

2017 Consolidated Non-Financial Statement - Legislative Decree 254/2016

(Legislative Decree No. 254 of 30 December 2016)

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Introduction and guide to reading the document

The Consolidated Non-Financial Statement (hereinafter also the “Non-Financial Statement”, “Declaration” or “DNF”) of the Snam Group constitutes a specific section of the Report on Operations-Integrated Report (hereinafter also Report on Integrated Management) and is drafted in compliance with the provisions of the Legislative Decree of 30 December 2016, no. 254 (hereinafter also the Decree)⁵¹.

The DNF contains relevant data and information in relation to environmental, social and personnel-related issues, respect for human rights, and the fight against active and passive corruption. The relevance of the individual themes is defined taking into account the activities carried out and the characteristics of Snam⁵².

The reference perimeter of the information contained in the DNF coincides with the consolidation area of the consolidated financial statements and therefore includes the parent company Snam and all the companies consolidated by it in its entirety, listed below:

- Snam Rete Gas
- Stogit
- GNL Italia
- Snam 4 Mobility
- Gasrule Insurance
- Asset Company 2
- Infrastrutture Trasporto Gas.

The structure of the Snam group, including investments abroad, is shown on p. 3 of the Integrated Management Report⁵³.

The content of the DNF is integrated, where necessary or appropriate, with other information included in the Report on Integrated Operations, in the Report on Corporate Governance and Ownership Structures, and on the Company's Website (<http://www.snam.it/en/>), which are identifiable and consultable following specific references⁵⁴.

In order to standardise the reporting of data and information, as well as to facilitate the connection with each issue envisaged by the Decree, each area listed above has been divided into specific paragraphs divided into three sections dedicated respectively to:

- relevance of the theme and related risks generated or suffered;
- company policies and commitments and their implementation in management operations;
- relevant performance indicators to understand the results obtained in pursuing these commitments.

In particular, the GRI Standards of the Global Reporting Initiative were used to measure the results⁵⁵, as the most used non-financial reporting methodology at the international level, using the GRI-referenced approach. The results are reported with reference to the financial year ending 31 December 2017. The two previous years are also shown for comparison.

The Report on Integrated Operations, of which DNF is a specific section, is published in the 2017 Annual Financial Report available on the Company's website at http://www.snam.it/en/Investor_Relations/Reports/.

51 See article 5, paragraph 1 of the Decree no. 254 of 30 December 2016.

52 See article 3, paragraph 1 of the Decree no. 254 of 30 December 2016.

53 See article 4, paragraph 1 of the Decree no. 254 of 30 December 2016.

54 See article 5, paragraph 4, of the Decree no. 254 of 30 December 2016.

55 See article 3, paragraph 5 of the Decree no. 254 of 30 December 2016.

Profile and activities of Snam

Snam is a European leader in the construction and integrated management of natural gas infrastructure. With approximately 3,000 employees, it conducts regulated gas segment activities and is a leading European operator in terms of regulatory asset base (RAB) in its sector. As an integrated operator, Snam provides natural gas transportation, dispatching and storage services as well as LNG regasification services, and plays a leading role in the natural gas infrastructure system. By managing system infrastructures efficiently and providing integrated services for the market, Snam creates the conditions to guarantee fair energy costs. The national gas transport network managed by Snam is over 32,500 kilometres long, with 9 storage fields and 1 regasification terminal. The operational activities cover the entire life cycle of the plants, from design to construction, management and maintenance during the operation phase, and finally, safety and disposal of the same.

Snam operates in Europe's major markets through agreements with the leading industry players and direct equity investments in the share capital of companies. Snam also offers engineering and technical-operational services for gas operators in national and international markets.

The company actively promotes the use of natural gas as a flexible, safe and environmentally friendly source of energy. In the coming years, Snam intends to launch various energy efficiency projects with the aim of promoting a more sustainable and efficient energy system through the use of compressed natural gas (CNG),

biomethane and liquefied natural gas (LNG) in the transport sector.

Snam has been listed on the Italian stock exchange since 2001. Its share price features not only on the Italian FTSE MIB index but also on leading international indices (Stoxx Europe 600 and Stoxx Europe 600 Utilities) and the major sustainability indices. For more information on the size of the national infrastructure network and the scope of Snam's activities, please refer to [pages 18-19](#) of the Integrated Management Report.

Model of organisation and management of operations

Corporate and organisational structure

Snam's corporate governance system – a set of planning, management and control rules and methodologies necessary for the Company to function – was identified by the Board of Directors:

- in compliance with the regulations to which the Company is subject as a listed issuer;
- in accordance with the Code of Corporate Governance; and
- in line with the national and international best practices against which the Company compares itself.

This system is based on some key principles, such as a correct and transparent choice of management of business operations ensured also through the identification of information flows between the corporate bodies and an efficient definition of the system for internal control and risk management. Snam S.p.A. exercises direction

and coordination with regard to its subsidiaries on the basis of a specific regulation that enhances its strategic role and at the same time takes into due consideration the legal autonomy and the principles of correct corporate and entrepreneurial management of the Subsidiaries.

The organisation of Snam is divided into four business units and staff functions, designed with a view to simplifying processes, efficiency and continuous improvement. The business units are focused respectively:

- on development and commercial activities;
- on the management of Italian subsidiaries;
- on the management of foreign holdings;
- on the development of technical services focused on distinctive skills and know-how aimed at operators in the gas sector.

Method of conducting activities

We manage our business in accordance with the Corporate System Framework, the organisational and procedural system applied across all Group companies in Italy and abroad, created to ensure that the system of rules governing the business is clear, simple and organic. The system is inspired by the Code of Ethics⁵⁶ and is based on management policies, described in the following chapters, based on the principles enunciated by the United Nations Universal Declaration of Human Rights, the fundamental ILO Conventions and the OECD Guidelines for Multinational Enterprises. The main policies⁵⁷ referred to in the document are:

- the Sustainable development policy;
- the Health, Safety and Environment Policy;
- the Stakeholder engagement policy;
- the Human Rights Policy;
- the Policy for the management of philanthropic activities and social initiatives;
- Enterprise Risk Management Guidelines;
- Policy statement contained in the Anti-Corruption Procedure.

Snam, also adheres to the UN Global Compact, the most important international sustainability initiative in the world, which aims to promote and disseminate ten ethical principles concerning human rights, safeguarding the environment,

workers' rights and the fight against corruption.

In order to successfully implement this system, managerial actions need to be based on the allocation of specific objectives to each position of responsibility and on the transparent assessment of results. This would enable continual improvements in the effectiveness and efficiency of corporate processes.

Stakeholder relations

Positive and consistent relations over time with stakeholders is a fundamental part of Snam's management model. Relations with stakeholders are carried out with the aim of increasing trust and reputation and reducing potential conflicts. All corporate structures contribute to the various activities involving stakeholders, each within their own prerogatives, roles and responsibilities with centralised coordination. Snam's approach to stakeholder engagement, explained in the Stakeholder Engagement Policy, is aimed at:

- identifying the various categories of stakeholders with whom the Company deals, following the evolution of the context and development of company activities;
- analysing and understanding the profile of the stakeholders and the Group's positioning towards them;
- deepening the interests and issues relevant to each category of stakeholder, through regularly updating the material analysis;
- reporting and regularly communicating management results to stakeholders in relation to the material issues of mutual interest through the report on social responsibility and all the other reporting and communication tools developed by the Company.

The groups of stakeholders identified in the mapping activities belong to the following categories: Community and territory, Investors and lenders, Other operators, Media, Suppliers, Customers, People and Authorities and Institutions.

Internal Control and Risk Management System

The Internal Control and Risk Management System is the set of guidelines, rules and organisational structures aimed at identifying, measuring, managing and monitoring the main risks.

Snam has adopted and undertakes to promote and maintain an adequate Internal Control and Risk Management System ("SCIGR").

This system is integrated into the organisational, administrative and accounting structure and, more generally, the corporate governance of Snam. It is also based on the Self-Regulatory Code that Snam adheres to, taking into consideration national and international models and best practices.

The guiding principles on which the SCIGR is based are defined in the Code of Ethics:

- the separation of activities between persons responsible for authorisation, executive or control procedures;
- the existence of company regulations that can provide general benchmark principles for governing corporate processes and activities;
- the existence of formal rules for the exercise of signatory powers and internal authorisation powers;
- traceability (guaranteed through the adoption of information systems that can identify and reconstruct sources, information and checks carried out in support of

⁵⁶ The Snam Code of Ethics can be consulted on the Company's website at the address http://www.snam.it/export/sites/snam-rp/repository/file/Governance/codice-etico/codice_etico.pdf.

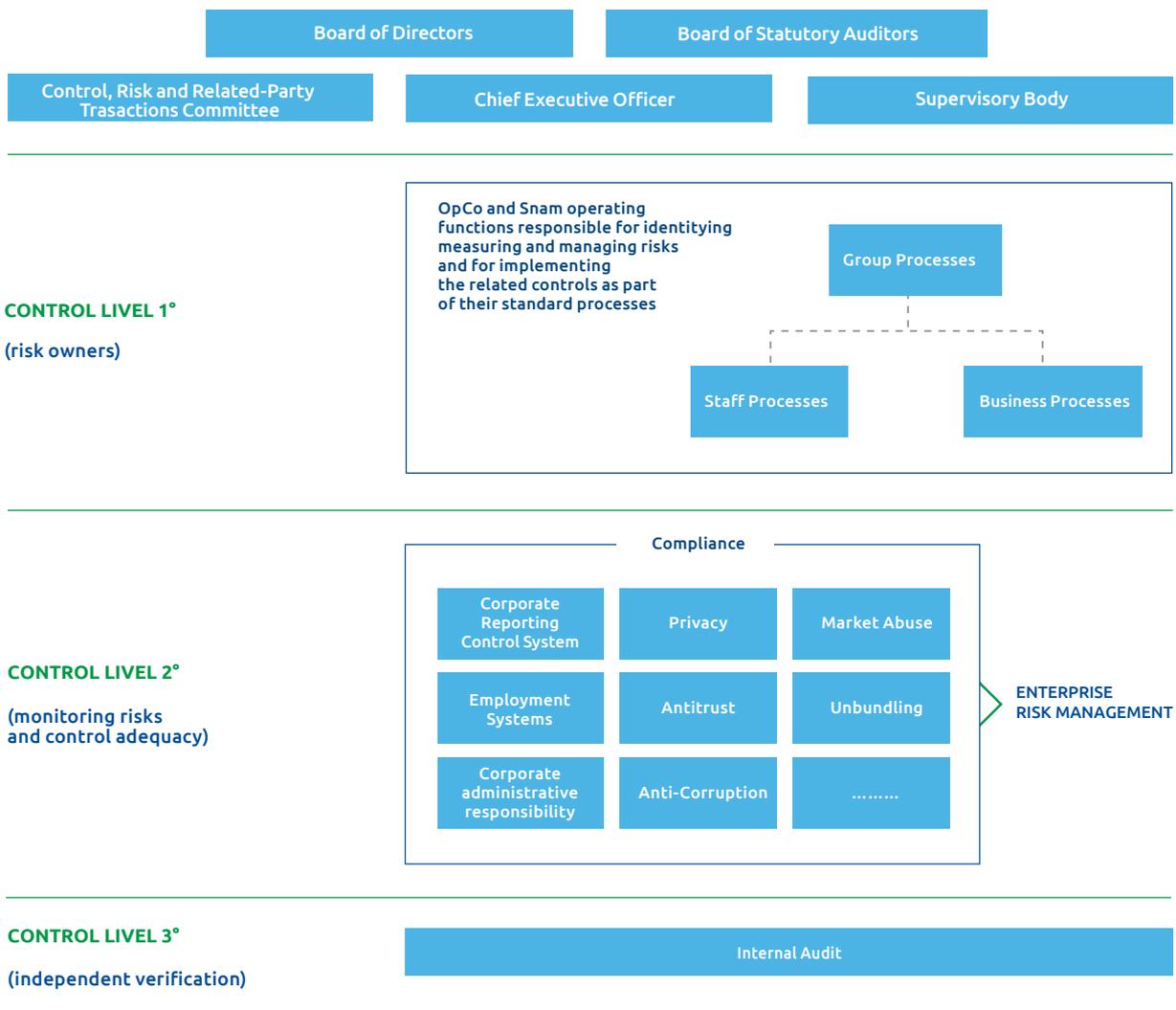
⁵⁷ See article 3, paragraph 1, lett. b of the Decree no. 254 of 30 December 2016. Snam policies can be consulted on the Company's website at the address http://www.snam.it/en/Sustainability/strategy_and_commitments/

the formation and implementation of the Company's decisions and financial resource management procedures).

The internal control and risk management system is audited and

updated over time to ensure it is always suited to overseeing the main areas of corporate risk. In this context, and also in order to execute the provisions of the Code of Corporate Governance, Snam has adopted an ERM (Enterprise Risk Management) system.

The Board of Directors charges the CEO with giving structure to and maintaining the entire system. The system is divided into three levels, each with different objectives and associated responsibilities.



Level One:	Identification, evaluation and monitoring of risks inherent to the individual Group processes. This level identifies the functions of the Snam Group <i>owners</i> of individual risks, responsible for their identification, measurement and management, as well as for the implementation of any necessary controls in the field of the processes for which they are responsible.
Level Two:	Monitoring the main risks to ensure they are effectively and efficiently managed and processed, and monitoring the adequacy and functioning of the controls in place to protect against these risks; support for Level One in defining and implementing adequate management systems for the main risks and related controls. Within this level, the <i>staff</i> functions of the Group are in charge of coordinating and managing the main control systems (e.g. for Corporate Administrative Responsibility, Corporate Information, Anti-corruption, <i>Antitrust</i>).
Level Three:	Independent and objective <i>verification</i> of the operating effectiveness and adequacy of Levels One and Two, and in general of the overall risk management methods. The <i>Internal Audit</i> operates on the basis of Address Lines.

The ERM Model, in particular, provides suitable tools for identifying, measuring, managing and monitoring the main risks that could affect the achievement of strategic objectives. The main objectives of ERM are to define a risk assessment model that allows risks to be identified, using standardised, group-wide policies, and then prioritised, to provide consolidated measures to mitigate these risks and to draw up a reporting system.

We use an integrated, dynamic and group-wide method of assessing risk that evaluates the existing management systems in the individual corporate processes, starting with those relating to the prevention of fraud and corruption and health, safety, environment and quality. The results of the risk assessment and monitoring activities and the related mitigation measures are regularly presented to the Control and Risk Committee, the Board of Statutory Auditors and the Supervisory Body of Snam and its subsidiaries. They are also used by the Internal Audit department to draw up the audit schedules.

Organisation, management and control model pursuant to Legislative Decree no.231/2001 (Model 231)

Model 231 consists of an organic set of principles, rules, provisions on, inter alia, the management and control of each corporate process, whose purpose is to protect the company from any conduct that may lead to liability administrative, pursuant to Legislative Decree 231 of 2001, in relation to crimes committed or attempted in the interest or to the advantage of the company by persons in the so-called "Top" positions within the structure itself or by subjects subject to the supervision and control of the same.

The Board of Directors has adopted Model 231 to prevent crimes mentioned in the legislation on corporate administrative responsibility for crimes committed in the interest or to the advantage of the Company, and it has set up a Supervisory Body equipped with autonomous powers of initiative and control, in compliance with the law.

The analysis of corporate processes and the comparative analysis of an existing control environment, along with oversight measures, shall be carried out based on the

COSO Framework. This is the international benchmark model for the establishment, updating, analysis and assessment of internal control systems (the "COSO Framework", published most recently in May 2013).

The subsidiaries have also adopted their own Model 231 commensurate with their own characteristics, appointing their own Supervisory Body charged with monitoring that Model 231 is implemented and applied effectively.

In January 2018, the Risk Assessment and Gap Analysis activities were completed for the update of the Special Sections of Model 231 of Snam and Subsidiaries, in light of:

- the legislative changes, which have modified and widened the category of predicate offences referred to by Legislative Decree no.231/2001 and the evolution of jurisprudence on the subject, and in particular:
 - the new formulation of the crime of corruption between private individuals (Article 2635 of the Civil Code)
 - the so-called crime of "caporalato", introduced in art. 25 - sexies of Legislative Decree 231/2001;
 - the crime of "racism and

- xenophobia”, introduced with the new art. 25-terdecies of Legislative Decree 231/2001;
- of the organisational changes that affected Snam.

The updating of the Special Part document of the companies' Model 231s is being finalised.

Snam has developed a specific training programme for all Snam staff. As well as being an important tool for making management and other employees aware of corporate ethics, prevention of the crimes mentioned in Legislative Decree 231 and the fight against corruption, this training activity encourages all staff members to play an active role in Snam's system of ethics and values.

Model 231 is available on the Company's website (http://www.snam.it/export/sites/snam/repository/file/Governance/modello231/modello_231_Snam.pdf).

Lastly, for some time Snam has been preparing, as part of the reporting management process (so-called whistleblowing)⁵⁸, specific communication channels that the subsidiaries also refer to in addition to Snam.

In order to guarantee levels of excellence and independence, Snam has entrusted the management of the aforementioned communication channels to an external subject (Ombudsman), which ensures the receipt and analysis of each report applying criteria of maximum confidentiality suitable, among other things, for the protection of the integrity of the persons reported and the effectiveness of the investigations.

⁵⁸ The procedure for reporting or whistleblowing is available on the Company's website at the address <http://www.snam.it/en/governance-conduct/business-conduct/whistleblowing/>

Detailed information on the topics discussed in this section can be found in the “Report on Corporate Governance and Ownership Structure 2017”, available on the Company's website at <http://www.snam.it/en/governance-conduct/reports-and-documentation/>.

As regards the ERM Model in particular and the synthetic representation of the main risks Snam generates or is subjected to⁵⁹ in relation to its activities and related mitigation actions carried out, please refer to pages 31-36 of the Integrated Management Report.

The risks generated or suffered are also described in full on pages 151-154 in the chapter Risk factors and uncertainties of the Report on Integrated Operations.

Relevant topics in relation to the activities carried out

Relevance analysis process

In order to identify the environmental, social, personnel-related issues, respect for human rights and the fight against active and passive corruption to be considered relevant considering the activities and characteristics of the company, the Company has carried out an analysis of relevance aimed at identifying the most significant issues for the Group and for Stakeholders within the areas envisaged by Legislative Decree no. 254/2016 to the extent necessary, so as to ensure understanding of Snam Group's business, performance, results and impact. This analysis took into consideration the sustainability issues present in the main sustainability

⁵⁹ See article 3, paragraph 1, lett. C of the Decree no. 254 of 30 December 2016.

guidelines or references (GRI, ISO 26000, SDG's, etc.) and the issues emerged from comparisons with the stakeholders.

These issues were then contextualised with respect to Snam's business sector, through the benchmark conducted on the sustainability report of the main companies in the sector on an international level, the questionnaires from the most important rating agencies, and through an analysis of the industry scenario, public opinion and Snam documentation (such as the strategic plan, Code of Ethics and Policies adopted).

In order to further define the relevance of the issues highlighted, the perception of the issues from the point of view of the stakeholders was analysed through surveys that made it possible to identify points and observations of the interlocutors, while the analysis of issue perception from the company point of view was carried out by surveys of Group management.

The categories of stakeholders interviewed were: Community and territory, Investors and lenders, Other operators, Media, Suppliers, Customers, People (Employees) and Authorities and Institutions.

Results of the analysis of relevance with respect to the Decree

At the outcome, the relevant topics within the areas envisaged by Legislative Decree no. 254/2016 are those related to Health and Safety, Climate change, Energy efficiency, Land protection and biodiversity, Stakeholder engagement and dialogue with the territory, Employment, Development and enhancement of human capital, Fight against corruption and Respect for human rights.

Aspect of the Decree	Relevant Issues	Reference GRI standards
Environmental, and Health and Safety aspects	Health and safety, climate change, energy efficiency, land protection and biodiversity	GRI 302 energy, GRI 304 biodiversity, GRI 305 emissions, GRI 403 Occupational health and safety
Social Aspects	Stakeholder engagement and dialogue with the territory	GRI 102 general disclosures (102-40; 102-42; 102-43), GRI 308 environmental assessment of suppliers, GRI 414 supplier social assessment
Aspects concerning the management of personnel	Possessing, Developing and promoting human capital	GRI 401 employment, GRI 404 training and education, GRI 102 general disclosures (102-8)
Prevention of Active and Passive Corruption	Fight against corruption	GRI 205 anti-corruption
Safeguarding Human Rights	Respect for human rights	GRI 406 non-discrimination

Environmental, and Health and Safety aspects

Relevance and related risks

The relevant issues that Snam considers related to aspects concerning health, safety and the environment, as required by the Decree, are the following:

- Health and safety
- Climate change
- Energy efficiency
- Land and biodiversity protection

Air protection and water management are important issues for Snam, but they were not relevant following the analysis of relevance. As far as air protection is concerned, the only significant emissions are those of nitrogen oxides that derive mainly

from the combustion of natural gas in the gas turbines installed in the compression plants (thrust and storage). To reduce emissions, a programme has been underway for years to modify some of the existing turbines and to install new units with low-emission combustion systems (DLE). As regards water management, this is not a relevant issue because water resources are used in limited quantities, mainly in the operations of the LNG Italia regasification plant and for sanitary and green care use. The main operational risk with an impact on health, safety and the environment is represented by breakages or injuries to pipelines and plants, also as a result of extraordinary events such as fires, landslides or extreme weather phenomena due to climate change. These events could cause significant damage in addition to a reduction in revenues.

The complete list of risks to the environment, health and safety is as follows:

- Climate change risk within strategic risks;
- Possible violation of rules and regulations risk in relation to the health and safety of workers and the environment within the legal and non-compliance risks;
- Breakage or damage to the pipeline risk with damage to the environment/people within operational risks;
- Environmental risks within operational risks.

The most extensive description of these risks is shown on [pages 151-154](#) of the Chapter Factors of risk and uncertainty of the Report on Integrated Management.

Policies, commitments and management model

In relation to these issues, through the HSEQ Policy and the Sustainable Development Policy, Snam undertakes to:

- Ensure respect for the protection of health and safety of workers and the environment, through the prevention of accidents, injuries and occupational diseases;
- Promote actions to fight climate change by implementing operational and management measures to reduce greenhouse gas emissions;
- Promote energy efficiency and ensure the sustainable use of natural resources;
- Prevent pollution and ensure the protection of ecosystems and biodiversity;
- Set up procedures to identify and respond to emergency situations and monitor the consequences of accidents.

The management of the aspects mentioned in the policies and the consequent actions for their implementation are mainly implemented within the management systems developed in compliance with the international standards ISO 14001 and OHSAS 18001, regularly verified and certified systems by a third party, of which all the companies of the Group are equipped. These actions are detailed in the Report on Integrated Management:

- For the development and maintenance aspects of the management systems, on pages 145-146; in this paragraph you can find the certifications of the Company and its subsidiaries and details on audits conducted and the team of auditors employed;
- for aspects of health protection and

accident prevention, on pages 146-147; in this paragraph you can find the company involvement initiatives for the prevention of accidents and the company's health and health surveillance of employees;

- for aspects of greenhouse gas emissions, energy efficiency, production and use of energy from renewable sources, on pages 148-149; there are details in these paragraphs of direct emissions from the Company, its initiatives to limit emissions and energy consumption and the type and power and energy produced by renewable energy plants owned by Snam;
- for aspects of mitigation of environmental impacts and protection of biodiversity, on page 149; in this paragraph, details on the environmental restoration activities related to the laying of new infrastructures are reported.

The preventive assessments of the effects on the environment and on the safety of new settlements are carried out in the context of the Environmental Impact Assessment (EIA) procedures, at the end of which the administrations responsible, both at central and local level, issue the authorisations required by current legislation. The progress of the permitting activities is shown on pages 70-72 of the Report on Integrated Management.

Snam particularly oversees the maintenance of plant safety and quality levels and, in addition to investing huge financial resources every year, carries out a regular inspection of the lines on foot, with vehicles and helicopter overflights to detect any situations at risk, and the pipe conditions with smart devices which pass through them and allow for the detection of the presence of possible damages. These actions are reported in detail on page 50 of the

Report on Integrated Management. Environmental and safety requirements in the workplace are considered in the qualification and selection of suppliers. The highly critical suppliers operating in the procurement of works, the most significant category for core activities, in particular for health and safety and environmental aspects, are all in possession of certified quality, environmental and safety management systems according to ISO 9001, ISO 14001 and OHSAS 18001 standards.

The aspects of health and safety and environmental management are also part of the evaluation phase of the services rendered.

The fight against climate change not only takes the form of actions to reduce emissions and energy efficiency projects, but it is also expressed on a strategic level through increasing the use of natural gas as a key factor in the decarbonisation process, with particular reference to biomethane and the use of natural gas in the transport sector.

Performance Indicators

The following are representative indicators of the results of the environmental, health and safety management aspects, with indication of the GRI reference standard. The 2017 results show a slight increase in the number of employee accidents compared to 2016, while for contractors the number of accidents is unchanged, but one of these has unfortunately proved fatal. The increases in the energy consumption values and related emissions are due to a greater volume of gas transported in the network and to a different network set-up to respond to the new method of appointing gas, which has passed from daily to hourly.

Indicator	GRI Standard	Unit of Measurement	2015	2016	2017
Employees' accident frequency index		Accidents for 10 ⁶ hours worked	0.62	0.81	1.24
Contractors' accident frequency index			1.07	0.71	0.54
Severity rate for employee accidents (*)		Work days lost for 10 ³ hours worked	1.55	0.04	0.05
Contractor accident severity index (*)		Work days lost for 10 ³ hours worked	0.07	0.05	0.83
Employee accidents (of which fatal)	403-2	no.	3 (1)	4 (0)	6 (0)
of which due to a traffic accident		no.	1	0	1
of which due to a professional accident (maintenance, inspection, checks)		no.	2	1	1
of which due to a general accident (slipping, bumpage, tripping)		no.	0	3	4
Contractor accidents (of which fatal)		no.	8 (0)	5 (0)	5 (1)
Recognised cases of professional diseases		no.	0	0	0
Employee absenteeism (**)		%	4.4	4.7	4.7
CO2 eq emissions - scope I (***)	305-1	10 ³ t CO _{2eq}	1,373	1,439	1,500
NOx emissions	305-7	t	400	434	532
Energy consumption.			9,087.3	10,957.4	12,582.3
of which natural gas			8,688.6	10,541.7	12,153.2
of which diesel			83.7	84.4	77.9
of which gasoline			1.9	2.2	2.3
of which LPG	302-1		0.5	0.4	0.4
of which electricity purchased on the network (****)		TJ	296.8	311.7	335.3
of which thermal energy purchased			13.7	14.5	10.8
of which electricity from renewable sources			2.1	2.5	2.4
Transport network within Natura 2000 sites (*****)	304-1	km	11.0	8.7	12.6

(*) Number of working days lost (calendar days) due to accidents at work resulting in absence of at least one day per thousand hours worked. Data is calculated including the contribution of fatal accidents, for each of which 7,500 days of absence were considered.

(**) For the purposes of calculating the employee absenteeism rate, all hours worked (paid and unpaid) were excluded, excluding holidays and recoveries. The rate of absenteeism does not include Managers.

(***) CO₂eq emissions have been consolidated according to the operational control approach. The GHG gas included in the calculation are CO₂ and CH₄ and the emissions are calculated with a GWP of methane equal to 28, as indicated in the scientific study by the Intergovernmental Panel on Climate Change (IPCC) "Fifth Assessment Report IPCC".

(****) The percentage of electricity produced from renewable sources and consumed by the Group depends on the individual national electricity mixes. For Italy, there is also a self-consumption of electricity from renewable sources, as better specified in the lines below.

(*****) Natura 2000 sites are special protection areas/sites of Community interest. The indicator gives the km of line laid in these sites in the year. For 2017, the Natura 2000 sites affected by the laying of infrastructures were: Severe areas and wetlands in Brenta; Valli di Comacchio; Valle del Mezzano; Marshes of Brusà; Gessi bolognesi/Calanche dell'Abbadessa; Low course and banks of the Ticino/ Forests of Ticino; Bacino former Argelato and Golena sugar mill of the river Reno; Walloons and pedegarganic steppes/Promontory of the Gargano; Fiumara di Melito.

Social aspects

Relevance and related risks

The relevant theme related to the social sphere, in relation to Snam's activities, is as follows:

- Stakeholder engagement and dialogue with the territory.

In relation to this topic, the most significant risk is linked both to the presence of the existing plants in the territories hosting them, and to the possible opposition with respect to the creation of new infrastructures by the communities.

With reference to the presence of the plants in the impacted communities, the main risk is the same reported in the section concerning the environmental and health and safety aspects on [page 154](#) of this declaration, i.e. the operational risk of breakage or damage to pipelines and plants, also as a result of extraordinary events such as fires, landslides, extreme weather phenomena due to climate change.

With reference to the construction of new infrastructures, there is an operational risk reported under the heading "Delay in the progress of infrastructures" in the paragraph "Risk management and control system" on [page 35](#) and described in full in the chapter "Risk and uncertainty factors" under the heading "Delay in infrastructure progress" on [page 154](#).

Policies, commitments and management model

Snam, in line with the guidelines of its Stakeholder Engagement Policy, maintains regular and frequent relations with local government bodies and with local stakeholder associations to share new plants for new achievements.

Through the Sustainable Development Policy and the Policy for the management of philanthropic activities and social initiatives, Snam also pledges to promote initiatives in the areas in which the Company operates to promote local development.

The initiatives on the territory integrate the comparison with the institutions and other stakeholders that takes place in the context of authorisation procedures and environmental impact assessment and, for some plants, also socio-economic. Relations with the territory are reported in detail on [pages 141-142](#) of the Report on Integrated Management.

These activities are also supported by the work of the recently established Snam Foundation. The Foundation is committed to pursuing innovative practices of "corporate citizenship" to promote civil, cultural and economic development in priority areas of public interest, by acting on the redevelopment of the most vulnerable areas, including through the protection and care of the landscape heritage and environment, as well as the support and development of cultural activities in all their forms.

Further information on the Snam Foundation can be found on the Company's website at http://www.snam.it/en/Sustainability/responsibility_towards_everyone/foundation.html.

Performance Indicators

Below are the representative indicators of the results of the management of the social aspects. As highlighted in the chapter on environmental, and health and safety aspects, in the qualification and selection of suppliers are considered environmental requirements and related to safety at work.

Indicator	GRI Standard	Unit of Measurement	2015	2016	2017
Jobs Suppliers, qualified in 2017 and evaluated on the basis of environmental criteria			82	80	95
Goods Suppliers, qualified in 2017 and evaluated on the basis of environmental criteria	308-1	%	60	50	65
Service Suppliers, qualified in 2017 and evaluated on the basis of environmental criteria			41	36	33
Jobs Suppliers, qualified in 2017 with safety criteria at work			82	80	95
Goods Suppliers, qualified in 2017 with safety criteria at work	414-1	%	60	50	65
Service Suppliers, qualified in 2017 with safety criteria at work			41	36	33

Aspects concerning the management of personnel

Relevance and related risks

The relevant topics related to personnel management, in relation to Snam's activities, are as follows:

- Employment
- Developing and promoting human capital.

The management of diversity and equal opportunities and the reconciliation of life and work are issues that Snam considers important, but the analysis conducted did not emerge as relevant. For the first theme, this assessment finds a reason both in the historically limited, though growing, presence of the female component in the company, and in the objective availability on the market of figures with a specific technical training that is mainly found in male figures. Regarding the issue of work-life balance, the monitoring of the theme and the initiatives developed by the Company in recent years have not made it emerge as a priority.

In relation to the relevant issues, the most significant risks, managed by the competent corporate departments,

are limited to situations of potential conflict and the risk of litigation, normally present in the management of labour relations.

A more extensive description of the main risks generated or suffered by Snam in relation to the management of persons is shown on [page 154](#) of the Chapter Risk factors and of Report uncertainty on the integrated management of Employees and personnel in key roles.

Policies, commitments and management model

Snam guarantees all workers the right to express their thoughts freely, to join associations and to engage in trade union activities. Dialogue with the social partners⁶⁰ is framed and regulated by the current Protocol for Industrial Relations, signed in 2013.

Through the Sustainable Development Policy, Snam pledges to:

- develop its own system of professional and managerial skills;
- attract and retain qualified resources;
- ensure the involvement of staff

⁶⁰ See article 3, paragraph 1, lett. d of the Decree no. 254 of 30 December 2016. At the end of 2017, 27.9% of employees were members of a union.

- to participate actively in the improvement processes;
- adopt work practices based on equal opportunities.

With particular regard to the commitment to ensure gender diversity⁶¹, this has been strengthened with the addition of Snam to Valore D, the association of companies that promotes diversity, talent and female leadership for the growth of companies and the country. The actions and initiatives for the implementation of these policies are reported in detail in the Report on Integrated Management:

- for aspects of performance and quality of employment, on [pages 53 and 135-136](#); in this paragraph it is possible to find general data on employment trends in terms of staff income and expenses, geographical distribution and type of contract;
- for aspects of human capital development, on [pages 136-138](#); this section shows the corporate actions to increase the development of its employees, such as performance assessment systems and training initiatives;

⁶¹ See article 3, paragraph 1, lett. d of the Decree no. 254 of 30 December 2016.

- for aspects of welfare and work-life balance, on page 138; this paragraph explains the benefits and the type of welfare provided to employees to facilitate the balance between work and private life;
- for industrial relations, on page 53; in this paragraph it is possible to find details on the meetings with the representatives of the trade unions and the content of the issues discussed;
- for aspects of gender diversity, on pages 138-139; this section shows the Company's actions to promote equal opportunities and some data concerning female employment.

The information on diversity applied in relation to the composition of the administrative, management and control bodies pursuant to art. 10 of the Decree, can be found in the "Report on Corporate Governance and Ownership Structure 2017" on pages 53-55.

Performance Indicators

The following are representative indicators of the results of the management of social and personnel-related aspects, with indication of the reference GRI standard. There are no particular changes between the 2017 and 2016 values:

Indicator	GRI Standard	Unit of Measurement	2015	2016	2017
Total number of employees	102-8	no.	3,005	2,883	2,919
Employees hired (and dismissals) <30 years		no.	119 (13)	84 (3)	57 (10)
New hires rate <30 years		%	31.2	20.5	13.3
Employees hired (and dismissals) between 30 and 49 years		no.	42 (8)	49 (9)	88 (21)
New hires rate (*) between 30 and 49 years		%	4.0	4.9	8.4
Employees hired (and dismissals) > 50 years	401-1	no.	1 (47)	8 (41)	3 (38)
New hires rate > 50 years		%	0.1	0.5	0.2
Total number of employees hired (and dismissals)		no.	162(60)	141(30)	148 (75)
- women		no.	32(7)	35(2)	53 (13)
Total New hires rate		%	5.4	4.9	5.1
Turnover rate (**)		%	2.0	1.0	2.6
Total hours of training			87,620	82,184	85,346
Average hours of training for men			30.9	30.2	31.3
Average hours of training for women			18.4	17	15.8
Average hours of manager training	404-1 (***)	no.	27.7	33.8	20.5
Average hours of training for directors			24.8	23.8	18.9
Average hours of training white collars			24.1	18.8	23.8
Average hours of training for blue collars			44.3	52.7	49.7

(*) New hires rate by age group shows the ratio of employees hired in the age group/total number of employees in the age group, as to 31/12. The total new hires rate shows the total income from the market/total number of employees at 31/12.

(**) The turnover rate is calculated considering the employees leaving the organization (excluding those due to transfers to unconsolidated companies)/total number of employees as at 31/12.

(***) The data relating to the training carried out by the employees of the Company Infrastruttura Trasporto Gas is not available.

Prevention of Active and Passive Corruption

Relevance and related risks

Snam considers the phenomenon of corruption a serious threat for the development of economic and social relations. It recognises corruption as a relevant subject of great importance, and promotes its national and international opposition, both in relations with public officials and with private individuals.

The risk of corruption is present in various areas of business activity, also involving the relationships inherent in the supply chain. The occurrence of illicit actions in these areas could imply sanctions and possible repercussions on the performance of Snam activity, as well as serious damage to reputation.

The complete list of risks in the prevention of active and passive corruption is as follows:

- risk of possible violation of rules and regulations in relation to corruption in legal and non-compliance risks;
- risk of maintaining an adequate reputation profile for suppliers and subcontractors in legal and non-compliance risks.

The more extensive description of the risk of fraud and corruption and, more generally, of the legal and non-compliance risks is reported on [pag. 151-153](#) of the Chapter Factors on uncertainty in the Report on Integrated Management.

Policies, commitments and management model

Anti-corruption Compliance Programme

Snam, in establishing and maintaining an Anti-Corruption Compliance Programme, is not limited to adopting Model 231 (aimed at preventing the predicate offences of administrative liability from company crime, including corruption offences) but, in accordance with the provisions gives *guidance* and international best practices, and has also implemented the following tools⁶²:

- the so-called “*top level commitment*”, that is, the commitment of the top management in the fight against corruption;
- the adoption of anti-corruption *policy* specifications;
- the establishment of an Anti-Corruption Legal Department (*Ethics & Antibribery*);
- anti-corruption *due diligence* on contractual/commercial counterparts;
- the monitoring of an external and independent advisor to verify the effective knowledge and implementation of the aforementioned procedures;
- raising staff awareness through training and information activities;
- disciplinary measures in case of violation of anti-corruption regulations

Collaboration with Transparency International and other initiatives

In October 2016, Snam and Transparency International signed an agreement to develop a partnership within the Global Corporate Supporters Forum promoted by the non-governmental organisation. By virtue of the agreement, Snam became part of the international partners of the Forum as the first Italian company. This Forum has been created with the aim of grouping companies that stand out for their integrity in business management, in compliance with the standards of good government, transparency and accountability promoted by Transparency International, in the framework of the global commitment against corruption and ethical business conduct.

The partnership formalises the principles of cooperation between Transparency International and Snam on the management of anti-corruption programmes and policies to combat fraud and irregularities, conflict of interests and whistleblowing, among other measures aimed at consolidating the highest anti-corruption standards recognised by Transparency International.

During 2017, Snam intervened in initiatives promoted by the OECD and the Ministry of Foreign Affairs, participating in the OECD's Global Forum on Responsible Business Conduct held in Paris on 30 June, intervening as the first company in the private sector world on the panel dedicated to the comparison of approaches to due diligence in the areas of the fight against corruption and the protection of human rights. In addition, since 2017 Snam has been part, as the first Italian company in the private sector, of the Business and Industry Advisory Committee (BIAC).

⁶² In this regard, the Code of Ethics provides, inter alia, that Snam rejects any kind of corruption (in all its forms with reference to any public or private entity) and that practices of corruption, illegitimate favours, collusive behaviour, solicitations, direct and/or through third parties, personal and career advantages for themselves or others, are without exception prohibited.

Anti-corruption Compliance Programme Highlights

- Prohibition of corruption without exception, against any subject, public or private
- Specific rules and controls in relation to the activities identified as potentially “at risk” and to the activities concerning the effective implementation of anti-corruption compliance
- Clear distinction between permitted conduct and prohibited conduct
- Particular attention to relations with public officials and suppliers and business partners
- Establishment of the dedicated *Ethics & Antibribery* Department
- *Monitoring* activity involving *management* and training launched in 2016 for 1,442 participants and completed in 2017 for 112 people
- Preparation of the “Anti-Corruption Guide”, as an easily understandable and consultable support, with the aim of spreading and growing the anti-corruption culture among the people at Snam
- Example of “absolute excellence” from Transparency International Italia following its “*Assessment on Transparency in Reporting on Anti-Corruption*”
- Performed 1,810 reputational checks on counterparts (suppliers and subcontractors)

The Anti-Corruption Procedure is an integral part of a broader corporate ethics control system aimed at ensuring the *compliance* of Snam to national and international anti-corruption laws⁶³ and to the best *standards* in the fight against corruption. It is also to protect the reputation of Snam. Among other things, the Anti-Corruption Procedure dedicates special attention to the selection of suppliers and business partners, to the management of relations with them and to the related contractual clauses of protection.

The Anti-Corruption Procedure applies to Snam and its Subsidiaries and is also brought to the attention of investee companies, with the aim of promoting conduct and information flows consistent with those expressed by Snam. Furthermore, Snam uses its influence, however reasonable according to the circumstances, to

ensure that the companies and entities in which Snam has a non-controlling interest and business partners meet the standards indicated in the Anti-Corruption Procedure.

The Anti-Corruption Procedure is available on the Company's website (http://www.snam.it/export/sites/snam/repository/file/Governance/procedure/anticorruzione/snam_anticorruzione_01.pdf).

Performance Indicators

Below are the representative indicators of the results of the management of the aspects related to the prevention of corruption, with indication of the reference GRI standard. With regard to corruption issues, in 2017, with reference to the transportation business, a report was received concerning “presumed contractual relations with companies attributable to subjects investigated for corruption offences”. On the basis of the analyses carried out by the

“Evaluation Team of unlawful conduct of suppliers and subcontractors”, the reported facts were not confirmed. In 2017, the training cycle launched in 2016 was completed with the aim of reducing the concept of business ethics, legality and anti-corruption in the daily operating reality, enabling the participants to recognise potential Red Flags and manage them. The training on these issues has in fact a cyclical trend that follows the evolution of the regulations applicable to the Company and the related update of the internal regulatory system.

⁶³ These include the Foreign Corrupt Practices Act (FCPA) issued in the United States; UK Bribery Act issued in the United Kingdom; the Organisation for Economic Cooperation and Development Convention on the Fight against Corruption of Foreign Public Officials in International Business Operations and the United Nations Convention against Corruption.

Indicator	GRI Standard	Unit of Measurement	2015	2016	2017
Cases of proven corruption			0	0	0
Reports received on corruption and under examination			0	0	0
Reports received on corruption and archived because unfounded	205-3	no.	1	1	1
Hours of training on anti-corruption, code of ethics and model 231		no.	600	2,641	327
Participations in training on anti-corruption, code of ethics and model 231 (*)	205-2	no.	239	1,596	112

(*) Instead of the participants, the number of participations is reported as data aligned with the attendance recording system as far as training is concerned.

Protection of human rights

Relevance and related risks

The protection of human rights is an emerging issue that has been relevant following the recent update of the relevance analysis even if, due to the type and geographical scope of Snam's activities, this theme is associated with a limited risk profile of possible violations.

In fact, Snam recognises that the main human rights connected to its activities are those of the personal sphere, of work and of the protection of the environment, in all the contexts in which it is present, for this reason the theme is linked to other relevant aspects discussed in this Declaration.

Policies, commitments and management model

Snam's Code of Ethics establishes Snam's commitment to the protection and promotion of human rights, inalienable and unavoidable prerogatives of human beings and the basis for building societies founded on the principles of equality, solidarity, repudiation of war and the protection of civil and political rights, social, economic and cultural rights and so-called third generation rights (right of self-determination, peace, development and protection of the environment).

In this regard, Snam operates in the framework of the UN's Universal Declaration of Human Rights, the fundamental conventions of the ILO Declaration - International Labour Organization - and the OECD Guidelines for Multinational Enterprises.

In relation to these aspects, Snam has also adopted a Human Rights Policy, through which it undertakes to prevent and repudiate:

- all sorts of discrimination and violence, forced or child labour;
- any form of sexual harassment or related to the individual's personal and cultural differences;
- harassment or attitudes in any way due to mobbing practices.

The Human Rights Policy also reiterates the commitment, already stated in the specific policies mentioned in the previous chapters, aimed at promoting personal well-being, both as an individual and as part of social training, based on the following principles and management guidelines:

- safeguarding the dignity, freedom and equality of human beings;
- protection of work, working conditions and trade union freedoms;
- confidentiality of personal data;
- health and safety protection;
- guarantee of professional and salary growth based exclusively on merit and skills;
- protection of the system of values and principles regarding transparency and sustainable development.

As a consequence, the management of human rights in the mentioned aspects is integrated with the related management models.

Performance Indicators

The following are representative indicators of management results regarding the protection of persons from discriminatory practices, with indication of the GRI reference standard:

Indicator	GRI Standard	Unit of Measurement	2015	2016	2017
Reports received for accidents related to discriminatory practices			0	0	0
Reports examined			/	/	/
Reports with corrective actions during implementation	406-1	no.	/	/	/
Corrective actions implemented			/	/	/
Archived reports			/	/	/

GRI Standard matching table

The reporting standard adopted by the Snam Group for the preparation of its DNF is the GRI Sustainability Reporting Standards, published in 2016 by the GRI - Global Reporting Initiative. In particular, according to the provisions of the Standard GRI 101:Foundation, paragraph 3, in this document reference was made to the Reporting Standards shown in the following table ("GRI-referenced").

RF = Integrated Financial Report

DNF = Non-Financial Statement

GRI Standard	Disclosure	Description	Reference document and page number	Omissions
GRI 102 - General disclosures 2016				
Organisational profile	102-1	Name of the organisation	Snam S.p.A.	
	102-8	Information on employees and other workers	DNF page 159 RF page 53 and pages 135-136	
Governance	102-18	Governance structure	RF pages 27-28	
Stakeholder engagement	102-40	List of stakeholder groups	DNF page 160	
	102-42	Identifying and selecting of stakeholders	DNF page 160	
	102-43	Approach to stakeholder engagement	DNF page 160	
Reporting practise	102-55	GRI Content Index	DNF page 174	
Economic topics (GRI 200)				
GRI 205 Anti-corruption 2016	205-2	Communication and training on policies about anti-Corruption policies and procedures	DNF page 172	
	205-3	Confirmed incidents of corruption and actions taken	DNF page 172	

GRI Standard	Disclosure	Description	Reference document and page number	Omissions
Environmental topics (GRI 300)				
GRI 302 Energy 2016	302-1	Energy consumption within the organisation	DNF page 166	
GRI 304 Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	DNF page 166	
GRI 305 Emissions 2016	305-1	Direct greenhouse gas emissions (Scope I)	DNF page 166	
	305-7	NOx, SOx and other significant emissions in the air divided by type and weight	DNF page 166	
GRI 308 Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	DNF page 168	
Social topics (GRI 400)				
GRI 401 Employment 2016	401-1	New employee hires and employee turnover	DNF page 169	The subdivisions of the data by country are not reported as it is not applicable (almost all the employees are located in Italy) and by gender.
GRI 403 Occupational Health and safety 2016	403-2	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	DNF page 166	The breakdown of employee accidents by country is not reported as it is not applicable (almost all employees are located in Italy); as regards the breakdown by gender, the figure is not significant given the small percentage of the female population in the company and by virtue of the fact that the category of workers, the one with the greatest risk of injury, consists exclusively of male personnel. The accidents of contractors by gender are not reported, with regard to accidents by country the figure is not applicable as all the sites are located in Italy.
GRI 404 Training and education 2016	404-1	Average hours of training per year per employee	DNF page 169	
GRI 414 Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	DNF page 168	
GRI 406 Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	DNF page 173	

This document (DNF) was approved by the Board of Directors of Snam S.p.A. on March 13, 2018.

Independent auditors' report



Snam S.p.A.

Independent auditors' report on the consolidated disclosure of non-financial information in accordance with article 3, par. 10, of Legislative Decree 254/2016 and with article 5 of Consob Regulation adopted with Resolution 20267

(Translation from the original Italian text)



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Independent auditors' report on the consolidated disclosure of non-financial information in accordance with article 3, par. 10, of Legislative Decree 254/2016 and with article 5 of Consob Regulation adopted with Resolution 20267

(Translation from the original Italian text)

To the Board of Directors of
Snam S.p.A.

We have performed a limited assurance engagement pursuant to Article 3, paragraph 10, of Legislative Decree 30 December 2016, n. 254 (hereinafter "Decree") and article 5 of Consob Regulation adopted with Resolution 20267, on the consolidated disclosure of non-financial information of Snam S.p.A. and its subsidiaries (hereinafter the "Group") for the year ended on 31st December 2017 in accordance with article 4 of the Decree, presented in the specific section of the Management Report and approved by the Board of Directors on 13th March 2018 (hereinafter "DNF").

Responsibilities of Directors and Board of Statutory Auditors for the DNF

The Directors are responsible for the preparation of the DNF in accordance with the requirements of articles 3 and 4 of the Decree and the "Global Reporting Initiative Sustainability Reporting Standards" defined in 2016 by GRI - Global Reporting Initiative ("GRI Standards"), with regards to the selection of GRI Standards specified in the paragraph "GRI Standard matching table" of the DNF, identified by them as a reporting standard.

The Directors are also responsible, within the terms provided by law, for that part of internal control that they consider necessary in order to allow the preparation of the DNF that is free from material misstatements caused by fraud or non-intentional behaviors or events.

The Directors are also responsible for identifying the contents of the DNF within the matters mentioned in article 3, par. 1, of the Decree, considering the business and the characteristics of the Group and to the extent deemed necessary to ensure the understanding of the Group's business, its performance, its results and its impact.

The Directors are also responsible for defining the Group's management and organization business model, as well as with reference to the matters identified and reported in the DNF, for the policies applied by the Group and for identifying and managing the risks generated or incurred by the Group. The Board of Statutory Auditors is responsible, within the terms provided by the law, for overseeing the compliance with the requirements of the Decree.

EY S.p.A.
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Auditors' independence and quality control

We are independent in accordance with the ethics and independence principles of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, based on fundamental principles of integrity, objectivity, professional competence and diligence, confidentiality and professional behavior. Our audit firm applies the International Standard on Quality Control 1 (ISQC Italia 1) and, as a result, maintains a quality control system that includes documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable laws and regulations.

Auditors' responsibility

It is our responsibility to express, on the basis of the procedures performed, a conclusion about the compliance of the DNF with the requirements of the Decree and of the GRI Standards, with regards to the selection of GRI Standards specified in the paragraph "GRI Standard matching table" of the DNF. Our work has been performed in accordance with the principle of "International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (hereinafter "ISAE 3000 Revised"), issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. This standard requires the planning and execution of work in order to obtain a limited assurance that the DNF is free from material misstatements. Therefore, the extent of work performed in our examination was lower than that required for a full examination according to the ISAE 3000 Revised ("reasonable assurance engagement") and, hence, it does not provide assurance that we have become aware of all significant matters and events that would be identified during a reasonable assurance engagement.

The procedures performed on the DNF were based on our professional judgment and included inquiries, primarily with company's personnel responsible for the preparation of the information included in the DNF, documents analysis, recalculations and other procedures in order to obtain evidences considered appropriate.

In particular, we have performed the following procedures:

1. analysis of the relevant topics in relation to the activities and characteristics of the Group reported in the DNF, in order to assess the reasonableness of the selection process applied in accordance with the provisions of article 3 of the Decree and considering the reporting standard applied;
2. analysis and evaluation of the criteria for identifying the consolidation area, in order to evaluate its compliance with the provisions of the Decree;
3. understanding of the following aspects:
 - o group's management and organization business model, with reference to the management of the topics indicated in article 3 of the Decree;
 - o policies adopted by the Group related to the matters indicated in art. 3 Decree, results achieved and related key performance indicators;
 - o main risks, generated or suffered related to the matters indicated in the article 3 of the Decree.

With regards to these aspects, we obtained the documentation supporting the information contained in the DNF and performed the procedures described in item 4. a) below.



4. Understanding of the processes that lead to the generation, detection and management of significant qualitative and quantitative information included in the DNF.
- In particular, we have conducted interviews and discussions with the management of Snam S.p.A. and with the personnel of Snam Rete Gas S.p.A. and Stogit S.p.A. and we have performed limited documentary evidence procedures, in order to collect information about the processes and procedures that support the collection, aggregation, processing and transmission of non-financial data and information to the management responsible for the preparation of the DNF.

Furthermore, for significant information, considering the Group activities and characteristics:

- at Group level
 - a) with reference to the qualitative information included in the DNF, and in particular to the business model, policies implemented and main risks, we carried out inquiries and acquired supporting documentation to verify its consistency with the available evidence;
 - b) with reference to quantitative information, we have performed both analytical procedures and limited assurance procedures to ascertain on a sample basis the correct aggregation of data.
- For the site of Poggio Renatico of Snam Rete Gas S.p.A. and the site of Fiume Treste of Stogit S.p.A., that we have selected based on their activity, relevance to the consolidated performance indicators and location, we have carried out a site visit during which we have had discussions with management and have obtained evidence about the appropriate application of the procedures and the calculation methods used to determine the indicators.

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the DNF of the Snam Group for the year ended on 31st December 2017 has not been prepared, in all material aspects, in accordance with the requirements of articles 3 and 4 of the Decree and the GRI Standards, with regards to the selection of GRI Standards specified in the paragraph "GRI Standard matching table" of the DNF.

Other Information

The Group has prepared Sustainability Reports for the years ended on 31st December 2016 and 31st December 2015; such data are presented for comparative purposes in the DNF. This Sustainability Report has been subject to voluntary limited assurance procedures in accordance with ISAE 3000 Revised by EY S.p.A. that has expressed an unqualified conclusion.

Torino, 29th March 2018

EY S.p.A.
Signed by: Massimiliano Formetta
(Partner)

This report has been translated into the English language solely for the convenience of international readers.