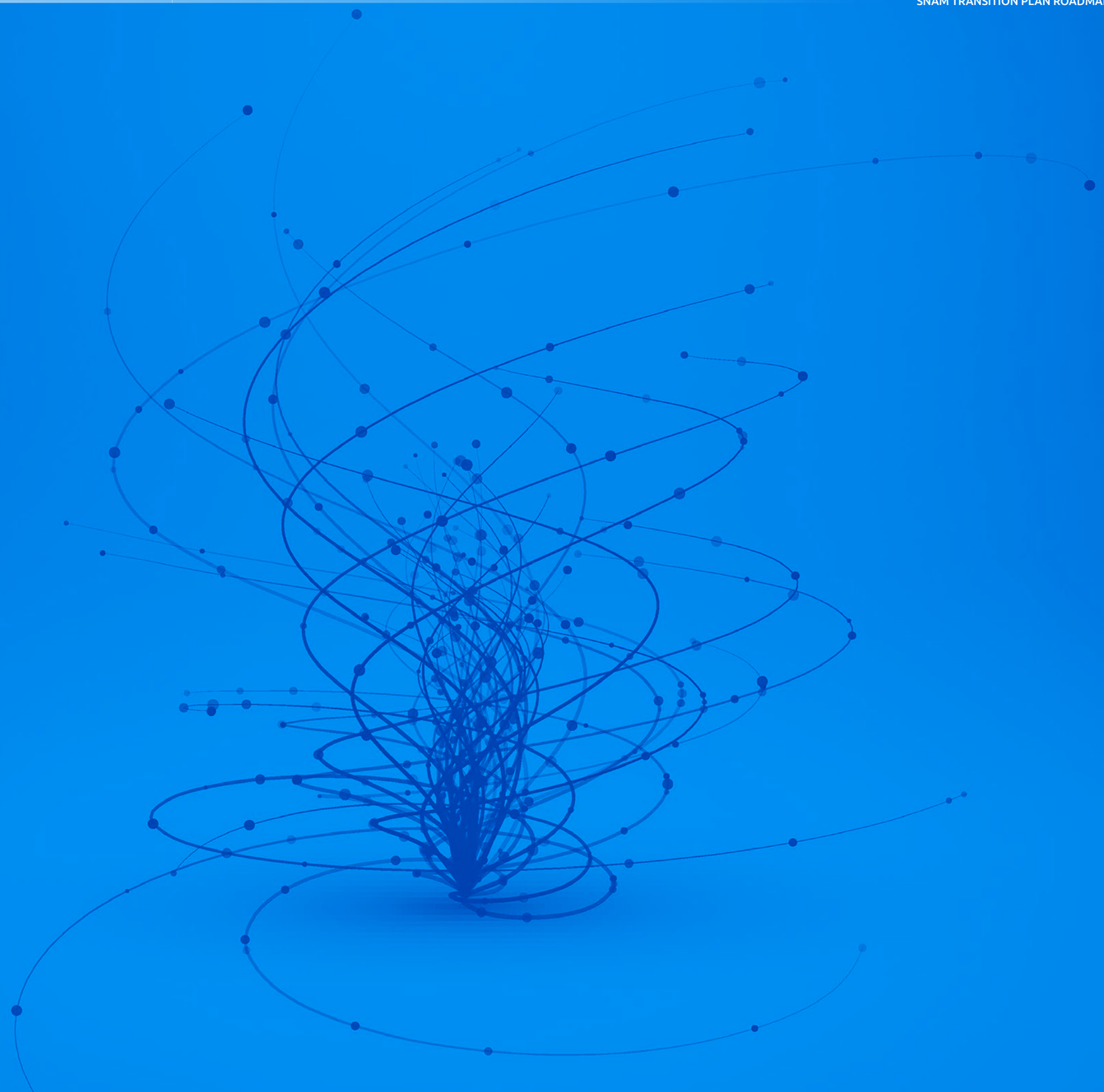
The longer-term outlook: 2050

Over a longer time horizon, and in alignment with regulatory guidelines, Snam works on directional scenarios for 2050 that align with the legally binding 2050 EU net zero target[2].

When considering long-term energy projections, several factors must be considered. Even though macroeconomic and market conditions as well as technological progress carry greater uncertainty, the following elements show resilience across the various scenarios:

- **Electrification is expected to significantly increase its role in final energy consumption**, rising from less than 25% share today to a range of 50-55% by 2050 (for example, IEA's Net Zero Emissions scenario estimates a 53% share);
- **Carbon Capture and Storage (CCS) must be deployed at scale to offset emissions from industrial processes, agriculture, waste, and other residual unabatable emissions**. For natural gas, capturing and permanently storing one Mton of CO_2 allow the decarbonisation of 0,5 bcm of natural gas. This helps meet residual energy demands not provided by other zero-carbon energy vectors, or when natural gas is used as feedstock for industrial processes requiring carbon. For **Italy**, a CCS infrastructure capacity of 30-40 Mtons of CO_2 annually (according to recent market tests and policy studies) **would represent a potential of abatement of emissions corresponding to 15-20 bcm of natural gas**. Additional applications of CCS include producing synthetic liquid or gaseous fuels and achieving negative emission processes, such as capturing biogenic CO_2 during biomethane production. Fostering a CO_2 economy will thus require the development of a comprehensive value chain;
- As highlighted in the REPowerEU Plan, **Biomethane is a crucial energy vector for achieving decarbonisation by 2050, while fostering circular positive effects on organic waste, and plays a key role in avoiding the relocation of certain hard-to abate sectors**. Italy stands out as one of the EU countries with the highest potential for biomethane production, with studies projecting an **increase to 15 bcm by 2050**, particularly as noted in the ENTSOs study on Biomethane potential for the 2024 Draft Scenario Report;
- **Another molecular energy vector expected to gain a larger share in the 2050 energy mix is decarbonised hydrogen**, both zero and low-carbon. It can be used directly in gaseous form or as liquid derivatives such as e-fuels. According to the latest scenarios published by ENTSOs, hydrogen is expected to play a significant role from 2030 onwards, **with its use in Italy projected to reach 150-200 TWh by 2050**. This energy amount is equivalent to a demand volume of 45-60 bcm, taking into account hydrogen's lower calorific value compared to natural gas.

An integrated multi-molecule infrastructure will be essential to ensure security of supply and balance with the demand of all molecules described above, including abated fossil gas (and the associated CO_2), biomethane, low-carbon hydrogen both as energy vector and feedstock for synthetic fuel production. **Achieving this balance at all the times and for all molecules** will be a key challenge, especially during the transition to more sustainable energy sources. A critical aspect of this effort will be the integration of diverse infrastructures and the role of energy storage. While leveraging current line-pack is important, molecule-based storage solutions offer the most efficient option for long-term weekly, monthly or even seasonal storage, and for storing substantial amounts of energy. Energy storage systems play a vital role in maintaining the balance between supply and demand, especially when managing intermittent renewable energy sources such as solar and wind.



2 2050 long term scenarios will be subjects of a specific analysis during 2025, in collaboration with Terna, as determined by the ARERA regulation 392/2024/R/com

2.3

NAVIGATING RISKS AND SEIZING OPPORTUNITIES IN EVOLVING SCENARIOS

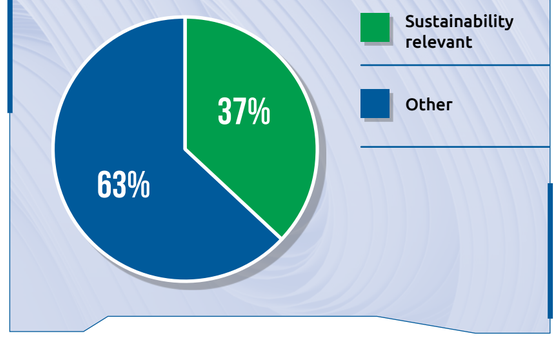
Analysing risks and opportunities is essential for maintaining long-term sustainable operations and guiding strategic decision-making. Snam's **Enterprise Risk Management (ERM) Model** enables the identification, assessment and response to current and prospective risks and opportunities associated with the Group's business strategy. The results are periodically presented to the Board, Committees and relevant Functions, who are also directly involved in the risk assessment process.

Risks are prioritised based on their residual severity, which reflects the estimated exposure to a specific risk after accounting for mitigation measures. Risks and opportunities are also categorised as financial, operational, legal & compliance, or strategic, and assessed over short- (≤1 year), medium- (≤5 years) and long-term (>5 years) horizons. They are then classified as **"sustainability-relevant"** if they potentially affect sustainability issues identified by reporting standards (e.g. ESRS), Snam's materiality analysis, or strategic KPIs from the Sustainability Scorecard.

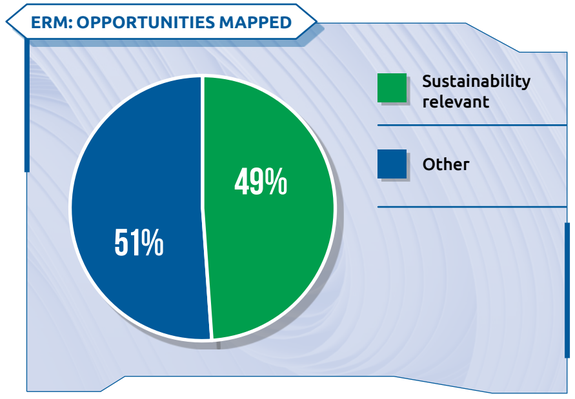
As of 2023, Snam has mapped 131 risks and 47 opportunities across all business processes via the ERM Model. **37% of the risks and 49% of the opportunities were classified as "sustainability-relevant"**.

In 2023 two new frameworks were integrated into the ERM model: the **Risk Appetite Framework (RAF)** and the **Climate Change Risk Management (CCRM)** framework. Both undergo a periodical review process and are kept up to date to ensure alignement with business, the Strategic Plan and the wider context.

ERM: RISK MAPPED



ERM: OPPORTUNITIES MAPPED



The **RAF** defines the level of risk the company is willing to accept in pursuit of its own objectives. Snam's RAF is articulated in multiple risk-return dimensions, which represent the logical pillars of the entire Framework. For each dimension, the Group has formalized specific risk-return statements in qualitative form and it has identified several indicators in order to regularly monitor its risk-return profile also through a quantitative approach.

The Transition has a clear place in Snam's RAF, as it is defined as one of the above-mentioned risk-return dimensions and it is recalled in the RAF general statement that reads as follows:

> Snam pursues its sustainable success by focusing its business on the value axes of Profitability, Reputation and Sustainability, while maintaining a low risk profile, through the reliability of its infrastructure, a disciplined financial policy, the pursuit of a Net Zero strategy, the consolidation of its reputation among stakeholders and constant attention to all its people.

The **CCRM** enables the systematic analysis of climate risk. It provides a more detailed identification of climate change-related risks and opportunities. Its scope of analysis regarding physical risks encompasses all sites of Snam's regulated business activities, as well as the most relevant energy transition businesses, jointly representing 99% of Snam's EBITDA.

Instead of developing an independent model, the CCRM framework was integrated into the broader ERM risk assessment process:
- linking the outcomes of the analyses to the ERM rating scales (i.e., likelihood and impact);
- taking into account both downstream and upstream activities;
- incorporating physical and transitional risks into the ERM mapping process by integrating the risk description and/or causes in the ERM portfolio.

The **CCRM framework considers two categories of risks: Transition risks and opportunities**, which cover political, legal, technological and market events related to climate change mitigation and adaptation processes; and **Physical risks**, which cover potential exposure of company assets to climatic hazards such as floods, fires, landslides, hailstorms, heat waves and cold waves.

Following methodological best practices which ensure standardisation and improve benchmarking across companies, Snam uses a set of IEA and IPCC scenarios to assess risks and strategy resilience, as described below:

PHYSICAL RISKS

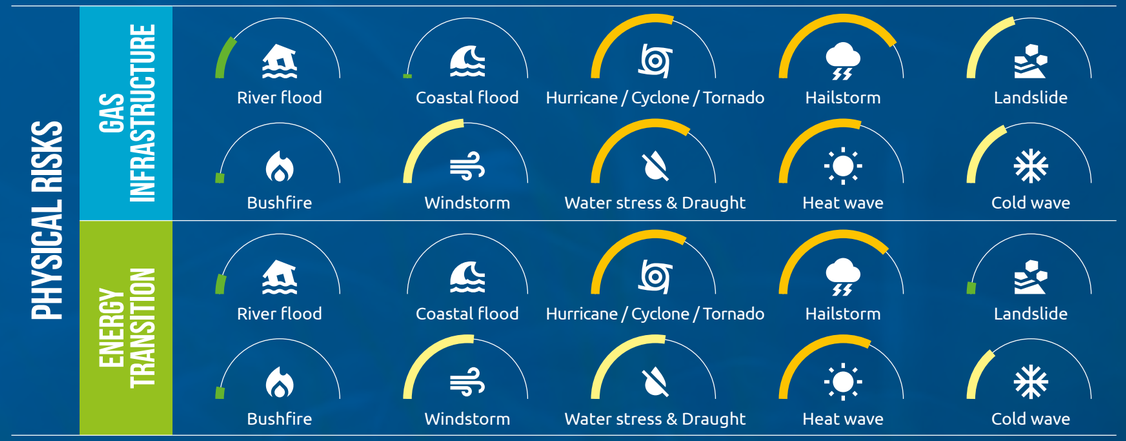
	BEST	MID	WORST
	RCP[40] 1.9	RCP 4.5	RCP 8.5
GLOBAL TEMPERATURES	<1.5°C by 2050 and 2100	≤ 1.5°C by 2040 ≤ 2.5°C by 2100	> 2°C by 2040 ≤ 4°C by 2100
FORECASTS	• Limited climatic evolution • Stabilisation of exposure to physical hazards compared to current levels	Progressive intensification of natural phenomena	Significant intensification of natural phenomena

TRANSITION RISKS

	BEST	MID	WORST
	RCP 1.9 – SSP1[41] – IEA NZE[42]	RCP 4.5 – SSP2 – IEA APS[43]	RCP 8.5 – SSP5 – IEA STEPS[44]
GLOBAL TEMPERATURES	<1.5°C until 2050 Net Zero by 2050	Global emissions peak by 2040 Between 2 and 3°C by 2100	> 2°C by 2050 > 5°C by 2100
FORECASTS	• Implementation of the 2030 and 2050 climate targets • Decreased use of fossil fuels • Strong growth in renewables • Growth of low-emission materials • Lower energy intensity	Insignificant changes in economic growth trends and in existing and planned policies and regulations	• Extensive use of fossil fuels • High energy intensity

The results of the latest climate scenario assessment show that Snam's strategy is resilient in the face of climate change. In particular, with respect to risk events:

- **Physical risks:** a site-specific analysis revealed a **general low-medium potential climatic exposure (follows):**



In the short to medium term, the residual impact of physical risks on assets is minimal (follows), thanks to effective direct safeguards (e.g. physical mitigants and insurance coverage) and indirect safeguards (e.g. structural characteristics of assets).

Long-term climate exposure of assets shows no significant changes in RCP scenarios 1.9 and 4.5, and shows a more pronounced impact in the RCP 8.5 scenario due to the intensification of extreme natural events as a result of climate change.

- **Transition risks: In the short to medium term**, the impact of transition risks are limited, with greater exposure to reputational risks, such as those related to the achievement of sustainability targets. Transition risks arise in the long-term Net Zero scenario (RCP 1.9, SSP1, NZE), primarily related to gas volumes. Mitigation strategies include repurposing infrastructure for CCS, and hydrogen, as well as expanding energy transition businesses, with a focus on low-emission materials and green gases.

TRANSITION RISKS

MARKET	**Risks:** Gas volumes reduction for milder winters.
	Opportunity: Progressive change in the market context in favour of the use of biomethane and hydrogen.
TECHNOLOGICAL	**Risk:** Delay / Higher costs for development of transition technologies.
	Opportunity: Competitive advantages from timely development of technologies for the transition.
REGULATORY	**Risk:** Emergence of new regulation regarding polluting emissions.
	Opportunity: Investments increase in decarbonisation and energy efficiency projects.
REPUTATIONAL	**Risks:** Reputational disadvantages due to delays / failures in achieving sustainability targets.
	Opportunity: Advantages in terms of positioning and market attractiveness (sustainable finance).

A more detailed list of all transition and physical risks and opportunities analysed in the CCRM framework is available in Snam's 2023 Annual Report at pages 219 and following.

In parallel to climate-related risks, Snam is currently defining a **dedicated framework** for the analysis of **biodiversity risks**, aligned with key frameworks and standards such as the TNFD. This framework will complement Snam's existing analysis of its biodiversity impact, ensuring a comprehensive approach to environmental risk management. Snam specifically evaluates biodiversity risk with the following criteria:

- Measurement of the land use change footprint associated with a project or activity
- Assessment of the integrity of the terrestrial ecosystem within that area
- Identification of areas with high biodiversity risk, or "hotspots"

In conclusion, as part of both its decarbonisation and biodiversity strategies, Snam aims to address these risks in the identified hotspots while pursuing opportunities offered by the energy transition, moving from ambition to action as described in the next chapter of this document.

ACTION

03

REDUCING EMISSIONS IN GAS INFRASTRUCTURE: FROM INNOVATION TO ACTION

Snam's decarbonisation strategy is built on scalable, proven technologies, transforming into concrete and well-structured projects.

The company's Sustainability Plan focuses on two key environmental pillars out of seven with a clear transition perspective: Carbon Neutrality & Net Zero, and Biodiversity & Regeneration. Snam's vision combines technological innovation (the seventh pillar) with new businesses, driving a holistic sustainability approach that focuses on emission reduction while maintaining critical balances, such as biodiversity and territorial regeneration.

The climate strategy for our operations centers on two main initiatives: gradually replacing gas-fuelled compressors with electric units powered by renewable energy, and implementing a comprehensive program to reduce methane emissions by consistently upgrading our network.

The company's biodiversity strategy is embedded in its operational model, ensuring that all phases of infrastructure development, from investment planning to execution and operation, follow the Avoid-Minimize-Restore-Compensate principle.

The company continues to pursue new solutions and technological progress, supported by both an internal innovation program and external collaborations with open innovation hubs and start-ups, accelerating progress toward its sustainability goals.

3.1 CLIMATE STRATEGY

Snam's climate strategy outlines a comprehensive approach to achieving the Group's Carbon Neutrality, while contributing to the global transition toward a low-carbon economy through strategic collaborations.
This strategy focuses on both the near to medium term (2027-2032), with reduction targets for scope 1, 2 (including specific methane emissions target) and scope 3 emissions,, and the long-term, committing to the company's Carbon Neutrality in operations by 2040 and a Net Zero target covering all scopes by 2050.

Since 2020, Snam has undertaken various activities to address the Group's **Scope 1 and 2 emissions**, analysing the reduction potential and adoption feasibility of each intervention to reach its targets. **Five key levers** to reduce these emissions were identified leveraging reliable, existing technologies.

SCOPE 1 AND 2 LEVERS

In order to reduce GHG Scope 1 and Scope 2 28 emissions, Snam will continue to invest in the installation of dual fuel compressor stations and intends to use all available levers to achieve the targets, including the use of renewable energy (electricity or biomethane).

- Replacement of the gas-fueled compressor stations with **electric units**
- Transformative and comprehensive program to **replace parts of our network** (e.g. gate valves in approx. 350 pressure reduction stations and in CS, over 3,000 pneumatic actuators and instrumentation) to reduce methane emissions
- Development of a model to **optimise dispatching operations** in order to minimise gas consumption and emissions
- Purchase and consumption of **certified green energy** (either renewable electricity or green gas biomethane)
- **ISO 50001** - Energy Management System to improve energy performance through more efficient and effective use

To achieve this goal, Snam has already allocated **significant investments** in its 2023-2027 Strategic Plan: out of a total of €12.4 billion (including €900 million in public funding) €0.7 billion of CapEx are allocated to the installation of four electric compressors and ~€35 million of OpEx to the plan to reduce methane leaks.

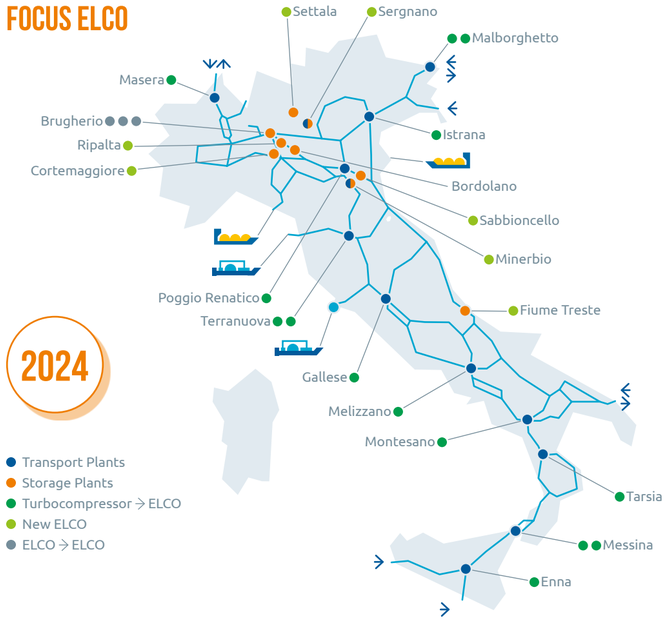
INVESTING IN DUAL-FUELS COMPRESSOR STATIONS

The most significant share of Snam's energy consumption is linked to the operation of gas turbines in its compression and storage plants, which accounts for 83% of total consumption. To address this issue, Snam has launched a plan to install at least one new electric compressor in each plant to reduce energy consumption thanks to more efficient technology. This approach supports the transition to renewable sources while mitigating the risk of blackouts that could occur with a complete replacement.

These energy-saving initiatives that introduce the concept of dual-fuel compressor stations will be the main contribution to our decarbonisation goals. This part of the plan will leverage scalable existing technologies and will benefit from Snam's 80-years of experience in delivering complex projects.

Construction to install the first electric turbine started in 2023 and Snam is currently working on several compressors in parallel. The first two units will be in operation within Q1 of 2026, a third one by the end of the same year. Furthermore, the plan outlines the replacement of 5 units with impact by 2030, 3 units with impact by 2032 and 10 additional units with impact by 2040.

FOCUS ELCO



€2 Bn investments planned 2023 - 2032 for ELCOs[1]

Average avoided emission per station: **22 kton CO_2e**

Implementation time[2]:
Engineering: **2 years**
Public Approvals: **3-4 years**
Construction: **2-3 years**

IMPLEMENTATION PLAN

IMPACT BY 2027
+3 Gas Compressors Units to be Replaced
~40 MW Installed Capacity

IMPACT BY 2030
+5 Gas Compressors Units to be Replaced
~70 MW Installed Capacity

IMPACT BY 2032
+3 Gas Compressors Units to be Replaced
~50 MW Installed Capacity

IMPACT BY 2040
+10 Gas Compressors Units to be Replaced
~200 MW Installed Capacity

1 The investment plan considers also the replacement of 3 ELCOs, already supplied with green electricity, with more efficient ones, thus reducing energy consumption but not GHG emissions. For this reason, those ELCOs are not accounted for within the ones with impact by 2027, 2030, 2032 and 2040.
2 The overall duration of each phase may vary depending on permit timelines and types, connection to the electricity grid and its development plan, type of connection, specific characteristics of the site and existing facilities, or unforeseen executive contingencies, always ensuring business continuity.

REDUCING METHANE EMISSIONS

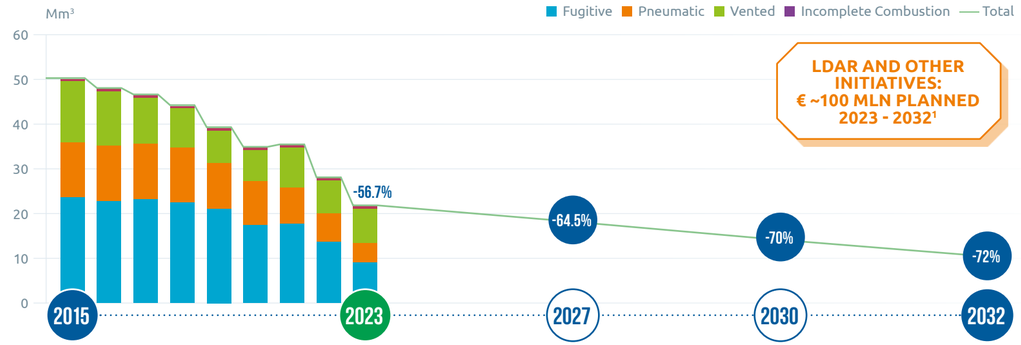
Reducing methane emissions is a top priority for Snam. Snam's commitment to reducing natural gas and methane emissions applies to all businesses from gas transport and storage to regasification, where emissions play a significant role. Snam has already significantly reduced its methane emissions by 57.5% in 2023 compared to 2015, by implementing several mitigation measures and applying best available practices, such as the LDAR - Leak Detection and Repair system.

Constant monitoring of Snam's methane emissions (fugitive emission, vent emission or unburned methane emissions) is crucial to achieve the company's decarbonisation targets.

Since 2015, Snam has launched a multi-year, multi-activity plan covering the replacement of part of its network to reduce methane emissions, such as valves in about 350 pressure reduction and compression stations and over 3,000 pneumatic actuators and equipment. Snam is also actively implementing best practices, including in-line gas recompression interventions using tapping machines. These interventions enable new pipeline connections without service interruptions. Additionally, Snam has introduced the LDAR system to curb leak emissions, continuously exploring new solutions and technologies for greater efficiency. Significant efforts are also underway to improve the accuracy of methane emission data, by implementing a robust Monitoring Reporting and Verification (MRV) system, in compliance with International Reporting Protocols.

The plan sets out the Group's reduction targets, which are specifically to reach 64.5%, 70% and 72% reduction by 2027, 2030 and 2032 respectively, compared to 2015 levels.

With the current achieved reduction of -57% with respect to 2015, Snam was awarded the 2023 Gold Standard by the OGMP 2.0 (Oil and Gas Methane Partnership) for the third consecutive year.



ACTIONS UP TO 2023

LDAR at all major transmission network facilities, booster, storage plants, and LNG terminal.
→ **More than 1M components periodically monitored**

Replace Leak-prone equipment or pipe (for example poorly seated blow-down valves, internally leaking).
→ **In 22 compressors, more than 350 pressure stations**

Prior to pipeline maintenance: **lower the pressure** in the pipeline by allowing consumer drawdown, **in-line recompression** instead of venting.
→ **17 in line recompression interventions**

New connections to in-service pipelines with a **hot-tap** (technique that allows the connection to be made without shutting down the pipeline and venting gas).
→ **16 tapping machine operations**

Eliminate high-bleed gas-driven pneumatic controllers, switch to compressed air, electric or mechanically driven devices, or very low emitting devices.
→ **3000 components replaced**

Installation of **new heaters**, mounted on skid, with lower emissions and higher efficiency, in pressure reducing stations.
→ **More than 280 heater to be replaced by 2030**

1 It considers CapEx + OpEx.

Regarding **Scope 3 emissions**, the primary impacts stem from associates and suppliers. To tackle these emissions, the Group has worked closely with its various stakeholders and has defined multiple actions to address them and to support broader sustainability efforts.

SCOPE 3 LEVERS

The company applies 6 different levels of levers, focused on supply chain, associates and other GHG Scope 3 emissions, enabling it to accompany both companies that are at the beginning of the journey and those that are already active in integrating sustainability into their strategy.

SUPPLY CHAIN EMISSIONS

- **Data collection and data quality:** Involvement of all suppliers in the Open-Es platform and the most relevant suppliers on the CDP Supply; Request to share decarbonisation plans, detailed with an action plan.
- **ESG criteria in tenders:** Inclusion in the technical scoring model (weight between 3% and 20%); Identification of criteria based on the level of maturity of companies in the market
- **Review of industrial processes** (Sustainable Construction Site): Macro-areas of intervention to reduce the environmental impact of the construction phase: use of biofuels, electrification of equipment (including the use of inverters), recycling and reuse of waste and water.
- **Products:** Working groups focused on the Lifecycle Assessment (LCA) of products and EPD

EMISSIONS OF ASSOCIATES

- **Development of a long-term decarbonisation plan for each subsidiaries** and approval by the Board of Directors, including: the use of green gases and the installation of electric compressors to reduce CO_2 emissions from combustion, the implementation of LDAR (Leak Detection and Repair) programmed to reduce fugitive emissions, the use of energy from renewable sources
- **Building an ongoing dialogue** to share best practices for reducing greenhouse gas emissions

OTHER GHG SCOPE 3 EMISSIONS

- **Subsidised public transport passes for employees**
- **Low-emission transport for business trips**

To reduce emissions from **Associate**, whose sources are similar to ours, Snam is committed to fostering an open and continuous dialogue to share best practices for reducing Greenhouse Gas (GHG) emissions. Leveraging its governance influence, Snam actively steers the actions of its Associates towards a Net-Zero future by encouraging the adoption of credible decarbonisation plans.

Suppliers are crucial allies in Snam's business development and are strategic partners in achieving Snam's decarbonisation goals. With 80% of its supply chain mainly composed of SMEs in 2022, Snam recognises that many of these companies are not yet fully prepared to meet stringent sustainability requirements and are often not required to disclose non-financial information. For this reason, Snam has set-up a combination of approaches and interventions designed to support both the suppliers who are just beginning their sustainibility journey and those already integrating sustainability into their strategies.

As an example, in 2024, the '**Salesforce Supplier Engagement**' programme was launched and enabled the creation of the Sustainability and Carbon Accounting Portal on the Salesforce's Net Zero Cloud platform. This collaborative solution aims to improve data collection for estimating Snam's indirect emissions by collecting information on suppliers' Scope 1 and 2 GHG emissions, or by estimating them, starting from suppliers' energy consumption, when they are not accounted for. The Portal is also functional for collecting additional information related to other sustainability issues.

Another example of how Snam collaborates with and supports suppliers along their decarbonisation journey is the "**Sustainable Yard**". In March 2023, Snam organised the 'Road to the Decarbonisation' workshop with a panel of suppliers to share and discuss initiatives and strategies for reducing emissions. Some of the workshop outcomes were channelled into the "Sustainable Yard", leading to the development of eight pilot sites to test various sustainability initiatives, including the use of bio-fuels, the electrification of equipment (e.g. introducing electric trucks), as well as water re-use and waste recovery strategies.

Snam has also integrated Environmental, Social, and Governance **(ESG) criteria in its tender processes**, establishing a comprehensive list of requirements for its suppliers. These criteria assess suppliers' current capabilities and potential based on objectivity, transparency and traceability. Supplier assessments include factors such as adherence to national and international sustainability initiatives (UNGC, CDP, SBTi…), presence of an ESG policy, communication of emission reduction targets and the implementation of sustainability initiatives. Snam has also developed a specific **Ethic Code for suppliers**.

Finally, Snam has conducted a thorough review of its industrial processes on construction sites to identify solutions for reducing environmental impacts. A dedicated working group was put together to focus on product Life Cycle Assessments (LCAs) and Environmental Product Declarations (EPDs) certifications, which will also enable efficient carbon footprint benchmarking.

3.2
BIODIVERSITY STRATEGY

Snam's commitment to biodiversity is deeply integrated into its operational model, ensuring that all phases of infrastructure development - from construction to management - strictly adhere to biodiversity loss mitigation hierarchies:

- **Avoid:** Implement solutions to prevent negative impacts on biodiversity.
- **Minimise:** Reduce unavoidable impacts through careful engineering and construction practices.
- **Restore:** Rehabilitate natural and semi-natural areas affected by infrastructure projects, returning them to their original state.
- **Compensate:** Balance any residual negative impacts on biodiversity.

Snam minimises environmental impacts by adopting appropriate construction practices to avoid damaging the environment and biodiversity in the areas where its infrastructure is located, while ensuring compliance with the principles of ecosystem preservation, public health protection, worker safety and the environmental sustainability of construction sites.

The company also aims to integrate biodiversity into its broader sustainability strategy, aligning its **biodiversity objectives - Net Zero conversions by 2024 and Net positive impact by 2027** - with the **Science Based Target for Nature (SBTN) framework.**

To this extent, the company has deployed multiple initiatives to integrate the Net Zero intervention approach in its operating model such as adopting minimum impact engineering, investing in vegetation restoration, and improving pre- and post-operation evaluations and monitoring with advanced technologies.

In this regard, Snam is currently carrying out a pilot innovation project to evaluate the use of Laser Scanner technology for monitoring vegetation loss and gain during and after interventions. This project is expected to offer several benefits which are currently under assessment. These include improved collection of ecosystem data, reduced monitoring time and increased scalability of environmental assessments.

In parallel, Snam is committed to identifying projects that positively impact ecosystems and biodiversity aligned with its Net Positive target. The company is currently exploring opportunities for natural habitat restoration and preservation, such as protecting and reintroducing pollinators into ecosystems. Feasibility assessments are underway near the Group's hotspot locations to maximize their effectiveness.

3.3 INVESTING IN TECHNOLOGY AND INNOVATION

SNAMTEC

In order to digitise and leverage AI potential in its industrial assets and operations, Snam launched the SnamTEC programme, supporting 50 projects across four key areas:

- Security
- Asset resilience
- Process optimisation
- Business sustainability

A key example of SnamTEC innovation is the 2024 launch of the Asset Control Room, a unified data platform designed to enhance asset management and operations by integrating data and providing end-to-end process visibility, moving away from the siloed logic of traditional information systems and databases.

Over the past four years, about 800 people contributed to the construction of the data platform, which required 55,000 development hours and over 2,500 hours of training. Today, 2,100 collaborators are system-enabled.

In 2023, Snam continued experimentation and studies to support the energy transition by exploring the transportation in the existing infrastructure of natural gas and hydrogen blends with H2 content up to 100%.

Technological development is also a key strategic lever for achieving the goals of the 2027 Strategic Plan. Snam focuses on deploying innovation via increased digitalisation, optimisation of asset management and industrial processes, as well as the use of Artificial Intelligence and advanced technologies to develop decarbonised molecules. To do so, Snam will deploy both proven technologies (**Proven innovation**), and experiment with new ones **(Open innovation).**

The SnamTEC programme supports **Proven Innovation** and will continue to invest **around €350 million over the Plan period to support 50 projects, involving more than 200 employees**. This programme has introduced **significant process improvements and innovations** such as:

- Predictive AI-based maintenance systems on 100% of its turbochargers to minimise costs and downtime, contributing to security and continuity of supply;
- 100% digitisation of its operational processes;
- AI-assisted operational management of network assets, resulting in reduced consumption and emissions;
- Exploitation of big data and more than 40 AI-based algorithms to support faster, more efficient and fact-based decision-making in industrial processes.

The main enabling technologies are: i) IoT and sensors for data collection, ii) distributed edge computing and cloud to increase computing capacity, iii) AI for data processing, and iv) a Data Platform to efficiently manage and visualise data and information in an integrated manner.

Under its **'Open Innovation'** model, Snam collaborates with start-ups, incubators, and universities to harness scalable reliable industrial innovations and technologies while fostering new ideas. The company plans to invest around **€50 million**, of which €10 million have already been allocated, in R&D and technology projects and start-ups, leveraging both internal and external expertise.

Snam is currently investing in 35 technology development projects advancing energy transition efforts, with six already receiving funding from the EU and ARERA, as well as from the SnamInnova and HyAccelerator programmes. Since 2021, Snam has generated over 300 ideas and reviewed more than 2,500 start-ups, funding projects such as biogenic CO_2 capture, utilisation and storage. As of 2023, 28 start-ups are at the testing or scaling-up stage.

Snam also participates in CDP's Venture Capital fund for clean energy technologies and in the Hy24 fund for the development of the hydrogen economy.

SNAMINNOVA AND THE OPEN INNOVATION HUB

Snam continues to promote a culture of innovation, launching the **Snaminnova** sustainability initiative for the third consecutive year in 2023. Two key initiatives were selected and introduced:

- **Centrale delle Idee** (idea Exchange), open to Snam employees who presented more than 140 ideas, including good practices and ways to encourage sustainable behaviour, as well as innovative entrepreneurial projects and ideas.
- **Call4Partner** to identify projects, initiatives and concrete solutions to be implemented with partners to help achieve decarbonisation targets and raise awareness of sustainability goals.

ACTION

04
SHAPING EUROPE'S TRANSITION TO A THRIVING GREEN ECONOMY

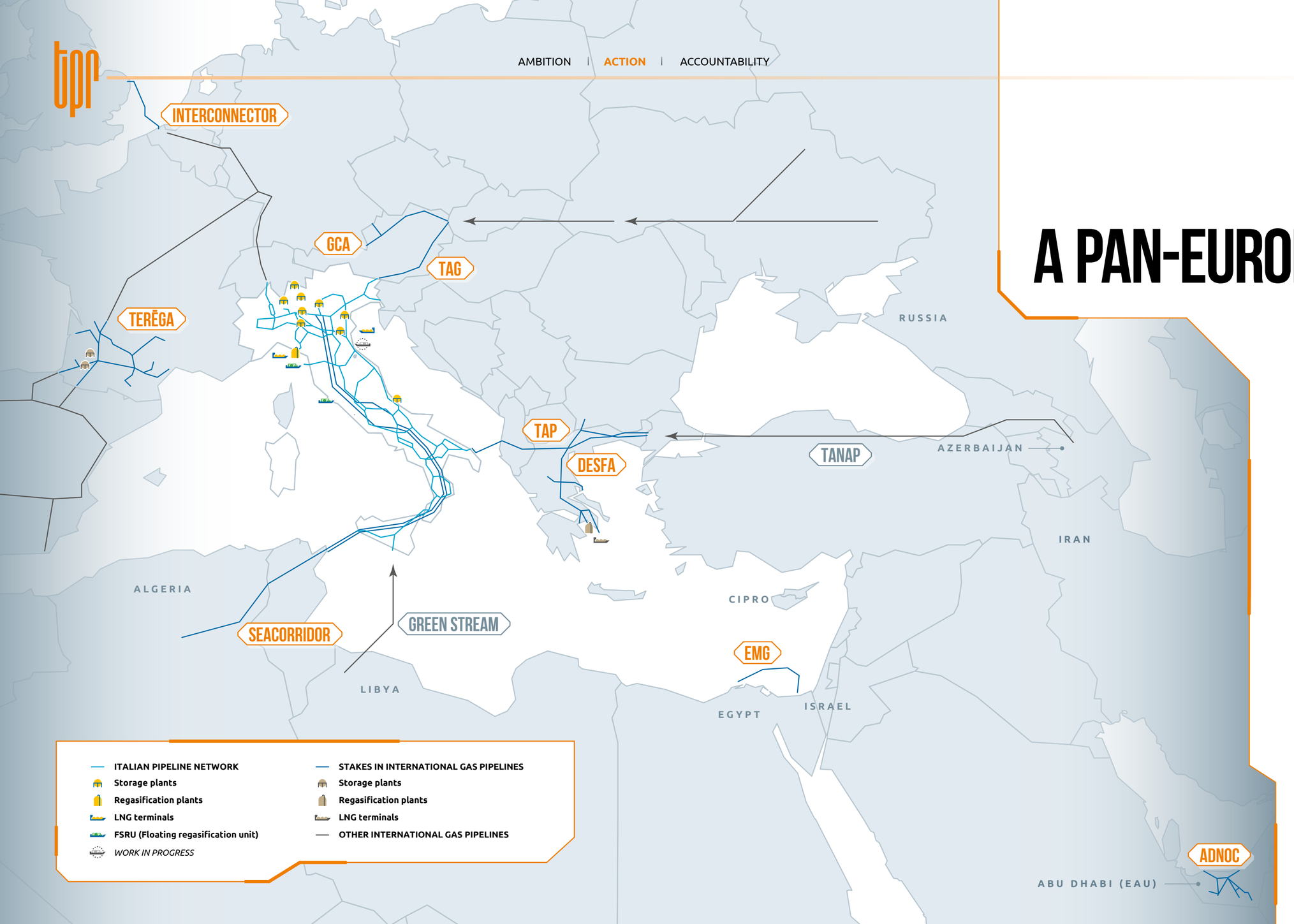
Snam's contribution to energy transition extends far beyond decarbonising its own operations. Through its assets and energy transition initiatives, Snam plays a leading role in low-carbon transition and in fulfilling national Carbon Neutrality and Net Zero goals:

- Playing a dual role in biomethane: (i) connecting new plants to the network & (ii) developing a major production platform;
- Developing the largest CCS project in the Mediterranean, the Ravenna cluster in partnership with Eni;
- Promoting the South H2 Corridor to address imbalances between hydrogen demand and supply, as well as developing hydrogen storage in both Italy and UK;
- Building one of the largest energy efficiency companies in Italy.

Snam aims to leverage its expertise and experience gained through partnerships and collaborations with key players in the energy transition sector to drive the development of a thriving sustainable national low-carbon economy. To achieve this, Snam fosters an ongoing engagement with stakeholders and has established a specific climate-lobbying policy, focusing on advocacy initiatives that support the goals of the Paris agreement.

Regarding Just Transition, the Snam Foundation plays an active role in tackling three critical areas of poverty - energy, education, and food - ensuring that no one is left behind in the transition towards a more sustainable and equitable future.

4.1 CATALYSING A PAN-EUROPEAN ENERGY TRANSITION



Snam is Europe's leading midstream operator in natural gas and as such plays a crucial role in this strategic geographical area to develop infrastructures accelerating the energy transition.

The company's strategy is built on several key distinctive factors:

a. A unique geographic position as a bridge between the Mediterranean and Europe, close to the energy and natural resources of North Africa and the Middle East, with infrastructure connected to the energy demands of Central Europe;
b. A strong presence across the entire midstream value chain with resilient, flexible and cost-effective infrastructure, providing parallel pipelines that can be repurposed to adapt to future needs;
c. Eight decades of experience in building and maintaining critical infrastructures.

Through its international subsidiaries, Snam operates in Albania (AGSCo), Austria (TAG, GCA), United Arab Emirates (ADNOC Gas Pipelines), France (Teréga), Greece (DESFA), the United Kingdom (Interconnector UK) and Tunisia (SeaCorridor). Snam is also one of the main shareholders of the Trans Adriatic Pipeline (TAP), the final section of the Southern Energy Corridor, and of EMG (East Mediterranean Gas Company), itself owner of the Arish-Ashkelon gas pipeline connecting the Israeli terminal of Ashkelon to the Egyptian receiving station of Al-Arish.

Snam's €11.5 billion Strategic Plan to 2027 is fully aligned with the goal to support Italian and international energy security. This is made possible through its pan-European interconnections, strong relationships with other gas operators, and its strategic role within the country's energy landscape.

4.2

CONTRIBUTING TO GLOBAL SYSTEM DECARBONISATION

Thanks to its focus on biomethane, energy efficiency, hydrogen, and CCS businesses, Snam plays a pivotal role in driving the low-carbon transition and achieving Carbon Neutrality and Net Zero goals both internally and nationally.

Biomethane and biogas are circular economy models as they are produced by converting agricultural waste and by-products through anaerobic digestion, and are reintegrated directly into the energy production cycle.

Snam, via its subsidiary **Bioenerys**, is actively promoting the development of biomethane infrastructure and encouraging its adoption across the country. The company aims an installed capacity of about 80 MW by 2027, building on the current production of 41 MW from biomethane and biogas. This target will be met by expanding the portfolio of production plants and converting existing biogas plants to biomethane. Currently, Snam operates 43 plants, with 7 under construction or awaiting conversion, and 36 already fully operational. Among these, 10 plants process waste with a combined capacity of 16 MW, while 26 are agricultural plants with a capacity of 25 MW. As of 2023, biomethane production stands at 24 Mscm, ahead of the target set for 2024 and in line with the 2027 target of 135 Mscm. Overall, the development of the biomethane infrastructure has already allowed Snam to avoid 45.9 $ktCO_2$ emissions in 2023, with expectations to surpass 300 $ktCO_2$ in 2027.

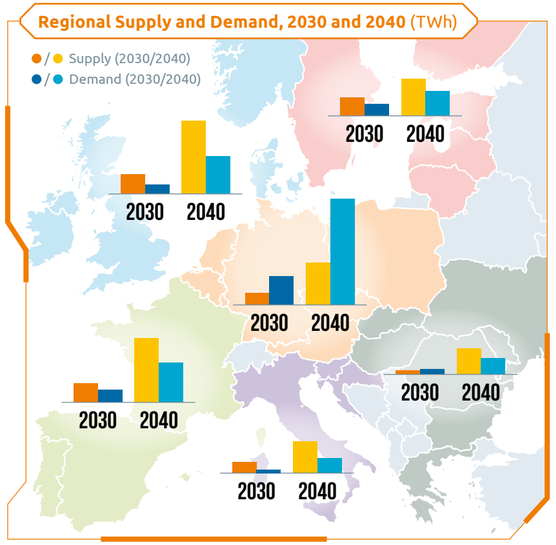
Energy efficiency measures are a cornerstone of decarbonisation strategies, as they play a key role in combating climate change and promoting sustainable, future-proof economies.

Snam, through its subsidiary **Renovit**, is now one of Italy's leading providers in energy efficiency services across the residential, industrial, public administration and tertiary sectors. Renovit offers innovative energy efficiency and renewable energy solutions to its clients, investing directly in decarbonisation, digitalisation and distributed energy generation.

In 2023 Renovit's efforts have helped avoid the emission of approximately 57 $ktCO_2$, with, 31.5 $ktCO_2$ from interventions in the residential sector, 17.5 in the industrial sector, 7.4 in the public administration sector, and 0.5 $ktCO_2$ from the tertiary sector. The company aims to achieve an overall emission reduction of >130 $ktCO_2$ in 2027. In 2023, Renovit completed more than 500 deep renovation projects in the residential sector, adding 700 MWh of renewable photovoltaic energy generation, permanently eliminating diesel consumption and reducing dependence on natural gas. Renovit also conducted more than 150 energy assessments and over 100 consulting projects in the industrial and tertiary sectors, while also managing white certificates to support energy efficiency improvements. **Aligned with the European Union's vision, Hydrogen is a key energy vector for decarbonising national energy systems.**

The REPowerEU Plan has increased European targets for both local production and imports of renewable hydrogen, which can only be achieved by expanding transmission, distribution and storage infrastructure. Snam aims to support European and national targets by repurposing its assets for hydrogen readiness, **building the hydrogen backbone to support Italian market demand and exports**, and developing centralised hydrogen hubs, particularly by associating hydrogen with electrolysers in southern Italy. To this end, Snam has focused its efforts on developing the Italian section of the **SoutH2 Hydrogen Corridor**, a 3,300 km hydrogen-dedicated pipeline that will link North Africa, Italy, Austria and Germany with full operation expected by the early 2030s. The project involves Snam and three other European TSOs: TAG, GCA and Bayernets. Designated as a PCI (Project of Common Interest for energy infrastructure projects), the initiative benefits from accelerated authorisation processes and is eligible for EU funding under the CEF-Energy programme. The Italian network will be composed of approximately 60-70% repurposed existing pipelines and 30-40% new sections. With a hydrogen import capacity of 4 Mtpa, the corridor could supply over 40% of the overall import target set by the REPowerEU Plan. Through this project, **Snam will play a key role in enabling the development of a continental hydrogen market**, creating a backbone to deliver renewable hydrogen to Italian and European demand clusters at a competitive price. The corridor may also be extended to connect neighbouring countries such as Greece and Switzerland.

Considerable efforts have been deployed by Snam to make its network hydrogen-ready. To date, 99% of Snam's network is capable of transporting up to 100% hydrogen (in accordance with ASME regulation B31.121) and at the end of 2023, 1,513 km of the network were certified H2-ready by an external body (RINA), with the aim of certifying >3,000 km by 2027. In Italy, Snam also contributes to the development of decentralised hydrogen production and distribution systems within industrial districts to facilitate local decarbonisation of industrial processes, of public and private mobility and of freight transport. Some notable examples are the **Modena Hydrogen Valley and Puglia Hydrogen Valley**.



In parallel, Snam pursues the mission of fostering sustainable mobility for land, rail and sea transport via its subsidiary Greenture by developing infrastructures for Bio-LNG (Liquefied Natural Gas) and hydrogen. These include a network of C-LNG roadside refuelling stations, the provision of integrated mobility solutions and the construction of midstream infrastructures dedicated to heavy transportation, shipping and railway sectors, including small liquefaction and bunkering units.

Finally, Carbon Capture and Storage technologies will also play a key role in tackling the European and national decarbonisation targets, such as the 2030 EU objective of achieving 50 Mtons of CCS through the Industrial Carbon Management Strategy and the Net Zero Industry Act (NZIA).

In Italy, **Snam intends to develop the domestic CCS market in a joint venture with Eni**, by leveraging its know-how and experience in CO_2 transport and storage, as well as in the development of global multi-molecule storage solutions.

To this end, Snam takes part in the **CALLISTO** (CArbon LIquefaction transportation and STOrage) Mediterranean CO_2 project, in collaboration with Eni and Air Liquide. The initiative aims to develop the largest open-access multimodal CO_2 hub in the Mediterranean with a dedicated onshore transport infrastructure. The project's primary objective is to facilitate the decarbonisation of various carbon-emitting industrial clusters through carbon capture, aggregation, transport and permanent storage, while maintaining production levels in energy-intensive industries. It includes the collection and transport of CO_2 both onshore, via existing or new aboveground pipelines, and by sea, by shipping CO_2 from emitters in Italy and France. The CO_2 will be processed in regasification and liquefaction hubs in both countries and ultimately transferred to the Ravenna CCS hub, which has a total estimated capacity of 500 Mt of CO_2.

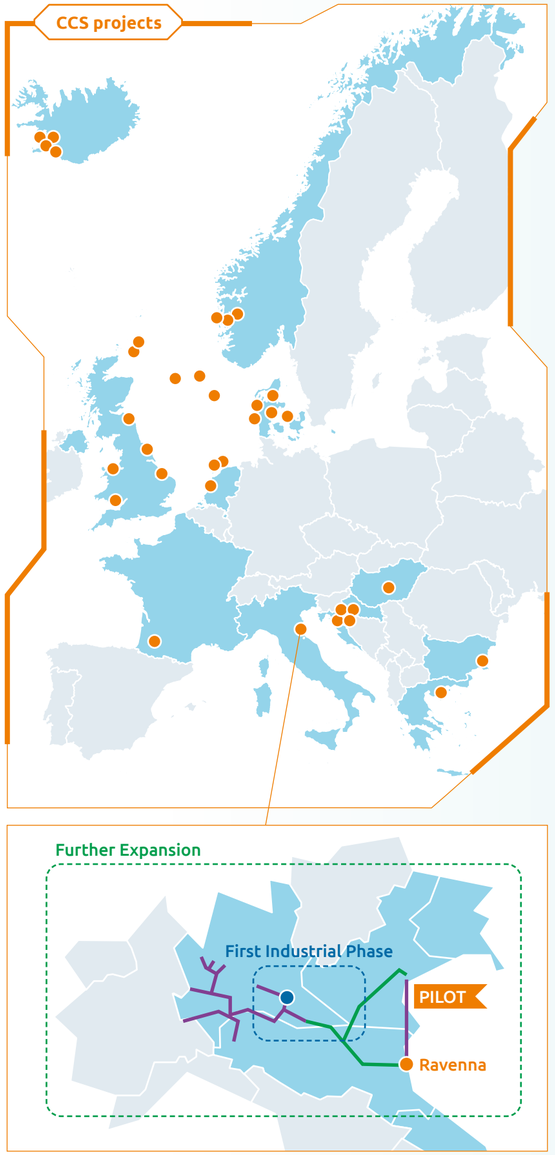
In early September, the start of CO_2 injection activities for Phase 1 of the Ravenna CCS project was officially announced. This phase will capture, transport and store approximately 25 ktons of CO_2 emissions annually from Eni's natural gas treatment plant in Casalborsetti, located in the municipality of Ravenna. Once captured, the CO_2 will be transported via repurposed gas pipelines to the offshore Porto Corsini Mare Ovest platform. There, it will be injected and stored at a depth of 3,000 metres in the depleted Porto Corsini Mare Ovest gas field.

Over the coming years, Phase 2 will expand the project to an industrial-scale, with the capacity to store up to 4 Mtons of CO_2 per year by 2030, in line with Italy's National Energy and Climate Plan. To this end, the joint venture will initiate the necessary procedures to secure permits in compliance with the regulatory framework and in collaboration with authorities, stakeholders and the local territory.

With the total storage capacity of the depleted gas fields of the Adriatic Sea, and based on market demand, up to 16 Mtons of CO_2 could be captured and stored underground each year.

Beyond Snam's operations and national borders, **Snam's subsidiaries also contribute to the effort to provide sustainable infrastructures** and participate in five other PCI projects:

- TAG/GCA: the Austrian section of the South H2 Corridor
- Terega
  - H2 Med – an H2 interconnecting offshore hydrogen pipeline between Spain and France
  - Pycasso (CCS) – a cross-border network consisting of CO_2 transport segments of captured emissions in South-Western France and Northern Spain, and on-shore storage infrastructure in France
- Desfa
  - Prinos CCS – infrastructure for the transport and storage of CO_2 produced from hard-to-abate economic activities offering also CO_2 storage services to regional emitters in Bulgaria, Cyprus, and Croatia, among others.
  - Greece-Bulgaria H2 Pipeline – a bidirectional pipeline for pure hydrogen connecting southern Greece to the Interconnection with Bulgaria.

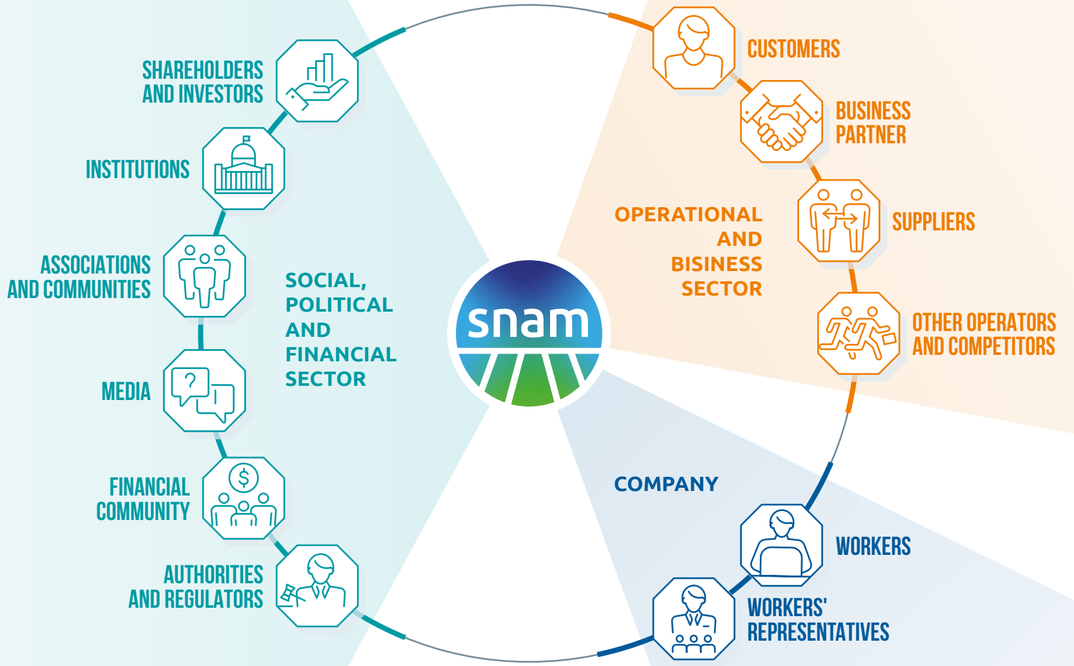


4.3

FOSTERING ENGAGEMENT AND PARTNERSHIPS

Snam builds **strong, collaborative relationships with all its stakeholders** by promoting dialogue and active listening, while developing tools and engagement initiatives that foster trust, inclusion, and mutual growth. Guided by its Code of Ethics that applies to Snam S.p.A. and its direct and indirect subsidiaries, the company is committed to maintaining a continuous dialogue with institutions and civil society in the areas where it operates and to developing relationships founded on transparency, integrity and loyal collaboration.

Group's main stakeholders:



Snam's dedication to ethical business conduct includes its approach to lobbying and associations. In 2023, Snam introduced a **Climate Lobbying Policy**, outlining the principles underlying the Group's climate strategy, advocacy position and affiliations with associations: the six Key Climate Advocacy Drivers.

Snam is a longstanding and active member of the **United Nations Global Compact (UNGC)** and was one of the founding members of the UNGC CFO Taskforce. This initiative aims at improving the sustainable finance market by promoting the flow of capital towards investments that significantly contribute to the 17 UN Sustainable Development Goals (SDGs).

Snam is also a member of **European Network of Transmission System Operators for Gas (ENTSOG)**, an association to strengthen European cooperation between national gas transmission system operators. Snam is also set to join ENNOH (European Network of Network Operators of Hydrogen) once it is established.

Snam actively contributes to shaping the role of gas in the energy transition through its involvement in several key associations, including:

- **Oil & Gas Methane Partnership Protocol (OGMP 2.0)**
  A global initiative focused on reducing methane emissions across the oil and gas industry.
- **International Gas Union (IGU)**
  Snam participates in the Group of Experts on Methane Emissions (GEME), which provides updates to various stakeholders in the gas sector on global developments related to methane emissions.

OVERVIEW OF THE KEY PARTNERSHIPS:

4.4 STRIVING FOR A JUST TRANSITION

Snam is committed to ensuring that the energy transition is also a **Just Transition**, aligning with the EU's goal of achieving Carbon Neutrality in a fair and equitable manner, leaving no one behind. This is reflected in two of the seven pillars of its Sustainability Strategy: **People** and **Local Communities**, both of which are tied to 2030 objectives and supported by a scorecard with dedicated KPIs and targets for the short (2024) and medium term (2027) detailed in chapter 5.

Three main areas highlight Snam's commitment to ensuring that the energy transition is socially responsible and inclusive: **Employee projects**, **Local Community Impact** and **Snam Foundation Initiatives**, as described in the following.

Snam's ambition for the **People pillar** is to "Empower all Snam's People supporting their aspirations and fostering social and personal wellbeing while always ensuring Health & Safety". To support this ambition, a wide portfolio of projects and targets has been developed, which include Diversity&Inclusion initiatives (included into long-term incentive schemes), welfare benefits (such as extended supplementary health insurance for all employees), training programs, and Health&Safety measures. The skills of Snam's workforce are already largely aligned with energy transition needs thanks to the company's multi-purpose and multi-molecule business, with only digital transformation requiring focused upskilling efforts. Additionally, Snam extends similar initiatives to its value chain, ensuring suppliers benefit from related programs as well.

Snam's ambition for the **Local Communities pillar** is to "Keep generating value for local communities, acting as a 'System Operator' and reinforcing engagement by listening to local needs". The company's actions, guided by public policies, are reflected through various indicators:

- **Investments in Local Communities** which include direct local donations, sponsorships and, contributions to Arbolia, the Snam Foundation and Italian start-ups as well as compensation or mitigation linked to the company's business operations;
- **Value Distributed at the Regional Level** comprising the total of the above investments, as well as local taxes paid, salaries, dividends to retail investors and supplies from SMEs;
- **Regional Procurement Activities**, which accounts for sourcing from local suppliers, typically small and medium enterprises with a direct impact on the territories.

Finally, the **Snam Foundation**, a non-profit business foundation set up to share skills and capabilities gained from more than 80 years in the energy infrastructure sector, actively engages in dialogue with local **communities** throughout Italy. Aligned with the Group's ambition, the Foundation's work is closely tied to the concept of a Just Transition, complementing Snam's business activities. The Foundation operates under a "3P approach" focusing on energy, education and food poverty, addressing these issues through three main levers: volunteering, financial support and education. In 2023, the Snam Foundation funded projects for a total worth of €1.45 million, reaching more than 32,000 beneficiaries, while involving 93 partners and 1,000 employees.

In a broader sense and in the context of the energy industry, a Just Transition also means balancing decarbonisation efforts with ensuring energy accessibility and affordability. As an infrastructure operator, Snam plays a decisive role in addressing this "**energy trilemma**".

ACCOUNTABILITY

05

SETTING KEY INDICATORS OF THE TRANSITION: METRICS, TIMELINES AND TARGETS

Environmental protection and decarbonisation are the backbone components of Snam's strategy and Sustainability Framework. Snam has set ambitious targets to drive a solid transition toward Net Zero emissions, with clear timelines for decarbonisation and generating a positive impact on nature.

Snam is committed to reducing its carbon footprint across its operations and value chain (Scopes 1,2, and 3) aiming for Carbon Neutrality in its operations by 2040 and achieving Net Zero across all scopes by 2050. The company has also set biodiversity targets with the ambition to reach a "No Net Conversion" status by 2024 and a Net Positive impact on nature by 2027. Moody's Net Zero Assessment has confirmed that Snam's targets and implementation plan are consistent with the Paris Agreement's goals.

In addition, Snam has introduced a Sustainability Scorecard with KPIs and targets for each pillar to systematically track and monitor its progress in achieving its sustainability goals while ensuring transparent communication of its actions and commitments to stakeholders and the broader market. This scorecard serves as a comprehensive tool for measuring the company's contributions to the energy transition and its broader environmental and social responsibilities, aligned with the Paris Agreement and the Global Biodiversity Framework.

5.1

ASSESSING CLIMATE CHANGE IMPACTS, SETTING AND MONITORING MITIGATION TARGETS

TARGETS METHODOLOGY

All emissions reduction targets follow a **science-based cross-sector pathway**.

Scope 1 and 2 **targets** have been **designed to comply with the 1.5°C emissions reduction pathway defined by the Science-Based Targets Initiative (SBTi) general methodology, whereas Scope 3 targets stand between the 1.5° and well below 2°C emissions reduction pathway.** In the absence of a sector-specific methodology, Snam's targets cannot yet be officially validated. Snam is waiting for the sector-specific methodology to submit and validate its targets.

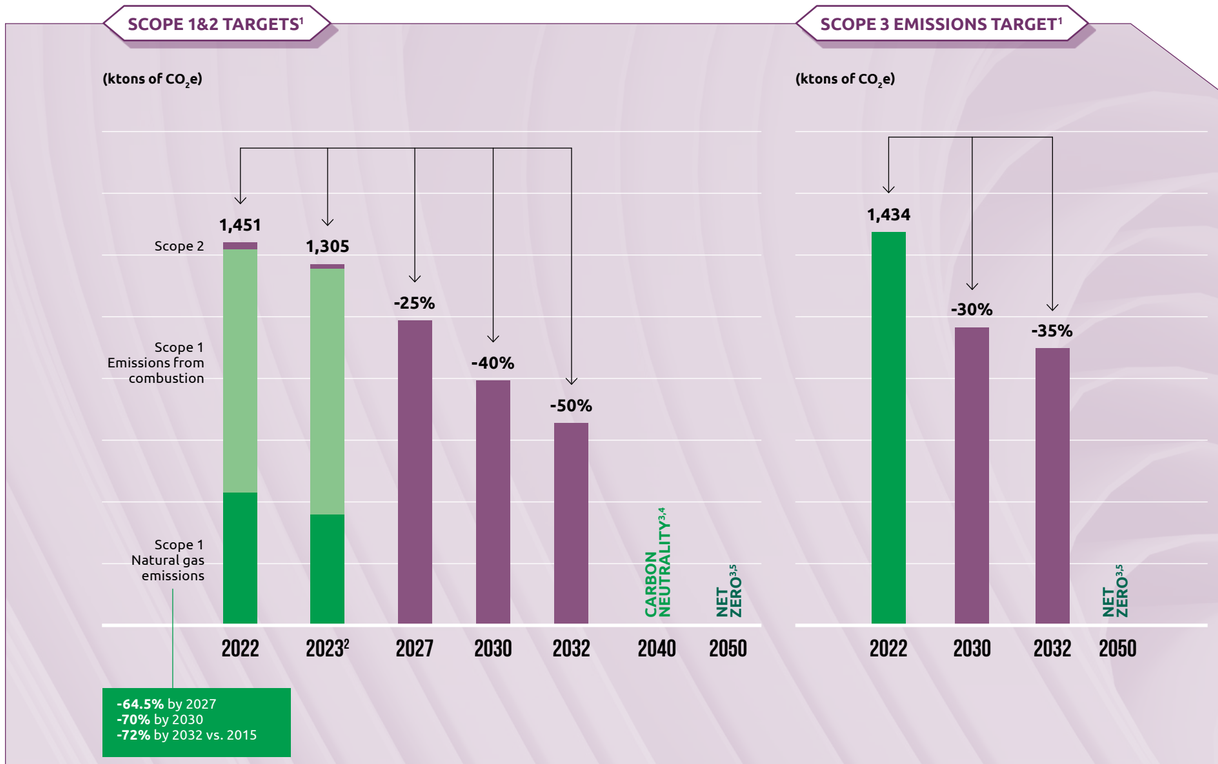
Demonstrating its commitment to achieving net zero emissions, Snam conducted in 2023 **Moody's Net Zero Assessment (NZA)** to evaluate the ambition and alignment of its targets with the Paris Agreement.

The analysis confirmed that Snam's net zero ambition aligns with the **"Well Below 2°C" global warming limit**, supported by a robust implementation strategy and a **clear action plan on Scope 1 and 2 emissions based on existing and scalable technologies**.

Climate change is a key issue for Snam and to reinforce the company's strategy, ambitious emissions reduction targets and clear timelines have been set for both the near-term and the long-term.

In early 2024, the Group revised its **near-term emissions reduction targets**, adopting a more recent and representative 2022 baseline. It reaffirmed its climate commitments over multiple timeframes, with key milestones set for 2027, 2030 and 2032. Alongside its existing pledge to reach **Carbon Neutrality in its operations by 2040**, Snam has raised its long-term ambition, aiming for a **Net Zero target across all scopes by 2050**. As part of this goal, Snam plans to reduce by at least 90% all direct and indirect emissions, and to offset the remaining emissions through permanent carbon removal projects to reach Net Zero emissions by 2050.

Snam has also defined new and more challenging targets for the Group's methane emissions aligned with OGMP 2.0 and the Global Methane Pledge, aiming at reducing them by 70% in 2030 compared to 2015.



CARBON NEUTRALITY BY 2040 AND NET ZERO BY 2050

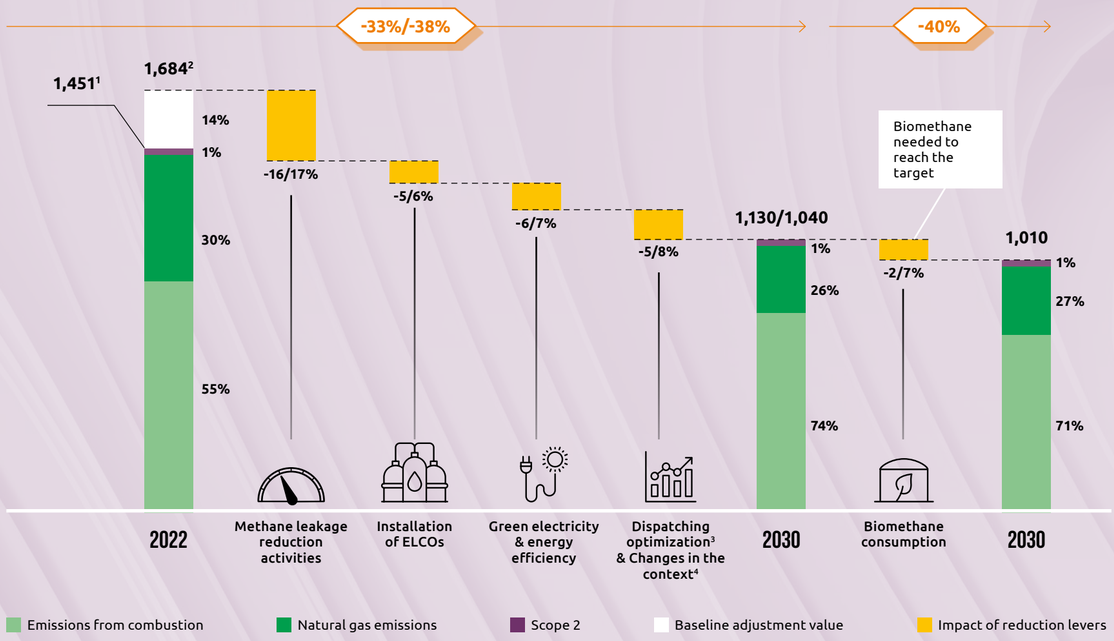
1 On Regulated perimeter as of 2022
2 -10% vs 2022 regulated perimeter; -4% vs 2022 on Group Perimeter
3 On full Snam Group perimeter
4 CARBON NEUTRALITY: requires to fully offset the residual emissions
5 NET ZERO: requires at least -90% emissions vs base year and the offsetting of residual emissions.

The decarbonisation roadmap

As part of its transition and decarbonisation strategy described earlier in chapter 3, Snam has conducted a thorough analysis of the potential effects of its initiatives and actions, thereby assessing the feasibility of meeting emissions reduction targets.

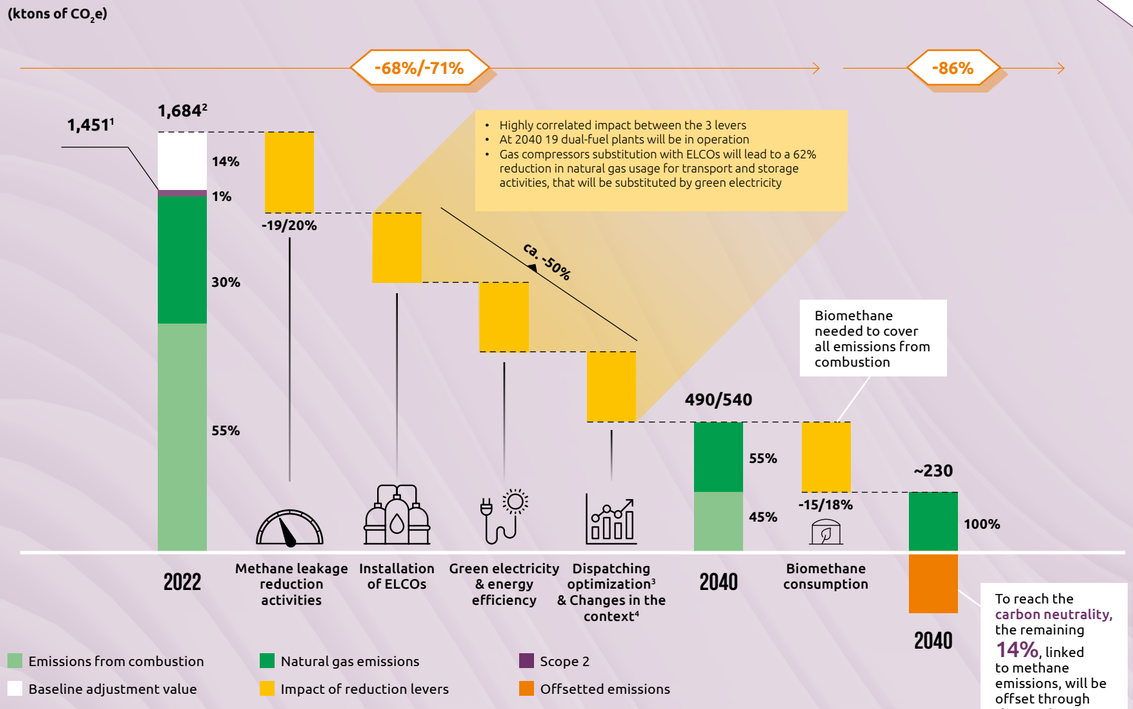
The key reduction levers for Scope 1 and 2 emissions were quantified along the strategy's timeline to 2030 and 2040.

SCOPE 1 & 2 EMISSIONS - 2030 FORECAST



1 2022 baseline
2 2022 baseline adjustment according to Snam's recalculation policy: Ravenna FSRU as per July 2024, Piombino FSRU and Sulmona compression station as per October 2024
3 Potential reduction depending on the future optimizer outcomes
4 Differences in gas demand, stored and regasified gas, including flows direction vs 2022

SCOPE 1 & 2 - 2040 FORECAST



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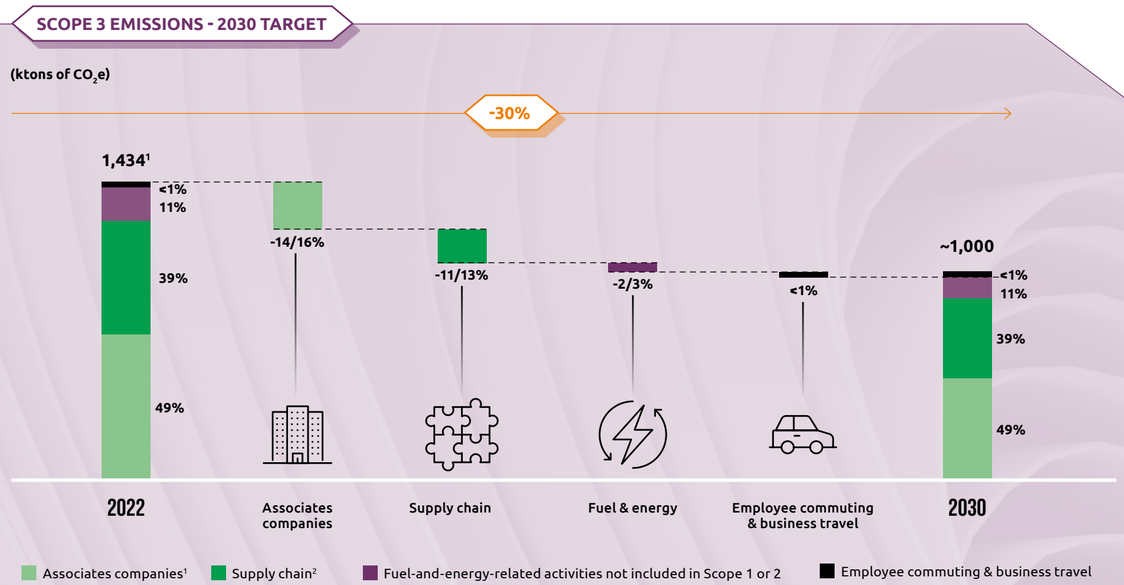
2 2022 baseline adjustment according to Snam's recalculation policy: Ravenna FSRU as per July 2024, Piombino FSRU and Sulmona compression station as per October 2024
3 Potential reduction depending on the future optimizer outcomes
4 Differences in gas demand, stored and regasified gas, including flows direction vs 2022

Snam's proactive investigation of market trends and the feasibility of adopting the above-mentioned solutions has led to the development of an emissions reduction roadmap, outlining targets for 2030 and 2040. This roadmap displays the expected effects of all reduction levers. Snam's decarbonisation plan is designed to remain flexible and resilient to long-term shifts in energy scenarios. However, during the initial phase, until a sufficient number of dual-fuel compressor stations are operational, the reduction of emissions will also depend on two key external factors: the volume of gas transported and the origin of these gas flows. For example, transporting gas from the South requires more energy to reach consumption areas, which affects emissions levels.

To adapt to evolving conditions, Snam conducts annual sensitivity analyses to account for shifts in energy scenarios, such as changes in the energy mix, in the volumes of transported gas, and in the direction of gas flows. These evaluations also consider the potential effects of specific events, such as the introduction of new assets or mergers and acquisitions, up to the year 2040. This process helps determine if additional efforts are needed to stay on track with reduction targets.

A roadmap for Scope 3 emissions with the expected impact of reduction levers is also available until 2030.



1 Including SeaCorridor emissions, officially acquired at the beginning of 2023, between associates' emissions
2 Composed by the following categories of the GHG Protocol: 1.Purchased goods and services, 2 Capital goods, 4 Upstream transportation and distribution, 5.Waste genereted in operations and 8.Upstream leased assets

Associates' decarbonisation plans

Of the 11 national and international associates companies within the emissions reporting inventory, 8 companies have defined a **decarbonisation plan** with **short and medium-term** targets on **Scope 1 emissions**, mostly together with **Scope 2** and with specific goals on **methane emissions**, and **6** are committed to reaching **long-term Carbon Neutrality** or Net Zero targets by 2035, 2040 or 2050.

5 of them have made a **public commitment** on the following targets:

TERĒGA

Scope 1, 2 & 3: -34% by 2030 vs 2021| CH4: -36% by 2025 vs 2017
Carbon Neutrality by 2050

desfa

Scope 1 & 2: -50% by 2030 vs 2018
Carbon Neutrality by 2040

Trans Adriatic Pipeline

Scope 1 & 2: -5% by 2025 vs 2022
CH4: -8% by 2025 vs 2022
Carbon Neutrality by 2050

IG Italgas

Scope 1 & 2: -42% by 2030 vs 2020 |
Net Zero by 2050

DE NORA *

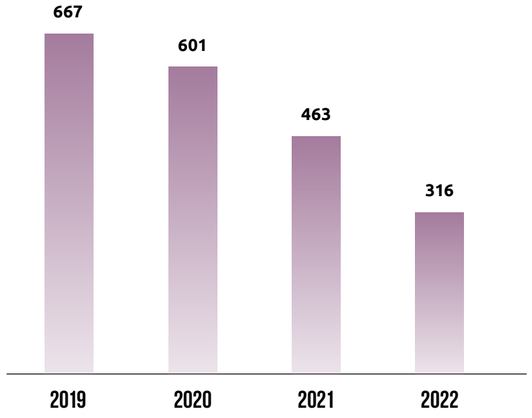
Scope 1 & 2: -25% by 2027 and -50% by 2030 vs 2022

*De Nora not included in the target perimeter not being a regulated business

Regarding the Group's Scope 3 emissions, Snam's engagement efforts can also be measured by proxies that predict the expected future reductions in emissions.

In terms of **reducing emissions from Associates**, it is important to note that Snam already has a positive track record, which is not included in current targets. Associate emissions decreased significantly from 667 ktons of CO_2eq in 2019 to 316 ktons in 2022, marking a 52% reduction. However, emissions rose again in 2023 due to the SeaCorridor acquisition.

Snam has 11 national and foreign associates companies within the scope 3 emission perimeter. Currently, eight associates have decarbonisation plans, five of which are public. These plans feature ambitious goals for Carbon Neutrality by 2040 and 2050, as well as Net Zero targets by 2035 and 2050. Some plans specifically include methane (CH_4) reduction targets. In 2024, Terega also underwent Moody's Net Zero Assessment, achieving results similar to Snam's, confirming its alignment with the Paris Agreement, as well as a solid implementation strategy based on existing and scalable technologies.



In terms of emissions from suppliers, other actions and KPIs can serve as proxies:

- Percentage of spending through tender procedures that include ESG criteria in their scoring model: the figure was 35% in 2023 with a target of 65% by 2027
- Percentage of spending on Goods and Materials from "Top Emitters" for which decarbonisation plans were received: the figure was 20% in 2023 and are targeted to increase to 35% by 2027
- Number of suppliers completing the Carbon Disclosure Project (CDP) questionnaire: the figure increased from 35 in 2019 to 134 in 2023
- Number of suppliers registered on the Open-Es platform (https://www.openes.io/it), a digital initiative designed to foster collaboration between companies, especially within supply chains, to drive sustainability and transparency: over 1,400 suppliers are already registered, representing 92% of Snam's supply chain.

The path to Net Zero

Reducing emissions from its own corporate operations and value chain is Snam's top priority to demonstrate immediate climate action.

Following a perspective that goes beyond the abatement of emissions from its own corporate operations and value chain, **the company is committed to tackling residual emissions in line with its long-term Carbon Neutrality and Net Zero targets**. This will involve using certified high-quality carbon credits and carbon removal activities. Snam aims to fully neutralise all unabated Scope 1, 2 and 3 emissions by 2050, representing no more than 10% of the baseline carbon footprint, by permanently removing carbon from the atmosphere.

Pending the development of a more structured long-term neutralisation strategy aligned with this commitment, Snam is giving full priority to the implementation of its decarbonisation plan while positioning itself as an early-mover. Its portfolio includes businesses related to carbon removal solutions such as CCS, reforestation, and an internal start-up called CO_2Vault active in Bioenergy with CCS, to support these efforts.

Base year inventory and emissions monitoring

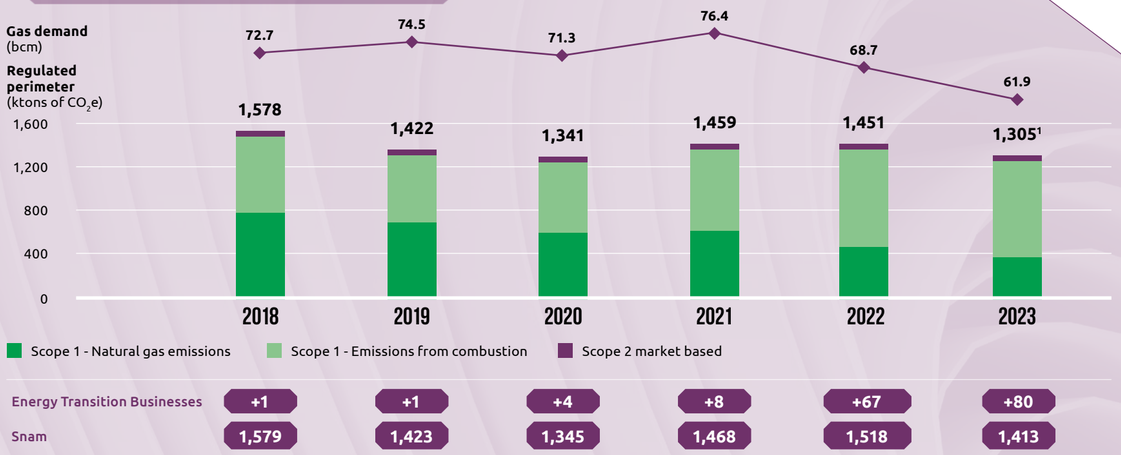
The foundation of a Climate strategy lies in close monitoring and verification of the Group's emissions. In 2023, Snam's non-financial statement underwent a limited assurance conformity assessment, with a full reasonable assurance review conducted on two key indicators: Direct GHG Emissions - Scope 1 and Indirect GHG Emissions from Energy Consumption - Scope 2.

Regarding methane emissions, Snam has been following an international methodology for nearly 30 years, developed in collaboration with the Gas Research Institute (GRI) and the US Environmental Protection Agency (EPA), backed by a set of field measurements conducted by external companies since the 1990s. Recently, the emissions accounting method has been updated through a series of on-site measurement campaigns on representative plants and sections of the network, which was conducted by an external company in compliance with UNI EN 15446 standards.

In 2020, Snam joined **the Oil and Gas Methane Partnership 2 (OGMP)**, the leading engagement initiative to reduce methane emissions. Led by the United Nations Environment Programme (UNEP), OGMP provides a rigorous protocol to help companies systematically and transparently report and manage methane emissions from all sources, covering both operated and non-operated ventures across the oil and gas value chain. This protocol ensures an unprecedented level of accuracy and detail. Companies meeting the highest OGMP standards are awarded the "Gold Standard", which Snam achieved in 2021, 2022 and 2023.

In 2023, measurements were conducted to reconcile emission data collected via traditional bottom-up methods with top-down methods. The latter were performed using drones at selected sites within the Italian gas infrastructure.

HISTORICAL SCOPE 1&2 EMISSIONS EVOLUTION



	2018	2019	2020	2021	2022	2023
Energy Transition Businesses	+1	+1	+4	+8	+67	+80
Snam	1,579	1,423	1,345	1,468	1,518	1,413

1. Regulated perimeter aligned with the target; 1,333 ktons of CO_2e full regulated perimeter

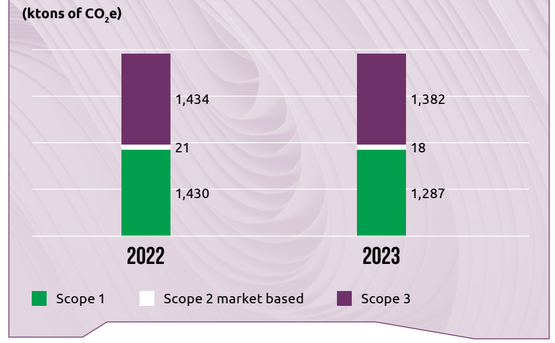
To track the progress of Snam's decarbonisation commitment, 2022 has been selected as the base year, focusing exclusively on the regulated perimeter, encompassing the parent company Snam SpA as well as businesses in the transport, storage and regasification sectors. Floating Storage and Regasification Units (FSRUs) are currently excluded, as they are not yet in operation in 2022, and will be included after completing a full year of operation.

- The choice of 2022 reflects the company's motivation to establish a recent and relevant baseline better representing the latest developments, such as the reshuffling of gas flows resulting from the war in Ukraine.
- Energy Transition Businesses have not been included for several reasons: their perimeter is more volatile due to frequent M&A, they are still in the start-up phase and they, in fact, have a net positive impact on the planet by enabling greater emissions reductions for third parties compared to the emissions they generate.

On this regulated perimeter for 2022, Scope 1 and 2 market-based GHG emissions Inventory accounted for 1,451 kilotons of CO_2eq. In 2023, annual monitoring of Snam's impacts showed a 10% decrease of Scope 1 and 2 emissions compared to 2022 levels, down to 1,305[1] kilotons of CO_2eq, confirming that the company is on track toward its decarbonisation targets.

For Scope 3 emissions related to its value chain impacts, Snam accounting follows the GHG Protocol classification, taking into account the stakeholder directly responsible for those emissions: **the Supply chain, Associates, and Others**. Total scope 3 emissions thus dropped 4% over the past year from 1,434[2] in 2022 to 1,382 ktons of CO_2eq in 2023.

REGULATED INVENTORY

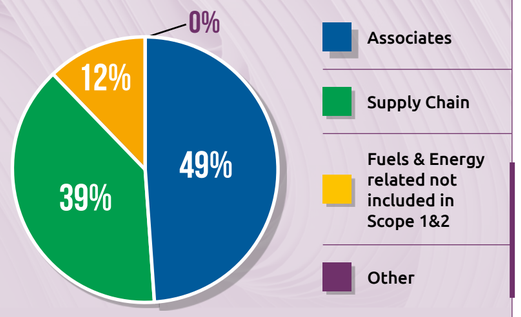


Supply chain
- Category 1. Purchased goods and services;
- Category 2. Capital goods;
- Category 4. Upstream transportation and distribution;
- Category 5. Waste generated in operations;
- Category 8. Upstream leased assets;

Associates
- Category 15. Investments, including SeaCorridor;

Other emissions
- Category 3. Fuel and energy-related activities not included in Scope 1 or 2;
- Category 6. Business Travel;
- Category 7. Employee commuting.

SCOPE 3 EMISSIONS DISTRIBUTION REGULATED PERIMETER 2022

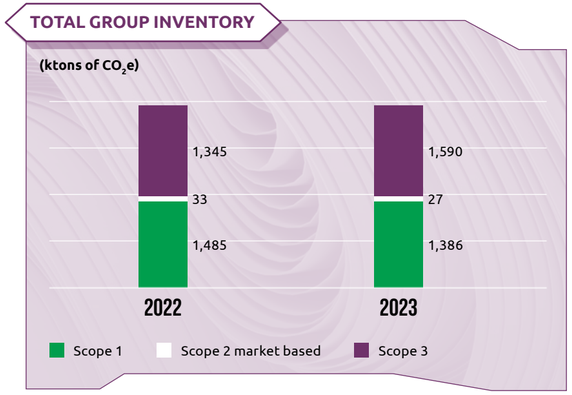


1 1,305 is the 2023 figure for the regulated target perimeter; the difference with the 2023 reported figure of 1,333 is due to emissions in 2023 of Piombino FSRUs, that will be added to the target baseline only after an entire calendar-year of operations.
2 This Scope 3 figure for 2022 includes the SeaCorridor Associate emissions for consistent target tracking purposes, even though the acquisition was finalised in 2023.

- **Overall, the company's total GHG inventory for the regulated perimeter amounts to 2,885 kilotons of CO_2eq in 2022 down to 2,687 in 2023.**

Snam is also measuring and tracking emissions from its non-regulated business activities. The total emissions for the entire group (regulated and non-regulated businesses) amounted to 2,863 kilotons of CO_2eq in 2022 and 3,003 ktons in 2023. The increase is mainly due to the inclusion of two new associate companies in 2023, including SeaCorridor, which contributed approximately 400 kilotons driving a 5% rise in total emissions. Despite this, the Group's commitment to decarbonisation remains strong, as evidenced by a 7% reduction in Scope 1 and 2 emissions from operational activities (over the entire regulated and non-regulated businesses).

TOTAL GROUP INVENTORY



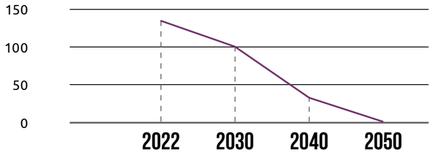
EMISSIONS FROM THE USE OF TRANSPORTED GAS

Emissions linked to the use of transported gas are outside of Snam's direct control, as the company neither owns the gas it transports, nor participates in its sale, and has no direct contact with end users. As such, the company cannot implement direct measures to reduce these emissions.

Although these emissions are not included in Snam's inventory, the IEA estimates that emissions from the use of transported gas in Italy amounted to 131.4 $MtCO_2$eq in 2022, 100 times higher than the company's Scope 1 and 2 emissions. Additionally, emissions from the use of exported gas were estimated to be around 9 $MtCO_2$eq the same year.

Looking ahead, with the expected changes in natural gas volumes and increase in the supply of green gas predicted by the Snam-Terna scenarios, these emissions will decrease in line with the Italian 2050 Net Zero goal. The extent of the reduction will depend on export volumes, since Italy plays a key role in supplying neighbouring countries.

ESTIMATED EVOLUTION OF THE NET* EMISSIONS OF THE NATURAL GAS CONSUMED IN ITALY



The decision to exclude these emissions from Snam's inventory is aligned with current guidelines from the GHG Protocol's Scope 3 Category 11 "Use of Sold Product" and with market practices. Indeed, as a TSO, Snam operates strategic infrastructure that delivers critical services within a regulated framework that governs its entire business. In accordance with EU Directive 72/2009, Snam is required to ensure:

- the long-term capacity to meet demands on system availability;
- security of supply through adequate capacity and reliability;
- non-discriminatory access to all users;

which means that customers who meet well-established requirements have the right to request transport through Snam's energy infrastructure, regardless of the type of gas being transported (whether green or fossil). In compliance with the regulations in force, the company is not permitted to refuse its transport services.

Although emissions from the use of transported gas are not included in Scope 3, Snam remains committed to reducing them through a range of far-reaching initiatives. Snam acts as a key enabler of the energy transition, investing in hydrogen-ready infrastructure and energy transition businesses. These efforts aim to incentivise, promote and act as a catalyst for a multi-molecule infrastructure and the broader green transition.

5.2 ASSESSING NATURE IMPACTS, SETTING AND MONITORING MITIGATION TARGETS

With climate action now gaining momentum, efforts to mitigate biodiversity loss are being addressed at the corporate level, following a similar but more accelerated path. Given the impact on biodiversity of Snam's operations, the Group intends to be one of the first global infrastructure companies to integrate biodiversity actions into its strategy, using credible international methodological standards. To this end, the Group has embarked on a well-defined path to develop its biodiversity strategy and set targets aligned with the latest guidelines of the SBTN framework.

Snam's analysis of the "Nature Footprint" of its direct operations identified land-use change due to infrastructure construction and maintenance, particularly pipelines, as the only major impact on biodiversity, with low to medium impacts on air, soil and freshwater also linked to the same types of activity. This indicates that Snam's operations beyond infrastructure construction, such as transport and dispatching, storage, and regasification, have minimal impacts on the environment.

BIODIVERSITY IMPACT ANALYSIS

Regarding land use change, Snam evaluated the impact of each pipeline project by measuring the area affected in square kilometres. These figures were then compared with local biodiversity risks, using tools such as the Ecosystem Integrity Index, resulting in a total risk index for land use change. This analysis identified only four 'Hotspot' projects as critical, meaning that they are located in areas with high biodiversity risk in accordance with the SBTN methodology.

Footprint Land use change

Baselining the impact of projects **per km² of occupied area**

Ecosystem assessment

Assessment of the **integrity of terrestrial ecosystems** in the areas involved in the activities*

Ecosystem assessment

Identification of **hotspots** with significant impacts within areas of high biodiversity risk

* The use of the EII provides guidance on the integrity of terrestrial ecosystems globally at 1 km² resolution, providing a scientifically robust method to measure, monitor and report on the integrity of terrestrial ecosystems at any geographic scale; from the already degraded environment to the intact environment.

PRESSURE	BIOMES		INFRASTRUCTURE CONSTRUCTION	TRANSPORT AND DISPATCHING	STORAGE	OFF-SHORE REGASIFICATION (FSRU)	ON-SHORE REGASIFICATION
Change in land and sea use	**Earth**	km² ①	●	●		NO IMPACT	
Pollution	**Aria**	kg, particulate matter, PM2.5 ②	●	●	●	●	●
	Soil	Tons of NO_x ②	●	●	●	NO IMPACT	●
		Tons of waste ②	●	●	●	●	●
	Ocean	Tons of NO_x ②	NO IMPACT			●	NO IMPACT
		kg of chlorine ②				●	
Exploitation of resources	**Fresh water**	m³ ②	●	●	●	●	●

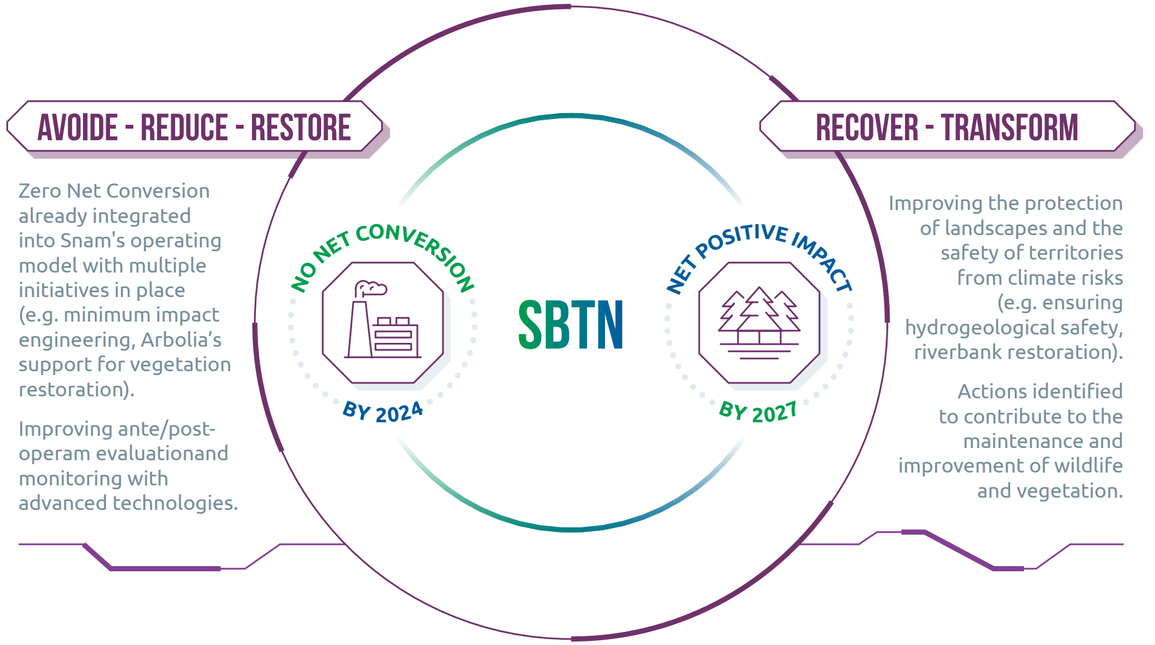
● Not relevant ● Low ● Medium ● High ● Very high

① Infrastructure construction has a significant impact on land use, while other 'pressures' have no material impact along the value chain

② All activities have no material impact on Nature

Based on this analysis, Snam has set two specific SBTN-aligned targets:

- **No Net Conversion by 2024**: A commitment to avoid any change in land use by fully restoring the vegetation in areas affected by unavoidable impacts;
- **Net Positive Impact by 2027**: A commitment to regenerate, reintroduce or protect wildlife and vegetation within Snam's high-risk hotspots.



Given Snam's significant role in Italy, its impact on the entire peninsula and its relationships with local communities and authorities, the Group aims to go beyond merely reducing its environmental footprint by actively protecting and fostering local biodiversity. Snam is currently investing in new technologies to improve pre- and post-operation measurements and assessments, in the conservation of fauna and species in managed areas, and in the monitoring of hydrogeological/flood risks for its sites and surrounding areas, including for the benefit of local communities. Snam will monitor progress towards its 2024 and 2027 targets through specific actions and initiatives and will report on its achievements in future disclosures.

ARBOLIA AND THE URBAN REFORESTATION PROJECTS

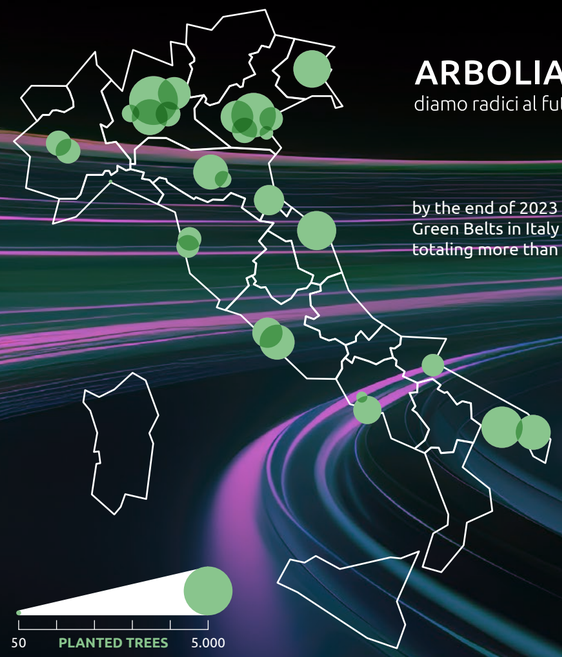
34
Completed Projects

More than
75,000
Trees Planted

Approximately
8,500
of CO_2 in 20 Years

Approximately
36
Tons of PM10 per Year

About
6,000
Tons of Oxygen in 20 Years



ARBOLIA
diamo radici al futuro

by the end of 2023 Arbolia carried out **34** Green Belts in Italy totaling more than **75** thousand Planted Trees

Arbolia, a benefit company of the Snam group established in 2020, aims to create new green areas in Italy through reforestation activities, helping to fight climate change, improve air quality, enhance urban living conditions and support sustainable development. As a benefit company, Arbolia is committed to generating shared value by operating responsibly, sustainably and transparently, benefiting people, communities and the environment, while supporting cultural and social initiatives, associations and other stakeholders.

The company manages urban forestation initiatives on land provided by public administrations and private individuals, planting and caring for trees during their first few years, thanks to funding from environmentally conscious businesses. This also enables third-party stakeholders to contribute to decarbonisation.

By the end of 2023, more than 50 companies had funded Arbolia's forestation projects, resulting in over 75,000 trees planted across ten regions of Italy.

5.3

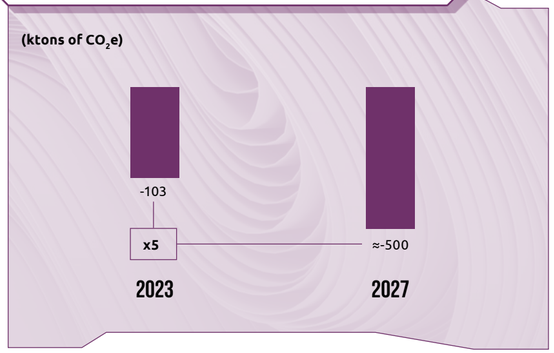
INTRODUCING A SUSTAINABILITY SCORECARD TO MEASURE PROGRESS IN THE TRANSITION

Snam has introduced a **Sustainability Scorecard** to systematically track and monitor its progress in achieving its sustainability goals while ensuring transparent communication of its actions and commitments to stakeholders and the broader market. This scorecard serves as a comprehensive tool for measuring the company's contributions to the energy transition and its broader environmental and social responsibilities, aligned with the Paris Agreement and the Global Biodiversity Framework.

The scorecard is designed to monitor various Key Performance Indicators (KPIs) that capture Snam's progress across the **7 pillars of its Sustainability Strategy**, particularly its efforts to transition towards a **multi-molecule infrastructure**, to integrate **renewable gases like hydrogen and biomethane** into the grid, to support **decarbonisation**, to protect **biodiversity**, to engage its **people**, to have a positive impact on **local communities** and to invest in **innovation**.

As such, the most significant KPI is the sum of emissions avoided by third parties as a result of Snam investments in energy transition businesses. For this KPI, Snam has set a specific target for these **avoided emissions of ~500 ktons of CO_2eq by 2027**.

TOTAL EMISSIONS AVOIDED THANKS TO ENERGY TRANSITION BUSINESSES



Other key KPIs include:
- The length of pipelines certified by third parties as hydrogen-ready
- The volume of biomethane production
- Investments in the CCS Ravenna Project.

Other KPIs are tracked but not included in the scorecard such as the cumulated length of gas pipelines that can be repurposed for hydrogen transport.

The full set of **KPIs linked to the seven pillars** of Snam's Sustainability Strategy are reported below with their short-term 2027 targets.

By consistently updating and communicating its progress through this scorecard, Snam provides stakeholders with clear insights into its commitments, fostering accountability and trust. This transparency also helps the company position itself as a leader in sustainability within the sector, aligning its business strategy with the evolving expectations of investors, customers, regulators, and society.

KPIs

STRATEGIC KPIs

	KPIs	2023 Actual	2024 Budget	2027 Target
GREEN TRANSITION	Avoided CO_2 emissions ($ktCO_2e$)[1]	102.9	105	500
	H_2 readiness lenght of network certified (km)	1,513	1,900	3,000
	Gas Transportation operational availability[2] (%)	>99	>99	>99
MULTIMOLECULE INFRASTRUCTURE	Production of biomethane (Msmc)	24.4	20	160
	Invest. related to the CCS Ravenna Projects Phase 1+2 (€M)[3]	65	120	370
CARBON NEUTRALITY	Reduction of total natural gas emissions (%)*	-56.67	-57.5	-64.5
	Introd. ESG criteria in scoring models (% of contracts)*	35	35	65
	RES[4] on total electricity consumption (%)	63	52-55	100
	Tot. procurem. spending on suppliers w/decarb. plan (%)	23	25	35
BIODIVERSITY & REGENERATION	Zero Net Conversion by 2024		√	
	Net Positive impact by 2027			√
	Vegetation restored in areas of pipes construction (%)	99.9	99.9	99.9
FINANCIAL & CO_2	ESG Finance over total funding available (%)*	81		85
	CapEx EU Taxonomy-aligned (% of total)	29		
	Revenues EU Taxonomy-aligned (% of total)	26		
SUSTAINABLE PRINCIPLES	ESG matters discussed at BoD Meetings *(>40% of BoD discussions with ESG topic discussed)*			
	3rd parties subject to procur. Process on which reputational checks are performed *(100% of suppliers with reputational checks performed)*			
	Italian territory covered by cyber resilience field tested scenarios *(100% of Italian territory covered)*			

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

* Figures subjected to final approval by Committees in the remuneration process.

KPIs

STRATEGIC KPIs

	KPIs	2023 Actual	2024 Budget	2027 Target
PEOPLE	Employees engagement index (%)	84	>80	>80
	Women in executive and middle management roles (%)*	25.9	26	27.5
	IpFG (Combined Frequency and Severity Index)[5]*	0.47	<min.3y[5]	<min.3y[5]
	Gender pay gap (%)[6]	-	-	+/- 5
	Participation in welfare initiatives (%)	57.9	75	80
	Training hours delivered to employees (h/capital)	37	36	40
LOCAL COMMUNITY	Benefits for local communities over reg. revenues (%)	0.4	~1	~1
	Value released at local communities (€M)	1,451	>1,000	>1,000
	Avg customer satis. rate in terms of service quality (1-10)[7]	8.1	≥8.1	≥8.1[7]
TRASFORMATIVE INNOVATION	Investments in innovation over revenues (%)	3.3	3	3
	Start-ups accelerated after PoC (#)[8]	11 (22)	15 (25)	27 (30)
	Process digitalized and process with AI (% of total)	100/10	100/12	100/20
	Projects covered by Security by Design cyber approach (%)	New KPI	100	100
	CapEx SDG-aligned (% of total)	61		
	Scope 1 and 2 CO_2 emissions reduction (% v. 2022)[9]	-10		-25

● Headline KPI ● Detail KPI

5. Snam aims to have an index lower than the minimum of the latest 3 years;
6. For equivalent organizational positions;
7. The target indicated refers to a spontaneous initiative by Snam to measure service quality through the annual survey, using a scale of values from 1 to 10, however, we are expecting a change in the service quality assessment methodology in the coming years. In this case, the annual target will have to be modified accordingly;
8. KPI represents both the number of startup accelerated and the number of Proofs of Concept (PoC);
9. Reduction computed on regulated perimeter.

* Figures subjected to final approval by Committees in the remuneration process.

By consistently updating and communicating its progress through this scorecard, Snam provides stakeholders with clear insights into its commitments, fostering accountability and trust. This transparency also helps the company position itself as a leader in sustainability within the sector, aligning its business strategy with the evolving expectations of investors, customers, regulators, and society.

ACCOUNTABILITY

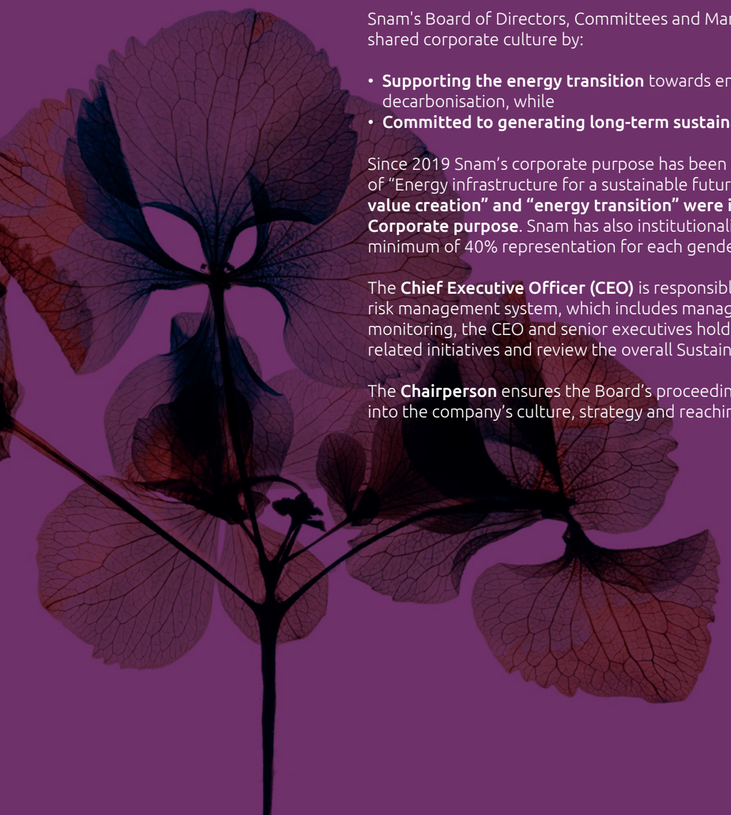
06

STRATEGIC GOVERNANCE AND INVESTMENTS DRIVING THE ENERGY TRANSITION

Snam's ambitious Transition Plan is supported by a governance framework designed to face the challenges of the energy transition and enable a transformation that will position the company for success in a zero-carbon energy system. The Board of Directors oversees the Group's Climate strategy directly and through its Committees, in particular the Sustainability and Energy Transition Scenario Committee. Compensation policies are aligned with both short- and long-term goals: twenty percent of variable compensation is tied to Sustainability metrics, such as emissions reduction, diversity, safety, sustainable finance, and supply chain sustainability.

The Transition Plan is also backed by a capital allocation strategy whereby over the next 3 years, €0.7 billion will be dedicated to GHG emissions reductions, €1.2 billion to energy transition businesses and €3.5 billion to hydrogen-ready pipelines. To provide more visibility on our long-term commitments, figures until 2032 are also provided. The company has conducted an extensive analysis to assess the level of pipeline usage over a long-term horizon (2040 and 2050) in order to future-proof investment policies.

6.1 SUSTAINABILITY GOVERNANCE AND COMMITTEES



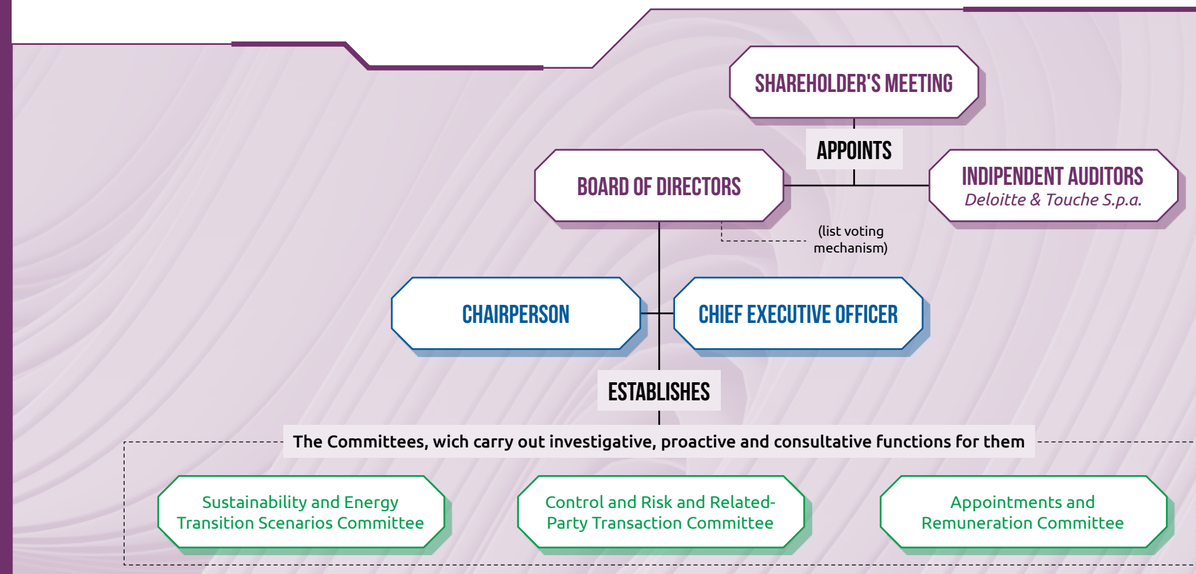
Snam's Board of Directors, Committees and Management foster a group-wide adoption and integration of a shared corporate culture by:

- **Supporting the energy transition** towards environmentally-friendly energy resources and progressive decarbonisation, while
- **Committed to generating long-term sustainable** value for both shareholders and stakeholders.

Since 2019 Snam's corporate purpose has been defined as "Energy to inspire the world", with the Ambition of "Energy infrastructure for a sustainable future" added in 2023. **In 2021, the concepts of "sustainable value creation" and "energy transition" were incorporated into Snam's Articles of Association and Corporate purpose**. Snam has also institutionalised gender balance on its Board of Directors, ensuring a minimum of 40% representation for each gender.

The **Chief Executive Officer (CEO)** is responsible for overseeing the company's internal control and risk management system, which includes managing risks related to climate change. To ensure effective monitoring, the CEO and senior executives hold quarterly meetings to monitor the progress of all climate-related initiatives and review the overall Sustainability Strategy.

The **Chairperson** ensures the Board's proceedings run smoothly, with a focus on embedding sustainability into the company's culture, strategy and reaching operational goals.



The **Board of Directors** oversees the Group's climate strategy through its Committees. Key responsibilities of the Board include reviewing and approving:

- The Strategic Plan, which supports long-term value generation and energy transition scenarios;
- The evaluation of strategic risks, including those related to climate change and the energy transition, as well as the effectiveness of corresponding control measures;
- The execution and implementation of the Plan;
- The definition of Climate change and Energy transition targets;
- The definition of Indicators to monitor progress on sustainability and decarbonisation actions (sustainability scorecard);
- The Long-term Incentive Plan, which includes climate-related targets;
- The Annual Report, including the Consolidated Non-Financial Statement.

Snam is actively committed to integrating sustainability and climate-related concerns into its corporate governance model. Given the growing importance of the energy transition and related businesses in the Group's corporate strategy, directors are required to have specific expertise in sustainability and climate matters. Currently 56% of Snam's board members possess these skills. The Board Directors and the Statutory Auditors participate in regular induction and training sessions, including off-sites and board retreats, to stay updated on industry trends, particularly in the areas of energy transition, innovation and climate change. The Board is committed to ensuring that its members continue to develop the necessary competencies in these areas.

Snam has established three internal Board **Committees**, in line with Italian regulations and the Code of Corporate Governance. These committees are responsible for examining, proposing and providing consultation, ensuring regular and timely communication with the Board: the **Sustainability** and Energy Transition Scenarios Committee, the Control, Risk and Related Party Transactions Committee, and the Nominations and Compensation Committee.

Among its main tasks, the **Sustainability and Energy Transition Scenarios Committee** examines:

- Long-term energy transition scenarios underpinning the Strategic Plan;
- Energy transition issues, especially those related to the use of environmentally-friendly energy sources and progressive decarbonisation;
- The Sustainability Strategy, in particular the status of the Decarbonisation Roadmap vs. the Strategic Plan;
- Aspects linked to technological innovation and the circular economy;
- Sustainable finance initiatives, including monitoring the Company's position on sustainability issues and its performance in sustainability indices within financial markets;
- Policies for integrating environmental, social and governance issues into the business model including ESG risks and CCRM inside the ERM framework;
- Sustainability processes and reporting in coordination with the CCR.

Among its main tasks, the Control and Risk and Related Party Transactions Committee:
- Examines the Company's main risks and opportunities, including those linked to climate change;
- Supports the Board of Directors in defining the guidelines for the internal control and risk management system;
- Examines integrated financial & non-financial reporting submitted annually to the Board of Directors for approval, reflecting a holistic view of enterprise performance.

Among its main tasks, the Nominations and Compensation Committee oversees:
- The executive compensation policy, including the short and long-term incentive plans, performance targets and guidelines for the remuneration of executives and managers with strategic responsibilities;
- The proposition of performance targets, in coordination with the Sustainability and Energy Transition Scenarios Committee for those relating to Sustainability factors, including climate-related KPIs.

The Executives' compensation plan includes variable components in both short and long-term incentive schemes. Performance targets associated with these schemes include sustainability and climate KPIs with a 20% weight and align directly with the Strategic Plan to steer management towards sustainable value generation.

ANNUAL MONETARY INCENTIVE - 2024 KPIs

KPI	ALIGNMENT WITH STRATEGIC PLAN PILLARS	DESCRIPTION	WEIGHT
ADJUSTED EBITDA	• Gas Infrastructure • Energy Transition Platform • All-round Sustainability • Transformative Innovation	An acronym for Earnings Before Interest Taxes Depreciation and Amortisation, which in Italian is often translated as gross operating margin, is an indicator that represents the profitability of operating management	30%
INVESTMENTS	• Gas Infrastructure	Investments Gas Infrastructure 1: Spending: Regulated Gas Infrastructure	10%
		Investments Gas Infrastructure 2: Milestones main Projects	10%
ENERGY SECURITY PROJECTS	• Gas Infrastructure	Projects aimed at enhancing the security of gas supply in Italy	15%
NON-REGULATED BUSINESS ACHIEVING MILESTONES	• Energy Transition Platform	Biomethane and Energy Efficiency	15%
SUSTAINABILITY	• All-round Sustainability	Weighted index of frequency and severity of accidents of employees and contractors	10%
		Increase (in %) of sustainable funding	5%
		ESG Criteria in Supply Chain Scoring Model	5%

LONG-TERM VARIABLE SHARE-BASED INCENTIVE PLAN (2024-2026 LTIP) KPIs

KPI	ALIGNMENT WITH STRATEGIC PLAN PILLARS	DESCRIPTION	WEIGHT
ADJUSTED NET PROFIT	• Gas Infrastructure • Energy Transition Platform • All-round Sustainability • Transformative Innovation	Calculated as the sum of Adjusted net profit for 2024, 2025 and 2026	40%
VALUE ADDED	• Gas Infrastructure • Transformative Innovation	The value generation of the regulated business calculated as the change in RAB in the period 2024-2026, plus dividends distributed, treasury shares repurchased and reduced by the change in net debt	20%
ENERGY TRANSITION READINESS	• Gas Infrastructure • Energy Transition Platform • All-round Sustainability • Transformative Innovation	Km H2-Ready	10%
		MW Biomethane installed	5%
		Project and market design CCS H2	5%
SUSTAINABILITY	• Gas Infrastructure • Energy Transition Platform • All-round Sustainability	Reduction of natural gas emissions in 2026 compared to 2015 values	10%
		Gender diversity in Snam's management team	10%

In addition, various corporate executive teams meet regularly to coordinate their activities and collaborate toward achieving Snam's climate-related objectives. In this context:
- The **Director of the Sustainability** and Social Impact is responsible for developing the Company's Sustainability Strategy. This includes defining operational processes and targets, ongoing monitoring, and developing the Transition Plan, which involves setting decarbonisation and biodiversity targets, as well as mandatory and voluntary Sustainability reporting.
- The **Sustainability Department** coordinates the monitoring of Sustainability Scorecard targets, gathering quarterly updates from each team on their KPIs. It also works closely with the technology teams, who manage the implementation of decarbonisation projects.
- The **Chief Strategy & Technology Officer** oversees energy and gas demand scenarios, assesses the contribution of gas infrastructure in the energy system, and leads the development and management of industrial and technological innovations necessary to reach decarbonisation and biodiversity targets.

6.2 INVESTMENTS AND RESOURCES DRIVING THE ENERGY TRANSITION

CapEx plan and future-proof investment policy

Snam's vision is to become a future-proof pan-European multi-molecule infrastructure to secure energy supply at national and international levels. To achieve this objective, **Snam's latest Strategic Plan to 2032 projects up to €26 billion (net of grants) in cumulated CapEx**. Investments will grow over time, from €11.5 billion of CapEx from 2024 to 2027, to €14.5 billion between 2028 and 2032.

These investments will support Snam's initial phase of decarbonisation. Once the dual-fuel compressor stations plan reaches mid-term, Snam will evaluate the need for a second phase of decarbonisation based on the outcomes achieved, the external context and the technologies available at that time. This will lead to the development of customised trajectories towards 2040 and 2050, aligned with Snam's Carbon Neutrality and Net Zero goals.

Up to 2027, the investments of €11.5 billion are allocated in part to the core activities of the **Gas Infrastructure** (transport, storage and LNG) and cover:

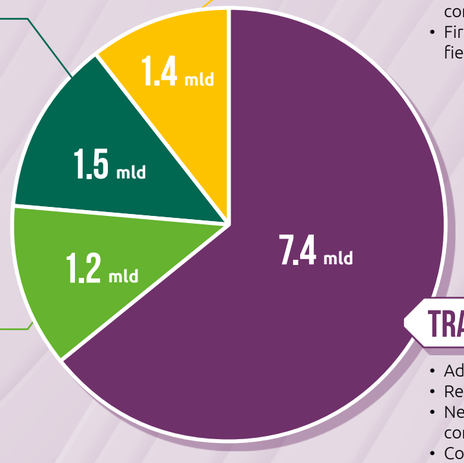
- **Dual-fuel compression** stations as well as leak detection and repair operations to decarbonise Snam's emissions, **for an amount of €0.7 billion**,
- **Interconnecting biomethane plants for €0.2 billion,**
- **H2-ready gas infrastructure (€1.4 billion for the new Adriatic Line and €2.1 billion for the planned pipe replacements)**,
- Security of supply via new FSRUs for €1.8 billion.

LNG

- Acquisition of FSRU (BW Singapore)
- Mooring infrastructure
- Small-Scale LNG infrastructure

ENERGY TRANSITION PLATFORM

- Biomethane: **80MW** of installed capacity
- Decarbonisation projects: H2 backbone initial engineering and development of Ravenna CCS project
- Energy efficiency: re-focus on long term contracts with PPP and energy performance contracts

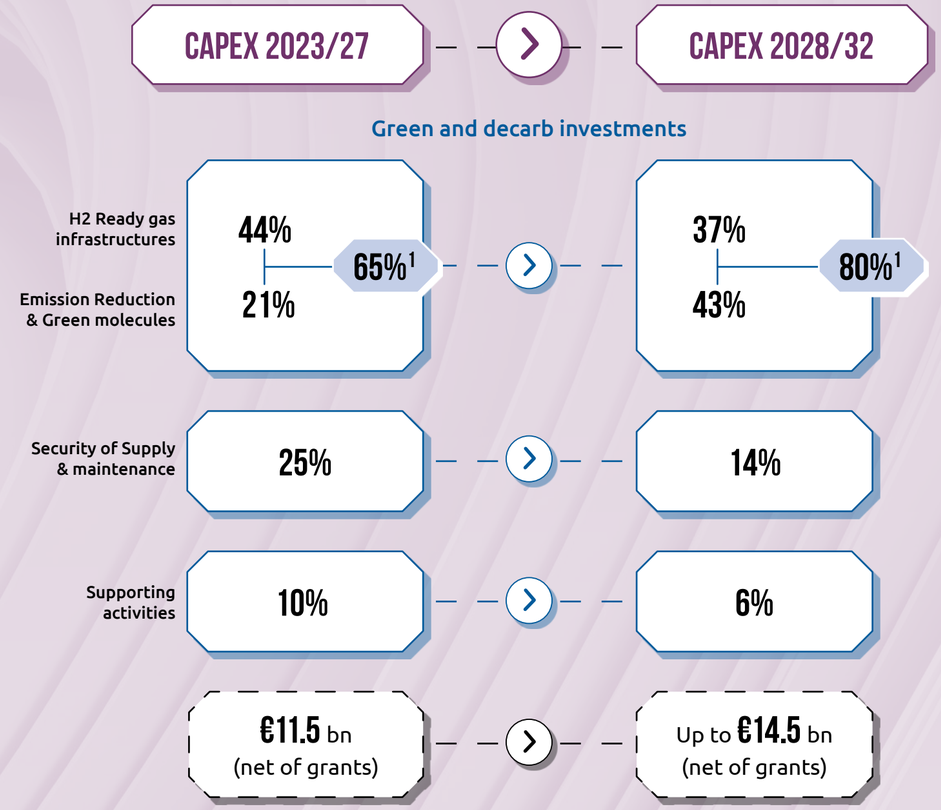


STORAGE

- Storage wells refurbishment and performance upgrading
- Net zero investments: dual-fuel compression stations
- First investments in Alfonsine new storage field

TRANSPORT

- Adriatic Line
- Replacement of **> 900 km** pipelines
- Net zero investments: dual-fuel compression stations
- Connections of FSRUs and biomethane



[1] Gross of grants

Investments in the **new businesses for €1.2 billion** will reinforce a broad and diversified **Energy Transition Platform** dedicated to energy efficiency, biomethane production, CCS and hydrogen across the entire value chain. **Resources allocated to biodiversity** are included in project capital expenditures and vary significantly depending on the needs of the region and the types of trees or vegetation to be restored. In the top 10 most significant projects, these costs ranged from 0.3% to 1.7% of the overall budget.

Looking ahead to the 2028-2032 period, part of the €14.5 billion allocated for this timeframe will continue to support the core activities of the gas infrastructure:

- **Dual-fuel compression stations and leak detection and repair operations**, for an amount of **€1.3 billion**,
- **Interconnecting green-molecule and H2-ready gas infrastructure**, as well as security of supply via LNG for an amount of €3.8 billion,
- Developing the H2 backbone for a total €4 billion

Snam's overall investment opportunities are anticipated to be substantial, extending beyond the current CapEx plan horizon. Significant investments will be needed to transition the energy system towards a multi-molecule setup. The scale and timing of investments in the H2 backbone and in CCS scale-up will be progressively assessed taking into account the evolving regulatory framework and the availability of grants and financial support.

FUTURE-PROOF ASSETS AND INVESTMENTS

Gas demand is a critical factor in planning and projecting investments in Snam's infrastructure. Other important considerations include analysing **maximum peak demand**, diversifying sources to improve **supply security**, assessing **gas export** expectations, and ensuring the **resilience of the gas system**. Specifically, **maximum peak demand serves as a key design criterion for ensuring the system's resilience**.

Snam's capital expenditure allocation integrated **sustainability factors** in multiple ways:
- The investment selection process considers emissions increase or reduction, as well as the impact on biodiversity;
- Cost-benefit analyses (ACB) required by regulation and assessed by authorities, also evaluate these environmental impacts;
- In mergers and acquisitions (M&A) deals, Snam conducts comprehensive 360-degree sustainability due diligence.

Snam has recently developed an **extensive analysis to assess the usage rate of transport assets over a long-term horizon**, focusing on peak consumption conditions through 2040 and 2050. The analysis considers:
- An approx. 45 bcm demand in 2040 and 35 bcm in 2050 (consistent with most recent scenarios available);
- A peak daily demand of 370 Msm^3 in 2040 and 275 Msm^3 in 2050;
- Three distinct supply scenarios
- Hydraulic simulations to assess the usage rate of these assets under peak consumption conditions for each scenarios, as defined by the European Regulation on Security of Supply.

Under these assumptions, key outcomes show that:
- **Current average rate is high (ca. 75%) and will stay above 50% both in 2040 and in 2050. This translates into affordable gas transport;**
- **The sections operating at less than 25% capacity represent today and in 2040 under 1%** of the network. **In 2050 assuming the repurposing of 10% of the network to hydrogen use, low usage would refer only to less than 10%** of the assets not factoring any transit toward central Europe in the simulation;
- **Approximately 3,000 km of pipeline could be repurposed for hydrogen transport** with an investment of €4 billion; CO_2 transport opportunities also exist. Hydrogen potential has only been factored in 2050 analysis.

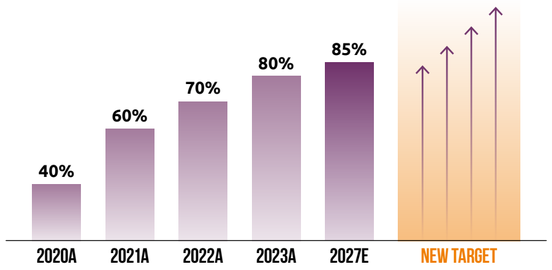
In terms of **affordability**, gas costs currently account for less than 5% of the final bill while the cost of gas transport infrastructure is less than 50% of electricity transmission costs (€3.6/MWh vs €8.4/MWh). This ensures maintained efficiency margins even with lower usage rates.

Sustainable finance

Snam has progressively aligned its financial strategy with the Group's sustainability goals, with **sustainable finance** representing one of the main pillars of its wider corporate strategy.

As a result, the share of sustainable financing increased from 40% of total committed funding in 2020 to approximately 80% in 2023, meeting internal sustainable finance targets three years in advance. Snam is committed to further increase its share of sustainable finance to 85% by 2027.

EVOLUTION IN SUSTAINABLE FINANCE



Snam first adopted a **Sustainable Finance Framework** in 2021 and a new version was released in 2024. The framework outlines and clarifies the connections between financing decisions and the company's initiatives and investments, integrating the financial strategy with the Strategic Plan. It also facilitates the issuance of green financial instruments (based on the use of proceeds) and sustainability-linked instruments, thereby reinforcing Snam's commitment to the energy transition. Regarding green debt instruments, the proceeds are used to finance or refinance both existing and future "Eligible Green Projects" in Italy. Based on criteria from the EU Taxonomy, projects that demonstrate a substantial contribution to climate change mitigation are selected. Areas include:

- Green infrastructure
  - Network for renewables and low carbon gases
  - Carbon capture and storage
  - Digital transformation and technology
- Green Gases
  - Biomethane
  - Hydrogen
- Green buildings
- Energy efficiency

For sustainability-linked instruments, which adjust their economic performance based on whether the issuer meets pre-defined sustainability performance targets by a given date, Snam has selected the following climate-related KPIs, in addition to a social KPI related to gender diversity:
- Reduction in methane emissions
- Reduction in Scope 1 and 2 emissions
- Reduction in Scope 3 emissions

The pre-defined targets are aligned with corporate sustainability targets up to 2032. For the debt issuance and in line with the statements in Snam's Sustainable Finance Framework, the company has obtained reasonable assurance for Scope 1&2 and limited assurance for Scope 3 on the 2022 baseline and on actual figures for 2023. The same is expected for the upcoming years until the targets' deadlines.

As of 2023, Snam had financed €3.8 billion worth of eligible projects via its sustainable finance initiatives, representing 87% of all instruments issued by 2023, of which 40% went to gas transmission network retrofit projects. In February 2024, Snam issued a Green Bond for €500 million, which will be used to finance eligible Green projects over the next few years.

The assurance report is available on the Snam's website.

2019

Climate Action Bond 500 million euros, the proceeds of which were used to finance, and in part refinance, the Eligible Projects of Snam's Climate Action Bond Framework.

2020-2021

Four Transition Bonds for 2,350 million euros, the proceeds of which were used to finance the Eligible Projects of Snam's Transition Bond Framework.

2022

Inaugural Sustainability linked bond (SLB) for 1.5 billion euros, whose economic performance is linked to the achievement of certain sustainability targets.

EU Taxonomy-Aligned Transition Bond for €300 million, the proceeds of which are earmarked for projects supporting the energy transition.

2023

EU taxonomy-aligned transition bond convertible into Italgas shares for 500 million euros.

EU Taxonomy-Aligned Transition Bond for 650 million euros to finance projects supporting the energy transition.

2024

Inaugural 500 million euro Green Bond for the financing of eligible green projects under the Sustainable finance framework published in early 2024;

First 1 billion euro Sustainability-Linked Bond to finance the future capex plan and linked to the target for reducing scope 3 emissions, as well as the target for reducing scope 1 and 2 emissions

EU Taxonomy

Snam welcomes the development of the **European Taxonomy** and the direction set by the European Commission, aligning with the company's strategy and investment choices aimed at decarbonisation and the development of a low-carbon economy.

Snam classifies all activities related to the maintenance, development and conversion of gas transport networks, as well as the production and transport of biomethane and hydrogen, emissions reductions and energy efficiency actions, as Taxonomy-eligible. A detailed list of Snam's Taxonomy-eligible activities and corresponding references within the Climate Change Mitigation objectives of the Taxonomy regulation can be found in the Appendix. Once identified the Taxonomy-eligible activities, Snam analyses them to identify the Taxonomy-aligned ones, i.e. those which substantially contributes to the objective of the Climate Act without causing significant harm to other environmental objectives and respecting the minimum social safeguard guarantees set out in the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

These activities correspond to the following KPIs for 2023:

KPIs RELATED TO TAXONOMY-ELIGIBLE ECONOMIC ACTIVITIES [1]

		Revenues	CapEx	OpEx
Total Taxonomy-Eligible	€ mln	1,095	1,216	154
Total Snam	€ mln	3,875	2,194	173
Taxonomy-eligible proportion	%	28	55	89

1. The detailed tables refer to the eligibility and alignment of activities with the climate change mitigation objective of the Taxonomy.

KPIs RELATED TO TAXONOMY-ALIGNED ECONOMIC ACTIVITIES [1]

		Revenues	CapEx	OpEx
Total Taxonomy-Aligned	€ mln	1,001	626	82
Total Snam	€ mln	3,875	2,194	173
Portion Taxonomy-Aligned	%	26	29	47

1. The detailed tables refer to the eligibility and alignment of activities with the climate change mitigation objective of the Taxonomy.

Snam has already carried out a preliminary analysis on a voluntary basis with respect to the alignment of its Strategic Plan with the Taxonomy. For the period between 2023 and 2027, around €4.3 billion worth of investments will be aligned while those SDGs aligned amount to €7.1 billion. 37% of 2023-2027 capex are taxonomy aligned and 52% of those in the 2028-2032 timeframe.

APPENDIX

List of Snam's Taxonomy-eligible activities[1]

Reference within the Climate Change Mitigation objective of the Taxonomy regulation	Activity
Activity 3.2	Manufacture of equipment for the production and use of hydrogen
Activity 4.1	Electricity generation using solar photovoltaic technology
Activity 4.8	Production of electricity using bioenergy
Activity 4.13	Manufacture of biogas and biofuels for use in transport and of bioliquids
Activity 4.14	Transmission and distribution networks for renewable gases
Activity 4.15	Distribution of district heating/cooling
Activity 4.16	Installation and operation of electric heat pumps
Activity 4.19	Cogeneration of heat/cool and power from renewable non-fossil gaseous and liquid fuels
Activity 4.30	High-efficiency cogeneration of heat/cool and electricity from gaseous fossil fuels
Activity 5.7	Anaerobic digestion of bio-waste
Activity 5.9	Material recovery from non-hazardous waste
Activity 5.11	Transport of CO_2
Activity 5.12	Underground permanent geological storage of CO_2
Activity 6.15	Infrastructure enabling low-carbon road transport and public transport
Activity 6.5	Transport by motorbikes, cars and light commercial vehicles
Activity 7.1	Construction of new buildings
Activity 7.2	Renovation of existing buildings
Activity 7.3	Installation, maintenance and repair of energy efficiency equipment
Activity 8.1	Data processing, hosting and related activities
Activity 8.2	Data-driven solutions for GHG emissions reductions
Activity 9.3	Professional services related to the energy performance of buildings

1 List of Snam's Taxonomy-eligible activities as per 31/12/2023

TCFD cross-reference table

TCFD Recommendations	Recommended Disclosures	Reference to this Transition Plan Roadmap
Governance	Describe the board's oversight of climate-related risks and opportunities.	**6.1** Sustainability governance and committees
	Describe management's role in assessing and managing climate-related risks and opportunities.	**6.1** Sustainability governance and committees
Strategy	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term	**2.3** Navigating risks and seizing opportunities in evolving scenarios
	Describe the impact of climate-related risks and opportunities on the organisation's business, strategy, and financial planning	**3.1** Climate Strategy **6.2** Investments and Resources driving the Energy Transition
	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	**2.2** Building energy scenarios for the future **3.1** Climate Strategy
Risks Management	Describe the organisation's processes for identifying and assessing climate-related risks.	**2.3** Navigating risks and seizing opportunities in evolving scenarios
	Describe the organisation's processes for managing climate-related risks.	**2.3** Navigating risks and seizing opportunities in evolving scenarios
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	**2.3** Navigating risks and seizing opportunities in evolving scenarios
Metrics and targets	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	**5.1** Assessing Climate Change Impacts, Setting and monitoring Mitigation Targets **5.3 I**ntroducing a Sustainability Scorecard to measure progress in the Transition
	Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	**5.1** Assessing Climate Change Impacts, Setting and monitoring Mitigation Targets
	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	**5.1** Assessing Climate Change Impacts, Setting and monitoring Mitigation Targets **5.3** Introducing a Sustainability Scorecard to measure progress in the Transition

CDP cross-reference table

CDP Recommendations	Recommended Disclosures	Reference to this Transition Plan Roadmap
Governance	Board level oversight	**6.1** Sustainability governance and committees
	Executive incentives linked to climate performance indicators	**6.1** Sustainability governance and committees
Scenario Analysis	Details of scenario analysis	**2.2** Building energy scenarios for the future
Risk and opportunities	Climate-related risks	**2.3** Navigating risks and seizing opportunities in evolving scenarios
	Climate-related opportunities	**2.3** Navigating risks and seizing opportunities in evolving scenarios
Strategy	Link between identified and potential climate related risks, opportunities and company strategy	**1.2** Driving transition and promoting Net-Positive Impact in the energy landscape
		3.1 Climate Strategy
		4 Shaping Europe's Transition to a Thriving Green Economy
	Existence of a 1.5° world-aligned transition plan within business strategy and shareholder feedback mechanism	**2.2** Building energy scenarios for the future
		3.1 Climate Strategy
Financial planning	Link between identified and potential climate related risks, opportunities and financial planning	**6.2** Investments and Resources driving the Energy Transition
	Financial planning details associated with a 1.5° world	
Targets	Emission reduction targets	**5.1** Assessing Climate Change Impacts, Setting and monitoring Mitigation Targets
	Net-zero targets	
Scope 1-2-3 accounting with verification	Comprehensive and third-party verified emission accounting	**5.1** Assessing Climate Change Impacts, Setting and monitoring Mitigation Targets
Policy engagement	Alignment of public policy engagement with climate ambition & strategy	**4.3** Fostering Engagement and partnerships
Value chain engagement	Value chain engagement	**3.1** Climate Strategy **4.3** Fostering Engagement and partnerships
	Details of low-carbon products and services	**Not applicable**

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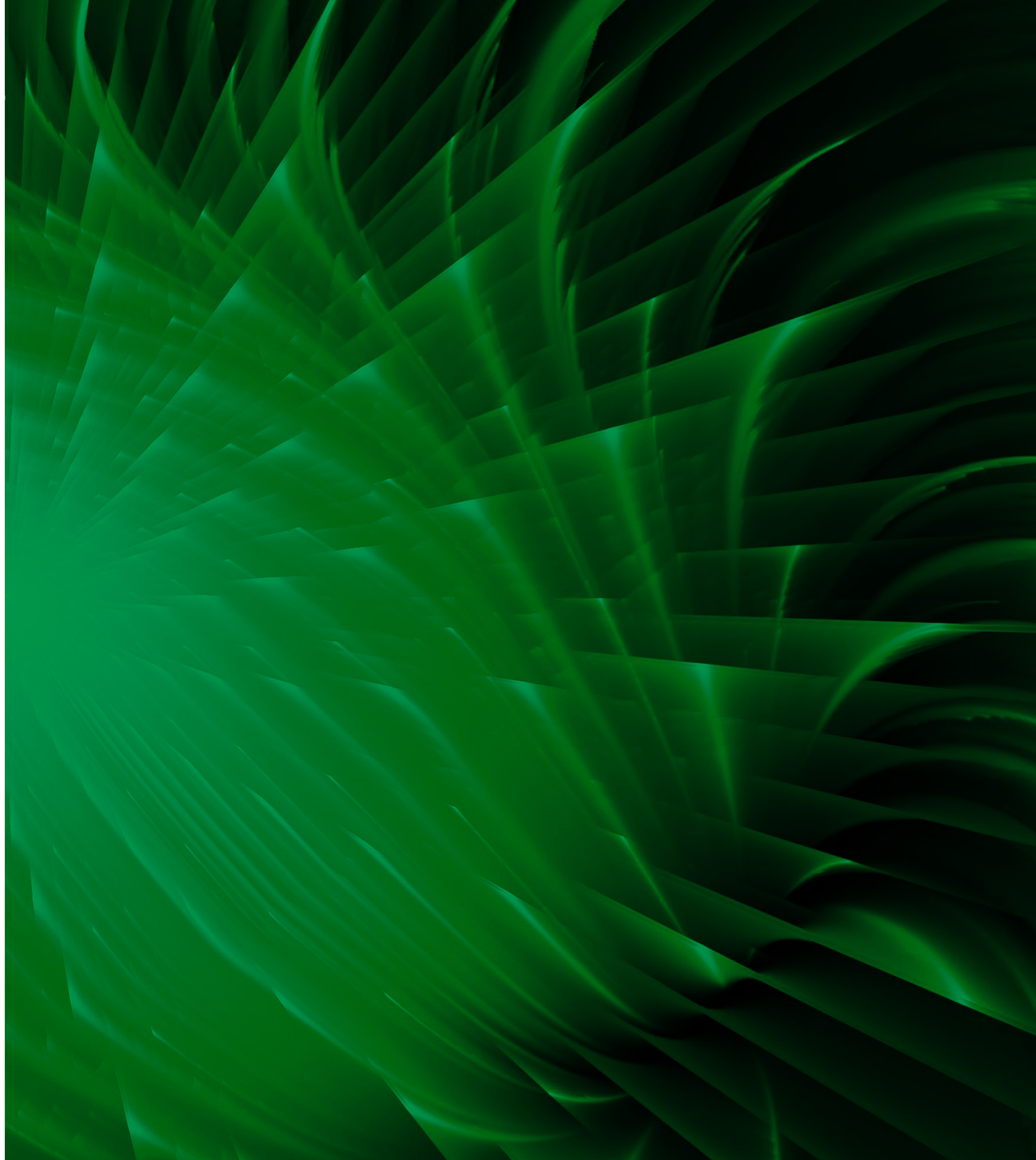

Energy Infrastructure for a Sustainable Future