

# Annex



# Data and Performance Indicators

## Key operating figures

	2017	2018	2019
<b>Natural gas transportation</b>			
Gas injected into the network (10 <sup>9</sup> m <sup>3</sup> )	74.59	72.82	<b>75.37</b>
Gas pipeline network (km)	32,584	32,625	<b>32,727</b>
Average travel distance of gas in Italian transportation network (km)	551	510	<b>607</b>
Gas compression stations (no.)	11	13	<b>13</b>
Installed power in the gas compression stations (MW)	902	961	<b>961</b>
<b>Liquefied natural gas regasification</b>			
Regasified natural gas (10 <sup>9</sup> m <sup>3</sup> )	0.63	0.91	<b>2.40</b>
Number of LNG tanker loads	15	21	<b>57</b>
<b>Natural gas storage</b>			
Gas injected in storage (10 <sup>9</sup> m <sup>3</sup> )	9.80	10.64	<b>10.16</b>
Gas delivered from storage (10 <sup>9</sup> m <sup>3</sup> )	10.12	10.43	<b>9.17</b>
Operating concessions (no.)	9	9	<b>9</b>

## Key financial figures (\*)

	2017	2018	2019
<b>Economic and financial data (millions of €)</b>			
Total revenue	2,533	2,586	<b>2,665</b>
Total revenue - net pass through items	2,441	2,528	<b>2,604</b>
Adjusted EBIT	1,363	1,405	<b>1,417</b>
Adjusted net profit	940	1,010	<b>1,093</b>
Operating costs	511	491	<b>496</b>
Total revenue - net pass through items	419	433	<b>435</b>
EBITDA	2,022	2,095	<b>2,169</b>
Net invested capital at December 31	17,738	17,533	<b>18,181</b>
Shareholders' equity at December 31	6,188	5,985	<b>6,255</b>
Net financial debt at December 31	11,550	11,548	<b>11,923</b>
Free Cash Flow	423	1,161	<b>482</b>
Added value produced	2,447	2,532	<b>2,695</b>
Added value distributed	1,619	1,634	<b>1,639</b>
<b>Snam's stock</b>			
Number of shares in share capital (mln)	3,501	3,469	<b>3,395</b>
Number of shares outstanding on 31 December (mln)	3,415	3,301	<b>3,292</b>
Average number of shares outstanding during the year (mln)	3,422	3,358	<b>3,301</b>
Year-end official share price (€)	4.086	3.820	<b>4.686</b>
Average official share price during the period (€)	4.043	3.747	<b>4.474</b>
Market capitalisation (millions of €)	13,953	12,606	<b>15,428</b>
Dividends paid in the period (millions of €)	718	731	<b>746</b>

(\*) For additional information please refer to the Snam 2019 Annual Report

## Key employees figures and indicators

	2017	2018	2019
Total employees (no.)	2,919	3,016	3,025
Of which women (no.)	393	419	441
Average headcount (no.)	2,927	2,943	3,015
Average age of employees (years)	45.7	44.9	44.4
Average length of service (years)	21.0	19.5	18.6
<b>Employees by business segment</b>			
Corporate (no.)	824	978	954
Transportation (no.)	1,972	1,915	1,945
Storage (no.)	60	59	61
Regasification (no.)	63	64	65
<b>Employees by grade</b>			
Executives (no.)	93	107	111
Middle Managers (no.)	456	480	493
Administrative staff (no.)	1,655	1,682	1,683
Blue-collar workers (no.)	715	747	738
<b>Employees by type of contract</b>			
Permanent contract (no.)	2,755	2,812	2,817
Of which women (no.)	369	395	417
Apprenticeship or internship contract (no.)	150	185	193
Fixed-term contract (no.)	14	19	15
Full time contract (no.)	2,877	2,975	2,987
Of which women (no.)	357	382	407
Part-time contract (no.)	42	41	38
Of which women (no.)	36	37	34
<b>Employees by geographical area</b>			
North (no.)	2,204	2,302	2,294
Central (no.)	202	220	241
South and Sicily (no.)	504	490	477
Abroad (no.)	4	4	13
<b>Employees by gender</b>			
Men (no.)	2,526	2,597	2,584
Women (no.)	393	419	441
Remuneration differential - women/men (executive grade)	1.03	0.98	1.0
Remuneration differential - women/men (middle manager grade)	0.96	0.93	0.95
Remuneration differential - women/men (administrative staff grade)	0.89	0.89	0.90

(follows)

	2017	2018	2019
<b>Entries and Departures</b>			
Hired from the market (no.)	148	195	172
of which university graduates (no.)	100	108	92
of which high school graduates (no.)	48	86	79
of which women (no.)	53	42	38
of which men (no.)	95	153	134
Hiring rate (%) (*)	5.1	6.5	5.7
Hiring rate < 30 years old (%) (**)	13.3	22.8	20.1
Hiring rate between 30 and 49 years old (%) (**)	8.4	6.9	5.2
Hiring rate > 50 years old (%) (**)	0.2	0.5	0.6
Other new employees (non-consolidated companies, acquisitions, etc.)	36	126	59
Percentage of university graduates hired (%)	67	55	53
Departures in the year (no.)	69	189	198
Other Departures (non-consolidated entities etc.)	79	35	24
Departure rate (%)	2.4	6.3	6.6
Voluntary Departure rate (%)	1	1.2	1.5
Turnover (%)	7.4	13.0	12.3
Absenteeism rate (no.)	4.7	4.6	4.5
<b>Training</b>			
Training hours (no.)	85,346	107,711	114,179
Participants (no.)	8,604	13,999	26,518
Average hours of training per employee (no.)	29.2	35.7	37.7
Executive training hours (no.)	1,908	4,392	5,669
Middle Manager training hours (no.)	8,600	19,072	16,950
Administrative staff training hours (no.)	39,316	49,650	58,238
Blue-collar worker training hours (no.)	35,522	34,657	33,322
Average training hours delivered to men (no.)	31.3	36.9	38.4
Average training hours delivered to women (no.)	15.8	28.7	33.8
Average training hours delivered to executives (no.)	20.5	41.0	51.1
Average training hours delivered to middle managers (no.)	18.9	39.7	34.4
Average training hours delivered to administrative staff (no.)	23.8	29.5	34.6
Average training hours delivered to blue-collar workers (no.)	49.7	46.4	45.2
Training hours for health, safety and environment (no.)	9,641	28,345	28,123
Participation for health, safety and environment (no.)	1,695	4,953	4,567

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

	2017	2018	2019
<b>Health and Safety</b>			
Employee accidents (no.)	6	4	2
Employee accident frequency index	1.24	0.84	0.41
Employee accident severity index	0.05	0.02	0.03
Contractor accidents (no.)	5	3	5
Contractor accident frequency index	0.54	0.41	0.71
Contractor accident severity index	0.83	0.03	0.07
Employee and contractor accident frequency index	0.78	0.58	0.59
Employee and contractor severity index	0.56	0.02	0.05
<b>Energy</b>			
Total energy consumption (TJ)	12,582	13,281	12,152
of which natural gas (TJ)	12153.2	12,801.4	11,627.9
of which diesel (TJ)	77.9	91.0	82.6
of which gasoline (TJ)	2.3	2.8	3.9
of which LPG (TJ)	0.4	0.4	0.4
of which heat (TJ)	10.8	8.5	14.8
of which electricity (TJ)	337.7	376.9	422.6
<b>Emissions</b>			
Natural gas emissions (10 <sup>6</sup> m <sup>3</sup> )	46.8	44.4	39.2
GHG Scope 1-2-3 Emissions (10 <sup>3</sup> t CO <sub>2eq</sub> )	1,746	1,967	1,917
GHG Scope 1 Emissions (10 <sup>3</sup> t CO <sub>2eq</sub> )	1,500	1,497	1,347
GHG Scope 2 Emissions (10 <sup>3</sup> t CO <sub>2eq</sub> ) - Market based	29	32	32
GHG Scope 3 Emissions (10 <sup>3</sup> t CO <sub>2eq</sub> )	217	438	538
NOx emissions (t)	532	564	452
CO emissions (t)	329	196	181
CO <sub>2</sub> emissions/energy used (kg/GJ)	54.9	54.7	54.0
NOx emissions/energy used (kg/GJ)	0.042	0.042	0.037

(follows)

	2017	2018	2019
<b>Waste</b>			
Total waste production (t)	54,413	28,286	<b>27,823</b>
Non-hazardous waste production (t)	50,604	24,187	<b>22,154</b>
Hazardous waste production (t)	3,809	4,099	<b>5,669</b>
Waste recovered from production operations (%)	80	60	<b>42</b>
<b>Water extraction and discharge</b>			
Freshwater extractions (10 <sup>3</sup> m <sup>3</sup> )	170	134	<b>228</b>
Fresh water discharges (10 <sup>3</sup> m <sup>3</sup> )	112	68	<b>181</b>
Seawater extractions (10 <sup>3</sup> m <sup>3</sup> )	4,000	4,000	<b>6,048</b>
Seawater discharges (10 <sup>3</sup> m <sup>3</sup> )	4,000	4,000	<b>6,048</b>
<b>HSE management</b>			
Environmental expenses (millions of €)	120.6	100.3	<b>114.4</b>
Safety and health expenses (millions of €)	34.7	31.6	<b>33.7</b>
Medical visits (no.)	1,914	1,350	<b>1,984</b>
Periodical medical visits	1,688	1,061	<b>1,747</b>
Diagnostic examinations (no.)	3,508	2,020	<b>3,261</b>
Total HSEQ audits conducted (no.)	159	237	<b>227</b>
Environmental surveys (no.)	279	278	<b>243</b>



## Main HSE Data and Indicators – Business Segments

	2017	2018	2019
<b>Natural gas transportation</b>			
<b>Health and safety</b>			
Employee accidents (no.)	2	4	0
Contractor accidents (no.)	4	3	5
Employee frequency index	0.66	1.29	0
Employee severity index	0.03	0.03	0
Contractor frequency index	0.47	0.46	0.83
Contractor severity index	0.90	0.03	0.08
<b>Energy and the Environment</b>			
Energy consumption (TJ)	7,459	7,463	6,123
GHG Scope 1 Emissions (10 <sup>3</sup> t CO <sub>2</sub> eq)	1,008	982	838
Natural gas emissions (10 <sup>6</sup> m <sup>3</sup> )	34.4	32.8	28.7
Natural gas recovered (10 <sup>6</sup> m <sup>3</sup> )	4.1	8.2	9.4
NOx emissions (t)	342	305	286
Energy consumption/compressed energy (%)	0.25	0.25	0.26
CO <sub>2</sub> emissions/compressed gas (kg/10 <sup>6</sup> m <sup>3</sup> )	5,767	5,644	5,874
Natural gas emissions/km of network (m <sup>3</sup> /km)	1,057	1,007	876
NOx emissions/compressed gas (kg/10 <sup>6</sup> m <sup>3</sup> )	4.8	4.2	5.0
Average emissions of NOx per turbine/installed capacity ([mg/Nm <sup>3</sup> ]/MW)	4.4	3.8	3.8
DLE turbine operating hours/Total turbine operating hours (%)	93	97	95
<b>Liquefied natural gas regasification</b>			
<b>Health and safety</b>			
Employee accidents (no.)	1	0	0
Contractor accidents (no.)	0	0	0
Employee frequency index	9.31	0	0
Employee severity index	0.17	0	0
Contractor frequency index	0	0	0
Contractor severity index	0	0	0

(follows)

	2017	2018	2019
<b>Energy and the Environment</b>			
Energy consumption (TJ)	325	462	<b>1,217</b>
GHG Scope 1 Emissions (10 <sup>3</sup> t CO <sub>2eq</sub> )	44	41	<b>83.5</b>
Natural gas emissions (10 <sup>6</sup> m <sup>3</sup> )	1.7	1.2	<b>1.3</b>
NOx emissions (t)	14.8	22.4	<b>49.8</b>
<b>Natural gas storage</b>			
<b>Health and safety</b>			
Employee accidents (no.)	2	0	<b>0</b>
Contractor accidents (no.)	0	0	<b>0</b>
Employee frequency index	6.71	0	<b>0</b>
Employee severity index	0.43	0	<b>0</b>
Contractor frequency index	0	0	<b>0</b>
Contractor severity index	0	0	<b>0</b>
<b>Energy and the Environment</b>			
Energy consumption (TJ)	4,787	5,337	<b>4,784</b>
GHG Scope 1 Emissions (10 <sup>3</sup> t CO <sub>2eq</sub> )	448	473	<b>424</b>
Natural gas emissions (10 <sup>6</sup> m <sup>3</sup> )	10.7	10.5	<b>9.2</b>
NOx emissions (t)	175	236	<b>116</b>
Emissions of natural gas for storage/gas stored (%)	0.048	0.041	<b>0.033</b>
NOx emissions/stored gas (kg/10 <sup>6</sup> m <sup>3</sup> )	17.9	22.2	<b>11.4</b>
Average emissions of NOx per turbine/installed capacity ([mg/Nm <sup>3</sup> ]/MW)	5.2	5.2	<b>3.7</b>



# Methodology note

## INTRODUCTION AND PRESENTATION OF THE DOCUMENT

The Sustainability Report is an annual document that Snam has been publishing voluntarily since 2006. Through this document the Company wishes to inform a wide, diversified audience of stakeholders (citizens, institutions, local communities, the media, shareholders, lenders, employees, suppliers, customers, authorities, etc.) of the decisions, activities, results and use of resources as part of ESG (Environment, Social and Governance). The Report was prepared in conformity with GRI Standards, comprehensive option, with the goal of providing a flexible tool in communicating the results quickly, providing a concrete and quantitative measure of the information made available. In addition, this document also constitutes the Communication On Progress for the Global Compact of the United Nations.

Non-financial data and information are also reported in other documents published by the Company, which examine certain aspects in more detail. Specifically:

- The **Directors' Report**, included in the Annual Report drafted following the instructions of the International Integrated Reporting Council;
- The **Non-Financial Statement**, included in the Directors' Report as a specific chapter, which deals specifically with the environmental aspects of health and safety, personnel management, anti-corruption and the protection of human rights, in conformity with the requirements of Italian Legislative Decree 254/2016;
- The **Report on Corporate Governance and Ownership Structures**, that describes the governance of the Company in detail, including aspects relating to sustainability such as, for example, the composition of the ESG Committee;
- The **Remuneration Report**, that describes the remuneration policies adopted and how they are integrated with the Group's sustainability goals;
- The document **"Changes today for the climate of tomorrow"** prepared in accordance with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) that describes Snam's activities with regard to climate change.

## CONSOLIDATION SCOPE AND CRITERIA

The scope of reference of the information in the Sustainability Report coincides with the scope of consolidation of the Consolidated financial statements and includes:

- **Corporate and other activities** (Snam S.p.A. with the subsidiaries Gasrule Insurance Limited, Snam International BV, Snam Gas & Energy Service-Beijing);

- **Transportation** (Snam Rete Gas S.p.A., Asset Company 2 S.r.l., Infrastrutture Trasporto Gas S.p.A., Enura S.p.A.);
- **Liquefied Natural Gas regasification** (GNL Italia S.p.A.);
- **Storage** (Stogit S.p.A.);
- **Sustainable mobility and Biomethane** (Snam4Mobility S.p.A., Cubogas S.r.l., IES Biogas S.r.l., Enersi Sicilia S.r.l., Snam4Environment S.r.l. and Gruppo Renerwaste);
- **Energy efficiency** (Asset Company 4 S.r.l., TEP Energy Solution S.r.l. and TEA Servizi S.r.l.).

The data in the paragraph "The procurement numbers" include the following Group Companies: Snam S.p.A., Snam Rete Gas S.p.A., GNL Italia S.p.A., Stogit S.p.A. and Snam 4 Mobility S.p.A..

Regarding the environmental aspects reported, the companies Snam International BV, Gasrule Insurance DAC, Enura SpA, Snam4Environment Srl, Renerwaste Group (acquired at the end of 2019) and Snam Gas & Energy Service-Beijing are excluded from the consolidation. These companies have no significant environmental impact and weigh on the total workforce of the Group by less than 2%. Regarding health and safety aspects, the company Snam Gas & Energy Service-Beijing is excluded from the consolidation, as it also has low relevance on this aspect.

## REPORTING PROCESS AND METHODS

The process of gathering data and information and preparing the report was coordinated and managed by the Sustainability unit of the parent company, Snam, in cooperation with the various corporate functions and operating companies. The publication of the document, at the same time as the Annual Report, takes place after the approval of the Snam Board of Directors on 18 March 2020. The economic and financial, operating and governance data was taken directly from the Annual Report and from the Report on Corporate Governance and Ownership Structure. Data concerning the environment, employees and the other aspects addressed in the document were gathered from the process owners.

The calculation methods used for determining the indicators are given in the specific reference paragraphs. To ensure the comparability over time of the indicators deemed most significant and to give the reader the chance to compare the performance achieved, current values have been placed alongside those for the previous two years, using graphs and tables. We have tried within this document to place equal emphasis on positive and negative aspects, providing, where deemed appropriate, a comment on the results achieved, including the facts and events that the Company was involved with in 2019.

## APPLICATION OF THE GRI STANDARDS

The content of the report refers to Snam's material issues and the related material GRI topics. The main methods for applying the standards are listed below: standard 102 is entirely covered (from point 102-1 to point 102-56) and the topic specific standards of series 200 (Economic), 300 (Environmental) and 400 (Social) have been selected in relation to the issues reported in the materiality matrix. As regards standard 103 (Management approach), we proceeded as follows:

- For item 103-1 (defining the internal and external scope for each material topic), the following table was compiled;
- for items 103-2 (approach to management), and 103-3 (evaluation of approach to management) the disclosure was made for sub-groups of material GRI topics and for each of Snam's material topics which could not be related to a specific standard topic.

### Representation of the material topics boundaries (103-1)

Material issues	GRI aspects	Scope of the aspect		Reporting restrictions	
		Internal	External	Internal	External
Climate change	GRI 305 Emissions	T, S, R, M, B, E	Suppliers	-	Emissions related to energy consumption of suppliers
	GRI 302 Energy	T, S, R, M, B, E	Suppliers	-	Energy consumption of suppliers
Health and safety	GRI 403 Occupational Health & Safety	One Company	Suppliers	-	-
Protecting the local area and biodiversity	GRI 304 Biodiversity	T, B	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 local communities	GRI 413 Local communities	One Company	-	-	-
	GRI 203 Indirect economic impact	One Company	-	-	-
Combating corruption	GRI 205 Anti-corruption	One Company	Suppliers	-	-
Business integrity	GRI 205 Anti-corruption	One Company	Suppliers	-	-
	GRI 419 Socio-economic compliance	One Company	-	-	-
Developing and safeguarding human capital	GRI 401 Employment	One Company	-	-	-
	GRI 404 Training and Education	One Company	-	-	-
Diversity and inclusion	GRI 405 Diversity and Equal opportunities	One Company	-	-	-
	GRI 406 Non-discrimination	One Company	-	-	-

Key: T = Transportation; 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.

<b>Material issues</b>	<b>Description</b>
<b>Reference period</b>	Year from 1-1-2019 to 31-12-2019
<b>Frequency</b>	Annual
<b>Latest document published</b>	Energy of Change The business facing the challenges of the climate and financial sustainability - 2018 Sustainability Report
<b>Contact persons</b>	Domenico Negrini, Bruno Andreetto Snam S.p.A. Piazza Santa Barbara, 7 San Donato Milanese (MI) - Italy
<b>Accessibility</b>	<a href="http://www.snam.it">www.snam.it</a>
<b>Email</b>	<a href="mailto:domenico.negrini@snam.it">domenico.negrini@snam.it</a> – <a href="mailto:bruno.andreetto@snam.it">bruno.andreetto@snam.it</a>



# 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 - 2019

GRI Standard	Disclosure	Description	Reference Document and page number	Omissions - Notes
<b>GRI 102 General disclosure 2016</b>				
<b>Organizational Profile</b>	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 <a href="http://www.snam.it/en/about-us/headquarter/index.html">www.snam.it/en/about-us/headquarter/index.html</a>
	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" SR "Performance figures and indicators"	
	102-8	Information on employees and other workers	SR "People" SR "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" SR "The fight against corruption and illegality" RF "The Internal Control and Risk Management System" RF "The Enterprise Risk Management process (ERM)" TCFD "Risks and opportunities related to climate change"	
	102-12	External initiatives		Snam adheres to the Global Compact and to the Task Force on Climate Related Financial Disclosure (TCFD)
	102-13	Membership of associations		Section "Snam and associations" published on the web page <a href="http://www.snam.it/en/Sustainability/responsibility_towards_everyone/innovation_and_technology.html">www.snam.it/en/Sustainability/responsibility_towards_everyone/innovation_and_technology.html</a>

GRI Standard	Disclosure	Description	Reference Document and page number	Omissions - Notes
<b>GRI 102 General disclosure 2016</b>				
<b>Strategy</b>	102-14	Statement from senior decision-maker	SR "Letter to stakeholders"	
	102-15	Key impacts, risks, and opportunities	SR "The pursue of a new energy" RF "The Enterprise Risk Management process (ERM)" TCFD "Risks and opportunities related to climate change"	-
<b>Ethics and integrity</b>	102-16	Values, principles, standards, and norms of behavior	SR "Business integrity" SR "The fight to corruption and illegality"	
	102-17	Mechanisms for advice and concerns about ethics		<a href="http://www.snam.it/en/governance-conduct/business-conduct/whistleblowing/index.html">http://www.snam.it/en/governance-conduct/business-conduct/whistleblowing/index.html</a>
<b>Governance</b>	102-18	Governance structure	SR "Business integrity" RF "Governance e organization" TCFD "The roles and responsibilities for the climate change management"	
	102-19	Delegating authority	SR "Business integrity" RF "The Internal Control and Risk Management System" RF "The Enterprise Risk Management process (ERM)"	
	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"	
	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 responsibilities for the climate change management"	
102-28	Evaluating the highest governance body's performance	SR "Business integrity" RCG "Snam's Board of Directors"		

GRI Standard	Disclosure	Description	Reference Document and page number	Omissions - Notes	
<b>GRI 102 General disclosure 2016</b>					
<b>Governance</b> (follows)	102-29	Identifying and managing economic, environmental, and social impacts	SR "Business integrity"		
	102-30	Effectiveness of risk management processes	RF "The Internal Control and Risk Management System" TCFD "Risks and opportunities related to climate change"		
	102-31	Review of economic, environmental, and social topics	SR "Business integrity"		
	102-32	Highest governance body's role in sustainability reporting	SR "Methodological note"		
	102-33	Communicating critical concerns		<a href="http://www.snam.it/en/governance-conduct/business-conduct/whistleblowing/index.html">http://www.snam.it/en/governance-conduct/business-conduct/whistleblowing/index.html</a>	
	102-34	Nature and total number of critical concerns	RCG "Snam's legal framework"		
	102-35	Remuneration policies	RR "Remuneration Policy and 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 and Guidelines"		
	102-38	Annual total compensation ratio	Confidential disclosure		
	102-39	Percentage increase in annual total compensation ratio	Confidential disclosure		
	<b>Stakeholder engagement</b>	102-40	List of stakeholder groups	SR "Stakeholder relationships"	
		102-41	Collective bargaining agreements		100% 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"		
102-43		Approach to stakeholder engagement	SR "Stakeholder relationships"		
102-44		Key topics and concerns raised	SR "Stakeholder relationships"		

GRI Standard	Disclosure	Description	Reference Document and page number	Omissions - Notes
<b>GRI 102 General disclosure 2016</b>				
<b>Reporting process</b>	102-45	Entities included in the consolidated financial statements		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 "Stakeholder relationships" SR "Methodological note"	
	102-47	List of material topics	SR "Stakeholder relationships"	
	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 "Stakeholder relationships" SR "Methodological note"	13 material topics resulted from the materiality analysis (14 last year). In particular, the "Relations with the authorities and quality of services" topic switched from being material to relevant. The topic remains important for the company which oversees it constantly
	102-50	Reporting period	SR "Methodological note"	
	102-51	Date of most recent report	SR "Methodological note"	
	102-52	Reporting cycle	SR "Methodological note"	
	102-53	Contact point for questions regarding the report	SR "Methodological note"	
	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 "Methodological note"	
	<b>Economic material topics (GRI 200)</b>			
<b>GRI 201 Economic Performance 2016</b>	103-1, 103-2, 103-3	Management Approach	SR "Snam's profile"	
	201-1	Direct economic value generated and distributed	SR "Business activities" SR "Performance figures and indicators"	
	201-2	Financial implications and other risks and opportunities due to climate change	RS "Today and tomorrow's challenge. Hydrogen and green gases" SR "Protecting the climate and the air" TCFD "Risk and Opportunities related to Climate Change"	
	201-3	Defined benefit plan obligations and other retirement plans		In 2019, 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 Standard	Disclosure	Description	Reference Document and page number	Omissions - Notes
<b>Economic material topics (GRI 200)</b>				
<b>GRI 203 Indirect economic impacts 2016</b>	103-1, 103-2, 103-3	Management Approach	SR "The supply chain" DNF "Social aspects"	
	203-1	Infrastructure investments and services supported	SR "Snam's profile" SR "The pursue of a new energy" SR "Protecting the climate and the air" TCFD "The commitment to the energy efficiency"	
	203-2	Significant indirect economic impacts	SR "The supply chain"	
<b>GRI 205 Anticorruption 2016</b>	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 "The fight against corruption and illegality" SR "The supply chain" RF "Professional Enhancement" DNF "Anticorruption and bribery"	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 2019, no cases of corruption were established.
<b>Environmental material topics (GRI 300)</b>				
<b>GRI 302 Energy 2016</b>	103-1, 103-2, 103-3	Management Approach	SR "Protecting the climate and the air" DNF "Environment, health and safety aspects"	
	302-1	Energy consumption within the organization	SR "Protecting the climate and the air" SR "Performance figures and indicators" TCFD "The commitment to the energy efficiency"	
	302-2	Energy consumption outside of the organization	-	Information not available
	302-3	Energy intensity	SR "Performance figures and indicators"	Within the performance indicators the most significant number is reported (transportation activity)
	302-4	Reduction of energy consumption	SR "Protecting the climate and the air" SR "Performance figures and indicators"	In this document, the reductions in energy consumption obtained through efficiency measures are quantified by reporting the corresponding CO <sub>2eq</sub> emissions avoided.
	302-5	Reductions in energy requirements of products and services		Not applicable



GRI Standard	Disclosure	Description	Reference Document and page number	Omissions - Notes
<b>Environmental material topics (GRI 300)</b>				
<b>GRI 304 Biodiversity 2016</b>	103-1, 103-2, 103-3	Management Approach	SR "Protecting the local area and biodiversity" DNF "Environment, health and safety aspects"	
	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"	
<b>GRI 305 Emissions 2016</b>	103-1, 103-2, 103-3	Management Approach	SR "Protecting the climate and the air" DNF "Environment, health and safety aspects"	
	305-1	Direct (Scope 1) GHG emissions	SR "Protecting the climate and the air" SR "Performance figures and indicators"	
	305-2	Energy indirect (Scope 2) GHG emissions	SR "Protecting the climate and the air" SR "Performance figures and indicators"	
	305-3	Other indirect (Scope 3) GHG emissions	SR "Protecting the climate and the air" SR "Performance figures and indicators"	
	305-4	GHG emissions intensity	SR "Protecting the climate and the air" SR "Performance figures and indicators" TCFD "The reduction of the GHG emissions"	
	305-5	Reduction of GHG emissions	SR "Protecting the climate and the air" TCFD "The reduction of the GHG emissions"	
	305-6	Emissions of ozone-depleting substances (ODS)		Not significant quantity
	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emission	SR "Protecting the climate and the air" SR "Performance figures and indicators"	
<b>Social material topics (GRI 400)</b>				
<b>GRI 401 Employment 2016</b>	103-1, 103-2, 103-3	Management Approach	SR "People" DNF "People management aspects"	
	401-1	New employee hires and employee turnover	SR "People" SR "Performance figures and indicators"	The split of the data by country is not reported because it is not applicable (almost all the employees are located in Italy).

GRI Standard	Disclosure	Description	Reference Document and page number	Omissions - Notes
<b>Social material topics (GRI 400)</b>				
<b>GRI 401 Employment 2016</b> (Follows)	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"	
<b>GRI 403 Occupational health &amp; safety 2016</b>	103-1, 103-2, 103-3	Management Approach	SR "People" DNF "Environment, health and safety aspects"	
	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" SR "Performance figures and indicators" DNF "Environment, health and safety aspects"	The employees and contractors' injuries happened all in Italy (2 employees and 3 contractors in Northern Italy, 1 contractor in the Central and 1 contractor in the Southern part of Italy). The injuries involved only male workers.
	403-3	Workers with high incidence or high risk of diseases related to their occupation	SR "People"	
	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.
<b>GRI 404 Training and Education 2016</b>	103-1, 103-2, 103-3	Management Approach	SR "People" DNF "People management aspects"	
	404-1	Average hours of training per year per employee	SR "People" SR "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 number of employees evaluated within the "Performance Management" is split by position and gender (page 80).
<b>GRI 405 Diversity and equal opportunities 2016</b>	103-1, 103-2, 103-3	Management Approach	SR "People" DNF "People management aspects"	
	405-1	Diversity of governance bodies and employees	SR "People" SR "Business integrity" SR "Performance figures and indicators"	
	405-2	Ratio of basic salary and remuneration of women to men	SR "People" SR "Performance figures and indicators"	

GRI Standard	Disclosure	Description	Reference Document and page number	Omissions - Notes
<b>Social material topics (GRI 400)</b>				
<b>GRI 406 Non discrimination 2016</b>	103-1, 103-2, 103-3	Management Approach	SR "People" DNF "Protecting Human Rights"	
	406-1	Incidents of discrimination and corrective actions taken	DNF "Protecting Human Rights"	
<b>GRI 413 Comunità locali 2016</b>	103-1, 103-2, 103-3	Management Approach	SR "Stakeholder relationships" SR "Protecting the local area and biodiversity" DNF "Social aspects"	
	413-1	Operations with local community engagement, impact assessments, and development programs	SR "The pursue of a new energy" SR "Protecting the local area and biodiversity" SR "People"	
	413-2	Operations with significant actual and potential negative impacts on local communities	SR "Protecting the local area and biodiversity"	
<b>GRI 419 Socio-Economic Compliance 2016</b>	103-1, 103-2, 103-3	Management Approach	RS "Business integrity" DNF "Anticorruption and bribery"	
	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")	
<b>Other non GRI issues</b>				
<b>Green business</b>	103-1, 103-2, 103-3	Management Approach	SR "Snam's profile" SR "Environment" RF "Innovation for business development" (in "Other results and management impacts") TCFD "The leadership towards energy transition"	
<b>Reliability of infrastructures and business continuity</b>	103-1, 103-2, 103-3	Management Approach	SR "Snam's profile" SR "Environment" RF "Innovation for business development" (in "Other results and management impacts")	
<b>Brand reputation</b>	103-1, 103-2, 103-3	Management Approach	SR "Stakeholder relationships"	
<b>Innovation</b>	103-1, 103-2, 103-3	Management Approach	SR "The pursue of a new energy" SR "Environment" RF "Innovation for business development" (in "Other results and management impacts")	

# 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](http://www.snam.it/en/Sustainability/strategy_and_commitments/index.html).

The ten principles	Sustainability Report 2019	Page
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.	<b>Human rights</b>	
	<ul style="list-style-type: none"> <li>■ 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).</li> </ul>	104-105
	<ul style="list-style-type: none"> <li>■ 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.</li> </ul>	88-94
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.	<b>Labour</b>	
	<ul style="list-style-type: none"> <li>■ 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.</li> </ul>	73-76
	<ul style="list-style-type: none"> <li>■ Snam applies the Energy and Petroleum agreement and guarantees trade union rights for all workers.</li> </ul>	71-72, 85
	<ul style="list-style-type: none"> <li>■ 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</li> </ul>	85
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"> <li>■ Snam develops initiatives to reconcile work and life</li> </ul>	83-84
	<ul style="list-style-type: none"> <li>■ Snam provides its employees with training and professional development opportunities</li> </ul>	77-80
	<ul style="list-style-type: none"> <li>■ Snam develops projects to strengthen its operational excellence and to contribute to the containment of greenhouse gas emissions.</li> </ul>	54-62
	<ul style="list-style-type: none"> <li>■ Protecting the environment and biodiversity are integral parts in defining Snam's corporate policies and investment decisions</li> </ul>	64-68
	<ul style="list-style-type: none"> <li>■ All of Snam's activities are monitored by certified environmental management systems (ISO 14001)</li> </ul>	108-109
Principle 10 - Companies commit to fighting corruption in any form, including extortion and bribery.	<ul style="list-style-type: none"> <li>■ Snam performs specific energy management and CO<sub>2</sub> saving activities</li> </ul>	55-57
	<ul style="list-style-type: none"> <li>■ Snam also evaluates its suppliers using environmental criteria</li> </ul>	92-93
	<b>Anti-corruption</b>	
	<ul style="list-style-type: none"> <li>■ Snam disseminates ethical principles and business values</li> </ul>	104, 106-107
	<ul style="list-style-type: none"> <li>■ Snam collaborates with International Transparency International on anti-corruption and governance</li> </ul>	107
Support for Sustainable Development Goals	<ul style="list-style-type: none"> <li>■ Snam provides training activities in matters of legality and anti-corruption</li> </ul>	107
	<ul style="list-style-type: none"> <li>■ Snam conducts reputational checks of suppliers and subcontractors</li> </ul>	108
	<ul style="list-style-type: none"> <li>■ No cases of corruption were reported in 2019</li> </ul>	125
	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 3,4,5,7, 8, 9,10,12, 13, 15,17.	48-49

# Letter of Assurance



