

Annex



Performance figures and indicators

Key operating figures

	2016	2017	2018
Natural gas transportation			
Gas injected into the network (10 ⁹ m ³)	70.63	74.59	72.82
Gas pipeline network (km)	32,508	32,584	32,625
Average travel distance of gas in Italian transportation network (km)	582	551	510
Gas compression stations (no.)	11	11	13
Installed power in the gas compression stations (MW)	922	902	961
Liquefied natural gas regasification			
Regasified natural gas (10 ⁹ m ³)	0.21	0.63	0.91
Number of LNG tanker loads	5	15	21
Natural gas storage			
Gas injected in storage (10 ⁹ m ³)	9.97	9.80	10.64
Gas delivered from storage (10 ⁹ m ³)	10.03	10.12	10.43
Operating concessions (no.)	9	9	9

Key financial figures (*)

	2016	2017	2018
Economic and financial data (millions of €)			
Total revenue	2,560	2,533	2,586
Total revenue - net pass through items	2,444	2,441	2,528
Adjusted EBIT	1,336	1,363	1,405
Adjusted net profit	845 (*)	940	1,010
Operating costs	573	511	491
Total revenue - net pass through items	428	419	433
EBITDA	1,987	2,022	2,095
Net invested capital at 31 December	17,553	17,738	17,533
Shareholders' equity at 31 December	6,497	6,188	5,985
Net financial debt at 31 December	11,056	11,550	11,548
Free Cash Flow	1,707	423	1,161
Added value produced	2,518	2,447	2,532
Added value distributed	1,913	1,621	1,634
Snam's stock			
Number of shares in share capital (mln)	3,501	3,501	3,469
Number of shares outstanding on 31 December (mln)	3,471	3,415	3,301
Average number of shares outstanding during the year (mln)	3,497	3,422	3,358
Year-end official share price (€)	3.922	4.086	3.820
Average official share price during the period (€)	4.101	4.043	3.747
Market capitalisation (millions of €)	13,612	13,953	12,606
Dividends paid in the period (millions of €)	875	718	731

(*) For additional information please refer to the Snam 2018 Annual Report

Key employees figures and indicators

	2016	2017	2018
Total employees (no.)	2,883	2,919	3,016
of which women (no.)	369	393	419
Average headcount (no.)	3,026	2,927	2,943
Average age of employees (years)	46.1	45.7	44.9
Average length of service (years)	21.1	21.0	19.5
Employees by business segment			
Corporate (no.)	785	824	978
Transportation (no.)	1,726	1,972	1,915
Storage (no.)	301	60	59
Regasification (no.)	71	63	64
Employees by grade			
Executives (no.)	87	93	107
Middle Managers (no.)	421	456	480
Administrative staff (no.)	1,651	1,655	1,682
Blue-collar workers (no.)	724	715	747
Employees by type of contract			
Permanent contract (no.)	2,676	2,755	2,812
of which women (no.)	348	369	395
Apprenticeship or internship contract (no.)	206	150	185
Fixed-term contract (no.)	1	14	19
Full time contract (no.)	2,838	2,877	2,975
of which women (no.)	331	357	382
Part-time contract (no.)	45	42	41
of which women (no.)	38	36	37
Employees by geographical area			
North (no.)	2,169	2,204	2,302
Central (no.)	204	202	220
South and Sicily (no.)	506	504	490
Abroad (no.)	4	4	4
Employees by gender			
Men (no.)	2,514	2,526	2,597
Women (no.)	369	393	419
Remuneration differential - women/men (executive grade)	1.02	1.03	0.98
Remuneration differential - women/men (middle manager grade)	0.96	0.96	0.93
Remuneration differential - women/men (administrative staff grade)	0.89	0.89	0.89

(follows)

	2016	2017	2018
Entries and Departures			
Hired from the market (no.)	141	148	195
of which university graduates (no.)	73	100	108
of which high school graduates (no.)	66	48	86
of which women (no.)	35	53	42
of which men (no.)	106	95	153
Hiring rate (%) (*)	4.9	5.1	6.5
Hiring rate < 30 years old (%) (**)	20.5	13.3	22.8
Hiring rate between 30 and 49 years old (%) (**)	4.9	8.4	6.9
Hiring rate > 50 years old (%) (**)	0.5	0.2	0.5
Other new employees (non-consolidated companies, acquisitions, etc.)	36	36	126
Percentage of university graduates hired (%)	52	67	55
Departures in the year (no.)	53	69	189
Other Departures (non-consolidated entities etc.)	246	79	35
Departure rate (%)	1.8	2.4	6.3
Voluntary Departure rate (%)	0.5	1	1.2
Turnover (%)	6.4	7.4	13.0
Absenteeism rate (no.)	4.7	4.7	4.6
Training			
Training hours (no.)	82,184	85,346	107,711
Participants (no.)	10,396	8,604	13,999
Average hours of training per employee (no.)	28.5	29.2	35.7
Executive training hours (no.)	2,940	1,908	4,392
Middle Manager training hours (no.)	10,021	8,600	19,072
Administrative staff training hours (no.)	31,072	39,316	49,650
Blue-collar worker training hours (no.)	38,151	35,522	34,657
Average training hours delivered to men (no.)	30.2	31.3	36.9
Average training hours delivered to women (no.)	17.0	15.8	28.7
Average training hours delivered to executives (no.)	33.8	20.5	41.0
Average training hours delivered to middle managers (no.)	23.8	18.9	39.7
Average training hours delivered to administrative staff (no.)	18.8	23.8	29.5
Average training hours delivered to blue-collar workers (no.)	52.7	49.7	46.4
Training hours for health, safety and environment (no.)	19,288	9,641	28,345
Participation for health, safety and environment (no.)	3,484	1,695	4,953

33 people were employed on staff leasing contracts in 2018 (33 in 2017 and 36 in 2016).

(*) Hiring rate = (market hires/average workforce *100).

(**) Hiring rate by age = (market hires by age range/total employees by age range at 31/12 *100).

Main HSE data and indicators

	2016	2017	2018
Health and Safety			
Employee accidents (no.)	4	6	4
Employee accident frequency index	0.81	1.24	0.84
Employee accident severity index	0.04	0.05	0.02
Contractor accidents (no.)	5	5	3
Contractor accident frequency index	0.71	0.54	0.41
Contractor accident severity index	0.05	0.83	0.03
Employee and contractor accident frequency index	0.75	0.78	0.58
Employee and contractor severity index	0.05	0.56	0.02
Energy			
Total energy consumption (TJ)	10,957.4	12,582.3	13,281.0
of which natural gas (TJ)	10,541.7	12,153.2	12,801.4
of which diesel (TJ)	84.4	77.9	91.0
of which gasoline (TJ)	2.2	2.3	2.8
of which LPG (TJ)	0.4	0.4	0.4
of which heat (TJ)	14.5	10.8	8.5
of which electricity (TJ)	314.2	337.7	376.9
Emissions			
Natural gas emissions (10 ⁶ m ³)	48.2	46.8	44.4
GHG scope 1-2-3 Emissions (10 ³ t CO ₂ eq)	1,801	1,746	1,967
GHG scope 1 Emissions (10 ³ t CO ₂ eq)	1,439	1,500	1,497
GHG scope 2 Emissions (10 ³ t CO ₂ eq) - Market based	28	29	32
GHG scope 3 Emissions (10 ³ t CO ₂ eq)	334	217	438
NOx emissions (t)	434	532	564
CO emissions (t)	281	329	196
CO ₂ emissions/energy used (kg/GJ)	55.0	54.9	54.7
NOx emissions/energy used (kg/GJ)	0.040	0.042	0.042

(follows)

	2016	2017	2018
Waste			
Total waste production (t)	52,513	54,413	28,286
Non-hazardous waste production (t)	48,954	50,604	24,187
Hazardous waste production (t)	3,558	3,809	4,099
Waste recovered from production operations (%)	77	80	60
Water extraction and discharge			
Freshwater extractions (10 ³ m ³)	177	170	134
Fresh water discharges (10 ³ m ³)	139	112	68
Seawater extractions (10 ³ m ³)	4,000	4,000	4,000
Seawater discharges (10 ³ m ³)	4,000	4,000	4,000
HSE management			
Environmental expenses (millions of €)	139.8	120.6	100.3
Safety and health expenses (millions of €)	47.9	34.7	32.4
Medical visits (no.)	1,561	1,914	1,350
Periodical medical visits	1,337	1,688	1,061
Diagnostic examinations (no.)	2,252	3,508	2,020
Total HSEQ audits conducted (no.)	212	163	237
Environmental surveys (no.)	172	279	247

Main HSE Data and Indicators – Business Segments

	2016	2017	2018
Natural gas transportation			
Health and safety			
Employee accidents (no.)	1	2	4
Contractor accidents (no.)	4	4	3
Employee frequency index	0.32	0.66	1.29
Employee severity index	0.004	0.03	0.03
Contractor frequency index	0.65	0.47	0.46
Contractor severity index	0.05	0.90	0.03
Energy and the Environment			
Energy consumption (TJ)	5,824	7,459	7,463
GHG scope 1 Emissions (10 ³ t CO ₂ eq)	922	1,008	982
Natural gas emissions (10 ⁶ m ³)	34.6	34.4	32.8
Natural gas recovered (10 ⁶ m ³)	4.5	4.1	8.2
NOx emissions (t)	228	342	305
Energy consumption/compressed energy (%)	0.25	0.25	0.25
CO ₂ emissions/compressed gas (kg/10 ⁶ m ³)	6,023	5,767	5,644
Natural gas emissions/km of network (m ³ /km)	1,066	1,057	1,007
NOx emissions/compressed gas (kg/10 ⁶ m ³)	4.4	4.8	4.2
Average emissions of NOx per turbine/installed capacity ([mg/Nm ³]/MW)	4.4	4.4	3.8
DLE turbine operating hours/Total turbine operating hours (%)	94	93	97
Liquefied natural gas regasification			
Health and safety			
Employee accidents (no.)	1	1	0
Contractor accidents (no.)	0	0	0
Employee frequency index	8.65	9.31	0
Employee severity index	0.66	0.17	0
Contractor frequency index	0	0	0
Contractor severity index	0	0	0

(follows)

	2016	2017	2018
Energy and the Environment			
Energy consumption (TJ)	128	325	462
GHG scope 1 Emissions (10 ³ t CO ₂ eq)	54	44	41
Natural gas emissions (10 ⁶ m ³)	2.9	1.7	1.2
NOx emissions (t)	5.5	14.8	22.4
Natural gas storage			
Health and safety			
Employee accidents (no.)	1	2	0
Contractor accidents (no.)	1	0	0
Employee frequency index	2.00	6.71	0
Employee severity index	0.11	0.43	0
Contractor frequency index	1.27	0	0
Contractor severity index	0.07	0	0
Energy and the Environment			
Energy consumption (TJ)	4,985	4,787	5,337
GHG scope 1 Emissions (10 ³ t CO ₂ eq)	462	448	476
Natural gas emissions (10 ⁶ m ³)	10.7	10.7	10.5
NOx emissions (t)	201	175	236
Emissions of natural gas for storage/gas stored (%)	0.047	0.048	0.041
NOx emissions/stored gas (kg/10 ⁶ m ³)	20.1	17.9	22.2
Average emissions of NOx per turbine/installed capacity ([mg/Nm ³]/MW)	5.4	5.2	5.2

Methodological note

INTRODUCTION AND PRESENTATION OF THE DOCUMENT

The Snam Sustainability Report is published to maintain complete and exhaustive reporting on material topics affecting the company, for the benefit of all stakeholders and in particular of SRI analysts and of the Global Compact program.

This report has been prepared in accordance with the GRI Standards: Comprehensive option. The GRI Standards have been published by GRI in 2016.

The Sustainability Report completes the non-financial data and information of other documents published by the Company. Specifically:

- the Integrated Management Report, attached to the financial report drafted following the instructions of the International Integrated Reporting Council;
- the Consolidated Non-Financial Statement included in the Annual Report, which deals specifically with the environmental aspects of health and safety, personnel management, anti-corruption and the protection of human rights, in compliance with the requirements of Italian Legislative Decree 254/2016.
- corporate Governance and Ownership Structure Report;
- the Remuneration Report;
- the document "Snam in the future" prepared according to the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD), which describes the Snam's activities in relation to the climate change issues.

CONSOLIDATION SCOPE AND CRITERIA

The boundaries of the Sustainability Report are the same of the one of Annual Report and includes:

- **Corporate** (Snam SpA with the subsidiaries Gasrule Insurance Limited and Snam International BV);
- **Transport** (Snam Rete Gas SpA, Asset Company 2, Infrastrutture Trasporto Gas SpA);
- **LNG regasification** (GNL Italia SpA);
- **Storage** (Stogit SpA);
- **Sustainable mobility and biomethane** (Snam4Mobility SpA, Cubogas, IES Biogas Srl and Enersi Sicilia Srl);
- **Energy efficiency** (Asset Company 4 Srl and TEP Energy Solution Srl).

Within the document, data on companies operating in the new business, such as sustainable mobility, biomethane and energy efficiency, are aggregated within the "Corporate" business segment.

The data reported in the "Procurement numbers" chapter do not include the newly acquired companies: TEP, IES Biogas and Cubogas.

REPORTING PROCESS AND METHODOLOGY

The process of gathering data and information and preparing the report was coordinated and managed by the CSR unit of the parent company Snam, in cooperation with the other corporate functions and operating companies. Publication of the document, concurrent to the Annual Report, was subject to the approval by the Snam Board of Directors on 18th February 2019.

The economic and financial, operating and governance data was taken directly from the Annual Report and from the Corporate Governance and Ownership Structure Report. Data concerning the environment, employees and the other aspects addressed in the document were gathered from the process owners.

The calculation methodology used to determine the figures are indicated in the specific related sections. To ensure the comparability of the most significant indicators over time and to allow the reader to compare the performance achieved, 2018 values have been compared with those of the previous two years, using graphs and tables. The document has been drafted with the aim of report in a balanced way both the positive and negative aspects with equal emphasis, providing, where appropriate, a comment to the obtained results, including the facts and events that affected the Company during 2018.

Materiality analysis

Snam annually updates its materiality analysis in order to understand the material issues, the topics that best reflect the economic, environmental and social impacts of the company or which can substantially influence the stakeholders' assessments and decisions.

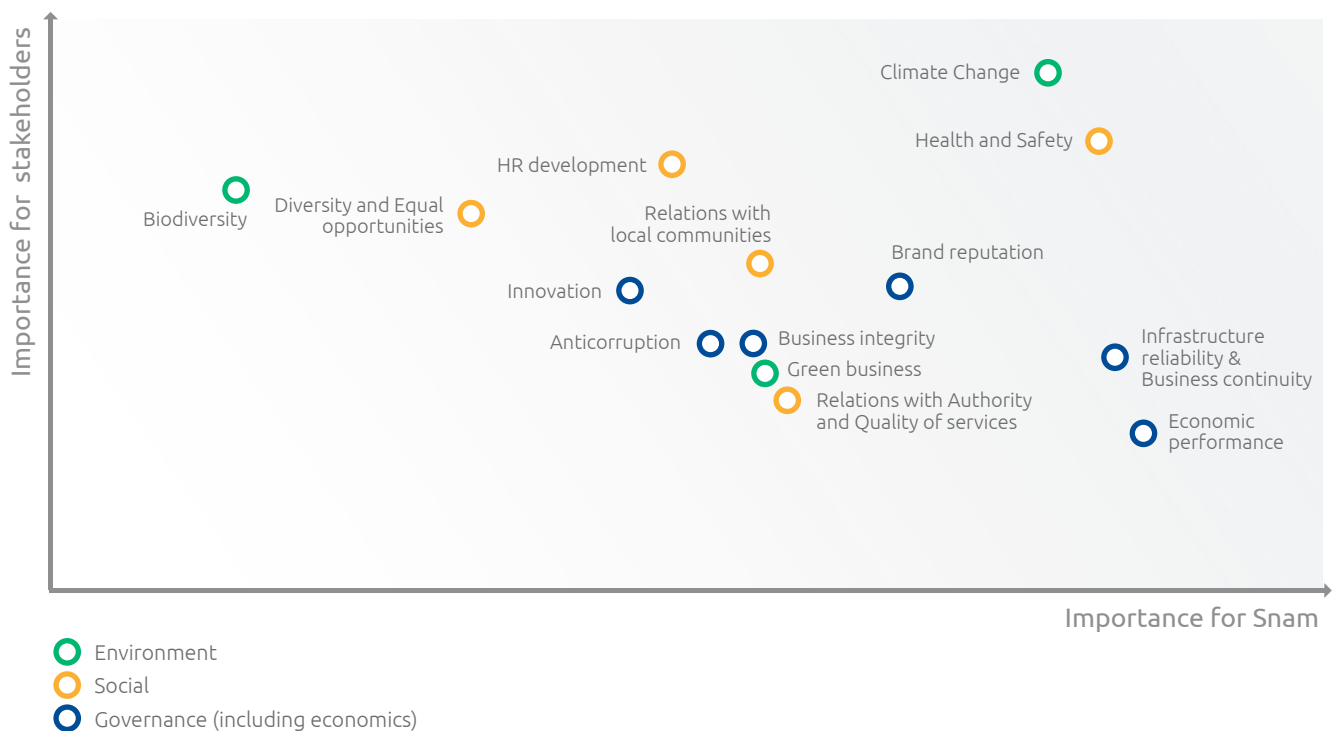
The materiality, and its analysis, has been repeatedly proposed by the Global Reporting Initiative (GRI) and the International Integrated Reporting Committee (IIRC) as a necessary starting point to bring reporting in line with stakeholders' expectations. On this matter, the Directive 2014/95/EU, transposed in Italy by the Legislative Decree 254/2016, requires the institutions/companies that fall within the scope of the decree, to apply this approach.⁵ Starting from the relevant issues arisen from the materiality analysis of the last year, at the end of 2018 Snam initiated the process for their updating, by analyzing the main sustainability trends, the most important publications in the sector and through a benchmark with the main peers and comparable companies of Snam at national and international level. In order to identify the most relevant issues from the company's point of view, Snam proceeded by analyzing the available internal documentation (e.g. the 2019-2022 Strategic Plan), the main adopted policies, the main risks identified by the ERM model and the issues on which they insisted on. The preliminary internal relevance of the issues identified in this way was then submitted to management, through direct interviews with the managers of each

department, in order to analyze the perception of the issues from the company's point of view. Each function, where appropriate, was allowed to update the relative scoring of these issues.

Differently, in order to define the most relevant issues from the stakeholders' point of view, Snam proceeded using the analyses described above, identifying the most recurrent and most significant issues. The order obtained was then merged with the results of the last survey submitted to the stakeholders. The categories of stakeholders considered were: Community and Territories, Investors and Lenders, Other operators, Media, Suppliers, Clients, People (Employees) and Authorities and Institutions.

The joint consideration of internal and external significance led to the identification of priority and materiality areas. Compared to last year, the number of material issues has been reduced from 19 to 14 based on a specific analysis that allowed to group some similar issues. Compared to 2017, the most significant changes concern the inclusion in the material issues of the "Diversity and equal opportunities" issue and the new "Green Business" issue, which became materials thanks also to the relevance of these issues in the 2019-2022 Strategic Plan, and the exclusion of "Employment" issue and "Human Rights" issue, since Snam operates mainly in the Italian boundaries, widely controlled over these aspects.

Materiality matrix



⁵ The Snam Group publishes its Consolidated Non-Financial Statement, drafted in compliance with the Italian Legislative Decree 254/2016, within its Annual Report.

To allow all stakeholders to fully understand the materiality matrix, a description of Snam's issues considered in the materiality analysis are reported below.

Material themes	Description
Reliability of infrastructures and business continuity	Ensure the reliability of infrastructures and services in order to prevent and/or mitigate potential situations that could compromise business continuity (e.g. emergencies, cyber-attacks).
Climate change	Promote strategies to contain climate change, to reduce greenhouse gases and environmental impacts, develop energy efficiency initiatives at Group plants and sites and promote a more sustainable business through the use and production of energy from renewable sources.
Diversity and equal opportunities	Promote and ensure equal opportunities for all employees, and protect diversity (race, religion, culture, gender and age) by promoting initiatives for dialogue and collaboration.
Business integrity	Carry out activities with loyalty and fairness in compliance with laws, regulations, additional and improving company dispositions and ensuring the efficiency of corporate governance, with particular attention to the issues of remuneration and balanced participation in the main corporate governance bodies.
Innovation	Research new technologies with a view to increasing efficiency in the conduct of business and reducing environmental impacts.
Anti-corruption	Adopt preventive measures and targeted policies, and promote partnerships aimed at combating corruption and crime in general and at spreading a culture of legality.
Green Business	Integrate in its operations, in support of a low-carbon economy new businesses that accompany the processes of decarbonisation, such as biomethane, use of gas for sustainable mobility (CNG, LNG) and new technologies capable of incorporating renewable energy from the environment.
Economic performance and value generation	Promote the creation of shared medium to long-term value for all categories of stakeholders, through operational and financial efficiency and commit to the development of business activities capable of generating value for all stakeholders.
Relations with the Authority and quality of services	Ensure that customers receive a safe and reliable service over time, in compliance with the principles of competition and equal treatment and access to infrastructure. Promote constructive relations with regulatory authorities and institutions, so as to develop services that are satisfactory to customers and at the same time geared to the needs and demands of the market.
Relations with local communities	Engagement with local communities in order to develop project activities that can effectively meet stakeholder expectations and also strengthen the license to operate.
Brand reputation	Enhance and protect the Snam's brand and reputation through ongoing relationships mainly with the financial community and investors (e.g. to disseminate transparent, comprehensive and timely information that can represent the company and its business).
Health & safety	Adopt practices and management systems to safeguard the health and safety of employees and third parties involved in company activities (e.g. suppliers).
Development and protection of human capital	Encouraging professional growth paths and policies for attracting and retaining talent, enhancing the technical, managerial and organizational skills of employees and promoting the reconciliation of employees' working lives also through welfare initiatives.
Land protection and biodiversity	Safeguard the landscape heritage of the territories where the Group's plants or sites are located and promote environmental protection by integrating soil, subsoil and groundwater protection policies into its operational activities.

APPLICATION OF THE GRI STANDARDS

The report content refers to the material issues of Snam and the related GRI material issues. The main methods of application of the standards are listed below:

- the standard 102 has been fully covered (from disclosure 102-1 to disclosure 102-56);
- the standard specific topics of 200 (Economic), 300 (Environmental) and 400 (Social) series have been selected in relation to the issues reported in the materiality matrix.

With regard to the standard 103 (Management approach) we proceeded as follows:

- for the disclosure 103-1 (definition of the internal and external perimeter for each material topic), the following table has been elaborated;
- for the disclosures 103-2 (management approach), and 103-3 (evaluation of the management approach) the disclosure was made for homogeneous groups of GRI material topics and for each of the Snam material issues that could not be linked to topic specific standard.

Representation of the material topics boundaries (103-1)

Associated Material Snam issue	GRI standard (topic)	Scope of the topic		Limitations of the scope	
		Internal	External	Internal	External
Climate change	GRI 305 Emissions	T, S, R	Suppliers	-	Emissions related to the energy consumption of suppliers
	GRI 302 Energy	T, S	Suppliers	-	Energy consumption of suppliers
Health & safety	GRI 403 Occupational Health & Safety	One Company	Suppliers	-	-
Land protection and biodiversity	GRI 304 Biodiversity	T	Suppliers	-	-
Green business	-	One Company	-	-	-
Economic performance	GRI 201 Economic Performance	One Company	-	-	-
Reliability of infrastructures and business continuity	-	One Company	-	-	-
Brand reputation	-	One Company	-	-	-
Innovation	-	One Company	-	-	-
Relations with the Authority and quality of services	-	One Company	-	-	-
Relations with local communities	GRI 413 Local communities	One Company	-	-	-
	GRI 203 Indirect economic impact	One Company	-	-	-
Anti-corruption	GRI 205 Anti-corruption	One Company	Suppliers	-	-
Business integrity	GRI 205 Anti-corruption	One Company	Suppliers	-	-
	GRI 419 Socio-economic compliance	One Company	-	-	-
Development and protection of human capital	GRI 401 Employment	One Company	-	-	-
	GRI 404 Training and Education	One Company	-	-	-
Diversity and equal opportunities	GRI 405 Diversity and Equal opportunities	One Company	-	-	-
		One Company	-	-	-

Legend: T = Transport; S= Storage; R= Regasification; C= Corporate; M = Sustainable mobility; B = Biomethane; E = Energy efficiency; One Company= T, S, R, C, M, B, E

ASSURANCE

The report was audited by the independent auditors (PWC S.p.A.) in accordance with the principles and indications of the International Standard on Assurance Engagement (ISAE 3000 Revised) issued by the International Auditing and Assurance Standards Board (IAASB). The results of the audits conducted are given in the Independent Auditors' Report attached.

Reference period	1-1-2018 to 12-31-2018
Frequency	Annual
Last document published	Corporate responsibility and social innovation – 2017 Sustainability Report
Contact persons	Domenico Negrini, Bruno Andreetto Snam SpA Piazza Santa Barbara, 7 San Donato Milanese (MI)
Accessibilità	www.snam.it
Email	domenico.negrini@snam.it – bruno.andreetto@snam.it

GRI Content Index

GRI Content Index

SR = Sustainability Report

RF = Integrated Financial Report – Annual Report

DNF = Consolidated Non-Financial Statement

RCG = Corporate Governance and Ownership Structure Report

RR = Remuneration Report

TCFD = Task Force on Climate-related Financial Disclosure

GRI Standard	Disclosure	Description	Reference document and page number	Omissions - Notes
GRI 102 General disclosure 2016				
Organizational profile	102-1	Name of the organization	SR "Cover page"	
	102-2	Activities, brands, products, and services	SR "Snam's profile"	-
	102-3	Location of headquarters		Snam HQ is located in San Donato Milanese www.snam.it/en/about-us/headquarter/index.html
	102-4	Location of operations	SR "Snam's profile"	
	102-5	Ownership and legal form	SR "Snam's profile"	-
	102-6	Markets served	SR "Snam's profile"	-
	102-7	Scale of the organization	SR "Snam's profile"	
	102-8	Information on employees and other workers	SR "People" - "Performance figures and indicators"	The breakdown by gender and region of the number of employees by type of contract is not significant
	102-9	Supply chain	SR "The supply chain"	
	102-10	Significant changes to the organization and its supply chain	SR "The supply chain"	
	102-11	Precautionary Principle or approach	SR "Protecting the climate and the air" - "The fight against corruption and illegality"	
102-12	External initiatives	SR "Global Compact reconciliation table"	Snam adheres to the Global Compact and to the Task Force on Climate Related Financial Disclosure (TCFD)	

(follows)

GRI Standard	Disclosure	Description	Reference document and page number	Omissions - Notes
Organizational profile	102-13	Membership of associations		Section "Snam and associations" published on the web page www.snam.it/en/Sustainability/responsibility_towards_everyone/innovation_and_technology.html
Strategy	102-14	Statement from senior decision-maker	SR "Letter to stakeholders"	
	102-15	Key impacts, risks, and opportunities	SR "Climate change: scenarios and challenges"	
Ethics and integrity	102-16	Values, principles, standards, and norms of behavior	SR "Business integrity" - "The fight against corruption and illegality"	
	102-17	Mechanisms for advice and concerns about ethics		http://www.snam.it/en/governance-conduct/business-conduct/whistleblowing/index.html
Governance	102-18	Governance structure	SR "Business integrity"	
			RF "Governance and organization"	
	102-19	Delegating authority	SR "Business integrity"	
			RF "Risk management and control system"	
	102-20	Executive-level responsibility for economic, environmental, and social topics	SR "Business integrity"	
			RCG "Snam's Board of Directors"	
	102-21	Consulting stakeholders on economic, environmental, and social topics	SR "Stakeholder relationships"	
	102-22	Composition of the highest governance body and its committees	SR "Business integrity"	
			RCG "Snam's Board of Directors"	
102-23	Chair of the highest governance body	SR "Business integrity"		
		RCG "Snam's Board of Directors"		
102-24	Nominating and selecting the highest governance body	SR "Business integrity"		
		RCG "Snam's Board of Directors"		
102-25	Conflicts of interest	RCG "Shareholders 'Agreements"		

(follows)

GRI Standard	Disclosure	Description	Reference document and page number	Omissions - Notes
Governance	102-26	Role of highest governance body in setting purpose, values, and strategy	SR "Business integrity" RCG "Snam's Board of Directors"	
	102-27	Collective knowledge of highest governance body	RCG "Induction programme for Directors and Statutory Auditors" TCFD "The roles and liabilities in managing climate change"	
	102-28	Evaluating the highest governance body's performance	SR "Business integrity" RCG "Snam's Board of Directors"	
	102-29	Identifying and managing economic, environmental, and social impacts	SR "Business integrity"	
	102-30	Effectiveness of risk management processes	RF "Risk management and control system" TCFD "The risks and opportunities of climate change"	
	102-31	Review of economic, environmental, and social topics	SR "Business integrity"	
	102-32	Highest governance body's role in sustainability reporting	RS "Methodological note"	
	102-33	Communicating critical concerns		http://www.snam.it/en/governance-conduct/business-conduct/whistleblowing/index.html
	102-34	Nature and total number of critical concerns	RCG "Snam's legal framework"	
	102-35	Remuneration policies	RR "Remuneration Policy Guidelines"	
	102-36	Process for determining remuneration	RR "Governance of the remuneration process"	
	102-37	Stakeholders' involvement in remuneration	RCG "The meeting and the shareholders' rights" RR "Remuneration Policy Guidelines"	
	102-38	Annual total compensation ratio	Confidential disclosure	
102-39	Percentage increase in annual total compensation ratio	Confidential disclosure		

(follows)

GRI Standard	Disclosure	Description	Reference document and page number	Omissions - Notes
Stakeholder engagement	102-40	List of stakeholder groups	SR "Stakeholder relationships"	
	102-41	Collective bargaining agreements		Non-management personnel are subject to the CCNL (Energy and Oil Contract, Metalworking and Mechanical Engineering Industry contract, Commercial Activities contract). For executive personnel, the National Contract for Managers of Companies producing Goods and Services applies.
	102-42	Identifying and selecting stakeholders	SR "Stakeholder relationships" - "Materiality analysis"	
	102-43	Approach to stakeholder engagement	SR "Stakeholder relationships" - "Materiality analysis"	
	102-44	Key topics and concerns raised	SR "Materiality analysis"	
Processo di reporting	102-45	Entities included in the consolidated financial statements	SR "Methodological note"	There are no differences in the consolidation scope between the Sustainability Report and the Annual Report
	102-46	Defining report content and topic Boundaries	SR "Materiality analysis"	
	102-47	List of material topics	SR "Materiality analysis"	
	102-48	Restatements of information		Any changes with respect to the previous Sustainability Report have been specifically indicated in the text
	102-49	Changes in reporting	SR "Materiality analysis"	
	102-50	Reporting period	SR "Letter of Assurance"	
	102-51	Date of most recent report	SR "Letter of Assurance"	
	102-52	Reporting cycle	SR "Methodological note"	
	102-53	Contact point for questions regarding the report	SR "Letter of Assurance"	
	102-54	Claims of reporting in accordance with the GRI Standards	SR "Methodological note"	
	102-55	GRI content index	SR "GRI Content Index"	
	102-56	External assurance	SR "Letter of Assurance"	

(follows)

GRI Standard	Disclosure	Description	Reference document and page number	Omissions - Notes
Economic material topics (GRI 200)				
GRI 201 Economic performance 2016	103-1 103-2 103-3	Management Approach	SR "Snam's profile"	
	201-1	Direct economic value generated and distributed	SR "Snam's profile" - "Performance figures and indicators"	
	201-2	Financial implications and other risks and opportunities due to climate change	SR "Sustainable finance as a tool for change" - "Snam's central role: Tomorrow's Energy Company"	
	201-3	Defined benefit plan obligations and other retirement plans		In 2018, Snam fulfilled its social obligations under the applicable employment contracts. The active funds are for non-managerial staff or the Energy Fund, while for managers the PREVINDAI and the FOPDIRE
	201-4	Financial assistance received from government		Not applicable
GRI 203 Indirect economic impacts 2016	103-1 103-2 103-3	Management Approach	SR "The supply chain"	
	203-1	Infrastructure investments and services supported	SR "Snam's profile" - "Snam's central role: Tomorrow's Energy Company"	
	203-2	Significant indirect economic impacts	SR "The supply chain"	
GRI 205 Anti-corruption 2016	103-1 103-2 103-3	Management Approach	SR "The fight against corruption and illegality" DNF "Anticorruption and bribery"	
	205-1	Operations assessed for risks related to corruption		All divisions are monitored in relation to the risk of corruption
	205-2	Communication and training about anti-corruption policies and procedures	SR "Business integrity" - "The fight against corruption and illegality" DNF "Anticorruption and bribery" RF "Professional enhancement" (in "Other operating information and results": Development of human capital, social and relationship and intellectual capital)	The 100% of the Snam employees and members of the BoD have been informed about the Snam Anticorruption Policies and Guideline
	205-3	Confirmed incidents of corruption and actions taken	DNF "Anticorruption and bribery"	In 2018, there were no cases of corruption established

(follows)

GRI Standard	Disclosure	Description	Reference document and page number	Omissions - Notes
Environmental material topics (GRI 300)				
GRI 302 Energy 2016	103-1 103-2 103-3	Management Approach	SR "Protecting the climate and the air"	
	302-1	Energy consumption within the organization	SR "Protecting the climate and the air" - "Performance figures and indicators"	
	302-2	Energy consumption outside of the organization		Information not available
	302-3	Energy intensity	SR "Performance figures and indicators"	
	302-4	Reduction of energy consumption	SR "Protecting the climate and the air" - "Performance figures and indicators"	In this document, the reductions in energy consumption obtained through efficiency measures are quantified by reporting the corresponding CO ₂ eq emissions avoided.
	302-5	Reductions in energy requirements of products and services		Not applicable
GRI 304 Biodiversity 2016	103-1 103-2 103-3	Management Approach	SR "Protecting the local area and biodiversity"	
	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	SR "Protecting the local area and biodiversity"	
	304-2	Significant impacts of activities, products, and services on biodiversity	SR "Protecting the local area and biodiversity"	
	304-3	Habitats protected or restored	SR "Protecting the local area and biodiversity"	
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	SR "Protecting the local area and biodiversity"	

(follows)

GRI Standard	Disclosure	Description	Reference document and page number	Omissions - Notes
GRI 305 Emissions 2016	103-1 103-2 103-3	Management Approach	SR "Protecting the climate and the air"	
	305-1	Direct (Scope 1) GHG emissions	SR "Protecting the climate and the air" - "Performance figures and indicators"	
	305-2	Energy indirect (Scope 2) GHG emissions	SR "Protecting the climate and the air" - "Performance figures and indicators"	
	305-3	Other indirect (Scope 3) GHG emissions	SR "Protecting the climate and the air" - "Performance figures and indicators"	
	305-4	GHG emissions intensity	SR "Protecting the climate and the air" - "Performance figures and indicators"	
	305-5	Reduction of GHG emissions	SR "Protecting the climate and the air"	
	305-6	Emissions of ozone-depleting substances (ODS)		Not significant quantity
	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	SR "Protecting the climate and the air" - "Performance figures and indicators"	
Social material topics (GRI 400)				
GRI 401 Employment 2016	103-1 103-2 103-3	Management Approach	SR "People"	
	401-1	New employee hires and employee turnover	SR "People" - "Performance figures and indicators"	The breakdowns of the data by country are not shown, as they are not applicable (almost all employees are located in Italy).
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees		There are no differences in access to company benefits
	401-3	Parental leave	SR "People"	The Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work, is not reported

(follows)

GRI Standard	Disclosure	Description	Reference document and page number	Omissions - Notes
GRI 403 Occupational health & safety 2016	103-1 103-2 103-3	Management Approach	SR "People"	
	403-1	Workers representation in formal joint management-worker health and safety committees		Workers are represented by law (ref. TU Dlgs81/2008) and by national contracts.
	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	SR "People" DNF "HSE aspects"	There were no cases of occupational disease in 2018
	403-3	Workers with high incidence or high risk of diseases related to their occupation	SR "People"	There were no cases of occupational disease in 2018
	403-4	Health and safety topics covered in formal agreements with trade unions		During the year, there were no trade union agreements in this area.
GRI 404 Training and education 2016	103-1 103-2 103-3	Management Approach	SR "People"	
	404-1	Average hours of training per year per employee	SR "People" - "Performance figures and indicators"	
	404-2	Programs for upgrading employee skills and transition assistance programs	SR "People"	
	404-3	Percentage of employees receiving regular performance and career development reviews	SR "People"	The percentage of employees evaluated within the Performance Management system is the 25% which matches with the 24% of the male and the 33% of the female employees
GRI 405 Diversity and equal opportunities 2016	103-1, 103-2, 103-3	Management Approach	SR "People"	
	405-1	Diversity of governance bodies and employees	SR "People" - "Business integrity"	
	405-2	Ratio of basic salary and remuneration of women to men	SR "People"	
GRI 406 Non-discrimination 2016	103-1 103-2 103-3	Management Approach	SR "People"	
	406-1	Incidents of discrimination and corrective actions taken	DNF "Protecting Human Rights"	

(follows)

GRI Standard	Disclosure	Description	Reference document and page number	Omissions - Notes
GRI 413 Local communities 2016	103-1 103-2 103-3	Management Approach	SR "Stakeholder relationships" – "Protecting the local area and biodiversity"	
	413-1	Operations with local community engagement, impact assessments, and development programs	SR "Protecting the local area and biodiversity"	
	413-2	Operations with significant actual and potential negative impacts on local communities	SR "Protecting the local area and biodiversity"	
GRI 419 Socio-Economic Compliance 2016	103-1 103-2 103-3	Management Approach	DNF "Anticorruption and Bribery" RF "Disputes and other measures" (in "Notes to the consolidated financial statements")	
	419-1	Non-compliance with laws and regulations in the social and economic area	DNF "Anticorruption and Bribery" RF "Disputes and other measures" (in "Notes to the consolidated financial statements"), "Criminal cases" (in "Notes to the consolidated financial statements"), "Autorità di Regolazione per Energia Reti e Ambiente – ARERA" (in "Notes to the consolidated financial statements")	
Other not GRI topics				
Green business	103-1, 103-2, 103-3	Management Approach	SR "Snam's central role: Tomorrow's Energy Company" RF "The 2019-2022 Strategic Plan" (in "Business model and sustainable development")	
Reliability of infrastructures and business continuity	103-1, 103-2, 103-3	Management Approach	SR "Snam's profile" - "Protecting the climate and the air"	
Brand reputation	103-1, 103-2, 103-3	Management Approach	SR "Stakeholder relationships"	
Innovation	103-1, 103-2, 103-3	Management Approach	SR "Snam's central role: Tomorrow's Energy Company" - "Protecting the climate and the air"	
Relations with the Authority and quality of services	103-1, 103-2, 103-3	Management Approach	SR "Regulation and quality of services"	

Global Compact reconciliation table

The Snam management model takes its inspiration from the Code of Ethics and is based on management policies founded on the principles of the United Nations Universal Declaration of Human Rights, the Fundamental Conventions of the ILO and the OECD Guidelines for Multinational Enterprises. The Code of Ethics can be consulted at the address <http://www.snam.it/en/governance-conduct/business-conduct/code-of-ethics/> and the policies can be consulted on the Company's website at http://www.snam.it/en/Sustainability/strategy_and_commitments/index.html.

The ten principles	2018 Sustainability Report	pp.
Principles 1, 2 - Companies are asked to promote and respect universally recognised human rights in their respective spheres of influence and to make sure they are not complicit, even indirectly, in human rights violations.	Diritti umani	
	<ul style="list-style-type: none"> ■ Snam operates in the framework of the United Nations Universal Declaration of Human Rights, the Fundamental Conventions of the ILO - International Labour Organisation - and of the OECD Guidelines for Multinational Enterprises and the principles enshrined in the United Nations Global Compact (principles enshrined in its own code of ethics). 	87-89
	<ul style="list-style-type: none"> ■ Snam promotes sustainability and business ethics in its supply chain and conducts audits in the field of human rights, occupational safety of suppliers and subcontractors. 	71-76
Principles 3, 4, 5, 6 - Businesses are required to uphold freedom of association and the recognition of the right to collective bargaining; the elimination of all forms of forced and compulsory labour; the abolition in practice of child labour; and the elimination of all forms of discrimination in respect of employment and work.	Labour	
	<ul style="list-style-type: none"> ■ Snam respects everyone's dignity, and offers equal opportunities in every phase and every aspect of the employment relationship, avoiding all forms of discrimination based on sex, age, health, nationality, political opinion or religious views. 	58-60
	<ul style="list-style-type: none"> ■ Snam applies the Energy and Petroleum agreement and guarantees trade union rights for all workers. 	111,115
	<ul style="list-style-type: none"> ■ Snam holds meetings with Trade Union organisations at a national and local level dedicated to the analysis of business development projects and new organisational structures. 	70
	<ul style="list-style-type: none"> ■ Snam develops initiatives to reconcile work and life. 	67-68
Principles 7, 8, 9 - Companies are asked to maintain a preventive approach to environmental challenges; to undertake initiatives that promote greater environmental responsibility; and to encourage the development and dissemination of technologies that respect the environment.	<ul style="list-style-type: none"> ■ Snam provides its employees with training and professional development opportunities. 	60-62
	<ul style="list-style-type: none"> ■ Snam develops projects to strengthen its operational excellence and to contribute to the containment of greenhouse gas emissions. 	35-45
	<ul style="list-style-type: none"> ■ Protecting the environment and biodiversity are integral parts in defining Snam's corporate policies and investment decisions. 	46-50
	<ul style="list-style-type: none"> ■ All of Snam's activities are monitored by certified environmental management systems (ISO 14001). 	92-93
Principle 10 - Companies commit to fighting corruption in any form, including extortion and bribery.	<ul style="list-style-type: none"> ■ Snam performs specific energy management and CO₂ saving activities. 	38-42
	<ul style="list-style-type: none"> ■ Snam also evaluates its suppliers using environmental criteria. 	75-76
	Anti-Corruption	
	<ul style="list-style-type: none"> ■ Snam disseminates ethical principles and business values. 	90
Support for Sustainable Development Goals	<ul style="list-style-type: none"> ■ Snam collaborates with International Transparency International on anti-corruption and governance. 	91
	<ul style="list-style-type: none"> ■ Snam provides training activities in matters of legality and anti-corruption. 	60
	<ul style="list-style-type: none"> ■ Snam conducts reputational checks of suppliers and subcontractors. 	91
	<ul style="list-style-type: none"> ■ No cases of corruption were reported in 2018. 	117
	Snam also undertakes to contribute to the sustainable development of the economy and future society with reference to the Sustainable Development Goals defined by the UN and expresses its contribution to all the goals. With reference to the strategy of the integration of SDGs into the business model, Snam is particularly active in goals 7, 8, 9, 13, 15.	20, 56