Sustainable Value Creation: The Snam Business Model

Snam’s business model is based on sustainable growth, transparency, the enhancement of talent and diversity, and the protection and social development of local areas, also through the work of Fondazione Snam.

The Group bases its business model on its values, integrating new commitments relative to the energy transition with its traditional core business. This model pursues sustainable success through the creation of long-term value to benefit shareholders, while simultaneously considering the interests of other relevant stakeholders. The business plan and ESG coexist and are interconnected, with the goal of providing a concrete contribution to the achievement of the United Nations Sustainable Development Goals.

The repositioning of the company in recent years and the projects called for in the new plan create the conditions for the Group to take advantage of the opportunities provided by the energy transition, in part thanks to the skills acquired by Snam personnel and the increasing digitalisation of processes.
The economic resources for making the investments necessary for maintaining and improving infrastructures.

The abilities, skills and experience of the people who are part of the Group, necessary to achieve Snam’s strategic objectives and to keep attention to our distinctive values high.

The transportation network and plants for the storage and regasification of natural gas, the production and injection of biomethane, for the distribution of natural gas for motor transport.

The “licence-to-operate” given by the stakeholders to Snam, the trust placed in the Group with its more than 75 years of history.

The information systems, processes and internal procedures, the practices developed and consolidated over time, the approach to innovation.

The richness of the territory on which the Snam infrastructures stand, the air and the biodiversity that are part of it and the energy resources that enable the Group to provide its services.
The economic resources for making the investments necessary for maintaining and improving infrastructures.

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The richness of the territory on which the Snam infrastructures stand, the air and the biodiversity that are part of it and the energy resources that enable the Group to provide its services.

• The Group’s financial soundness
• Distribution of wealth to stakeholders
• Development of people
• Safety in the workplace
• Valuing diversity
• Inclusion
• Increase in the value of the assets
• Gas conversion and H₂-ready network
• Continuity of the service
• Consolidation of relations with stakeholders
• Increase in the company’s reputation
• Efficiency in processes
• Innovative partnerships
• Mitigation of climate change
• Protection of biodiversity
• Transition to a low-emissions future
• Energy efficiency
• New energies
• Biodiversity
• Diversity and inclusion
• Health and safety
• Local development
• Supply chain
• Value for the communities
• Secure and reliable energy
• Fighting corruption and illegality
• International profile
• Long-term growth of the Core Business
• Ability to execute and technological innovation
• Energy transition
• Net-Zero Carbon Strategy
• Solid financial structure and disciplined investment

20 bcm
8.5 bcm per year
> 41,000 km of network

Biomethane
Sustainable mobility
Energy efficiency
Hydrogen

In November 2020 Snam issued its new strategy, Towards Net Zero, which covers the time-period from 2020-2024. Towards Net Zero combines two hearts: climate strategy and the evolution of its business, summarised in six main pillars, which are illustrated in the subsequent sections. On one hand, Snam plans to reduce its Scope 1 and Scope 2 greenhouse gas emissions, while strengthening cooperation with suppliers and associated companies to reduce Scope 3 emissions and, on the other hand, intends to position itself as a facilitator of a low-carbon economy both domestically and internationally, thanks to its strong core business and new energy transition business.

The objectives established by Snam its the new Strategic Plan represent ambitious challenges and include concrete short, medium and long-term actions that will contribute to achieving carbon neutrality by 2040.

The new Plan calls for investments of 7.4 billion euros by 2024, around 1 billion euros more than the previous Plan, allocated to the various projects, in particular those intended to ensure adjustment of infrastructure to ensure it is hydrogen ready (50% of investments) and those for new energy transition business, for which investments have doubled. In addition to contributing to decarbonisation and energy transition goals, around 40% of investments comply with the European Commission Taxonomy criteria, which are close to being finalised.

### The six pillars of Towards Net Zero

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<td>Maintenance of the current credit parameters</td>
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NET ZERO CARBON IN 2040 AND ESG LEADER

The ultimate objective of the climate strategy included in the new Strategic Plan is to achieve carbon neutrality by 2040, working above all to reduce Scope 1\(^3\) and Scope 2\(^4\) emissions. Secondly, the strategy calls for establishing cooperative programmes with associated companies and suppliers to take action on Scope 3\(^5\) emissions as well. Further, with the aim of furthering integrating environmental, social and governance issues, Snam has reorganised the sustainability KPIs monitored with an ESG Scorecard.

For more information, please see the dedicated sections on “Net Zero Carbon” and “ESG Scorecard” in this chapter.

LONG-TERM GROWTH OF THE CORE BUSINESS

Activities called for under the Long-term growth of the core business are mainly intended to improve the Group’s core business, taking into account the fundamental role that Snam infrastructure will play in decarbonisation. These projects aim to achieve:

- infrastructure that is increasingly Hydrogen-ready (H-ready);
- conversion of power plants to dual fuel;
- long-term sustainable growth.

The Company already benefits from infrastructure that is 70% hydrogen ready and intends to continue projects to prepare the network to accept ever increasing percentages of hydrogen. This activity is of fundamental importance for decarbonisation objectives, given that, based on the prospects for green gas development, hydrogen could potentially reach over 25% of the global energy mix by 2050. Additionally, during 2020 specific standards were defined to acquire only H-ready components for the network. Finally, the installation of the first hybrid turbine able to operate with 10% hydrogen volume is planned for 2021 in the Istrana power plant (prov. Treviso).

Snam also intends to begin conversion of compression facilities to dual fuel, accompanying gas turbochargers with electrocompressors, which will contribute not only to reducing greenhouse gas emissions but also support sector coupling\(^6\).

To maintain and support long-term sustainable growth, activities for the gas conversion of Sardinia will continue, a project already begun which calls for the creation of a virtual pipeline and the first sections of the network, as well as maintenance and development of regulated business assets (transportation,
storage, regasification), and increasing storage capacity, while replacing around 1,200 km of the transportation network, and investments to support carbon neutrality, in particular by creating 245 CNG system connections, plus 50 for biomethane plants and another 100 connections to the network.

**ABILITY TO EXECUTE AND TECHNOLOGICAL INNOVATION**

The third pillar includes three main objectives linked to issues of technological development and innovation for the Group, specifically:

- becoming the most technologically advanced gas transportation company in the world;
- strengthening its position in the hydrogen value chain in part through the use of innovative technologies;
- taking advantage of core skills in adjacent sectors.

As demonstrated by its success in carrying out the TAP project, Snam has an excellent capacity to manage infrastructure projects and will continue to develop and make use of this ability, supported by large investments in innovation and digitalisation.

Approximately 500 million euros will be used for remote control projects, the adoption of Internet of Things (IoT)\(^7\) systems, in cooperation with Microsoft, as well as for cloud and edge computing\(^8\), with the aim of becoming the most technologically advanced gas transportation company in the world. IoT and machine learning systems will be fundamental in transmitting, analysing and historicising data in real time, with a capacity at least 100 times greater than that currently available to the Group.

Of particular importance is the kick-off in 2021 of the first future district, the Bologna “Flagship” District, which will be provided with technology able to monitor the Group assets in terms of operating efficiency, security, integrity, and reliability. This includes an evolution from the traditional approach of leak detection and repair (LDAR) to a tool developed in house by Snam, which supports predictive maintenance for the network and offers centralised control over methane emissions. The LDAR will also play a fundamental role in the achievement of the Strategic Plan decarbonisation goals, because it makes it possible to manage and reduce methane leaks, consequently reducing emissions of the same.

Additionally, through the acquisition of a significant minority interest in De Nora (a global innovator in sustainable energies and water treatment technology, as well as a global technological leader in alkaline electrodes) and the partnership with ITM (specialised in membrane electrolyzers), the Group has set itself the objective of monitoring new technologies and beginning new experiments with hydrogen. In a wider context, to become a technological leader Snam will

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\(^7\) Internet of Things means extending the internet to the world of things and concrete places, allowing them to send and receive data.

\(^8\) Cloud and edge computing are decentralised and distributed IT infrastructure, consisting of micro-data centres, located near the user, which provide remote internet services from smaller distances than those covered by cloud computing.
also invest in **making full use of its core skills** in similar sectors, to fully take advantage as much as possible of the knowledge and professional expertise it has already acquired over the year in sectors where these can be newly applied.

**ENERGY TRANSITION**

Energy transition business represents an important lever for achieving decarbonisation objectives, not only for Snam but for the entire national system. Over the years, the Company has been able to create a **wide and diversified platform of activities** consisting of four fundamental sectors: biomethane, sustainable mobility, energy efficiency and hydrogen. Snam has invested increasing amounts in these areas, going from an initial sum of 200 million euros in 2018 to 720 million euros in the 2020-2024 Plan, with an expected contribution of around 150 million euros for annual EBITDA in 2024. Further, thanks to biomethane production, energy efficiency initiatives and sustainable mobility projects, Snam will prevent the emission of over 600,000 tonnes of CO$_{2}$eq.

The importance of these businesses in Snam’s strategy translates not only economically through investments in the Plan, but can also be seen in the amendments to the Snam Articles of Association, initially proposed in December 2020 and finalised in February 2021. In fact, the Group has added a clear reference to its purpose, “Energy to inspire the world” and to new businesses, to reflect Snam’s commitment to supporting the energy transition by making use of resources and energy sources compatible with protecting the environment and progressive decarbonisation, as well as adding the pursuit of sustainable success among the purposes of the company’s business.

All energy transition business is guided by three main objectives:

- **Internalising the skills and knowledge** of other leader companies through cooperation, partnership and agreements
- **Taking on a leadership role in growing markets**
- **Strengthening core business assets**.

**Biomethane**

Since 2017, Snam has invested in biomethane as an alternative energy solution, also through Snam 4 Environment, which specialises in biomethane production infrastructure (from organic, agricultural, agro-industrial and animal waste) and in promoting green business, playing a fundamental role in the development of biomethane in Italy.

Snam has called for investments of around 220 million euros by 2024 for biomethane, to create infrastructure and plants with installed capacity of 64 MW, 22 MW more than in the previous plan, as well as to develop a platform to support the growth of the circular economy and industrialisation of agricultural production.

Additionally, some of the investments will be destined for companies active in biomethane production, to **internalise their skills and take advantage of further opportunities for growth**. An example here is the acquisition of 50%
of Iniziative Biometano, a company which operates in Italy managing biogas and biomethane plans powered with biomass coming from agriculture.

**Sustainable mobility**

Increased use of natural gas and biomethane in the transportation sector, replacing classic fuels such as diesel and petrol, demonstrates the importance of gas relative to sustainable mobility. **Snam 4 Mobility** is the platform created by the Group to provide integrated services in the natural gas “smart green” mobility sector. The Plan calls for investments of around 150 million euros between 2020 and 2024, with the aim of **creating more than 150 new refueling stations by 2024** and extending offerings for heavy vehicles, in parts thanks to the start up of a **new micro-liquefaction plant**, combined with the adaptation of the Panigaglia terminal in Liguria to load tankers for transportation use. Additionally, Snam 4 Mobility will work to develop infrastructure to distribute hydrogen through land transportation: in coming years, **five hydrogen refueling stations will be created in Italy**. Finally, the other main task for Snam 4 Mobility will be promoting the conversion of an ever-increasing number of vehicles from UFG to LNG.

**Energy efficiency**

Energy efficiency work represents another important factor in the decarbonisation strategy, to which Snam will dedicate around 200 million euros through **Snam 4 Efficiency** to support energy efficiency in residential, industrial, tertiary and public administration sectors, facilitated by national fiscal incentives, known as “ecobonus” and “sismabonus”. In 2020, Snam 4 Efficiency acquired 100% of **TEP Energy Solution**, specialised in energy efficiency solutions and carbon footprint assessments for condominiums, companies and public administrations. Finally, with an eye to internalising additional skills relevant to the sector, in October 2020 Snam finalised the acquisition of 70% of **Mieci S.p.A.** and **Evolve S.p.A.**, thereby establishing a platform with the goal of significantly increasing its presence and market share in the energy efficiency sector. In this sense, in January 2021 CDP acquired a 30% stake in Snam 4 Efficiency share capital, followed by a name change to **Renovit**, resulting in the development of a new platform to promote energy efficiency in condominiums, companies and public administrations and to support sustainable development and the energy transition in Italy.

**Hydrogen**

For Snam, hydrogen represents a winning opportunity for decarbonisation, the reason that a large part of the investments in the new Plan are destined for infrastructure H-readiness, and around 150 million euros in 2024 for activities developed by the **Hydrogen** business unit.

The new Strategic Plan also calls for cooperation with Ferrovie dello Stato Italiane and Alstom for the **Initial conversions of railway sections from diesel to hydrogen**. The agreement already calls for the conversion of around 13 sections with a total length of approximately 700 km, with the installation of the
first fuel cells with a capacity of 45 MW. Snam will also install the fuel cells for its own activities, with a capacity of 5.2 MW.

Finally, through cooperation with other important players in the sector, Snam has been awarded three grants for Fuel Cells and Hydrogen Joint Undertaking, which allow access to funds and pilot projects at the European level, while creating partnerships for final implementation.

**INTERNATIONAL PROFILE**

The strategic agreements signed with major sector operators throughout the main continental energy corridors and the changes made to redefine its own role within the European infrastructure system have characterised Snam’s international operations since 2012 and have contributed to transforming the Company from a local asset operator to a strategic partner in the international gas market.

At the international level, Snam’s new Strategic Plan call for:

- growing and diversifying its geographic portfolio;
- adopting an asset-light approach in countries with high growth potential;
- monetising its know how and skills through Snam Global Solution.

Through its investees, the Group plans to take advantage of further opportunities for the energy transition and to benefit from growing gas demand in certain key geographic areas, also opting for new uses of gas to replace more polluting fuels, such as coal and oil. In this light, the Group will not only serve as a facilitator for the energy transition, but above all will serve as an advocate and guide towards decarbonisation, taking advantage of its own know-how and that of Snam Global Solution. In fact, in non-European countries, such as China and India, where the use of fossil fuels such as coal is still widespread, gas plays a central role in the process of decarbonisation. Additionally, in countries demonstrating interest in decarbonising transportation, Snam Global Solution can offer the Group’s experience in CNG and LNG together with the technological skills it has acquired thanks to the Cubogas products.

For the Indian market, in 2020 Snam signed agreements with three major operators (Adani Gas Limited, Greenko and Indian Oil) for sustainable mobility and hydrogen and is paying close attention to the decarbonisation process begun by the Indian government, also through additional development of gas infrastructure.

Finally, another main objective for Snam is to develop services in areas which offer interesting growth opportunities, for example the United Arab Emirates, where agreements were signed with Abu Dhabi National Oil Company (ADNOC) to invest in the country’s energy infrastructure. Entry as the sole industrial operator in the consortium that obtained 49% of ADNOC will allow for the development of dialogue with regards to possible cooperative projects for hydrogen and the energy transition.
The sixth pillar of the Strategic Plan involves the Group’s financial structure and establishes three objectives that Snam is committed to achieving by 2024:

- Maintenance of the ratio guidelines currently implemented by the rating agencies;
- Risk adjusted returns exceeding those for Italian regulated assets;
- Investments that are consistent with the ESG strategy.

Snam plans to strengthen the efficiency plan launched in the second half of 2016, with over 70 million euros in savings expected by 2022, which has already led to an approximately 20% decline in costs relative to the core area, making it possible to start energy transition business without penalising Group performance.

The plan objectives will be achieved in part thanks to a disciplined approach to the use of capital, supported by a commitment to take advantage of opportunities offered by growth in the sustainable finance market. Activities to optimise the financial structure implemented over the last five years have led to a reduction in the average cost of gross debt, which fell from 2.4% in 2016 to an average of 1.2% through the time horizon of the plan (compared to 1.4% in the previous plan), thanks to actions implemented to take full advantage of current favourable market conditions and improve the interest rate and credit spread scenario. Further possible savings could derive from treasury optimisation, as well as further diversifying sources and increasing sustainable finance instruments.

During the Plan, Snam also plans to maintain the ratio between net debt and RAB9 below 60%; an adjusted Funds from Operation to Net Debt (FFO/Net Debt) ratio above 14% on average over the course of the plan; to maintain a mix between fixed and variable rate debt of 3/4, in line with the previous plan; 3.2 billion euros in syndicate credit facilities, not use at 31 December 2020, and maturing between 2024 and 2025.

With respect to activities associated with sustainable finance, Snam intends to increase the percentage of funding available from 40% to 60% over the course of the plan, mainly issuing bonds for which the proceeds are invested in projects ranging from reducing emissions, to increasing use of renewable energies and which make a concrete contribution to achieving the Sustainable Development Goals.

9 “RAB” means Regulatory Asset Base, or net Capital Invested for regulatory purposes calculated on the basis of the rules defined by the Electricity, Gas and Water Authority, to determine reference revenues for regulated business.
For some time now Snam has followed a virtuous path aimed at the continuous development of the sustainable finance market, made concrete in part through participation on dedicated Task Forces and Forums. Additionally, to map and take advantage of the alignment of its own activities with sustainability principles, Snam carried out an initial project aimed at identifying how the investments found in the 2020-2024 Plan align with the SDGs and Taxonomy criteria.

More information can be found in the subsequent section, “Sustainable finance and SDG investments”.
With its Towards Net Zero strategy, Snam put its commitment to decarbonisation at the centre of the 2020-2024 Plan integrating sustainability and ESG issues in an even more significant manner within its strategic choices.

Snam has established ambitious and challenging goals, which will put the Group in a leadership position in achieving carbon neutrality by 2040, in advance with respect to European and domestic objectives and in line with the targets for limiting global warming to 1.5°C, as called for in the Paris Agreement signed in 2015.

In this area, objectives are aimed at reducing:

1. **Scope 1 direct emissions** through specific actions involving CO₂ (carbon dioxide) and CH₄ (methane) emissions. More specifically, Snam intends to install electrocompressors on 8 compression units, as well as gas turbochargers, increasing the energy efficiency of its assets to reduce CO₂ emissions. Use of the Leak Detection and Repair (LDAR), replacing pneumatic systems and gas recompression, will be fundamental in reducing methane emissions;

2. **Scope 2 Indirect CO₂ emissions**, relative to which Snam plans to increase consumption of electricity derived from certified renewable sources;

Relative to other indirect CO₂ emissions (Scope 3), Snam plans to strengthen cooperation with its suppliers and associated companies to progressively and significantly reduce emissions throughout the value chain.

**SCOPE 1 AND SCOPE 2 EMISSIONS**

Snam has set itself an even more challenging target for reducing Scope 1 and Scope 2 emissions, going from -40% to -50% in 2030 (with respect to 2018), to achieve carbon neutrality by 2040.

Over half of these reductions will be achieved through the project to covert stations to dual-fuel: by 2040, **Snam will convert 8 of its stations**, specifically Malborghetto, Messina, Poggio Renatico, Fiume Trieste, Minerbio, Settala and Sergnano by 2030, and the power station of Ripalta by 2040.

The remaining part of the Plan reductions are linked to the Group’s commitment to reduce methane emissions by 45% by 2025, compared to 2015 amounts, a target in line with the requests made by Oil and Gas Methane Partnership (OGMP) 2.0, to which it adhered in November 2020.

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10 The OGMP is an initiative created by the UN Environment Programme (UNEP), which encourages companies to reduce the methane emissions caused by their business.
To achieve the objective of carbon neutrality by 2040, once the necessary greenhouse gas emission reduction initiatives have been implemented, the Group will compensate for its residual greenhouse gas emissions by supporting offsetting projects.

Offsets are discrete reductions in greenhouse gases (GHG) used to compensate for GHG emissions occurring elsewhere. Offsets are calculated with respect to a baseline which represents a hypothetical situation with regards to emissions in the absence of the mitigation (offsetting) project. (The Greenhouse Gas Protocol, A Corporate Accounting and Reporting Standard – Revised Edition, 2004)
SCOPE 3 EMISSIONS

Relative to other Scope 3 indirect emissions, that is all emissions associated with the company’s activities coming from sources which the Company does not control or own, throughout the entire value chain, the Group plans to strengthen its cooperation with suppliers and associated companies, to achieve progressive and significant reductions. The Group intends to involve suppliers and them and make them more responsible through the following actions:

- mapping their greenhouse gas emissions;
- requesting that the most important suppliers in terms of procurement complete the CDP Supply Chain Questionnaire;
- involving them in awareness-raising projects.

For associated companies, Snam intends to serve as a guide and advocate to improve their carbon footprints through:

- workshops and training programmes to share best practices;
- awareness raising projects aimed at encouraging the reduction of methane leaks, pneumatic emissions and the adoption of electric energy from renewable sources.

Snam and the CDP Foundation create Arbolia to create new forests in Italian cities

In addition to the emissions avoided thanks to new business projects, Arbolia, the new benefit company established by Snam and CDP Foundation, will guarantee absorption of CO2 thanks to the planting of new trees in Italian cities.

Through Arbolia, the two companies intend to create “a greener, cleaner, healthier and more beautiful Italy”, improving ecosystems, promoting biodiversity, making cities more resilient and creating occasions for social and economic development with additional positive effects on air quality and, consequently, quality of life.

The solutions proposed by Arbolia can be summarised in four main points:

- afforestation and reforestation with trees and bushes for businesses and citizens in urban and suburban areas, serving as public areas and made available to public administrations and private individuals;
- care and maintenance for the trees during the first two years mainly through irrigation, grass cutting and replacement of trees or bushes which did not take root, with respect for biodiversity;
- carbon footprint analysis services with TEP Energy Solution intended for companies and public administrations, for use in certification, incentives and offsetting processes associated with forestation activities and CO2 absorption;
- direct dialogue with institutional stakeholders and companies to offer them opportunities to create roots in the local area by creating shared values and promoting virtuous sustainable behaviour.

Thanks to Arbolia, Snam will contribute to the achievement of some important Sustainable Development Goals, in particular SDG 11 to make cities more liveable and sustainable, SDG 13, linked to climate protection and SDG 15 to restore the earth’s ecosystem.

Arbolia’s first project was developed in December 2020 in Parma, where over two thousand trees were planted in an area of around 20 thousand square metres. The environmental impacts of this initial project are already significant, total absorption of CO2 per year is estimated at 178 tonnes and 483 kg of fine particles per year.
The growing importance of non-financial aspects in determining company strategies, the consideration given to ESG issues by investors and the interest all stakeholders have in the company’s operating methods have always driven Snam to work to measure the impact its business has on the areas in which it works. In fact, Snam monitors over 140 KPIs relative to ESG aspects, many of which supported by multi-year targets. With the aim of redefining its own priorities for the future, modelling the company culture and improving its non-financial reporting, the Company has further strengthened the process used to define its targets.

Through the **ESG Scorecard**, Snam has again strengthened its business model with an eye to achieving the sustainable development goals of Agenda 2030, creating a scorecard of objectives for 2021-2023, focussed on thirteen ESG areas of import to both the company and the stakeholders. These are three-year objectives and the scorecard will be monitored and reviewed annually. Through this tool, the Group intends to provide the utmost transparency relative to the most important environmental, social and governance aspects, with a process that involves all the relevant functions of the Company and its subsidiaries with an eye to continuous improvement and constant dialogue with stakeholders and the market.

### Environment

The holistic approach adopted by Snam with regards to the environment leads the company to commit itself, beyond the fight against to climate change, to protecting habitats and biodiversity, adopting the best practices to protect and support the areas in which its infrastructure is found.

Its environmental commitments can be seen in its goal to reduce natural gas leaks, as well as in all the targets relative to energy efficiency, development of new business, green innovation and protection of biodiversity.

### Social

Employees, local communities and suppliers are stakeholders which are increasingly central to Snam's strategy, because only with their participation is it possible to achieve the challenging strategic objectives the Group has set itself for the coming years. Also in the light of the Covid-19 emergency, the Company has strengthened activities already in place for years, intended to spread a culture that defends individuals in their complexity, protecting mental and physical health and promoting diversity and development in an inclusive environment, as well as activities to improve the quality of life in local communities and to sustainably manage its supply chain. These commitments can be seen in the structure corporate welfare system that meets the needs of Snam employees and their families, in corporate volunteering and community engagement initiatives, carried out in part through cooperation with Fondazione Snam, and in the support offered to the Italian economy and small and medium enterprises (SME), through specific involvement of local suppliers.

### Governance

Legality, integrity, reliability of services and efficiency in network management are the key words that serve as the basis for the actions and projects implemented by Snam, which is committed to creating targets that make its business transparent, responsible and valuable. These objectives take the form of specific actions intended to guarantee infrastructure reliability and service quality are at high levels, to bring ESG issues to decision-making processes and induction sessions for the Board of Directors, and to carry out careful reputation checks to evaluate risks associated with the supply chain, fighting against any active or passive corruption identified.
**ESG SCORECARD 2021-2023**

- **Environment**
- **Social**
- **Governance** (including economic aspects)

**NEW BUSINESSES - GREEN INNOVATION**
- Production of biomethane (MScm)
  - 2021: 19
  - 2022: 84
  - 2023: 141
- Cumulated number of CNG and LNG stations
  - 2021: 74
  - 2022: 119
  - 2023: 167
- Reduction of CO₂eq emissions from energy efficiency interventions
  - 2021: 16
  - 2022: 34
  - 2023: 43
- Available LNG capacity for SSLNG market
  - 250 kton
  - By 2023

**ENERGY SAVINGS OF OPERATIONAL MANAGEMENT**
- MWh of electricity production by photovoltaic plants
  - >860 MWh
  - Annually until 2023
- % of retrofit and methane fuelled cars out of total car fleet
  - 2021: 49%
  - 2023: >61%

**LAND PROTECTION AND BIODIVERSITY**
- % vegetation restoration of the natural and semi-natural areas involved in the construction of the pipeline routing
  - >99%
  - Annually until 2023

**NATURAL GAS EMISSIONS**
- % reduction of total natural gas emissions (vs 2015)
  - 2021: 25.1%
  - 2023: -36%
  - (average of the last 5 years)
- % of natural gas recovered from maintenance activities
  - >40%
  - Annually until 2023

**INFRASTRUCTURE RELIABILITY**
- Average annual customer satisfaction rate in terms of service quality
  - 2021: 7.8
  - 2023: 8.1
  - (average of the last 3 years)
- % of reliability levels on gas supply
  - >99.9%
  - Annually until 2023
### Production of Biomethane

**Reduction of CO2eq emissions from energy efficiency interventions**

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<tr>
<th>Cumulated number of CNG and LNG stations</th>
<th>Available LNG capacity for SSLNG market</th>
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### NEW BUSINESSES - GREEN INNOVATION

- **MWh of electricity production by photovoltaic plants**
  - Annually until 2023:
    - >860 MWh
- **% of retrofit and methane fuelled cars out of total car fleet**
  - Annually until 2023:
    - 2021: 49%
    - 2023: 61%

### ENERGY SAVINGS OF OPERATIONAL MANAGEMENT

- **% vegetation restoration of the natural and semi-natural areas involved in the construction of the pipeline routing**
  - Annually until 2023:
    - >40%

### NATURAL GAS EMISSIONS

- **% of natural gas recovered from maintenance activities**
  - Annually until 2023:
    - 2021: -25.1%
    - 2023: -36%

### GENDER DIVERSITY

- **% of women in executive and middle-management roles**
  - 2021: 21.75%
  - 2023: 25%

- **% of women in succession planning (first and second line and key positions)**
  - 2021: 25%
  - 2023: 27%

### SAFETY

- **IpFG (Combined Frequency and Severity Index)**
  - < AVERAGE last 5 years
  - Annually until 2023

- **No. of HS reports / No. of total audits performed (external and internal)**
  - < AVERAGE last 5 years
  - Annually until 2023

### WELFARE

- **% of participation in welfare activities**
  - 2021: 50%
  - 2022: 52%
  - 2023: 54%

### EMPLOYEE ENGAGEMENT

- **% employee engagement index**
  - 2021: 70%
  - 2023: 75%

### RESPONSIBLE SUPPLIERS

- **% spent on local suppliers (SMEs in Italy) on total procurement**
  - 2021: 40%
  - 2022: 40%
  - 2023: 50%

- **Increase of third sector suppliers in Vendor List**
  - 2021: +10%
  - 2022: +20%
  - 2023: +20%

### GOVERNANCE

- **% of BoD time dedicated to ESG issues in meetings and induction sessions**
  - At least 40%
  - Annually until 2023

### ANTI-CORRUPTION

- **% of third parties on which a reputational check has been carried out**
  - 100%
  - Annually until 2023