

Corporate Social Responsibility review n.3

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Snam S.p.A. Investor Relations

CSR and businesses

Pfizer: employees working for the community

They transformed an uncultivated area at the Rome's Primary School "Cardinal Massaia" into an educational garden open to all children. To step into the shoes for two days of carpenters and painters were 80 employees at the pharmaceutical company Pfizer, who decided to make their own contribution, thanks to the dedicated hours in the working day provided by Pfizer for volunteer work. Pfizer has indeed embarked on the path of social solidarity, participating in the

"Romaltruista" project, the non-profit organization specializing in the coordination of corporate volunteering. Romaltruista, a member of the Handson Network for Rome, helps companies to identify organisations to support and activity to engage in. It also deals with general organization and management of groups of volunteers.

The same program was launched in Milan with the non-profit organization "Milanoaltruista", the sister organisation to

the one in Rome. The companies that have turned to "Milanoaltruista" include Allianz (painting, cleaning and gardening for "L'Amico Charly" in Milan) and Genworth (work in the green areas of Milan together with the organisation "Comitato Ponti").

The growing appeal of "green" business trips

Sustainable business trips: this is the new trend in business travel, increasingly favoured by companies, as it not only improves their reputation but, in many cases, also generates cost savings.

According to data from Carlson Wagonlit, one of the biggest international players in the

industry, when choosing a hotel, eight out of ten business travellers pay attention to the sustainable practices used by hotel chains. As for Italy, the Business Travel Observatory at the University of Bologna found that, even though travelling by car remains the preferred mode of travel for business people

(46.4%), in 2014 travelling by train saw the greatest increase (+ 5.8%), thanks in particular to high-speed trains.

Companies adopt schools

The Italian School Fund association was recently founded, with the aim of collecting resources and materials from private companies to give to schools in need. Kindergartens, primary schools and secondary schools can request via the web magazine Vivaio (fondoscuolaitalia.it) what they need and what is difficult to find. A committee of founding members will select the requests depending on urgency and priority.

In turn, the companies can directly manage their donations to schools via this support mechanism. Also Snam has focused on the school with the "Storie che raccontano il futuro" project, organized with the support of the Ministry of Environment and with the collaboration of Federparchi-Europarc Italia. The project this year involved about 400 primary schools with a total of 900 classes and nearly 20 thousand students from all

over Italy, as well as two schools abroad. The children, armed with an ad hoc teaching kit, were able to use the game to learn about sustainable development, the relationship between man and science, and the proper use of resources. The project also includes a competition: each class is called on to create an artwork, which is examined by a special committee that gives awards to the three most deserving.



Ten big oil players committed for climate change

In October 2015, ten CEOs from some of the most important international oil companies (Eni, Shell, BP, Statoil, Total, Saudi Aramco, Pemex, BG Group, Repsol, Reliance Industries) agreed to work together to reinforce

projects and investments aimed at reducing the intensity of gases and the greenhouse effect.

In particular, they will focus on promoting gas and renewable energy instead of coal,

eliminating “gas flaring” (gas flared in the deposits), and reducing methane emissions during extracting operations.

Finance and ethics

The growing role of Ethical Funds is confirmed

The term “socially responsible investment” refers to all forms of ethical finance that respect ESG criteria (environmental, social and corporate governance). In addition to asset management (investment funds), this also includes microcredit, social housing and private equity.

According to the results of an analysis on the topic by Vigeo (the European leader for CSR rating), at the end of June 2015 in Europe, the number of active funds considered “socially responsible” (“Ethical funds” or “SRI funds”) totalled 1,204 (+26% compared to the previous year), with managed assets of 136 billion euros (+7% Vs 2014).

In terms of assets, France and the UK are confirmed as the most important markets, with managed assets of 47 and 20 billion euros respectively (equalling 36% and 16.8% of total European SRI assets). Switzerland comes next (13 billion euros), followed by the Netherlands (12 billion euros). France is also the leader in the European market in terms of the number of Ethical funds (396, up from 263 in 2014).

In Italy the presence of Ethical Funds is limited but growing: there are 19 in total (vs 12 in 2014), with managed assets of 3 billion euros (2.2% of total European SRI assets). In 2014 the SRI Funds market quota represented 1.7% of the whole European market of investment funds.

Green Bonds to finance climate investments

Green Bonds represent a starting point for financing the initiatives proposed at the Climate Change Conference in Paris. The first signal came from France itself, when three of its main banks - Société Générale, Crédit Agricole e BNP Paribas – launched several Green Bonds on the market, highlighting the role that these instruments could play in the future.

The challenge is massive though: it has been calculated that between 650 and 800 billion dollars is needed each year to finance the investments required to reduce CO2 emissions and to convert conventional energy plants into alternative energy systems.

Goldman Sachs' commitment to the environment

Goldman Sachs has upped its bet on the environment and is attacking head on the greenhouse effect with a “billion dollar” commitment. The US investment bank has announced that by 2025 it plans to spend \$150 billion on financing or investing in “clean” energy projects and technologies – almost four times higher than the \$40 billion target of the previous ten-year plan.

Goldman Sachs' new strategy could therefore offer a significant boost to the renewable energy sector, which has recently gone through some turmoil, due in part to the drop in price of traditional and rival energy forms, from oil to natural gas.



CSR observatory

News from Cop 21 (Conference of the Parties, 21st edition), the World Climate Change Conference in Paris

Limit global warming to below the critical threshold of 2 degrees celsius compared to preindustrial levels, by reducing the use of fossil fuels and intensifying efforts to not exceed the 1.5 degrees threshold; create a \$100 million annual fund running until 2020, destined for developing countries; undergo a revision every 5 years of national strategies to cut greenhouse gas.

These are some of the targets in the climate agreement, signed after 23 years of failed attempts, on 12th December in Paris by delegates from 195 countries, gathered together in the French capital to take part in Cop 21, the 21st United Nations climate conference. By continuing to burn hydrocarbons at the current speed, the global temperature is destined to increase by 3.5 degrees by the end of the century, a level that would bring irreversible climate change.

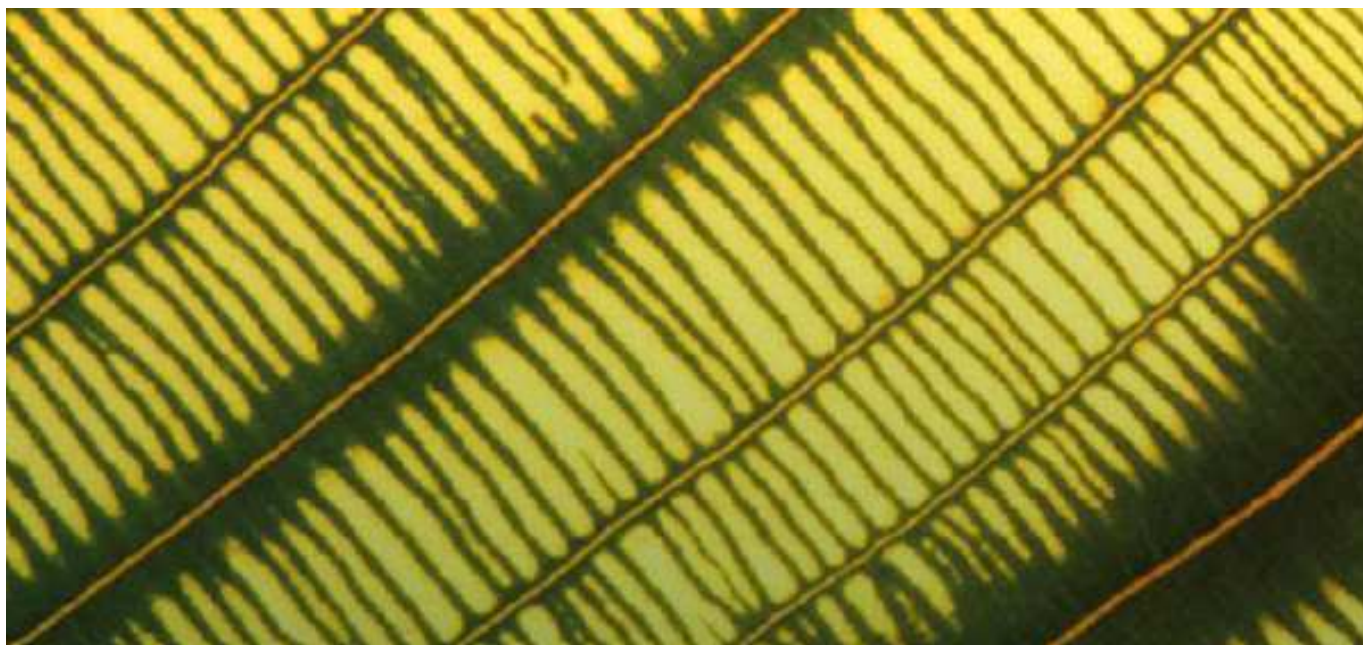
The final document brought the twelve days of meetings, conferences and negotiations to a close. Country representatives were able to outline the health status of the planet and elaborate on the intervention strategies nee-

ded to limit polluting emissions and to preserve the atmosphere and biodiversity.

The agreement - valid from 2020 - has been subdivided into 29 sections, which countries have to respect (the agreement is legally binding). The section relating to reducing greenhouse gas emissions in the atmosphere comes first: the goal to be achieved by 2030 is to contain 40 billion tons of generated quantities, especially in the transport and energy sectors (today we already produce 35.7 billion). In this scenario, natural gas, as a fossil source with low CO2 emissions, is destined to play an important "transition" role, in combination with renewable energy sources, moving towards increasingly clean sources of energy.

Cop 21 was also an incentive to ratify further important agreements. Before the conference, at the end of November, a group of twenty countries (including US, UK, Germany, India and Brazil) agreed to double investments in green energy. At the same time, the Bec (Breakthrough Energy Coalition), a group of Silicon Valley entrepre-

neurs, including Bill Gates and Mark Zuckerberg, announced the creation of a 20 billion fund to support research into clean energy. After Cop 21, an agreement was signed by government institutions and oil companies in 45 countries, in order to end by 2030 the "gas flaring" in crude extraction sites: this should lead to a reduction of 100 billion tons of CO2 emissions. Finally, an agreement has been signed by 13 leaders in the car industry to focus on decarbonizing automotive transport.



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