

# 2023-27 Strategic Plan

Energy infrastructure  
for a sustainable future



January 25<sup>th</sup>, 2024

# Agenda



**Snam, a leading pan European infrastructure operator**



An evolving energy context



Energy infrastructure for a sustainable future



Business Plan projections



Vision and Closing remarks



# Snam, a leading pan European gas infrastructure operator



## Italian and International assets (pro-quota)

~37,400 km<sup>1</sup>

Transport

~20 bcm capacity<sup>2</sup>

Storage

~20 bcm/y capacity<sup>3</sup>

Regasification

## Italian assets

~33,000 km<sup>4</sup>

Transport

~17 bcm capacity

Storage

~17 bcm/y capacity<sup>5</sup>

Regasification



- ITALIAN NETWORK
- Storage plants
- Regasification plants
- LNG terminals
- STAKES IN INTERNATIONAL GAS PIPELINES
- Storage plants
- Regasification plants
- LNG terminals

1. Including TAG, Desfa, GCA, Terëga, Interconnector, TAP, Adnoc gas pipes, EMG, Seacorridor pro-quota transport km
2. Including also Terëga pro-quota storage capacity
3. Including also Golar Tundra, BW Singapore and the pro-quota of OLT, Adriatic LNG, Revithoussa and Alexandroupolis
4. o/w 10,000 national & 23,000 regional network
5. Including also Golar Tundra and BW Singapore

# Key figures



€ 21.4  
bn

**Tariff  
RAB 2022<sup>1</sup>**

~ € 15.6  
bn

**Market  
Cap<sup>2</sup>**

€ 2.24  
bn

**EBITDA Adj.  
2022**

€ 1.16  
bn

**Net Income Adj.  
2022**

## Associates ownership %

SeaCorridor

49.90%



20.00%

Desfa

35.64%<sup>3</sup>

TEREGA

40.50%



5.88%<sup>3</sup>



84.47%<sup>4</sup>



19.60%<sup>3</sup>

interconnector  
fluxys

23.68%



25.00%



7.30%



49.07%

IG  
Italgas 13.49%



21.59%



2.07%

1. Italian  
2. At December 31, 2023

3. Indirect participation  
4. 89.22% financial rights

# Agenda



Snam, a leading pan European infrastructure operator



**An evolving energy context**



Energy infrastructure for a sustainable future



Business Plan projections



Vision and Closing remarks



# Complex market conditions with some key trends emerging



Energy crisis eased but the **system remains fragile and macro unsettled**



**Security of supply and diversification** remain priorities



Challenging **decarbonization targets**



Increased emphasis on **technological neutrality and innovation**

- All technologies are needed to reach the climate goals
- Biomethane is a viable option
- CCS is gaining momentum
- Early-stage hydrogen production with infrastructure as key enabler



Policy & regulatory framework evolving

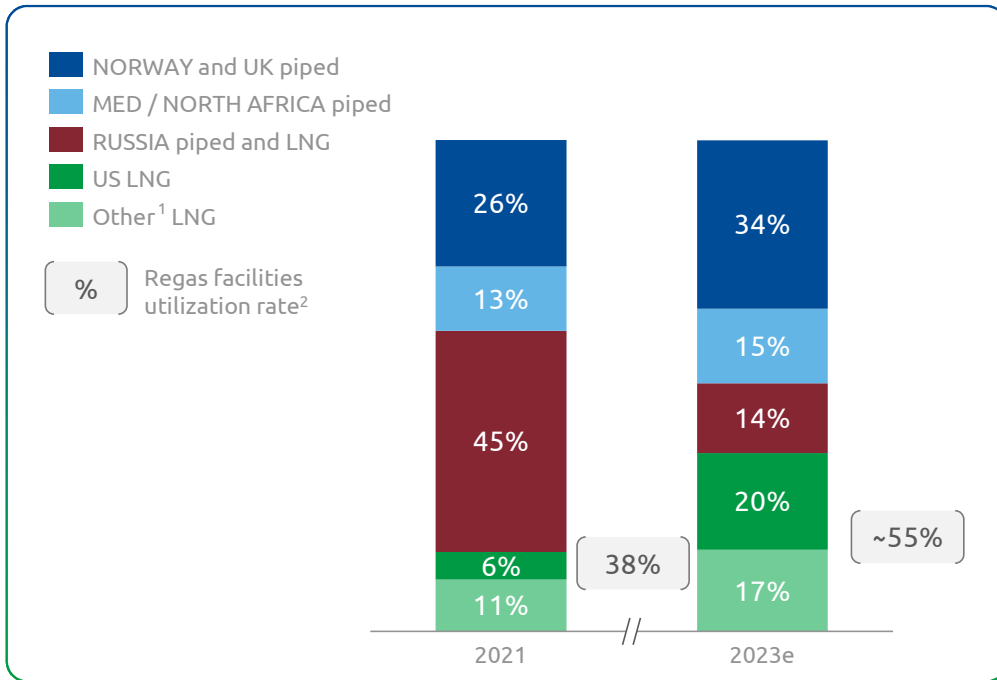


**Regulatory visibility, policy and incentives** progressing

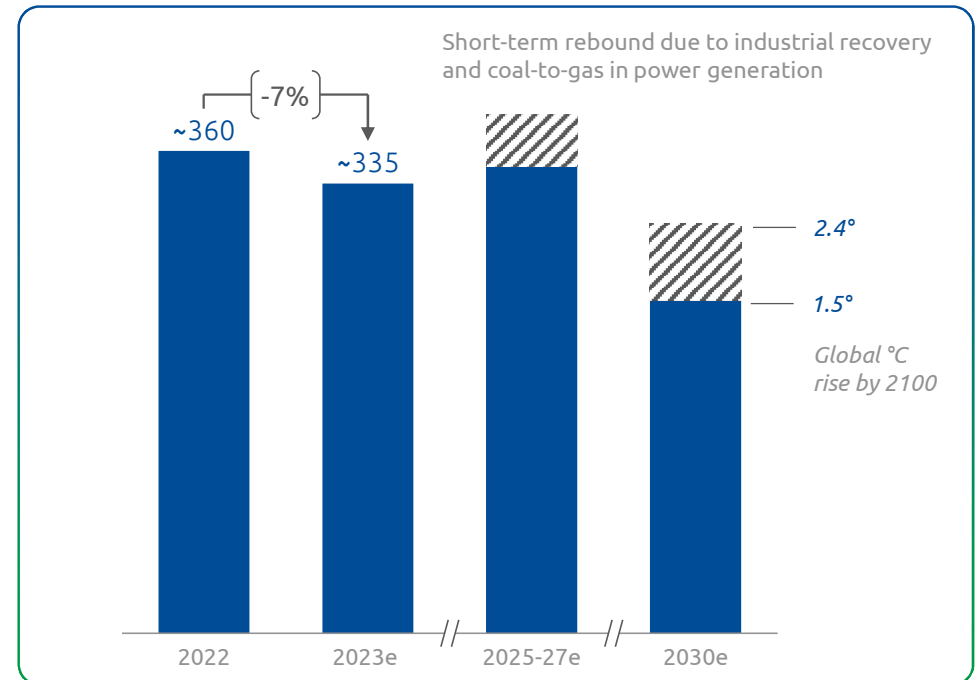
From ambition to transition

# Security of supply and diversification remain priorities in a context of uncertain demand outlook

EU27 gas import mix, bcm



EU gas demand up-down curve, bcm



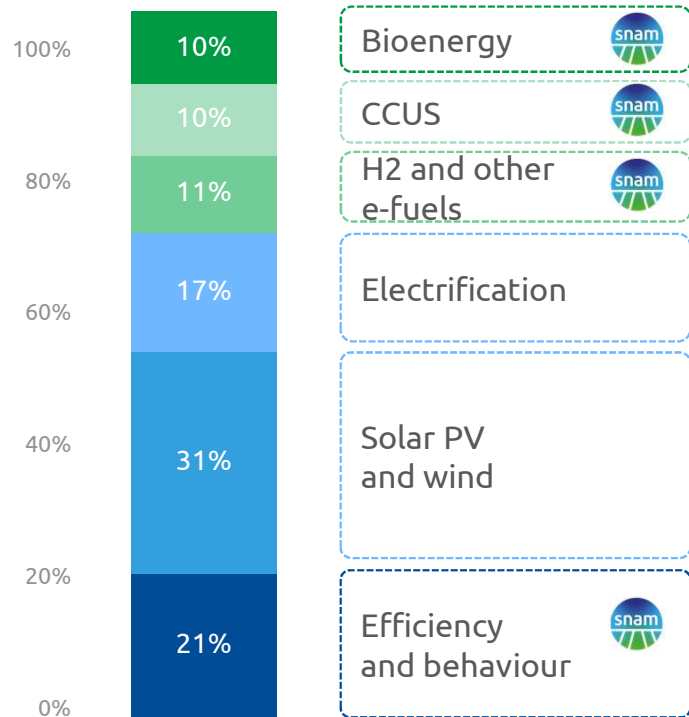
**Ruxit offset by overseas LNG leads to higher EU exposure to global market dynamics...**

**... with a medium-term demand outlook uncertain**

1. Qatar, Algeria, Norway, Nigeria, Trinidad e Tobago, and others  
 2. Average of selected EU countries  
 Source: Bruegel, S&P Global

# All technologies are needed to reach the climate goals

Global cumulative energy sector CO2 emissions reductions by tech



2021-2050

Source: IEA, Snam internal analysis

Clean **electrons** and decarbonized **molecules** jointly essential to achieve Net Zero

High infrastructure demand: **no transition without networks**

## Enabling factors

- BioCH4 infrastructure**  
Pipelines, storage...
- CO2 infrastructure**  
Pipelines, storage, shipping...
- H2 infrastructure**  
Pipelines, storage, shipping...
- Electricity infrastructure**  
HV/LV lines, batteries ...

**Digitalized infrastructure <sup>1</sup>**

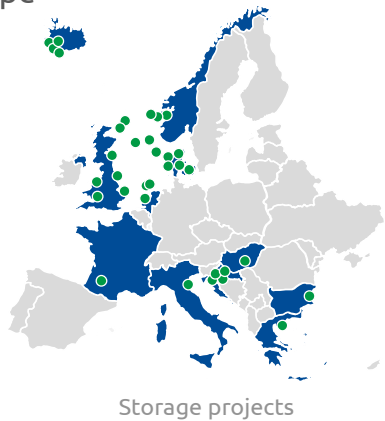
1. E.g., advanced connectivity, IOT and cloud, drone and satellite tech, generative AI



# CCS is gaining momentum

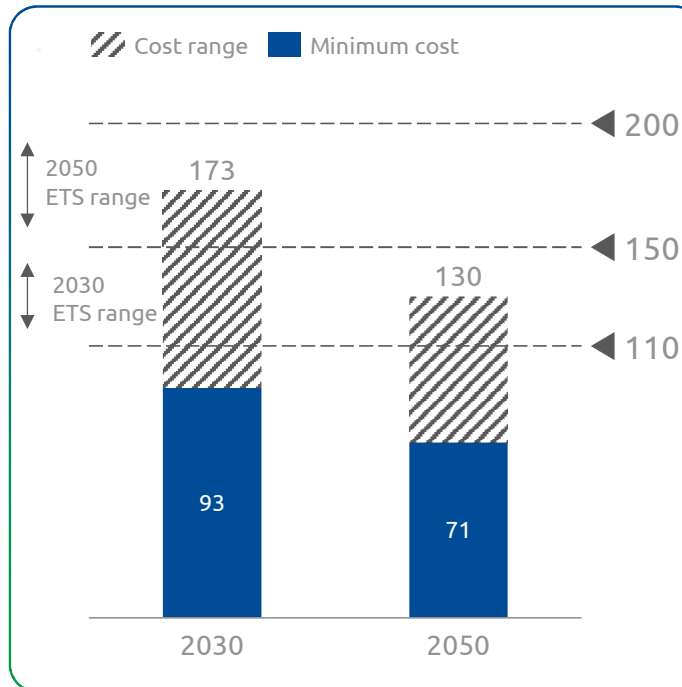
## European projects

- Strong policy support, with **14 EU PCI/PMI** of cross-border CCS and **50 Mtpa** EU injection target in EU by 2030
- By 2030, **>100 Mtpa** storage<sup>1</sup> capacity and **>90 Mtpa** capture capacity<sup>2</sup> in Europe



Projects accelerating in Europe

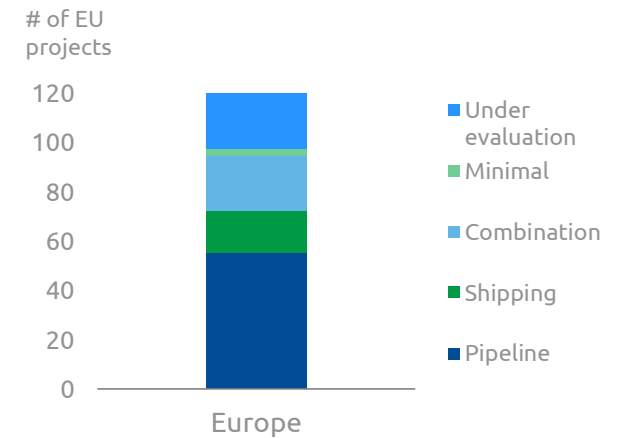
## CCS cost range<sup>3</sup>, €/t



CCS competitive decarbonization option across sectors

## Number of CCS Projects in Europe<sup>4</sup>

- Pipeline transport is mature and predominant in European CCS projects in operation or under development
- Hub configuration expected to deliver **10-30%** cost discount vs point to point<sup>3</sup>

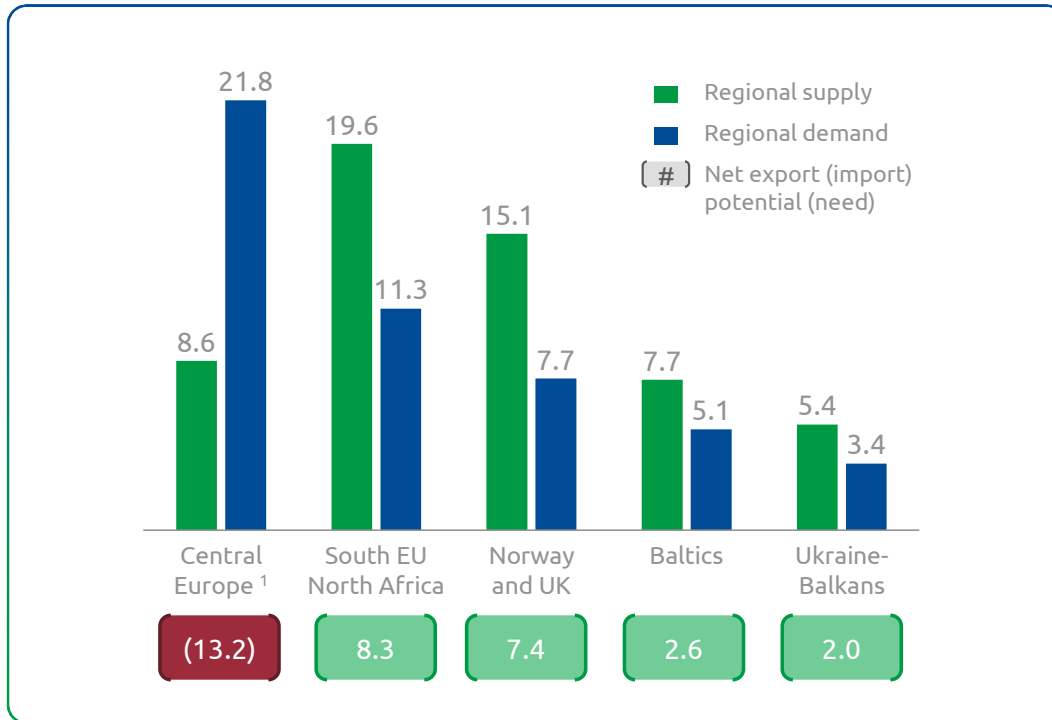


Key role for pipelines and hubs

1. Source: International Association of Oil and Gas Producers, October 2023  
 2. Source: IEA CCUS Projects Explorer, January 2024  
 3. Source: The European House Ambrosetti "Zero Carbon Technology Roadmap"  
 4. Source: Global CCS Institute "Global Status of CCS in 2023"

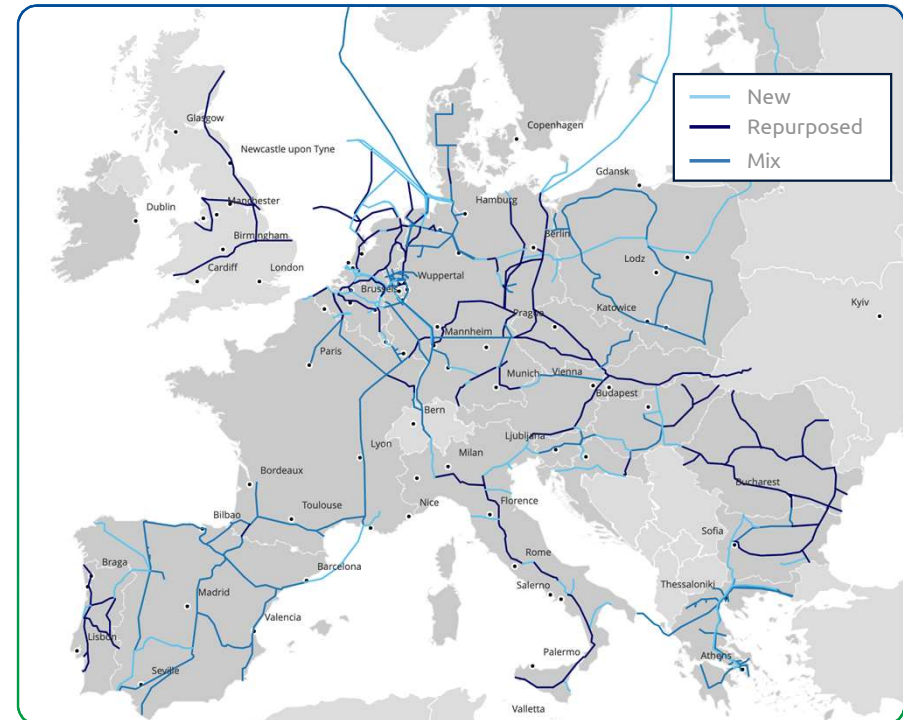
# H2: infrastructure is a key enabler

2040 H2 supply/demand balances in areas of Europe, Mt



**High volumes of H2 international trade expected**

2040 H2 infrastructure map



**Infrastructure as a key enabler**

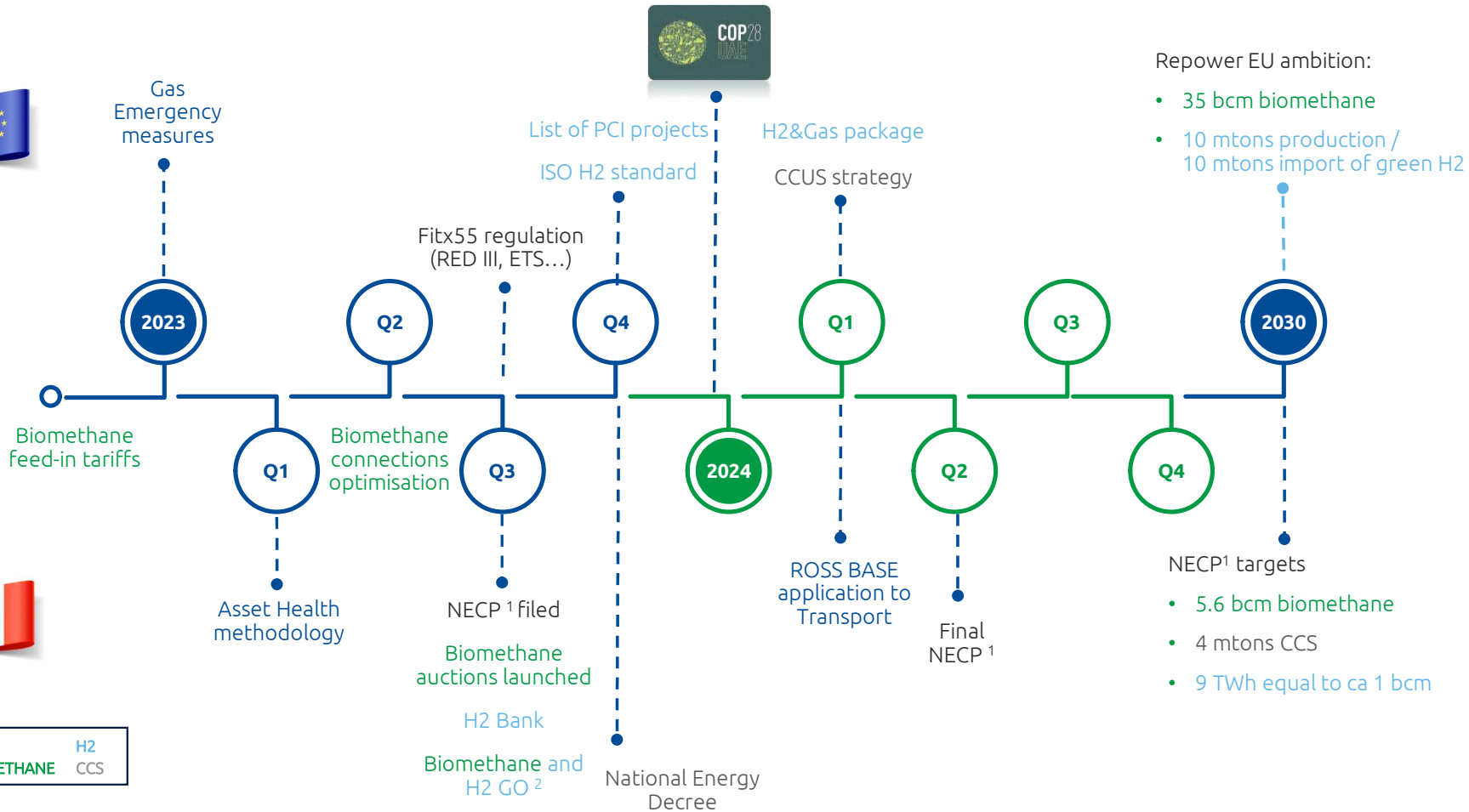
1. Germany, Poland, Austria, Hungary, Czechia, Belgium, Netherlands, Luxembourg

Source: European Hydrogen Backbone "Five Hydrogen Supply Corridors for Europe in 2030"; 2040 H2 infrastructure map based on H2inframap.eu (initiative of ENTSOE, GIE and others)

# EU and national regulatory framework progressing



GAS	H2
BIOMETHANE	CCS



## Available funds

- CEF-E / T
- Horizon Europe
- Innovation Fund
- Just Transition
- IPCEI
- Recovery and Resiliency Facility + complementary Funds

1. National Energy and Climate Plan (PNIEC)  
2. Guarantees of origin

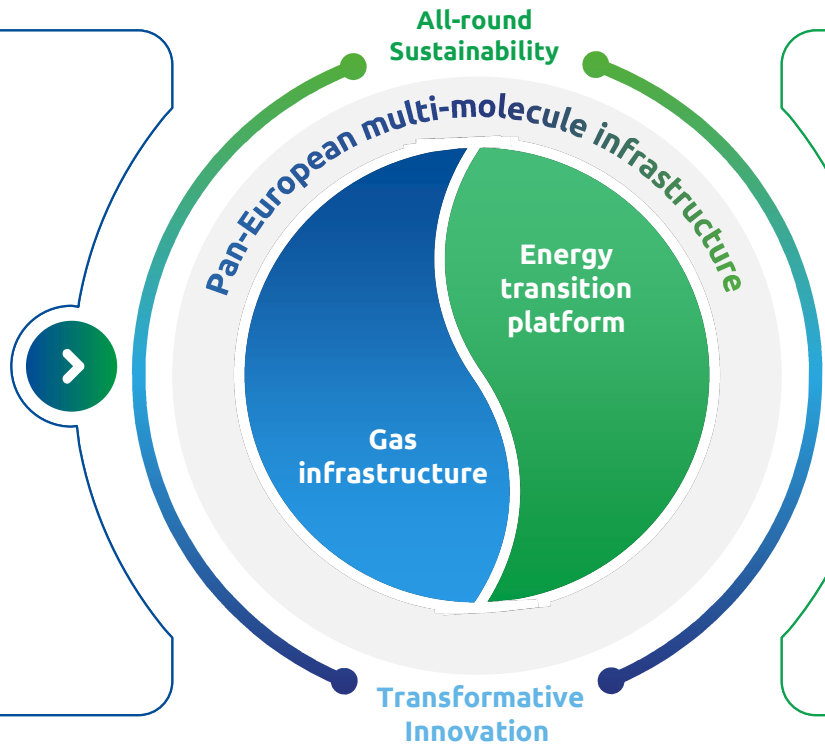
# Snam's integrated strategic framework



## Challenges/Opportunities

- Security of supply
- Challenging decarbonization targets
- Regulatory visibility and policy progressing

## Snam's strategic framework...



## ...and key distinctive factors

- Unique Med-EU bridge to competitive options
- Resilient, flexible and cost-effective infrastructure
- Technologically neutral and early mover in green and decarbonized molecules

**Leading Pan-European integrated infrastructure operator**

# Agenda



Snam, a leading pan European infrastructure operator



An evolving energy context



**Energy infrastructure for a sustainable future**



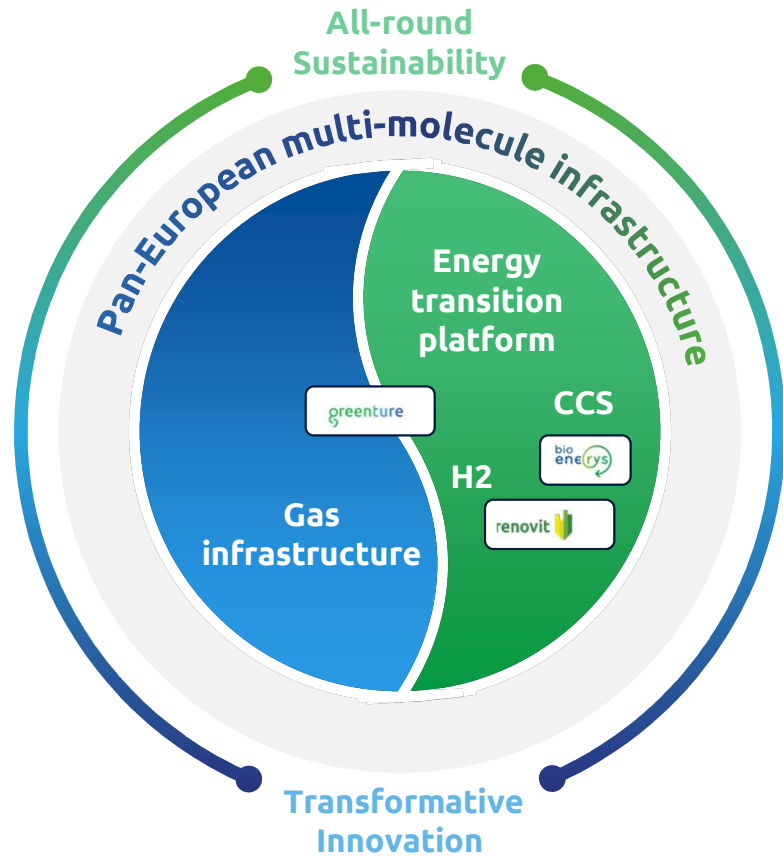
Business Plan projections



Vision and Closing remarks



# Our Ambition: Energy infrastructure for a sustainable future



## Business Focus

**Gas infrastructure** to secure energy supply

**Energy transition platform** to accelerate decarbonization

## Strategic levers

All-round sustainable strategic framework

Transformative Innovation

Develop the future Pan-European multi-molecule infrastructure to secure energy supply



# How we plan to deliver our Ambition



## Business focus

**Gas infrastructure** to secure energy supply  
**Energy transition platform** to accelerate decarbonization

**€ 11.5 bn** Capex 2023-27 (~ € 12.4 bn gross of grants)

- **37%** investments **Taxonomy aligned**
- **58%** investments **SDG aligned**
- **€ 10.3 bn** investments **Gas Infrastructure**
- **€ 1.2 bn** investments **Energy Transition**

## Snam's strategic framework...



## Strategic levers

All-round **sustainable strategic framework**  
**Transformative Innovation**

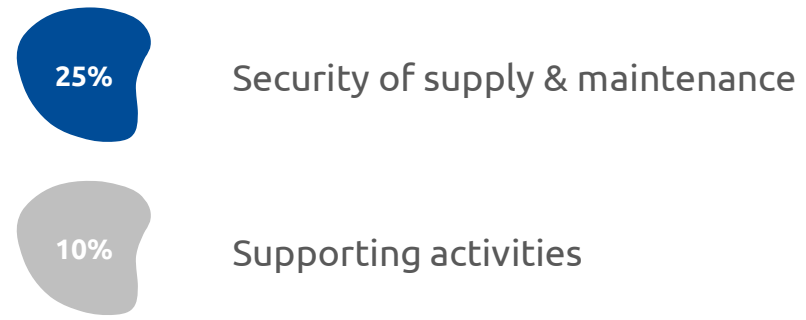
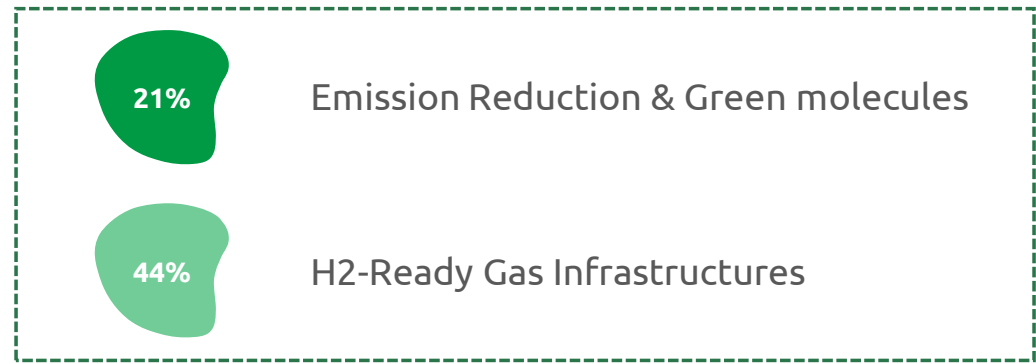
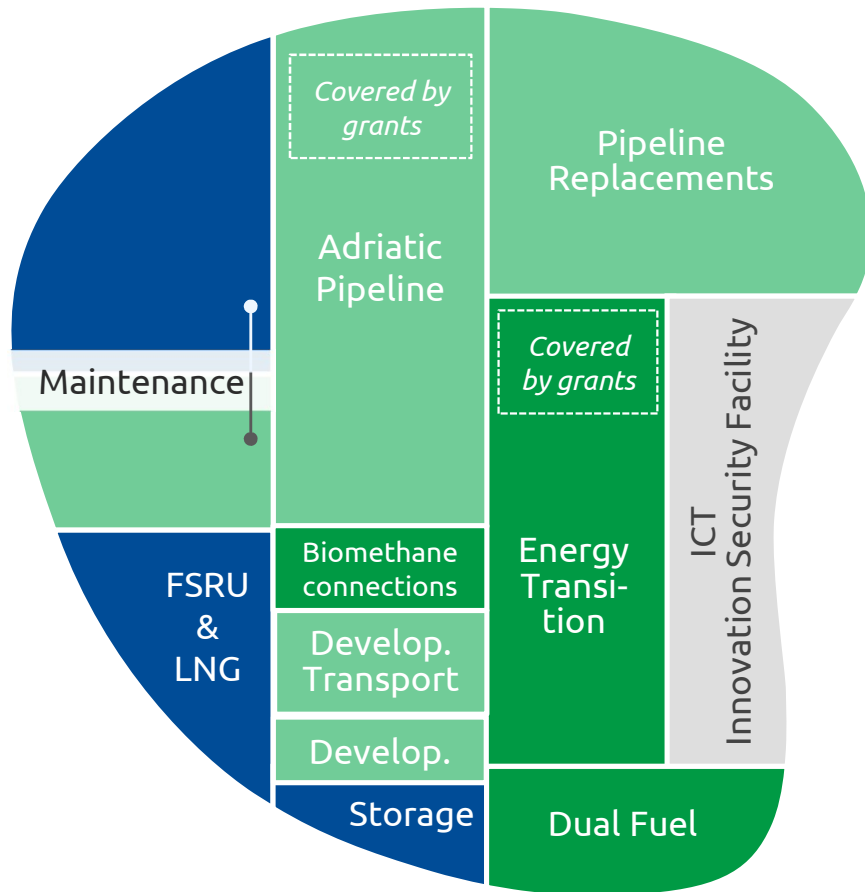
**All-round sustainable framework**  
 based on 7 pillars with a distinct ambition

**Dual-track innovation approach**  
 to drive operational excellence and sustainability

- **€ 350 m** investments **Proven** Innovation
- **€ 50 m** investments **Open** Innovation



# Investing to deliver the multi-molecule infrastructure



**€ 12.4 bn - 65% green and decarb investments<sup>1</sup>**

Color coding of clusters based on the alignment of the majority of investments included  
 1. 2023-2027 Investment plan, gross of grants





# Investing in asset resilience with flexible and repurposable solutions



## Legenda

- Replacements
- Compression SRG Stations
- Compression STG Stations
- FSRUs
- LNG

1. Total Gas infrastructure Capex of € 10.3 bn also include storage capex, DT&T capex, Symbiosis and others

## Emission reduction & green molecules

Dual-Fuel compression stations

Commissioning of 4 compression stations  
(~ € 0.7 bn)

Biomethane plants interconnection

Biomethane connections  
(~ € 0.2 bn)

## H2-ready gas infrastructure

1

Adriatica Network

Import enhancement from south  
(~€ 1.4 bn net of Repower EU Grants, € 0.4 bn)

Planned Pipelines Replacement

Replacement of > 900km transport pipelines  
(~ € 2.1 bn)

## Security of supply

2

FSRUs

1 FSRU acquisition and connection works  
(~ € 1.8 bn)

3

Mid-Stream

Truck Loading in Panigaglia and Liquefaction plant in Pignataro (~ € 0.1 bn)

**€ 10.3 bn<sup>1</sup>**  
investments 2023-27



# From H2 ready to H2 proof

## Definition of technical standards

- Gas Infrastructure Committee for **EU technical standard** EN1594<sup>1</sup>
- ISO/TS 19870 H2 technical standard
- **1,500 km** certified H2 ready by Rina to date **and > 3,000 km by 2027**



## Physical tests and development

- Pipes: **EPRG<sup>2</sup> tests** (100% H2 new and old pipes<sup>3</sup>)
- Storage:
  - **Pilot on a layer of Fiume Treste** field
  - dCarbonX platform UK and Ireland for multi-purpose storage
- Turbines: test 100% H2 low emission and high efficiency turbine



## H2 integrated projects

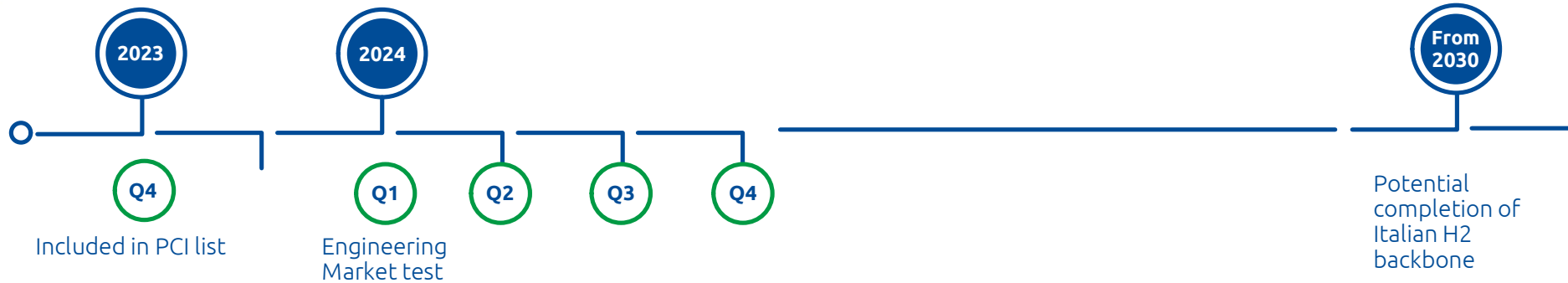
- **Modena's and Puglia's H2 Valley** projects
- Mobile electrolyzers for H2 testing in hard-to-abate processes
- **€ 7 m grants from Arera** for pilot projects for innovation
- Gigafactory project with De Nora full progressing



1. EN 1594 "Gas infrastructure - Pipelines for maximum operating pressure over 16 bar - Functional requirements"  
 2. European Pipeline Research Group  
 3. Old pipes taken from the Rimini - San Sepolcro gas pipeline in operation from the late 1960s to date



## South H2 is the most efficient corridor



**3,300 km** dedicated hydrogen pipeline corridor led by Snam, TAG, GCA and bayernets



### Key features of the South H2 corridor

- **End to end project**, enabling supply of low-cost renewable H2 produced in the South to key European clusters
- **Most cost-effective corridor** (€ 0.4-0.6/kg to Germany) with embedded line pack storage
- Public support from Germany, Austria and Italy and companies across the value chain
- Working on the extension to North Africa and option to link to neighboring countries like Greece and Switzerland

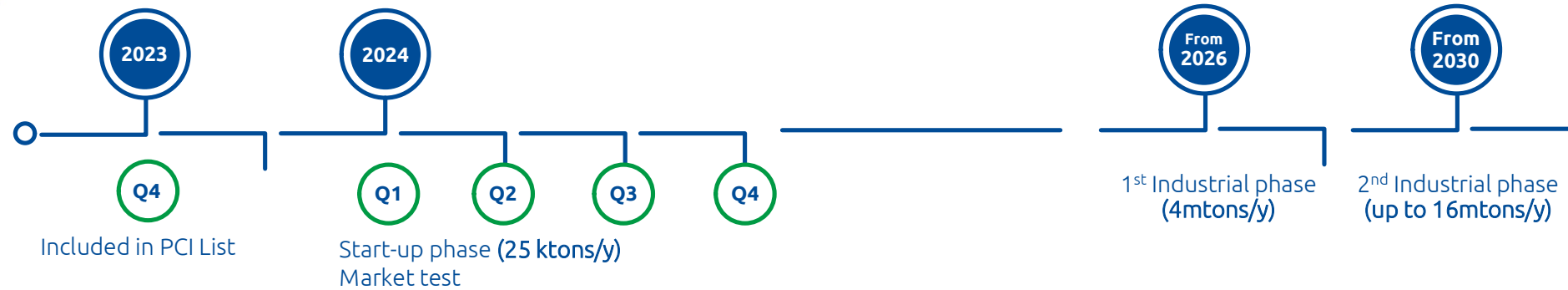
### Italian H2 backbone projects highlights

- **€ 4 bn cumulated capex** thanks to extensive repurposing (**70%**)
- Up to 500MW compression stations to enable export
- Optionality for liquid H2 carrier import by shipping

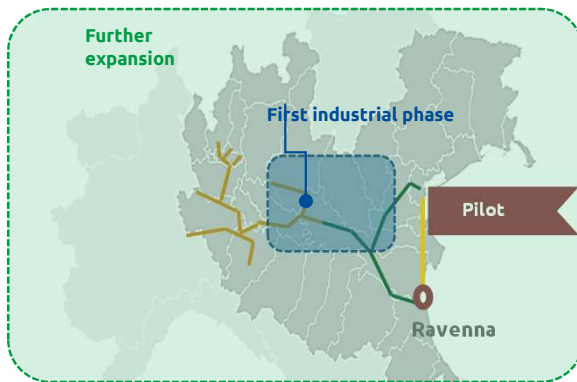
~ **€ 20 m engineering**  
investments 2023-27



## Ravenna hub the first and largest CCS project in the MED



Ravenna hub – part of the Callisto PCI project - to become one of the largest global CO<sub>2</sub> hubs with a total estimated capacity exceeding **500 mtons**



### Highlights

- **Fit for hub model:** industrial cluster located nearby the reservoir (**5-10km** distance)
- **Progressive and modular** development model
- Viable solution to emitters located in North of Italy (pipes) and in the Med (shipping)

### Snam's role

- Equal partner to ENI leveraging on complementary expertise
- Snam will focus on transport
- Working with ENI on storage

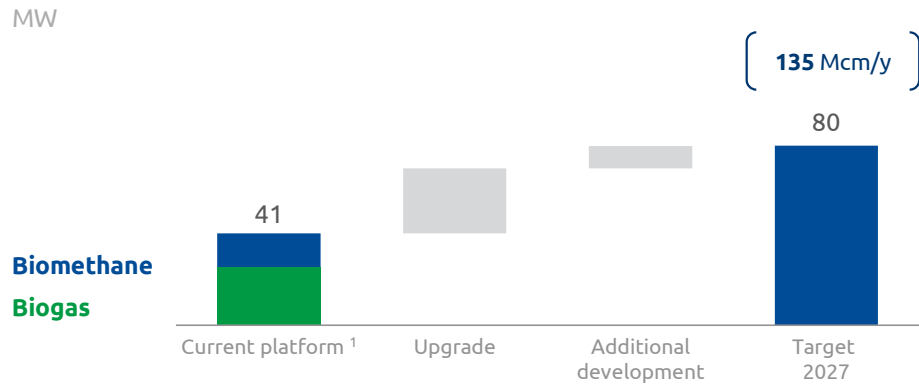
**~ € 350 m<sup>1</sup>**  
investments 2023-27 (net of grants)

1. Total investments in Decarbonization Projects amount to € 450 m including also around € 100 m of H<sub>2</sub> projects



# Building an attractive biomethane platform

## Developing a biomethane platform



- Large platform: **10** waste operating plants (**16 MW**) and **26** agri operating plants (**25 MW**)
- Ongoing execution of the pipeline
- Leverage on biomethane decree: 4 plants successful in auctions for assets upgrade
- Avoided emissions: **36 ktons** in 2022 to **>300 ktons** in 2027

1. Net of deconsolidation of Iniziativa Biometano plants (4 plants for 8 MW capacity)

## Strong geographical footprint



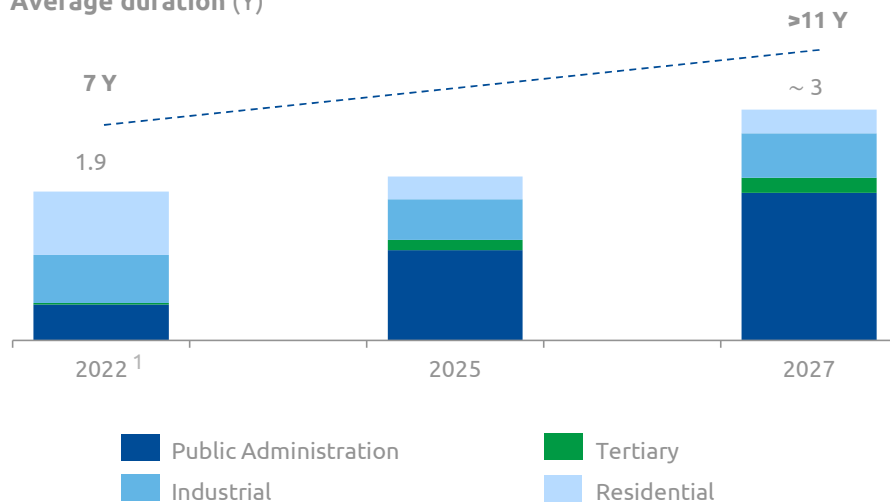
**~ € 400 m**  
investments 2023-27 (net of grants)

# Refocusing Energy Efficiency platform



## Business portfolio repositioning...

Backlog (€ bn) & Average duration (Y)



- Leverage on new deep renovation tax framework
- Increase backlog and average duration
- Avoided emissions: **26 ktons** in 2022 to **>130 ktons** in 2027

## ...with an integrated infrastructural approach

3 business areas



Residential



Public administration



Industrial Clients

Key technologies



Solar PV



Cogeneration and trigeneration



Biomethane and H2

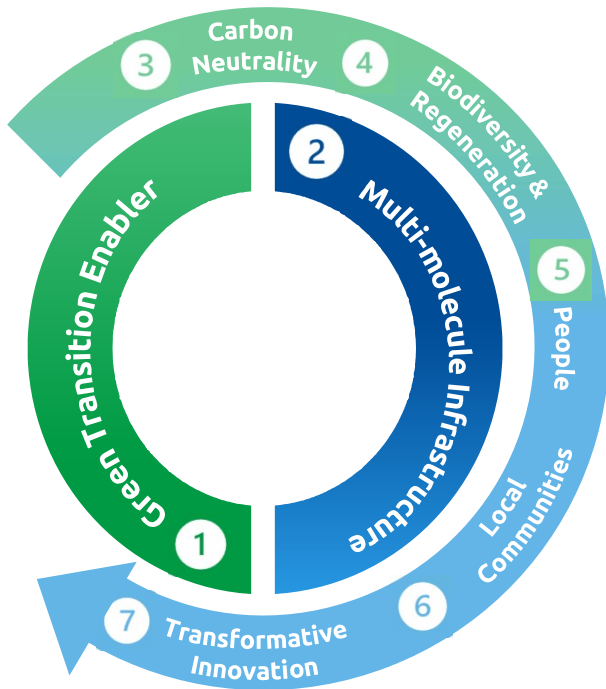
**Energy Performance Contracts with long duration and visibility over the returns**

1. Estimated with commodity curves of 2022-26 Plan. Residential includes both private and public markets.

**~ € 300 m investments 2023-27 (net of grants)**



# Comprehensive Sustainability approach with ambitious 2027 targets



<b>1</b>	<b>Green Transition enabler</b>	Avoided third party CO2e emissions	<b>500 ktCO2e</b>
<b>2</b>	<b>Multi-molecule infrastructure</b>	H2-ready network, certified by third parties	<b>&gt;3,000 km</b>
<b>3</b>	<b>Carbon Neutrality</b>	-25% scope 1+2 by 2027, Carbon neutral on Scope 1&2 by 2040, Net Zero across all Scopes by 2050	<b>-25%</b>
<b>4</b>	<b>Biodiversity &amp; Regeneration</b>	Zero Net Conversion by 2024 and Net Positive Impact by 2027 on Land-Use Change	<b>Net positive</b>
<b>5</b>	<b>People</b>	Employees engagement index <sup>1</sup>	<b>&gt;80%</b>
<b>6</b>	<b>Local Communities</b>	Value distributed year-by-year at local level	<b>&gt; € 1 bn</b>
<b>7</b>	<b>Transformative innovation</b>	Cumulated spending in Innovation and R&D, corresponding to >3% of annual revenues	<b>€ 400 M</b>

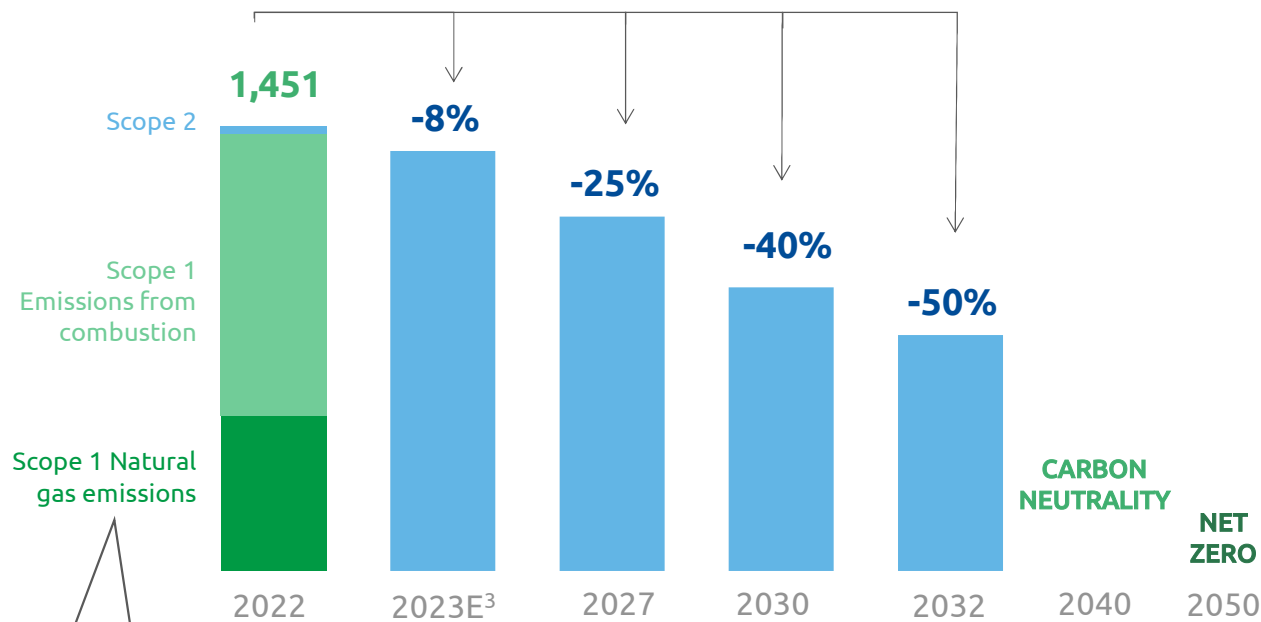
1. Ranging from 0 to 100 based on an internal survey performed by a third party on a standard methodology



# Consistent emissions reduction pathway

Scope 1&2 targets <sup>1</sup>  
(ktons of CO<sub>2</sub>e)

In line with 1.5° <sup>2</sup>

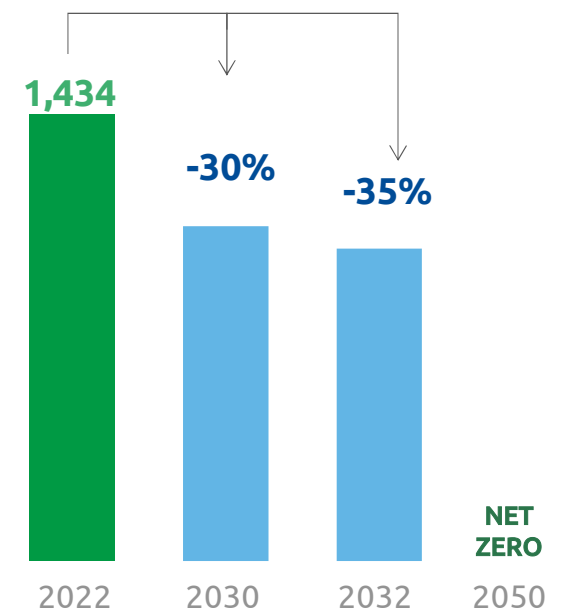


Scope 1 Natural gas emissions

-64.5% by 2027  
-70% by 2030  
-72% by 2032 vs. 2015

Scope 3 emissions target <sup>1</sup>  
(ktons of CO<sub>2</sub>e)

1.5° / well below 2° <sup>2</sup>



**Carbon neutrality by 2040 and Net Zero by 2050**

1. On Regulated perimeter as of 2022  
2. Based on SBTi general methodology

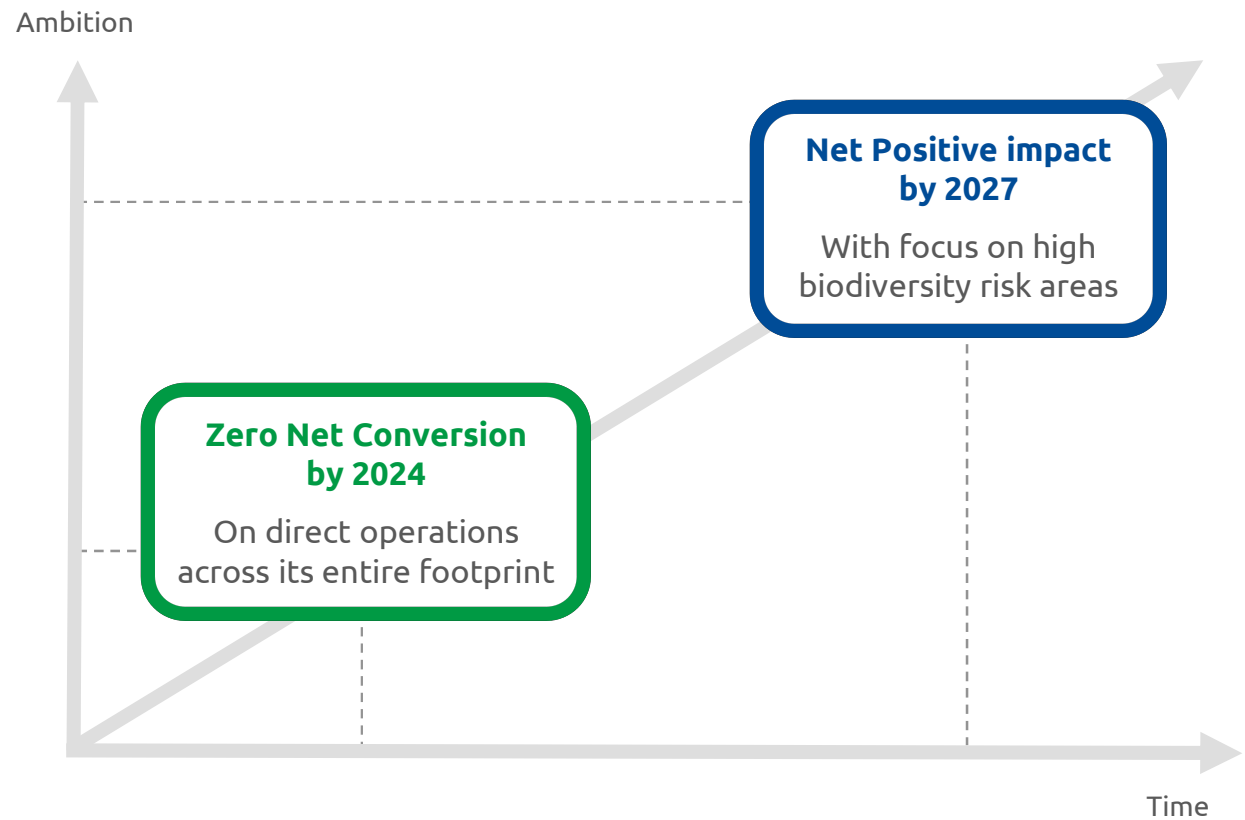
3. -4% vs 2022 on Group Perimeter



# Working towards a positive impact on Nature

## Nature and biodiversity commitment: from Zero Net Conversion to Net Positive

- First pure infrastructure player globally to join SBTN Corporate Engagement Program
- Rigorous and scientific approach to full assessment on our midstream business (latest SBTN guidance)
- Operations aligned by design to respect Nature
- New frontier: exploring “Blue carbon” on seas, rivers and water usage





# Proven technologies to drive asset transformation

## Asset digitalization and data optimization model

- 50 projects, >200 people involved
- 100% operating processes digitalized
- >40 AI algorithms for data-driven decisions
- 100% turbochargers with predictive maintenance
- >70 re-engineered processes

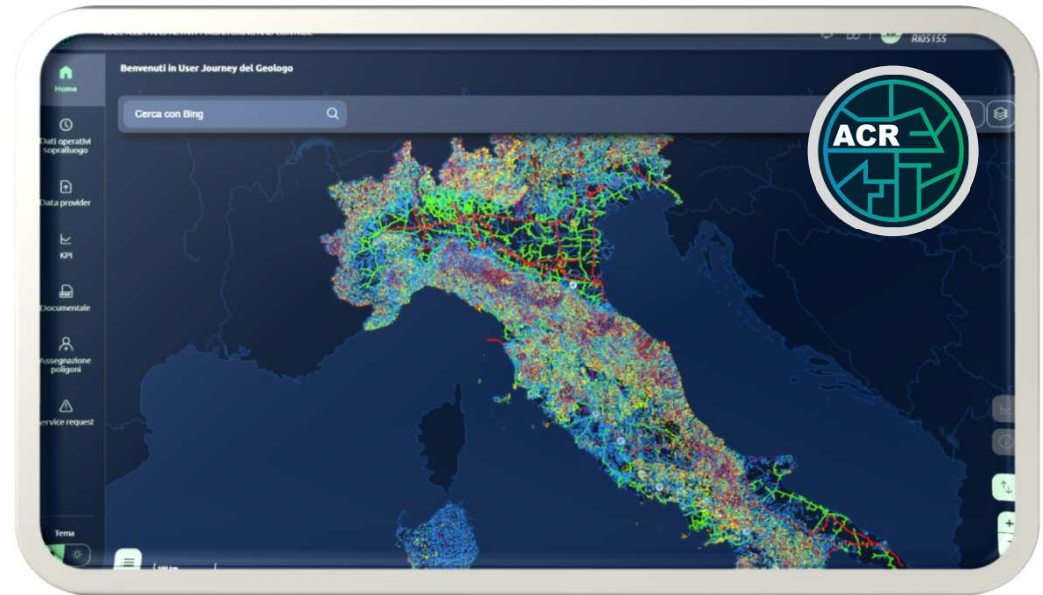
## Operational excellence & sustainability

- -45% methane emissions 2022 vs. 2015, -64% by 2027
- Transport Opex / network length & Storage Opex / Storage capacity down respectively 10% and 20% over the plan horizon

~ € 350 m  
investments 2023-27

## ASSET CONTROL ROOM

To enhance technology integration and adoption across Snam assets and processes



## KEY ENABLING TECHNOLOGIES

- IOT, Cloud and Edge
- AI and HPC



# Open innovation to accelerate technology advancement

### R&D and tech development projects

- 35 projects of which 5 with grants by EU/Arera
- Research on decarbonization and alternative Long Duration Energy Storage with top tier EU and US universities

### Open innovation programs

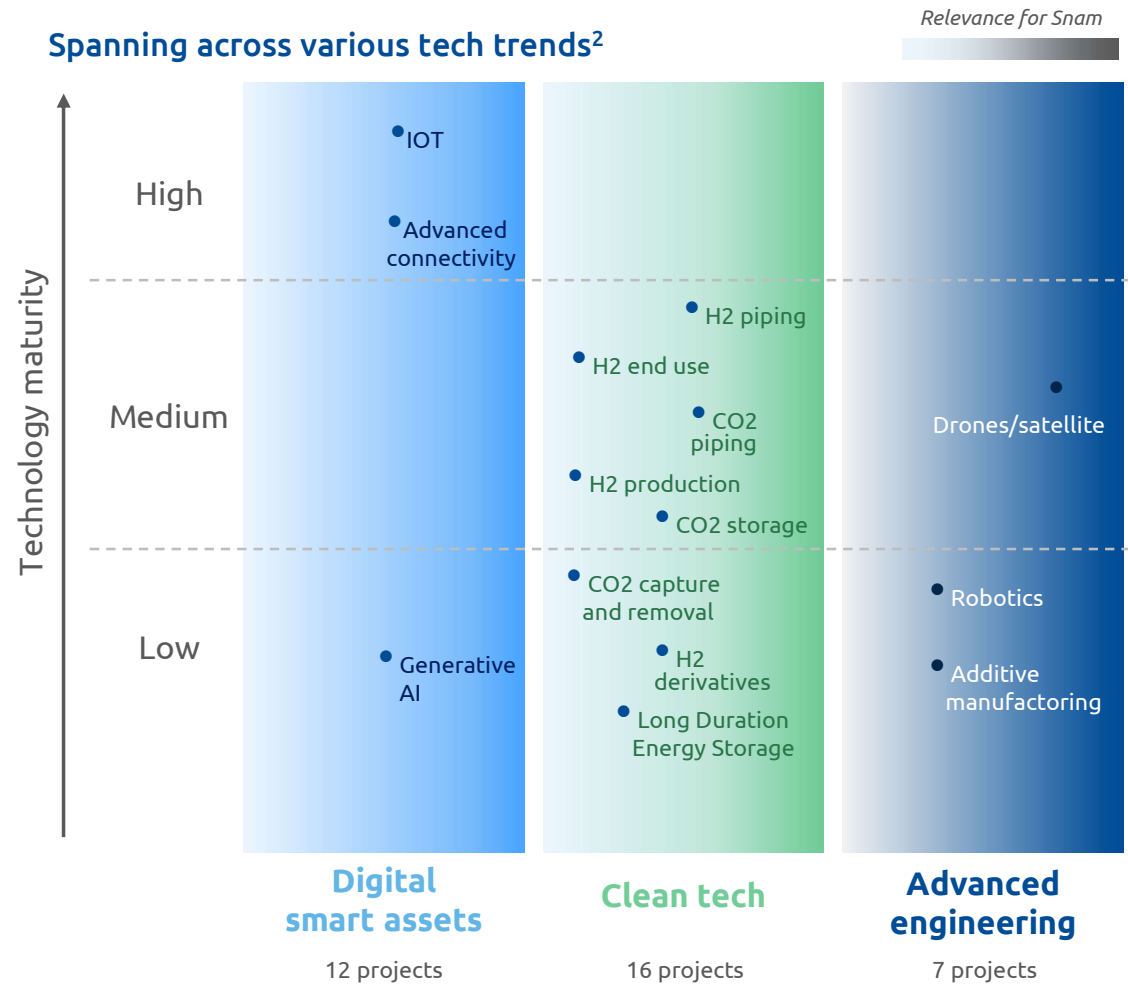
- 2,900 startups scouted
- 28 startups under pilot or full roll out on operations, 1 financed

### Venture capital/Funds

- CdP VC for post-seed investment on energy and clean tech
- Hy24 dedicated to scaling up the hydrogen economy

**€ 50 m<sup>1</sup>**  
**investments 2023-27 gross of € 10 m grants**

1. Not including possible new investments with Hy24  
 2. Not exhaustive



# Agenda



Snam, a leading pan European infrastructure operator



An evolving energy context



Energy infrastructure for a sustainable future



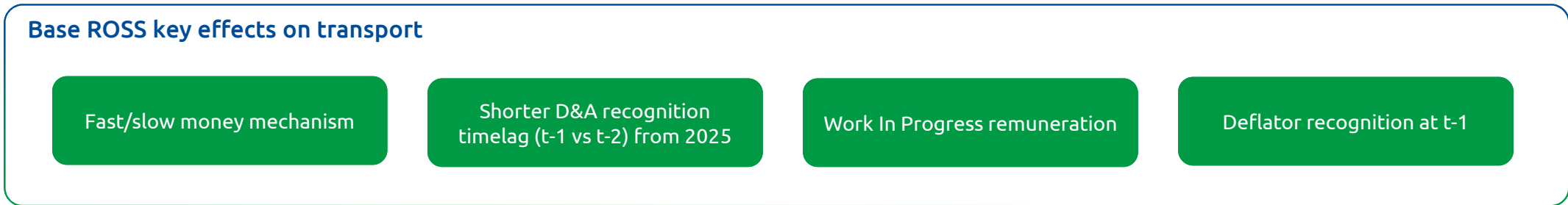
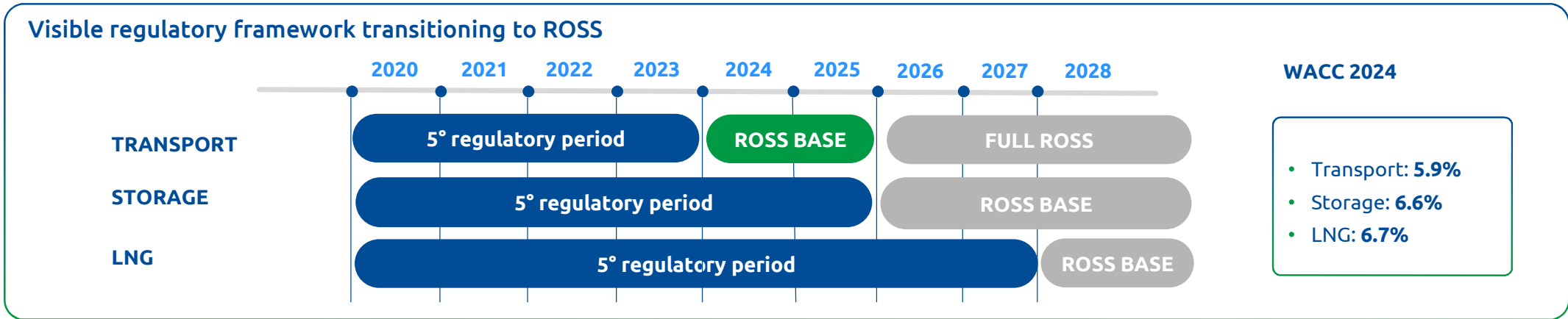
**Business Plan  
projections**



Vision and  
Closing remarks

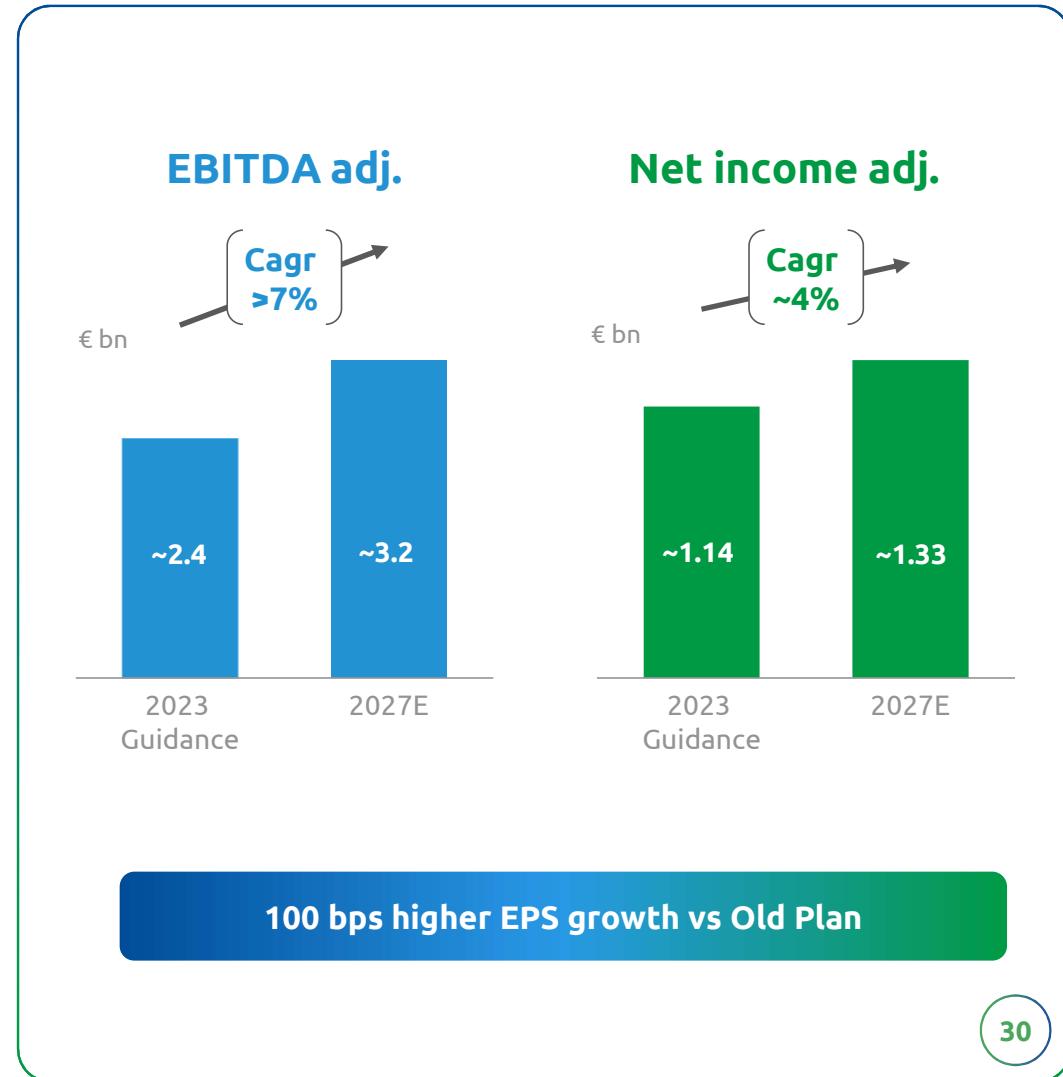
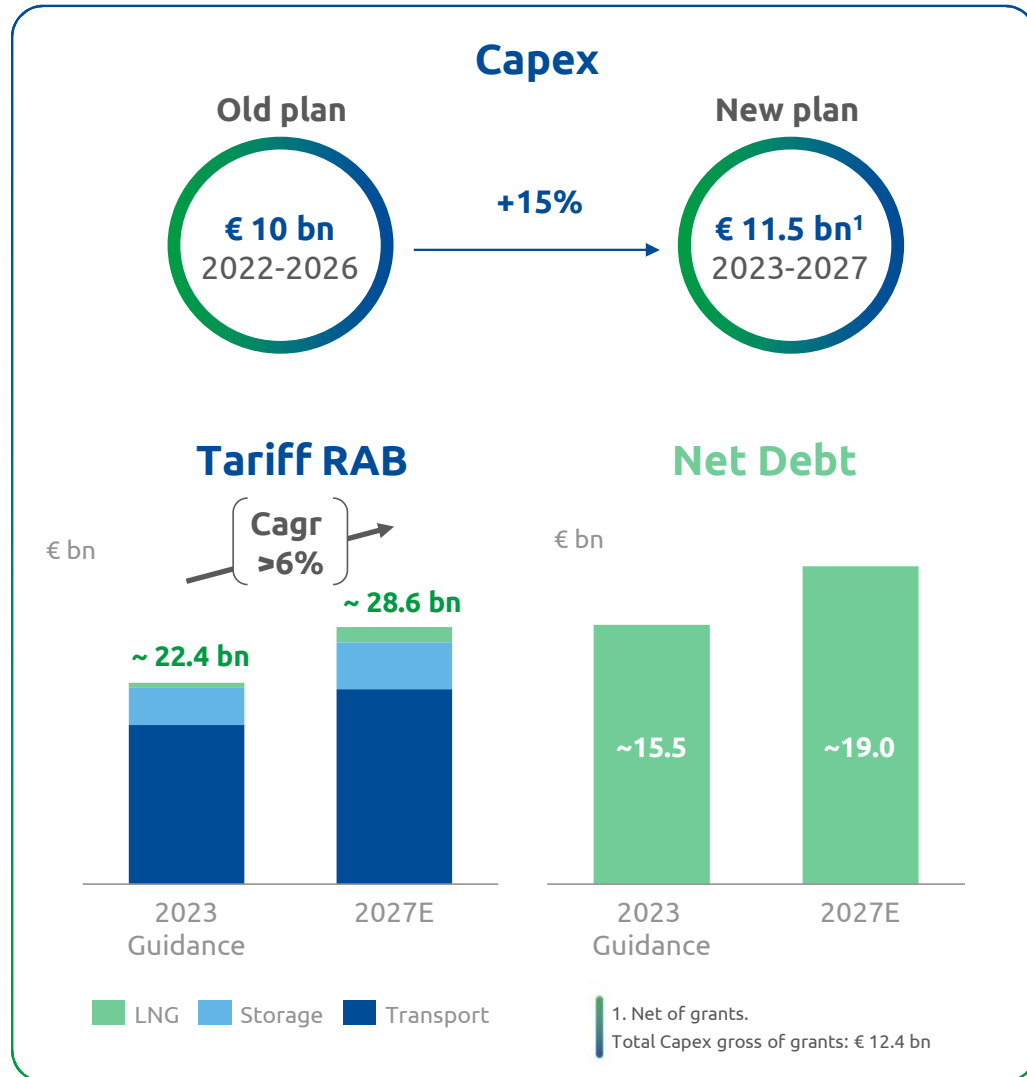


# Visible and supportive regulation underpinning the Plan



**Regulatory visibility and a faster cash conversion**

# 2023-2027 Strategic Plan: increasing profitability



# € 11.5 bn investments 2023-27 in a future-proof multi-molecule infrastructure

## Transport

- Adriatic Line
- Replacement of **> 900 km** pipelines
- Net zero investments: dual-fuel compression stations
- Connections of FSRUs and biomethane

## Storage

- Storage wells refurbishment and performance upgrading
- Net zero investments: dual-fuel compression stations
- First investments in Alfonsine new storage field

## LNG

- Acquisition of FSRU (BW Singapore)
- Mooring infrastructures
- Small-Scale LNG infrastructures

## Energy Transition Platform

- Biomethane: **80MW** of installed capacity
- Decarbonization projects: H2 backbone initial engineering and development of Ravenna CCS project
- Energy efficiency: re-focus on long term contracts with PPP<sup>2</sup> and energy performance contracts



1. Net of ca € 1 bn of grants  
2. Public Private Partnership

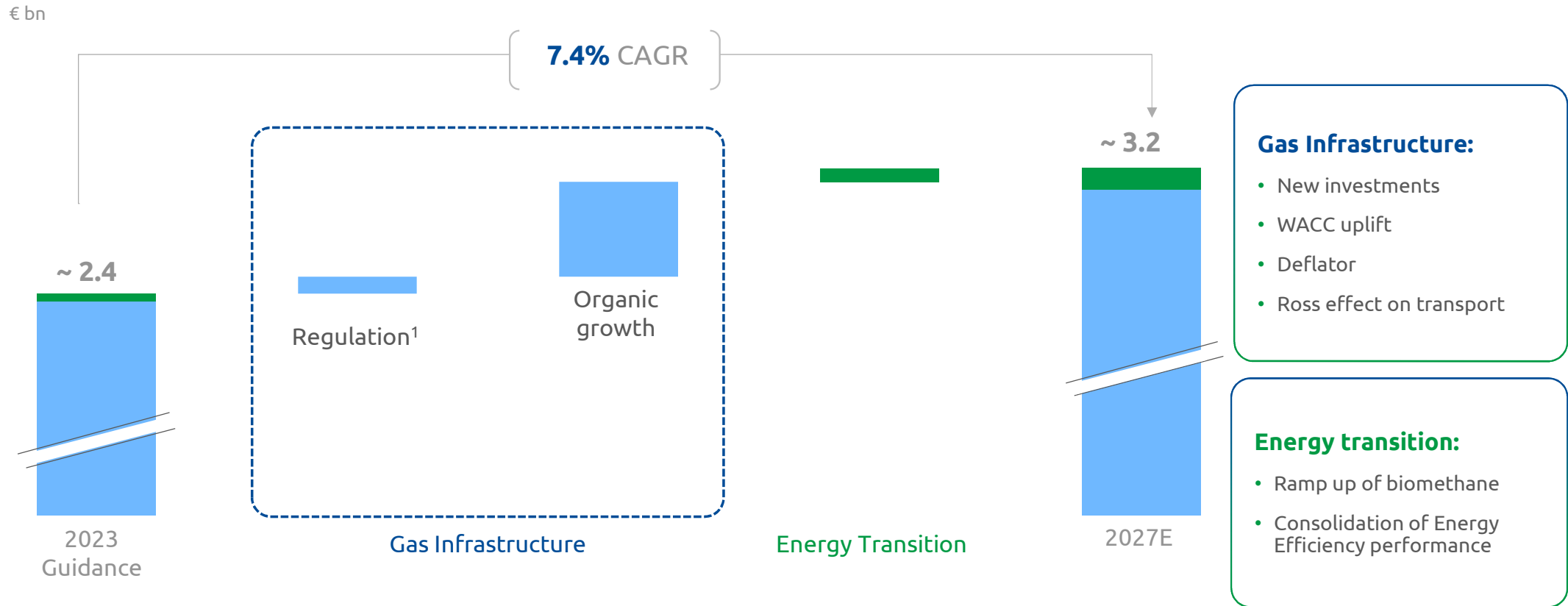
**55% of Capex already authorized**  
~ € 1bn grants

**37% Taxonomy, 58% SDG aligned**

€ 11.5 bn<sup>1</sup>

31

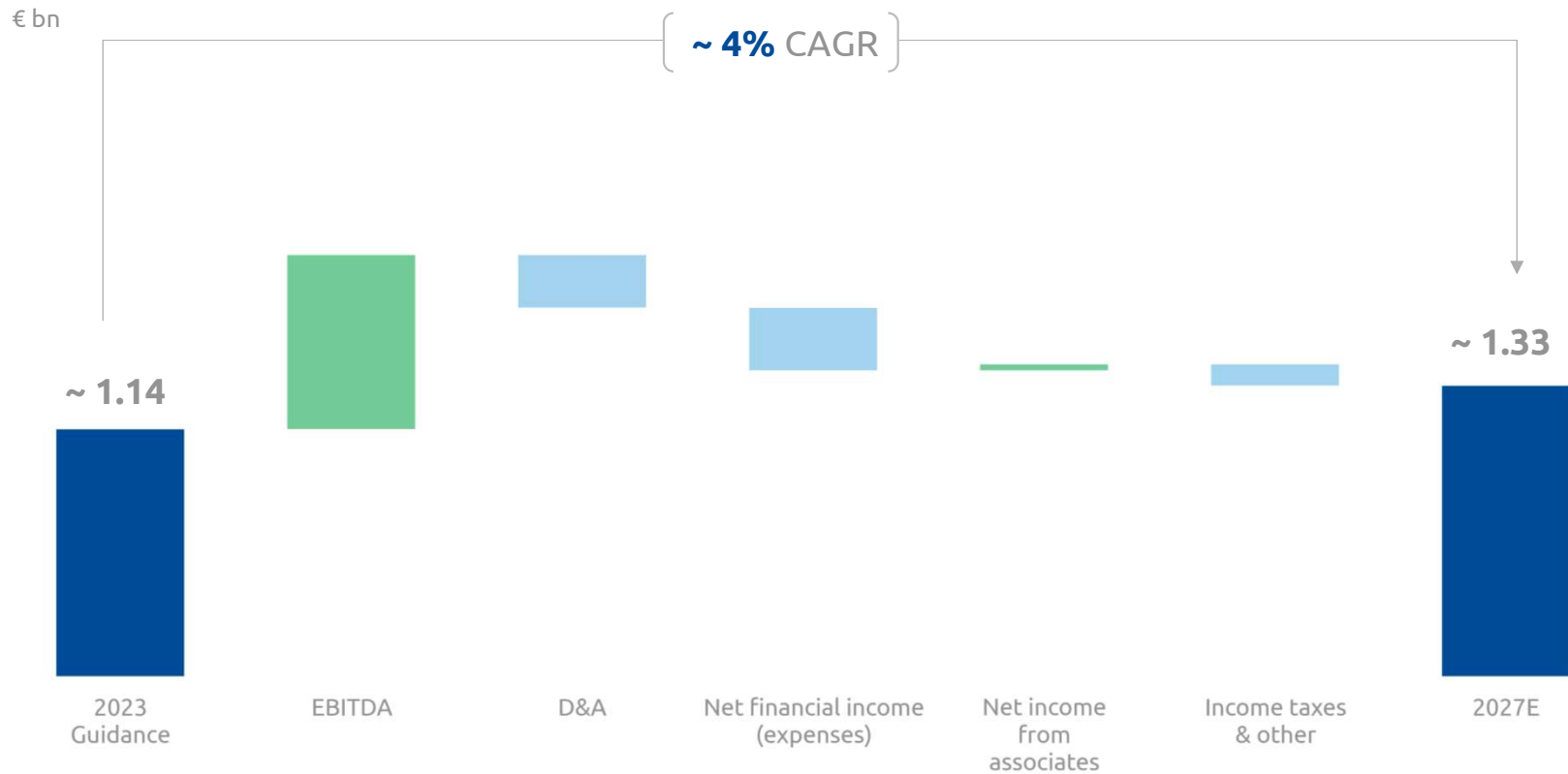
# Sound EBITDA growth driven by visible regulated business



1. Change in WACC and Ross introduction



# Net income accelerating despite higher net interest charges



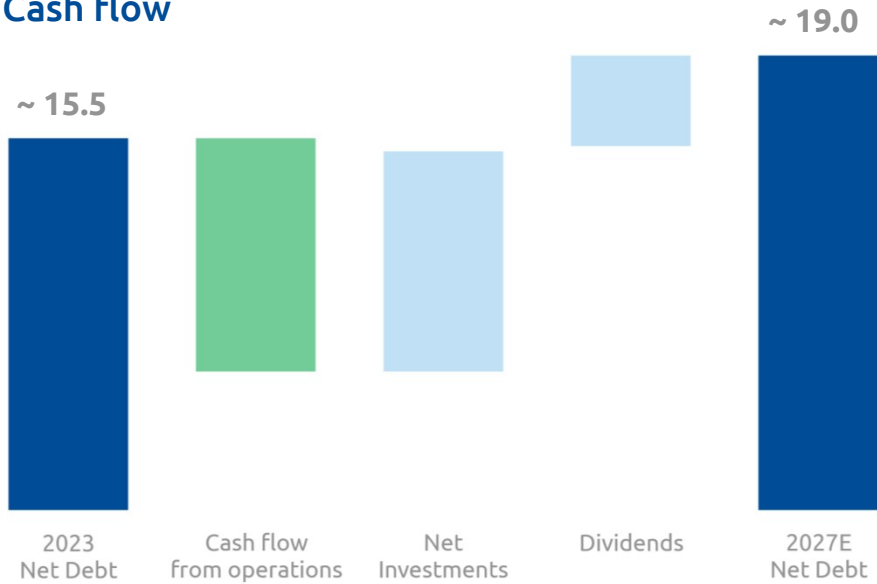
D&A increase due to new assets entering in operation

Net financial expenses impacted by cost of debt increase from 2.0% to 2.9%

Associates contribution mainly driven by Italian associates and TAP

# Keeping financial solidity and flexibility

## Cash flow



Cost of debt evolution	2.0%
Fix/Floating mix	3/4
% ESG financing <sup>1</sup>	~80%

Cost of debt evolution	2.9%
Fix/Floating mix	3/4
% ESG financing <sup>1</sup>	~85%

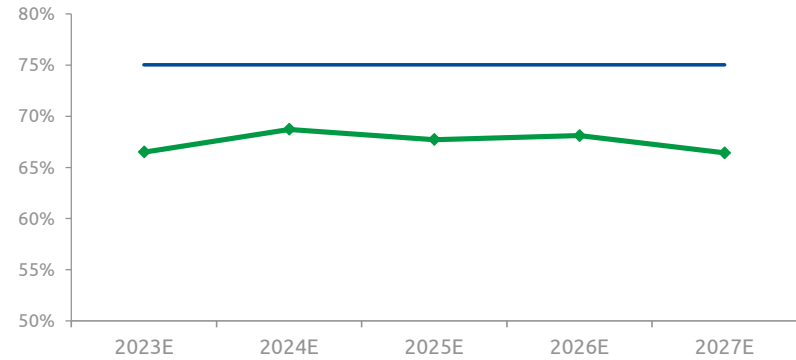
**ESG target improved and average cost of debt at 2.6%**

1. % on Total Committed Funding

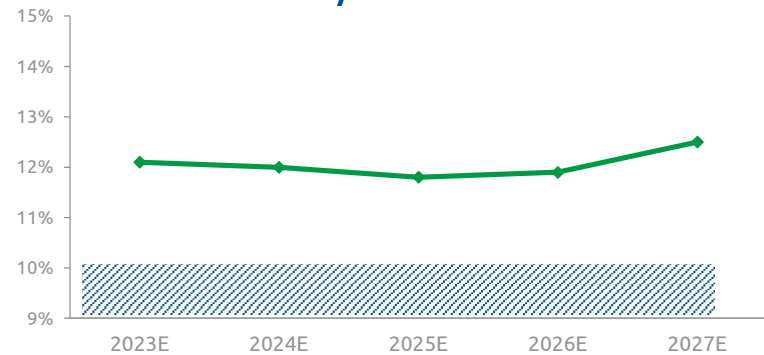
2. Moody's' threshold: Including book value of equity participations

3. Shaded area consistent with current rating metrics by Moody's and S&P (inferred)

## Net Debt/(Fixed Assets + BVEP<sup>2</sup>)



## FFO/Net Debt<sup>3</sup>



**Credit metrics providing ample financial flexibility**

# Value creation from associates

## International associates: better visibility, diversification and energy transition upside



Positive outcome of the **regulatory reviews** in Greece and France and ongoing interactions with Austrian regulator on volume risk removal



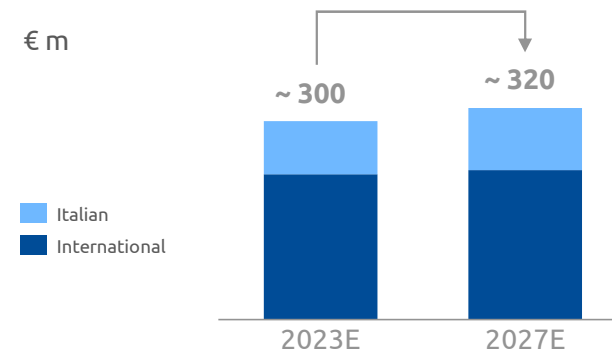
South-North corridor and EU South-Eastern Area strategic for security of supply and access to **green gases**  
5 projects in H2 corridors and CCS developments recognized as **Projects of Common Interest**



Falling Russian **gas flows** via Austria mitigated from higher volumes in other areas

90% investment payback expected by 2027

## Rising overall associates contribution



**Ca 7%** increase in overall associates contribution over the plan horizon

Improving visibility

# Active management of our assets portfolio

## Value enhancers of Italian infrastructure

~ 60% of contribution<sup>1</sup>



## Enablers of business optionalities

~ 20% of contribution<sup>1</sup>



## Opportunistic assets

~ 20% of contribution<sup>1</sup>



- ITALIAN NETWORK
- Storage plants
- Regasification plants
- LNG terminals
- STAKES IN INTERNATIONAL GAS PIPELINES
- Storage plants
- Regasification plants
- LNG terminals

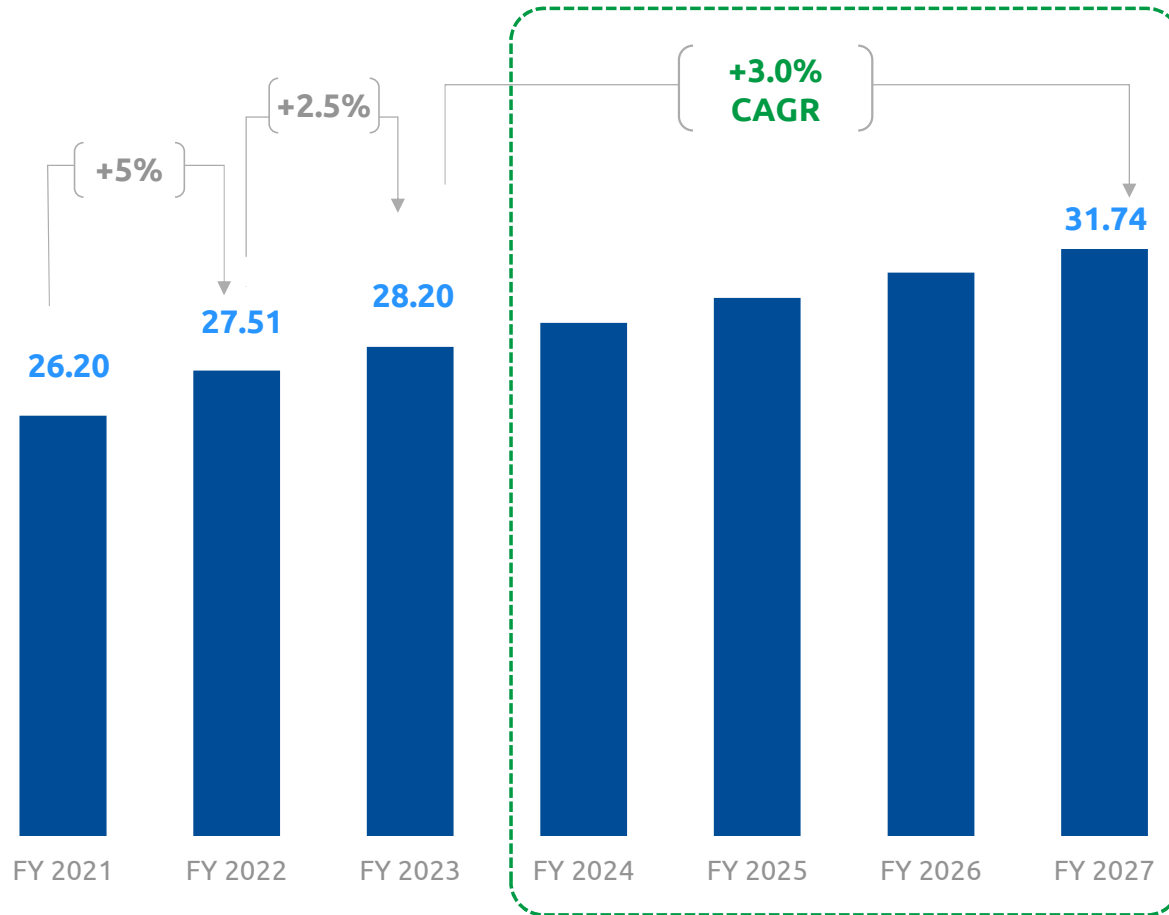
1. In terms of contribution from associates in 2027

# Sound and visible 2024 outlook

	Guidance FY 2023	Guidance FY 2024	Target by 2027
<b>Investments</b>	<b>€ 2.1 bn</b> <ul style="list-style-type: none"> <li>• € 1.9 bn Gas Infrastructure</li> <li>• € 0.2 bn Energy Transition</li> </ul>	<b>€ 2.9 bn</b> <ul style="list-style-type: none"> <li>• € 2.7 bn Gas Infrastructure</li> <li>• € 0.2 bn Energy Transition</li> </ul>	<b>€ 11.5 bn</b>
<b>Tariff RAB</b>	<b>€ 22.4 bn</b>	<b>€ 23.8 bn</b>	<b>&gt; 6% CAGR</b>
<b>EBITDA adj.</b>	<b>~ € 2.4 bn</b>	<b>~ € 2.7 bn</b>	<b>&gt; 7% CAGR</b>
<b>Net income adj.</b>	<b>€ 1.14 bn</b>	<b>~ € 1.18 bn</b>	<b>~ 4% CAGR</b>
<b>Net debt</b>	<b>€ 15.5 bn</b>	<b>~ € 17.6 bn</b>	<b>~ € 19.0 bn</b>

# Improved dividend policy

DPS € cent



**3.0% DPS minimum annual growth 2023-27 (from min 2.5%)**

# Agenda



Snam, a leading pan European infrastructure operator



An evolving energy context



Energy infrastructure for a sustainable future



Business Plan projections



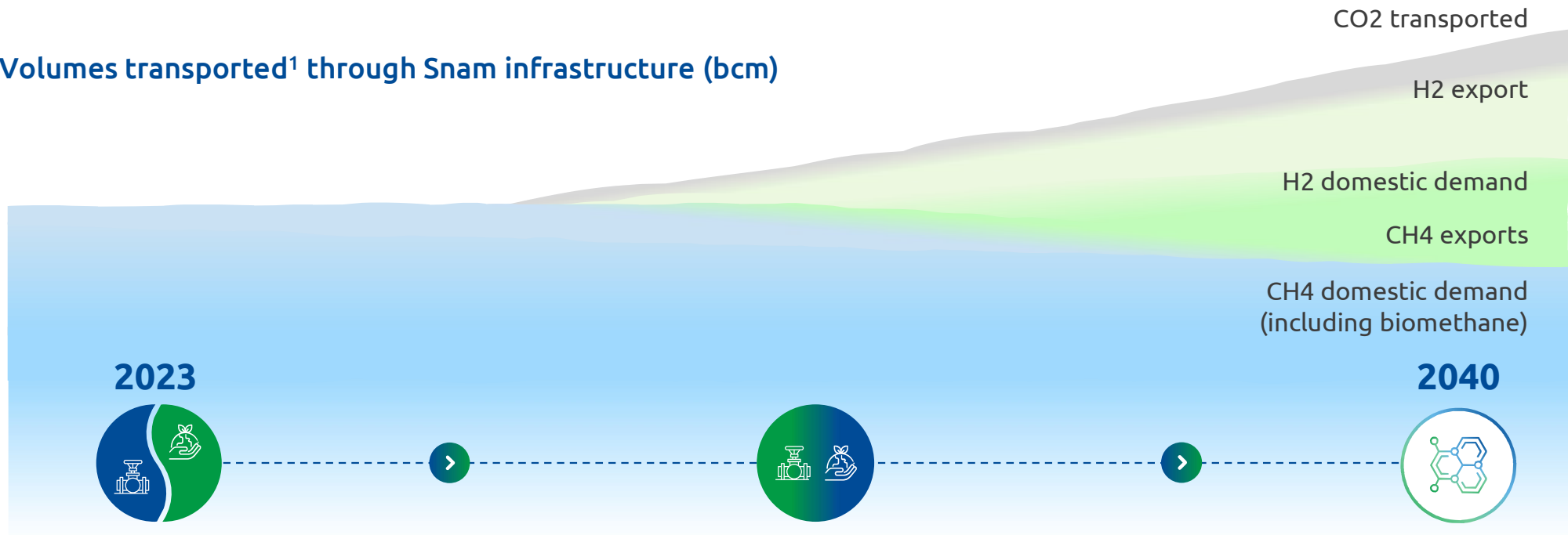
**Vision and Closing remarks**



# Snam's future Pan-European multi-molecule infrastructure



Volumes transported<sup>1</sup> through Snam infrastructure (bcm)



**Rising volumes of different gases underpinning long-term investments opportunities**

Source: Snam internal estimates. Scenario aligned to 1.5°  
1. Including export

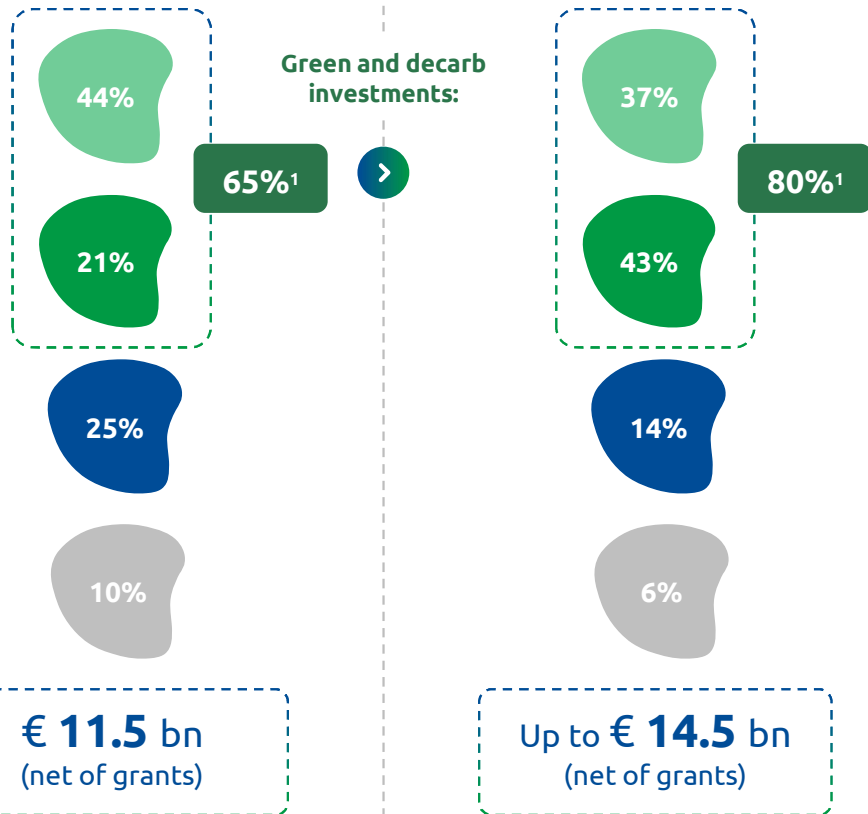


# Ambition to 2032: Deliver the multi-molecule infrastructure

## Capex 2023-27

## Capex 2028-32

## Capex 2023-32



Up to **€ 26 bn** (net of grants)

- Maintain assets reliability and resilience, reduce carbon footprint, replace aging assets
- Enhance flexibility
- Asset repurposing
  - H2 backbone
  - CCS project scale up
  - Leverage on existing Energy Transition Platform

**~ € 3bn/y investments beyond 2027 while remaining within credit metrics**

- H2 Ready Gas Infrastructures
- Emission Reduction & Green molecules
- Security of supply & maintenance
- Supporting activities

1. Gross of grants

# Closing remarks

**Attractive & sustainable  
shareholders' return**

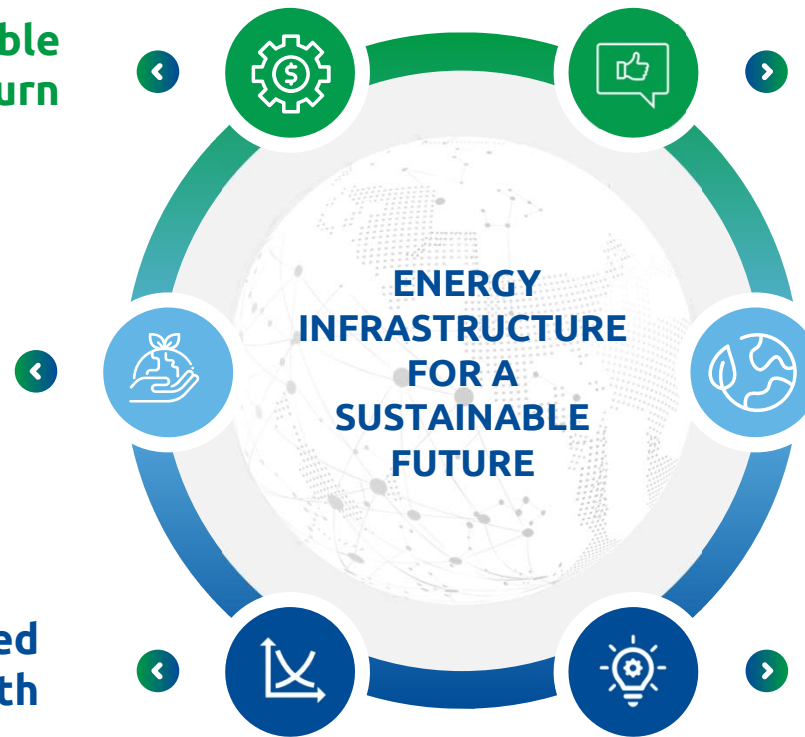
**Solid financial  
flexibility**

**Increased  
visibility**

**Committed to Paris  
Agreement and net positive  
biodiversity impact**

**Accelerated  
growth**

**At the forefront on  
innovation**

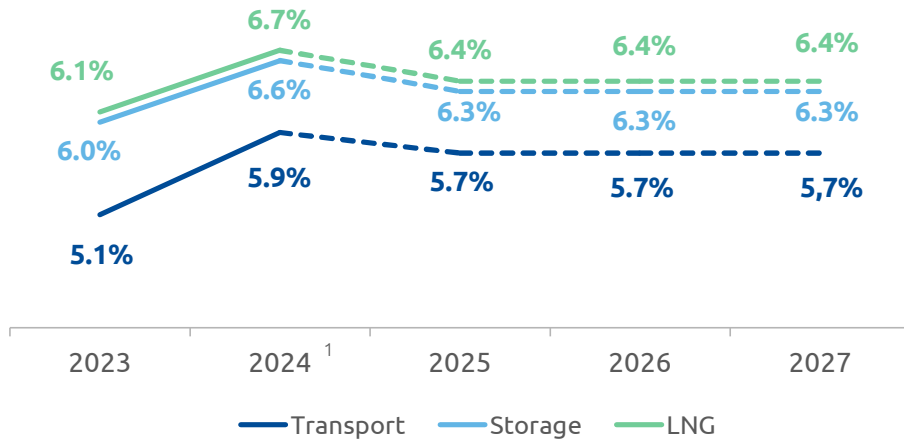


# Financial Annex

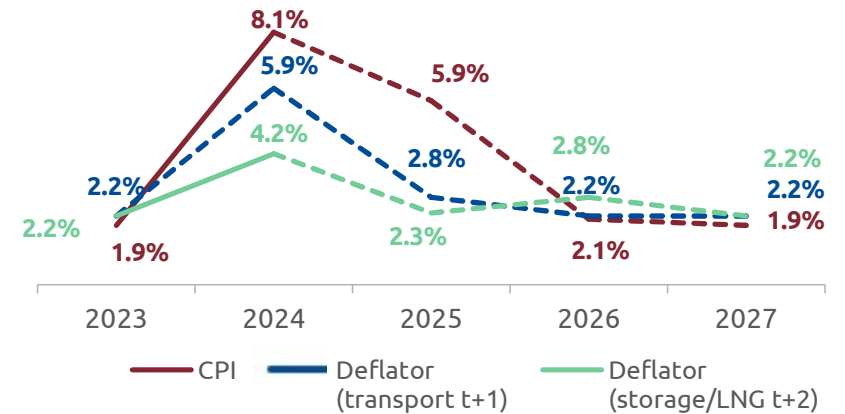


# Key Business Plan assumptions

WACC real pre-tax



CPI and Deflator in terms of impact on Revenues



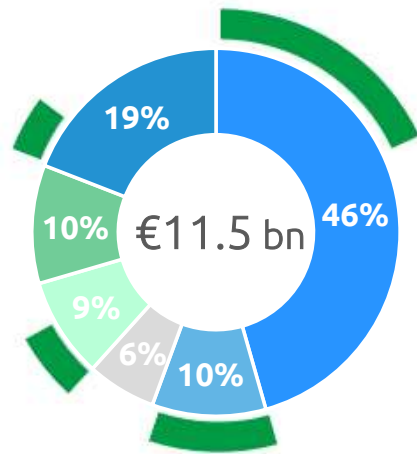
**Sensitivity:**  
 +/- 0.1% change in WACC<sup>2</sup> → +/- € 15 m average impact on net income

**Sensitivity:**  
 +/- 1% change in Deflator → +/- €15 m average impact on net income<sup>3</sup>

1. As for Arera Resolution 556/2023/R/COM  
 2. Applied to the whole RAB.  
 3. With 1 year time lag for transport and 2 years time lag on storage and LNG

# Capex alignment

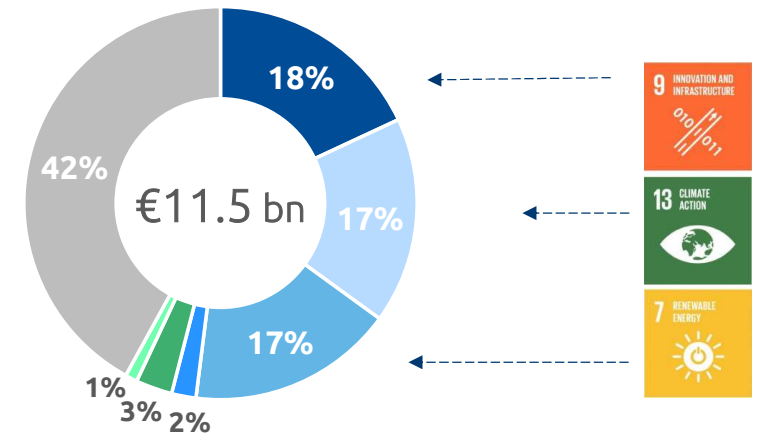
## Overall Capex mix and Taxonomy alignment



- H2 Ready
- Digitalization/Technology
- FSRUs
- Energy transition
- Net zero investments
- Maintenance & other
- Capex Taxonomy aligned

**37% taxonomy aligned**

## Capex alignment to SDGs



- SDG 7 - Affordable and clean energy (including FSRUs)
- SDG 9 - Industry, innovation and infrastructure
- SDG 13 - Climate Action
- Not aligned
- SDG 11 - Sustainable cities and communities
- SDG 12 - Responsible consumption and production
- SDG 8 - Decent work and Economic growth

**58% SDGs aligned**

# Capex breakdown

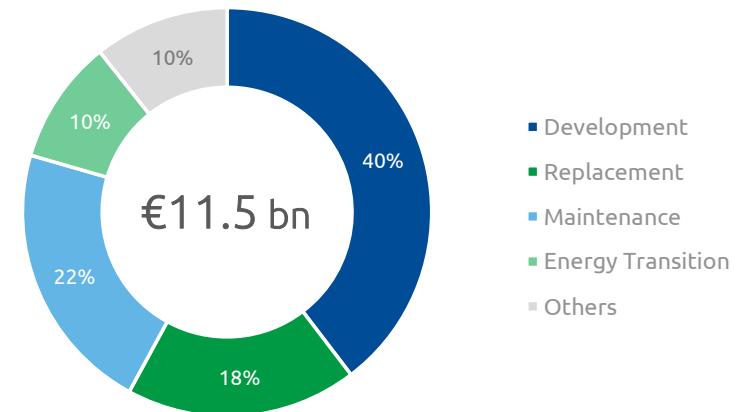
## Capex by year (€ bn)

	2023	2024	2025	2026	2027	Total
<b>Transport<sup>1</sup></b>	1.2	1.9	1.8	1.4	1.1	<b>7.4</b>
<b>Storage</b>	0.2	0.3	0.3	0.3	0.3	<b>1.4</b>
<b>LNG<sup>2</sup></b>	0.5	0.5	0.2	0.2	0.1	<b>1.5</b>
<b>Energy Transition</b>	0.2	0.2	0.3	0.3	0.2	<b>1.2</b>
<b>Total</b>	<b>2.1</b>	<b>2.9</b>	<b>2.6</b>	<b>2.2</b>	<b>1.7</b>	<b>11.5</b>

1. Including corporate capex

2. Including greenture (SSLNG and mobility) investments

## Capex breakdown



# EU Taxonomy

## Eligibility

	FY 2022	FY 2021
<b>Revenues</b>	<ul style="list-style-type: none"> <li>• <b>Transport of CH4</b> : pro-quota of yearly demand</li> <li>• <b>Storage of CH4</b>: excluded</li> <li>• <b>LNG</b>: excluded</li> <li>• <b>Biomethane</b>: 100% eligible</li> <li>• <b>Mobility</b>: excluded</li> <li>• <b>Energy Efficiency</b>: 100% eligible</li> <li>• <b>H2&amp;CCS</b>: 100% eligible</li> </ul>	<p>21%</p> <p>81%</p>
<b>Opex</b>	<ul style="list-style-type: none"> <li>• Only Opex for maintaining the assets</li> <li>• Same interpretation as Capex</li> </ul>	<p>75%</p> <p>94%</p>
<b>Capex</b>	<ul style="list-style-type: none"> <li>• <b>Transport of CH4</b>: 100% eligible</li> <li>• <b>Storage of CH4</b>: excluded</li> <li>• <b>Biomethane</b>: 100% eligible</li> <li>• <b>Buildings</b>: 100% eligible</li> <li>• <b>Mobility</b>: Excluded</li> <li>• <b>Energy Efficiency</b>: 100% eligible</li> <li>• <b>H2&amp;CCS</b>: 100% eligible</li> </ul>	<p>63%</p> <p>73%</p>

## Alignment

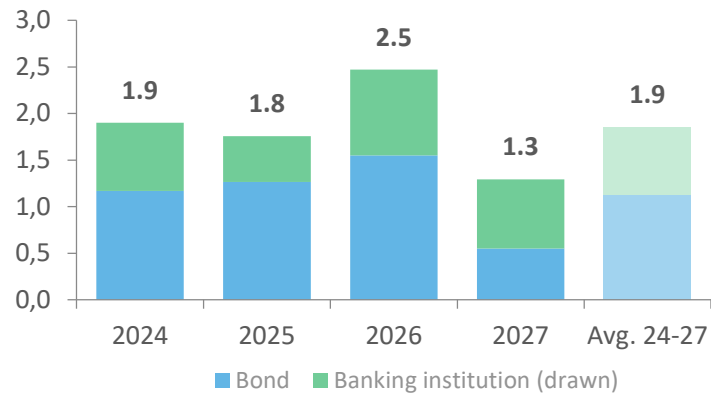
<ul style="list-style-type: none"> <li>• <b>Transport of CH4</b>: revenues aligned pro-quota of green gases on yearly demand</li> <li>• <b>Biomethane</b>: 100% aligned</li> <li>• <b>Energy Efficiency</b>: cogeneration excluded</li> <li>• <b>H2&amp;CCS</b>: 100% aligned</li> </ul>	<p>20%</p> <p>n.a.</p>
<ul style="list-style-type: none"> <li>• Same interpretation as Capex</li> </ul>	<p>37%</p> <p>n.a.</p>
<ul style="list-style-type: none"> <li>• <b>Transport of CH4</b> : <ul style="list-style-type: none"> <li>• H2-ready capex 100% aligned</li> <li>• Maintenance excluded</li> <li>• Methane leakage reduction 100% aligned</li> <li>• investments to reduce emissions 100% aligned</li> <li>• Connection of biomethane plants 100% aligned</li> </ul> </li> <li>• <b>Biomethane</b>: 100% aligned</li> <li>• <b>Buildings</b>: alignment depending on energy efficiency criteria</li> <li>• <b>Energy Efficiency</b>: cogeneration excluded, remainder 100% aligned</li> <li>• <b>H2&amp;CCS</b>:100% aligned</li> </ul>	<p>39%</p> <p>37%</p>

Legend:

■ FY 2022  
■ FY 2021

# Financial structure profile and Ratings overview

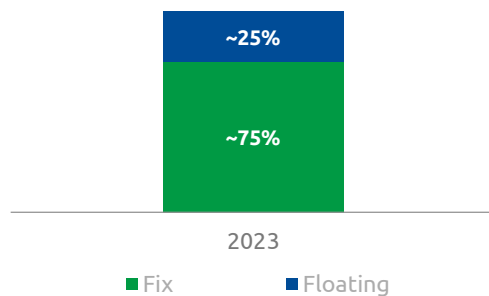
Maturities profile 2023E<sup>1</sup> (€ bn)



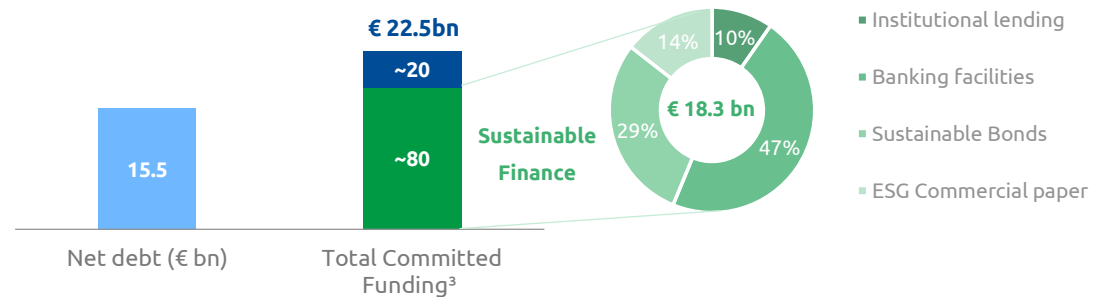
Ratings overview

	Moody's	S&P	Fitch
Assigned Rating	Baa2	BBB+	BBB+
Outlook	stable	stable	stable
Rating from Grid /SACP <sup>2</sup>	A2/A3	a-	n.a.

Fix / Floating mix 2023E



Sustainable Finance sources 2023E



1. Excluding uncommitted lines and Commercial Papers  
 2. Rating from the grid for Moody's, Stand alone credit profile for S&P  
 3. M/L term instruments and Commercial Papers drawn



# Governance Annex



# Board of Directors

Appointed on April 27, 2022

## Roles and composition:

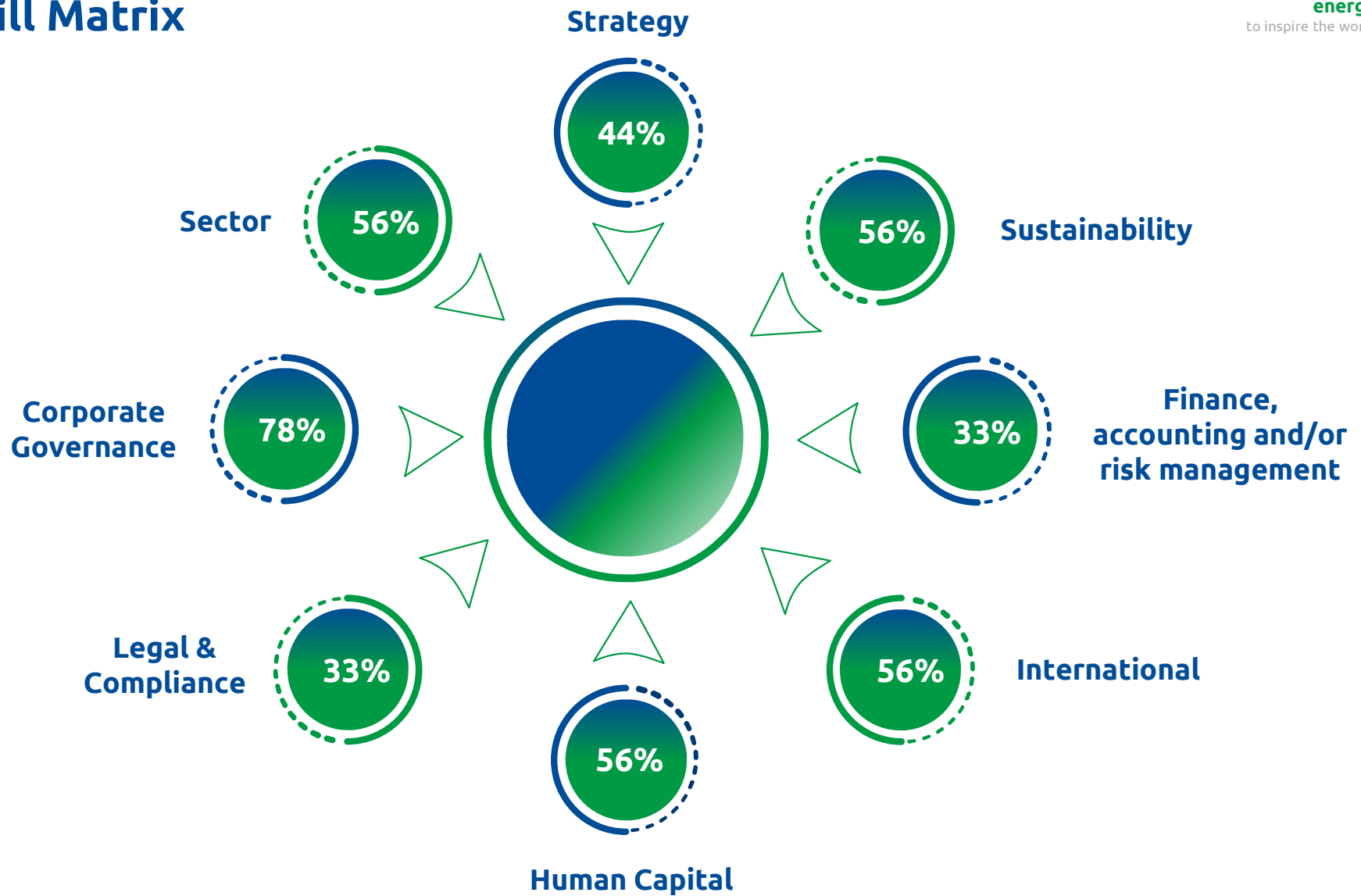


Board of Directors	Monica de Virgiliis	Stefano Venier	Massimo Bergami	Laura Cavatorta	Augusta Iannini	Piero Manzoni	Rita Rolli	Qijing Shen	Alessandro Tonetti	AVERAGE	
	Chair	CEO	Non-Executive Director	Non-Executive Director	Non-Executive Director	Non-Executive Director	Non-Executive Director	Non-Executive Director	Non-Executive Director		
Independent Director <sup>1</sup>	✓		✓	✓	✓	✓	✓	(2)	(2)	67%	
Gender	Female	Male	Male	Female	Female	Male	Female	Male	Male	44% Female - 56% Male	
First appointment	2016-2019 2022	2022	2022	2019	2022	2022	2019	2022	2016	2.4 years average tenure	
Committees										Tot.	Ind.
Audit, Risk And Related Parties Transactions				Member	Member	Chair				3	100%
Nomination and Remuneration			Member				Chair		Member	3	67%
ESG and Energy Transition Scenarios			Member	Chair			Member	Member		4	75%

1. In accordance with the Italian Corporate Governance Code

2. Officers of the jointly controlling shareholders who have been elected to the Board upon proposal of such shareholders

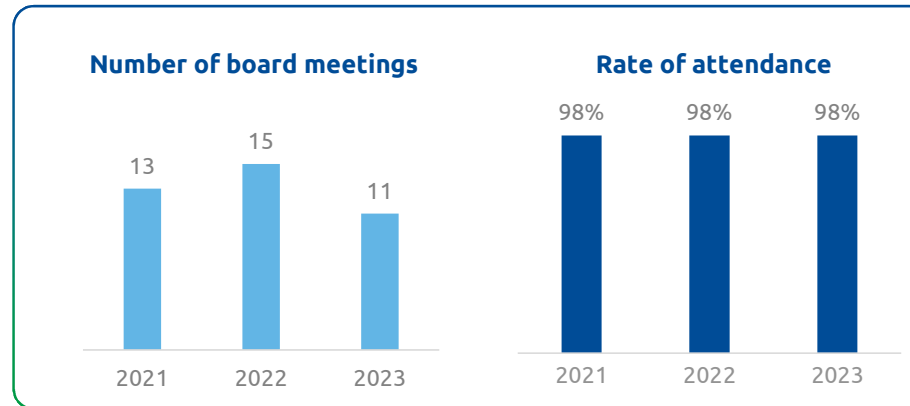
# Board Skill Matrix



# Board dynamic



ESG matters discussed in  
>40% of BoD meetings



Induction & training  
Programs



**Proactive approach** involving directors in **Board induction sessions on key topics**, including SnamTEC program, people strategy and carbon capture & storage (4 sessions held in 2023)

Joint cross-Committee  
meetings



To review matters of common interest, the Committees may meet in joint sessions. During the year, **several meetings were held jointly by Committees on issues of cross-department interest**, to ensure effective coordination among the Committees, timely exchange of information and active discussion

Strategy workshop



**Strategy workshop retreat** to discuss decarbonization scenarios highlighting opportunities and challenges for both electrons and molecules

Self-assessment



The **Board Evaluation process** aims, among others, at identifying any elements that may improve the functioning of the Board in terms of **efficacy** and **efficiency**

2023 self-assessment process ongoing. Areas for improvement: cohesiveness and team-work; induction and training; functioning; succession planning and crisis management; strategy

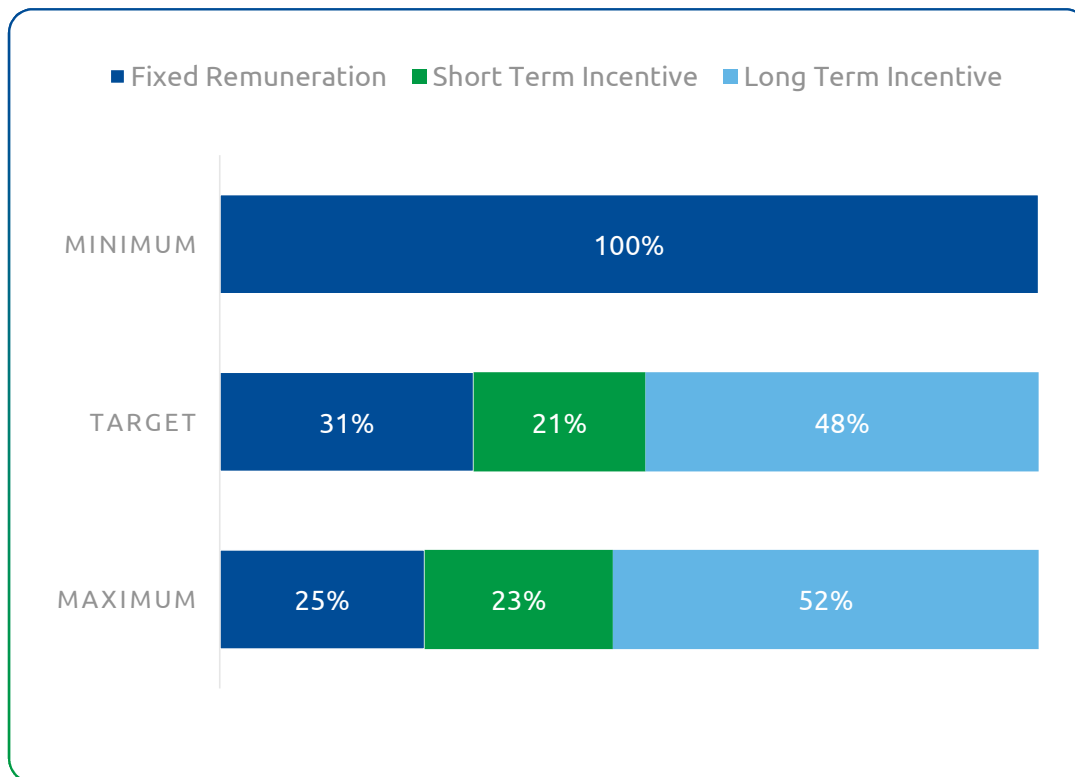
# Remuneration Policy

Remuneration Policy aims at ensuring alignment with the Company's strategic objectives considering the characteristics of the business and the industry while ensuring that the variable component represents a significant portion of total remuneration

energy  
to inspire the world



## Pay mix - 2023






## Key highlights - 2023

- **Reduced Total Remuneration Opportunity:** As provided for in the 2022 Remuneration Policy, the Board determined the remuneration structure of the new CEO remained broadly the same as the previous CEO. However, the total **fixed remuneration of the CEO** has been **reduced** from Euro 970.000 to Euro 900.000. This reduction has also **reduced the total remuneration opportunity** (given the knock-on effect fixed remuneration has on variable remuneration opportunity)
- **KPIs Linked to Strategic Plan:** Stronger link between the Remuneration Policy and the 2022-2026 strategic plan in order to direct management towards the goal of creating sustainable value for shareholders
- **Sustainability KPIs in Incentive Plans:** New objectives have been included in the incentive plans by including, for the short-term plan (AMI), a sustainability metric related to ESG criteria within the supply chain scoring model, and for the long-term plan (LTI), a business metric related to Energy Transition Readiness (please refer to next slide)
- **Reduced and capped the CEO severance**, calculated as two years of fixed annual remuneration supplemented by the average of the Annual Monetary Incentive paid in the last three years, **including any indemnity for lack of notice**. There are **no non-competition agreements for the CEO**



# Remuneration KPIs

New KPIs approved at the 2023 AGM

## Annual Monetary Incentive – 2023 KPIs<sup>1</sup>

KPI	Description	Weight
<b>Adjusted EBITDA</b>		30%
<b>Investments</b>	Investments gas infrastructure 1: Spending: Regulated gas infrastructure	10%
	Investments gas infrastructure 2: Milestones main projects	5%
<b>Energy security projects</b>	Strengthening the regasification capacity	20%
<b>Non-regulated business Achieving milestones</b>	Biomethane and Energy efficiency	15%
<b>Sustainability</b>	 Weighted index of frequency and severity of accidents of employees and contractors	10%
	 Sustainable finance: new committed funding (euro/mln)	5%
	 ESG criteria in supply chain scoring model	5%

## Long-Term Variable Share-Based Incentive Plan (2023-2025 LTIP)<sup>1</sup>

KPI	Description	Weight
<b>Adjusted net profit</b>		40%
<b>Value added<sup>2</sup></b>		20%
<b>Energy transition readiness</b>	Km H2-Ready	10%
	MW Biomethane installed	5%
	Project and market design CCS H2	5%
<b>Sustainability</b>	 Reductions in natural gas emissions	10%
	 Gender diversity in Snam's management	10%

1. See pag. 19 of 2023 Snam Remuneration Report

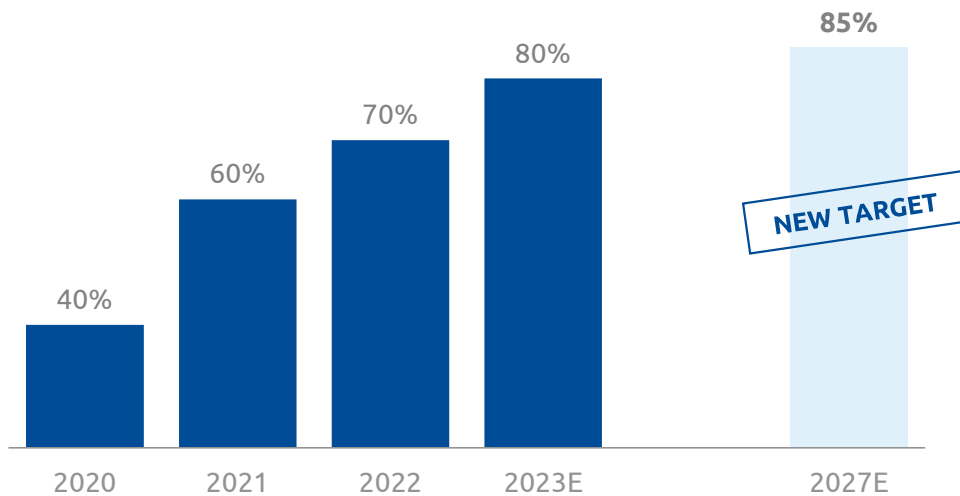
2. Calculated as the change in RAB in the reference period plus dividends distributed and treasury shares repurchased and reduced by the change in net debt

# Sustainable Finance

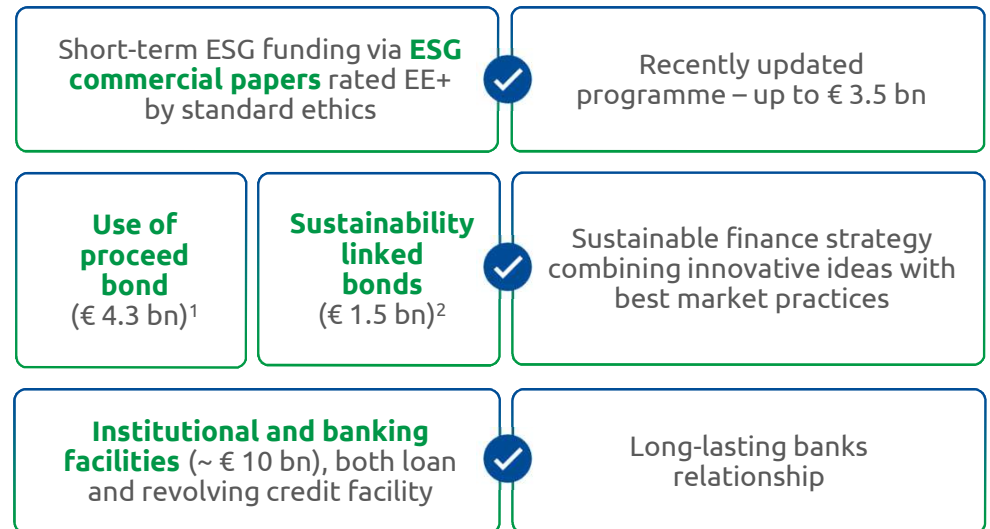


ESG Finance over total funding  
available: 85% in 2027

Sustainable finance doubled in 4 Y,  
new target in 2027



## Extensive toolbox of instruments available



**Sustainable Finance Framework update  
to include Green and Sustainability-Linked debt instruments<sup>3</sup>**

1. o/w € 500 m Climate Action Bond issued in 2019 and € 3.8 bn Transition bonds issued in 2020-2023
2. Sustainability linked bonds issued in Jan 2022
3. In the forms of bonds, loans, project financings and/or any financing instruments in various format and currencies

# Policies

## SNAM POLICIES OVERVIEW

- Policy Diversity & Inclusion
  - Gender Equality Policy
  - Recruiting Policy
  - Anti-Harrassment Policy
- Human Rights Policy
- Policy for managing dialogue with the Shareholders and other stakeholders
- Stakeholders Engagement Policy
- Management of Philanthropic Activities and Social Initiatives Policy
- Social Supply Chain Policy
- HSEEQ Policy (including Energy management)
- Sustainable Development Policy
- Business Continuity Management Policy
- Anti-Corruption Policy

1. To be published in 1Q2024

Legend:

- People
- Environment
- Innovation, digitalization & governance

## 2023 NEW POLICIES AND UPDATES

E

### Climate Lobbying Policy<sup>1</sup>:

Enhancing transparency by disclosing climate-related lobbying activities and assessing their alignment with the objectives of the Paris Agreement.

Demonstrating clear commitment to climate goals.

S

### Gender Social Transition Policy:

It guides transgender individuals in their gender affirmation. Emphasizes the importance of inclusive values and encourages positive impact through words and actions.

G

### Anti-Corruption:

Snam adheres to **ISO 37001:2016** standards, implementing an Anti-Corruption Management System. This includes an approved **Anti-Corruption Policy**, overseen by the Anti-Corruption Committee with support from Compliance & Business Integrity.

The policy underscores senior management and board commitment to corruption prevention.

Continuously updating our policies



# New Enterprise Risk Management (ERM) approach

## Objectives

## Outcomes

With the aim of continuously enhancing our risk management system, in 2023 we adopted the following:<sup>1</sup>

- The **Group risk appetite framework**
- **Refinements on both methodological and governance aspects** of our **ERM risk assessment**, to enhance it as a managerial and strategic tool
- **Climate Change Risk Management Framework**



- **Higher risk-informed contribution** to both decision-making and strategic processes in line with the risk appetite approved by the Board of Directors
- **Simplification of the ERM process** and rationalization of the number of mapped risks
- Improved usability and expansion of the informative scope of the risk assessment results
- **Enhanced integration with Sustainability Processes** (materiality analysis – stakeholder engagement)
- **Sustainability risks refocusing**
- **Risk Culture enhancement**

- Adoption of the **Group Risk Appetite Framework**
- Introduction of a distinction between **inherent risk severity** and **residual risk severity**
- Update and evolution of **probability and impact** assessment scales
- Evolution of the **reputational impact assessment scale** in line with the materiality analysis
- Transition from a **rationale of ESG-related risk identification and assessment to a rationale of Sustainability-relevant risks**
- Consolidation of Risk Response analyses
- **Vertical analysis** for integrating the risk assessment (e.g., Climate Change Risk Management framework)

1. These activities are detailed in the ERM guideline approved by the Board of Directors in December 2023

# Climate Change Risk Management Framework

Identification, measurement, and management of risks and opportunities associated with climate change that may impact industrial, economic, and sustainability objectives (transition risks) as well as the integrity of tangible (physical risks) and intangible assets

## Methodology

- Physical & transition risks analyzed
- Alignment with key **international references**
- Perimeter: **48 sites + pipelines** (99% ebitda)
- Different approaches and tools based on the **time horizon** of the analysis
- Integration of CCRM analysis outcomes into the **ERM assessment**
- **Scenario analysis** according to IPCC scenarios: RCP1.9 (Paris), RCP4.5, and RCP8.5

## Outcomes

- **Economic impacts of physical risks on assets are negligible in the short to medium term** due to the effectiveness of direct (ie mitigations, insurance coverage, etc.) and indirect safeguards (ie structural characteristics)
- The potential long-term climate exposure (2040) of the assets does not show significant changes in the RCP 1.9 and 4.5 scenarios, while it exhibits a **more pronounced impact in the RCP 8.5 scenario**
- **Transition risks are limited in the short to medium term** with increased exposure to reputational aspects (ie achievement of sustainability targets). Risks intensify in the long term in the Net Zero scenario (RCP 1.9, SSP1, NZE), mitigated by repurposing activities and energy transition opportunities

## Physical risks<sup>1</sup>

- |                           |                    |
|---------------------------|--------------------|
| 1. River flood            | 6. Wildfire        |
| 2. Coastal flood          | 7. Heatwave        |
| 3. Cyclone or tornado     | 8. Cold wave       |
| 4. Hailstorm              | 9. Strong wind     |
| 5. Landslide or avalanche | 10. Water scarcity |

## Market<sup>2</sup>

**Risks:** Gas volumes reduction for milder winters  
**Opp:** Progressive change in the market context in favour of the use of biomethane and hydrogen

## Regulatory:

**Risk:** emergence of new regulation regarding polluting emissions  
**Opp:** Investments increase in decarbonization and energy efficiency projects

## Transition risks

### Technological:

**Risk:** delay / higher costs for development of transition technologies  
**Opp:** competitive advantages from timely development of technologies for the transition

### Reputational:

**Risks :** reputational disadvantages due to delays /failures in achieving sustainability targets  
**Opp:** advantages in terms of positioning and market attractiveness (sust. finance)

1. Aligned with EU Taxonomy risk focus  
 2. Change in the consumers behaviours and in the demand of some raw materials and product

# Cybersecurity

Cybersecurity plays a crucial role in preventing or addressing diverse events, ranging from compromising individual workstations to the degradation of entire business processes



*Projects covered by Security by Design cyber approach: 100% by 2027*

## Security incident response team, Cyber Security Incident Management & Intelligence

The team oversees Cyber Security Incident Management model to counteract cyber threats

In the 2023, the Team managed:

- **24/7** security monitoring
- **6,738** security events
- **2,200** Cyber Threat Intelligence alerts

Threats Monitoring:

- **>100 potentially compromised accounts**
- **Ca 60 compromised third parties**

## Security by design & Security tests

A process **enforcing specific security requirements** and adequate verifications for each application and infrastructure development

During the 2023, the process was applied to **55** applications/projects, and **29** security tests were performed

## Security Awareness & Training

The human factor is a core aspect for improving cyber security. Initiatives to **increase awareness**:

- **6** White Phishing campaigns for a total of **20,262** e-mails sent
- Cyber Security learning course launched and **1,141** trained persons
- **39** warning mail sent to users related to real phishing campaigns
- **5** cyber incident simulations, 3 of which related to the resilience of core business processes

# Tax Transparency Report

The document, drafted on voluntary basis and published for the first time in 2023 (fiscal year 2022) to:

- Promote a transparent and collaborative relationship with all stakeholders
- Represent tax governance and how the tax strategy and tax risk management are implemented
- Provide an overview of the contribution of taxes paid domestically and internationally by the Group

## MAIN TOPICS

- **Tax Contribution to ESG:** exhaustive picture on the role of the Tax element in the ESG area, in particular with reference to the ESG Scorecard
- **Tax Reporting:** overview on the Total Tax Contribution, differentiating between Taxes borne and Taxes collected by the Group and of the main KPIs
- **Tax Strategy:** overview on the control and the principles taken into account with reference to Tax strategic decisions
- **Tax Risk Controls:** an outline on the control system's architecture (e.g. Tax Control Framework), the Group Tax control's tools and the relation with the Tax Authorities



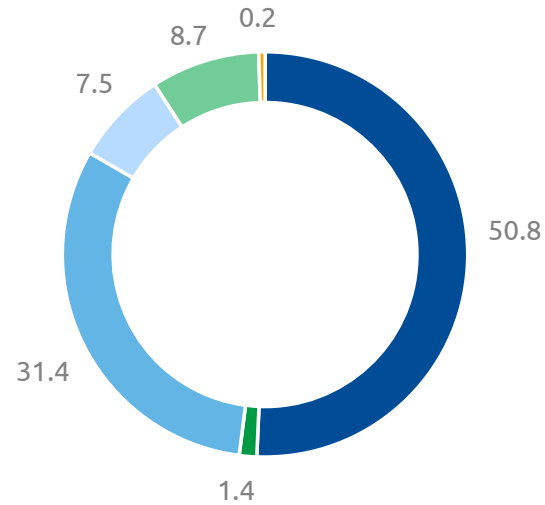
## COUNTRIES

-  Italy
-  Austria
-  China
-  Ireland
-  Marshall Islands
-  Netherlands

# Snam's Shareholders

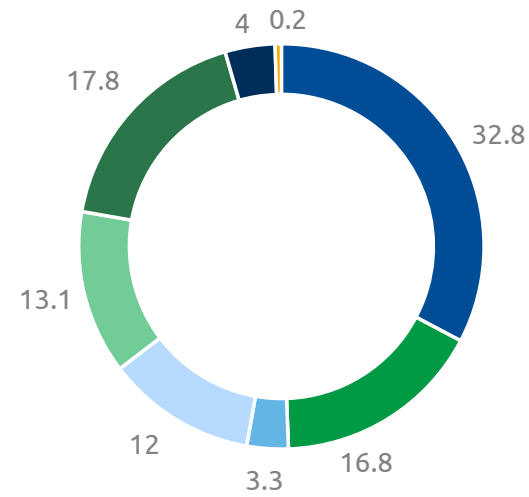


Shareholders structure (%)



- Institutional Investors
- Bank of Italy
- CDP Reti
- Minozzi
- Retail Investors
- Treasury shares

Shareholders geographical break down (%)



- Italy - Strategic Holders<sup>1</sup>
- Italy - Retails<sup>2</sup>
- Italy - Institutional
- Continental Europe
- UK and Ireland
- Usa and Canada
- Rest of the world
- Treasury shares

ESG investors represent 47.3% of institutional shares<sup>3</sup>

1. Italy-Strategic holders includes Bank of Italy and CDP Reti  
 2. Italy-Retails includes the participation of Romano Minozzi equal to 7.5%  
 3. Nasdaq analysis, August 2023

# Sustainability Annex



# Snam's Sustainability journey: what we achieved

**1** **Net Zero:** first TSO to declare a Net Zero target for emissions and for 3 years gold standard by UNEP on methane emissions

**4** **Governance:** ESG topics included in the corporate By-law, with energy transition and BoD gender balance

**2** **Employee inclusion and Well-being:** 84% engagement index by employees in 2023

**5** **Sustainable finance:** 80% target on Sustainable Finance already achieved in 2023

**3** **Certifications:** recent achievements in energy efficiency, anti-corruption and gender equality

**6** **Biodiversity Impact:** first TSO to be part of **SBTN** engagement program and to commit to net positive impact by 2027

**58% of CapEx<sup>1</sup> are aligned with the UN SDGs and 37% to European Taxonomy**

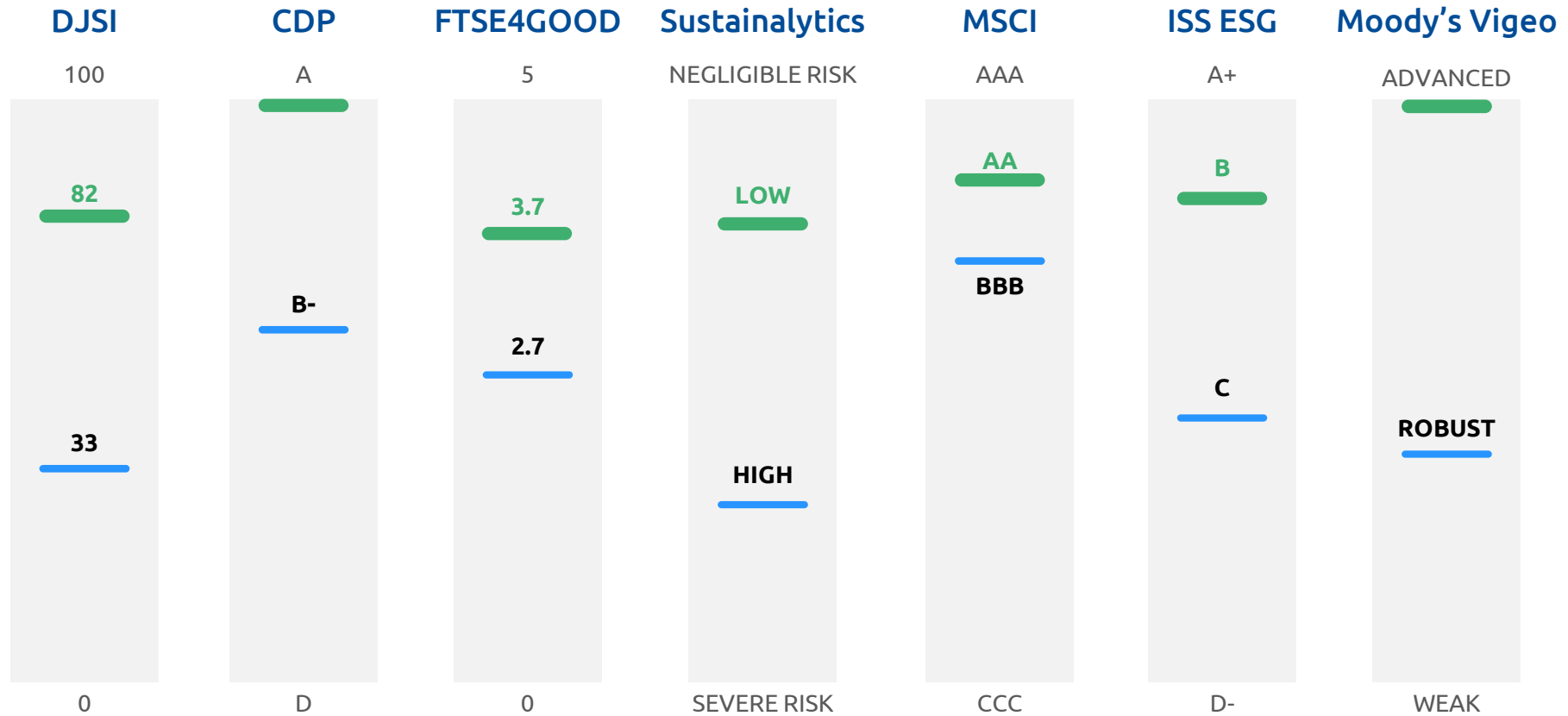
**7** AFFORDABLE AND CLEAN ENERGY

**9** INDUSTRY, INNOVATION AND INFRASTRUCTURE

**12** RESPONSIBLE CONSUMPTION AND PRODUCTION

**13** CLIMATE ACTION

# Sound absolute and relative position in ESG Rating



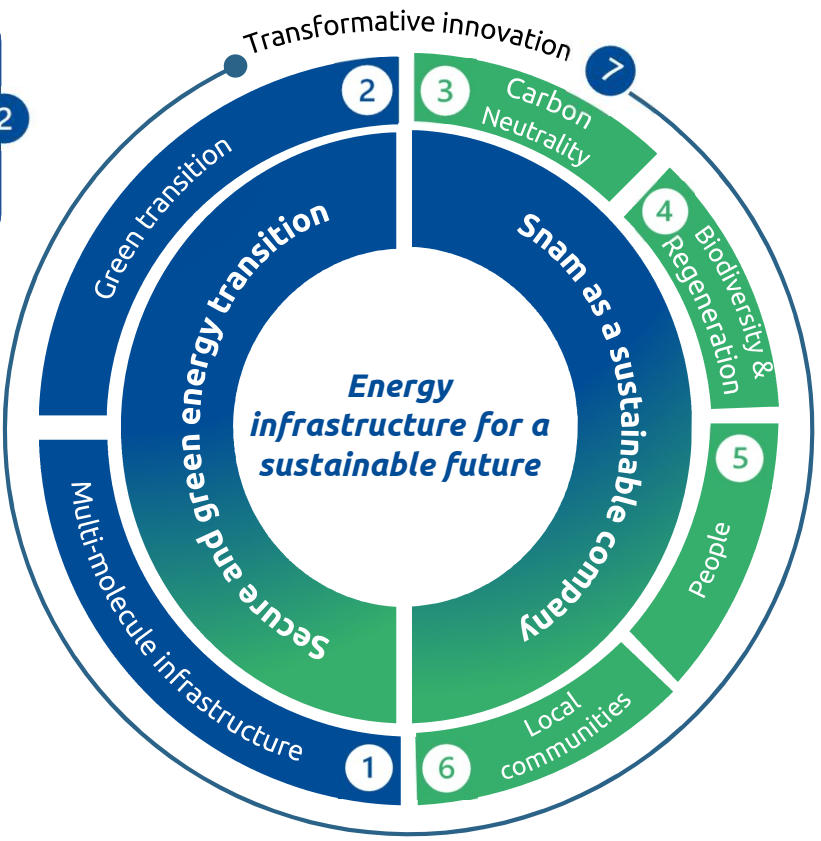
Legend: — Snam — Sector average



# All-round Sustainable Strategy: a 7 pillars framework

**1** Develop an **energy transition platform** to reach system's decarbonization and sustainable growth through inclusive pathways of change<sup>1</sup>

**7** Embed a culture of **innovation** within all Snam's People to maximize technology effectiveness, thus enhancing asset safety, reliability, sustainability and value chain capabilities



**3** **Decarbonize** the core business in line with our path to **Net Zero**, while partnering with suppliers to promote the sustainability of the whole value chain

**4** **Leverage** every new infrastructure project to positively impact on **Nature and local environment**, following a Science Based approach

**5** **Empower** all **Snam's People** worth, fostering professional growth and providing comprehensive care

**6** Keep **generating value** for **local communities**, acting as System Operator being attentive to territory needs

**To be conveyed in the upcoming Transition Plan**

1. Pillars 1 and 2 covered in the Strategic Plan

# Full scorecard aligned with the 7 pillars framework

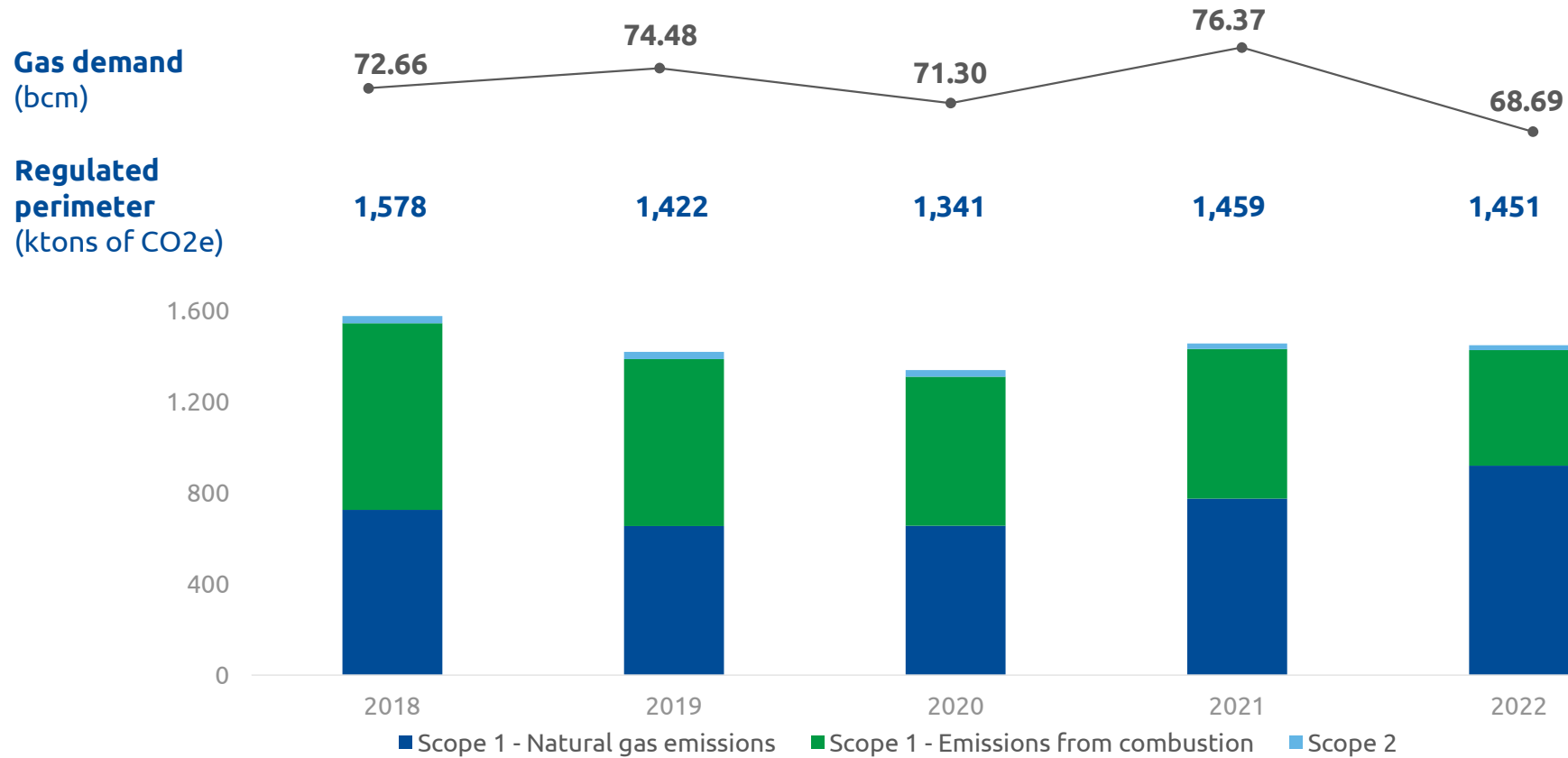
KPIs		2023 Estimate	2024 Target	2027 Target	KPIs		2023 Estimate	2024 Target	2027 Target	
<b>Green transition</b>	• Avoided CO <sub>2</sub> emissions (ktCO <sub>2</sub> e) <sup>1</sup>	70 <sup>2</sup>	105	500	<b>People</b>	• Employees engagement index (%)	84	>80	>80	
	• H <sub>2</sub> readiness length of network certified (km)	1,513	1,900	3,000		• Women in exec. and middle-mgmt. roles (%) <sup>5</sup>	26	26	27.5	
	• Gas Transportation operational availability <sup>3</sup> (%)	>99	>99	>99		• IpFG (Combined Frequency and Severity Index) <sup>5</sup>	0.47	< min. 3y	< min. 3y	
<b>Multi-molecule infrastruct.</b>	• Production of biomethane (Mscm)	24.4	20	160		• Gender pay gap (%) <sup>7</sup>	-	-	+/- 5	
	• Invest. related to the CCS Ravenna Project Phase 1+2 (€M) <sup>4</sup>	20 <sup>2</sup>	120	370		• Participation in welfare initiatives (%)	72 <sup>2</sup>	75	80	
<b>Carbon Neutrality</b>	• Reduction of total natural gas emissions (%) <sup>5</sup>	-55	-57.5	-64.5		• Training hours delivered to employees (h/capita)	33.7 <sup>2</sup>	36	40	
	• ESG criteria in proc. procedures (% of spending) <sup>5</sup>	35	35	65		<b>Local Communit.</b>	• Benefits for local communities over reg. revenues (%)	1 <sup>2</sup>	~1	~1
	• RES <sup>6</sup> on total electricity consumption (%)	52 <sup>2</sup>	52-55	100			• Value released at local communities (€M)	1,500 <sup>2</sup>	>1,000	>1,000
• Spending on total procured with decarb. plan from suppliers(%)	23	25	35	• Avg customer satis. rate for service quality (1-10)			8.4 <sup>2</sup>	>8.1	>8.1 <sup>8</sup>	
<b>Biodiversity &amp; Regener.</b>	• Zero Net Conversion by 2024		✓				<b>Transform. Innovation</b>	• Investments in Innovation as % of revenues	New KPI	3
	• Net Positive impact by 2027			✓	• Start-ups accelerated after PoC (#) <sup>9</sup>			New KPI	15(25)	27(30)
• Vegetation restored in areas of pipes constr. (%)	99.9	99.9	99.9	• Process digitalized and processes with AI (% of total)	100/10			100/12	100/20	
<b>Financial &amp; CO2</b>	• ESG Finance over total funding available (%) <sup>5</sup>	80		85	• Projects covered by <i>Security by Design</i> cyber approach (%)			New KPI	100	100
	• CapEx EU Taxonomy-aligned (% of total)	39 <sup>2</sup>			• CapEx SDG-aligned (% of total)			62 <sup>2</sup>		
	• Revenues EU Taxonomy-aligned (% of total)	20 <sup>2</sup>			• Scope 1 and 2 CO <sub>2</sub> emissions reduction (% v. 2022) <sup>10</sup>			-8 Exp		-25
<b>Sustainable principles</b>	• ESG matters discussed at BoD meetings (>40% of BoD discussions with ESG topic discussed)									
	• 3 <sup>rd</sup> parties subject to procure. Process on which reputational checks are performed (100% of suppliers with reputational checks performed)									
	• Italian territory covered by cyber resilience field tested scenarios (100% of Italian territory covered)									

1. Emissions avoided to 3rd parties thanks to bio-methane activities and energy efficiency interventions 2. Refers to 2022 data 3. Previously called "Reliability levels on gas supply" 4. Cumulated figure 2023-2027 5. Figures subject to final approval by Committees in the remuneration process 6. Renewable Energy Source computed on regulated perimeter 7. For equivalent organizational positions 8. The target indicated refers to a spontaneous initiative by Snam to measure service quality through the annual survey, using a scale of values from 1 to 10; however, we are expecting a change in the service quality assessment methodology in the coming years. In this case, the annual target will have to be modified accordingly 9. KPI represents both the number of startup accelerated and the number of Proofs of Concept (PoC) 10. Reduction computed on regulated perimeter.

# Road to Carbon Neutrality



# Historical Scope 1&2 emissions evolution



<b>Energy Transition Businesses</b>	<b>+1</b>	<b>+1</b>	<b>+4</b>	<b>+9</b>	<b>+67</b>
<b>Snam</b>	<b>1,579</b>	<b>1,423</b>	<b>1,345</b>	<b>1,468</b>	<b>1,518</b>

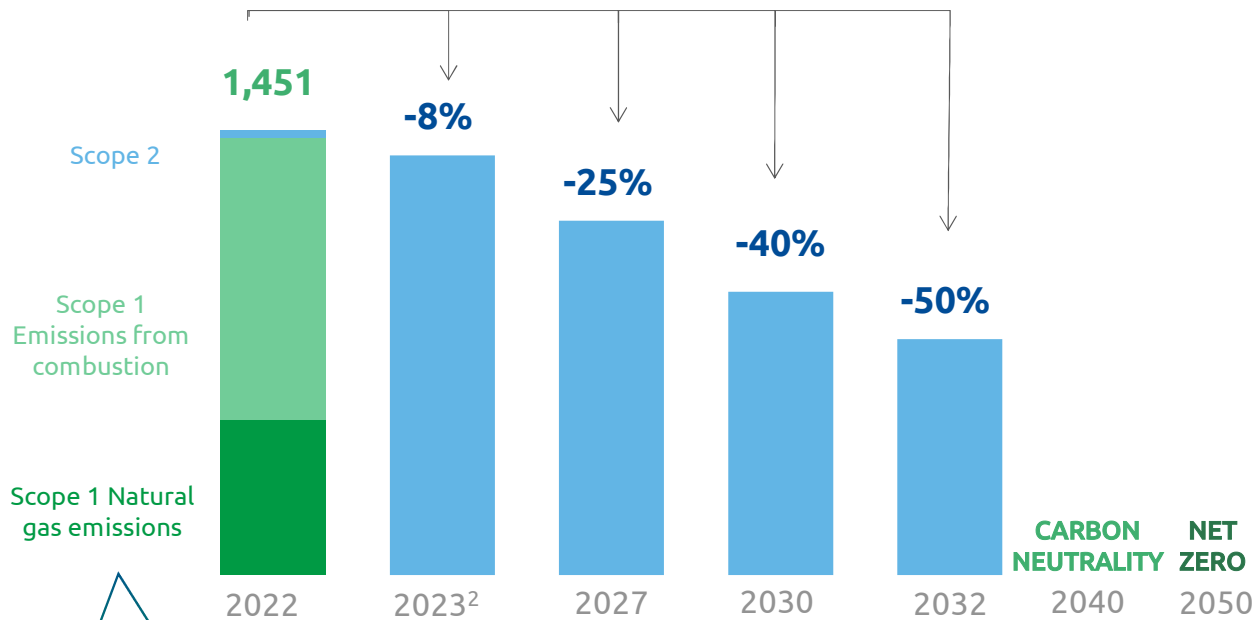
# Scope 1+2 reduction targets and key levers



Reduction of total natural gas emissions : 64.5% by 2027

SCOPE 1&2 TARGETS<sup>1</sup> (ktons of CO<sub>2</sub>e)

In line with 1.5°



-64.5% by 2027  
 -70% by 2030  
 -72% by 2032 vs. 2015

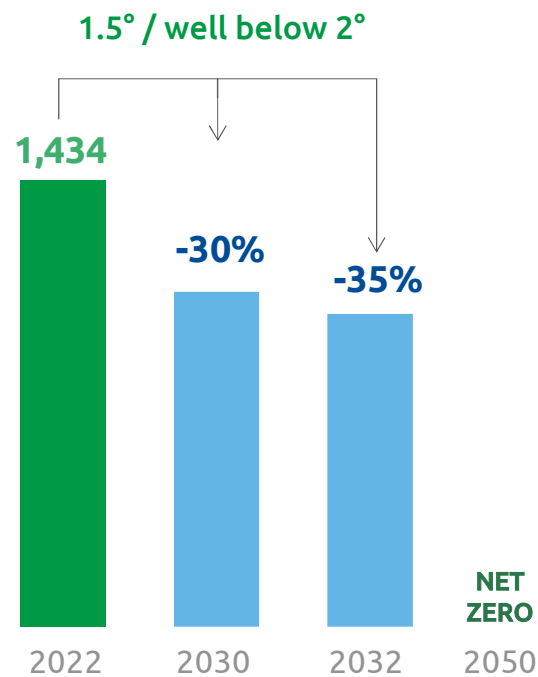
### KEY LEVERS

- **ISO 50001 - Energy Management** System to improve energy performance
- **Replacement of the gas-fueled compressor stations** with electric units
- Comprehensive program to replace parts of the network (e.g. gate valves in approx. **350** pressure reduction stations and in compressor stations, over **3,000** pneumatic actuators and instrumentation)
- Dispatching operations optimization to minimize gas consumption and emissions
- Consumption and purchase of certified green energy (either renewable electricity or green gas biomethane)

1. On Regulated perimeter as of 2022. Targets aligned with SBTi general methodology; once the SBTi Oil & Gas methodology will be available, Snam will submit targets  
 2. -4% vs 2022 on Group Perimeter

# Scope 3 reduction targets and key levers

## SCOPE 3 EMISSIONS TARGET<sup>1</sup> (ktons of CO<sub>2</sub>e)



## KEY LEVERS

### Supply chain emissions

- Inclusion of **ESG criteria in tenders**
- Most significant suppliers (in terms of emissions) involved in the **CDP Supply Chain questionnaire**
- Involvement of all suppliers in Open-es (ESG disclosure Platform)
- Sustainability and carbon accounting portal launched to increase the amount of suppliers' data on ESG topics, with a specific focus on GHG emissions
- Training on ESG topics, with a particular focus on emissions

### Associates emissions

- Periodical meetings and forum to share best practices
- Main levers:
  - Use of **Green gases** and the installation of electric compressors
  - **LDAR** (leak detection and repair) programs to reduce fugitive emissions
  - Use of energy from renewable sources

### Other Scope 3 emissions

- Subsidized subscriptions for public transport for employees
- Lower emissions transport for business travel

1. On Regulated perimeter as of 2022. Targets aligned with SBTi general methodology; once the SBTi Oil & Gas methodology will be available, Snam will submit targets

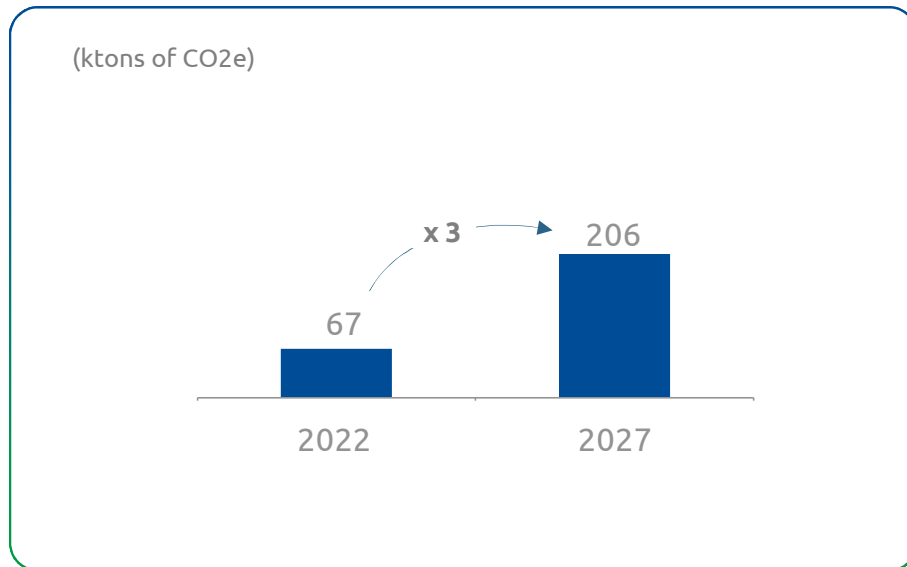
# Avoided emissions

Activities related to the energy transition businesses (energy efficiency and biomethane) contribute to avoiding emissions that would otherwise be generated by other actors in the system

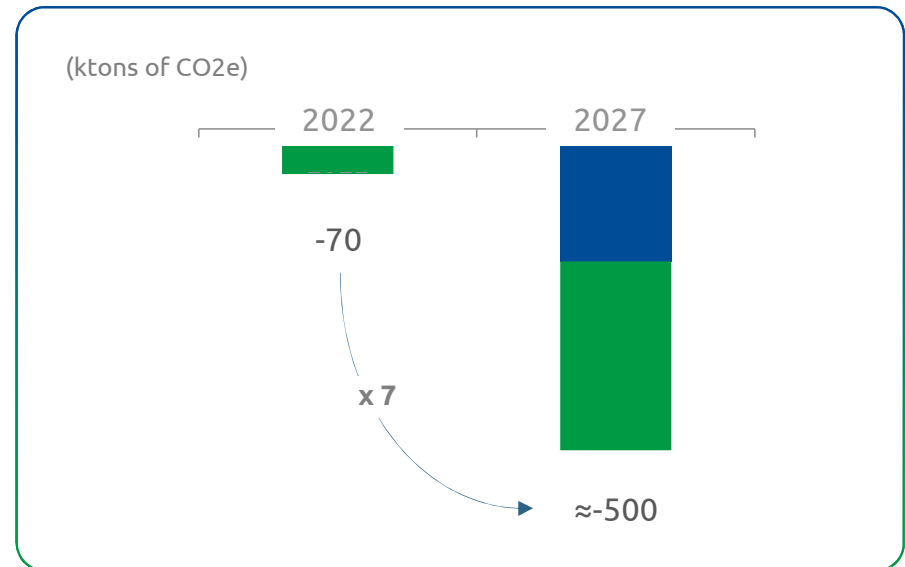


*Avoided CO2 emissions: 500 ktCO2e by 2027*

**SNAM ENERGY TRANSITION BUSINESSES  
SCOPE 1&2 EMISSIONS**



**TOTAL AVOIDED EMISSIONS THANKS  
TO OUR ENERGY TRANSITION BUSINESSES**



**Emissions positive net impact of 300 ktons by 2027**

- Snam
- 3rd parties

# Biodiversity & Regeneration





# Biodiversity at Snam today

Biodiversity and Nature cover environmental topics beyond GHG emissions, such as land & sea use change and freshwater consumption, whose integrity is rapidly declining due to human-related activities that cause loss of biodiversity



- **Zero Net Conversion by 2024**
- **Net Positive impact by 2027**
- **Vegetation restored in areas of pipes construction: 99.9%**

## Environmental restoration and monitoring

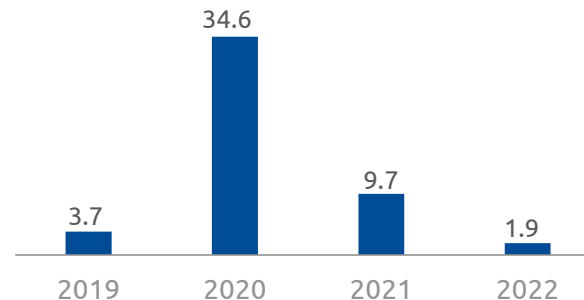
Snam follows the legislative procedure of assessments and authorizations through the **Environmental Impact Assessment** or **Integrated Environmental Authorization**

The environmental restoration activities are included in a **five-year plan for the compensation of impacts**, which consists of reforestation, care and maintenance of plants and shrubs planted and also includes **environmental monitoring** that assess **the re-naturalization process**

## Snam and protected areas

During the planning phase, Snam makes every effort to avoid impacting protected areas

Distance covered by pipelines in Natura 2000<sup>1</sup> network sites (km)



## How is Snam developing its biodiversity ambition



SCIENCE BASED TARGETS NETWORK  
GLOBAL COMMONS ALLIANCE

Snam **to pioneer a science-based target setting approach through SBTN**, whose goal is to equip organizations with the guidance necessary to set targets on biodiversity and nature

1. Natura 2000 Network Sites are the main instrument used by the European Union for the conservation of biodiversity established under the Habitats Directive 92/43/EEC to preserve natural habitats at EU level

# Nature footprint analysis

Pressure	Biomes	Infrastructure construction	Transport & Dispatching	Storage	Off-shore regas. (FSRU)	On-shore regassification
Land and sea-use change	<b>Land</b> (Km <sup>2</sup> )	1 ●	•	No impact		
	<b>Air</b> (Kg Particulate PM2.5)	2 ●	•	•	•	•
Pollution	<b>Soil</b> (Ton NOx)	●	•	•	No impact	•
	<b>Soil</b> (Ton Waste)	●	•	•	N/A	•
	<b>Ocean</b> (Ton NOx)	No impact			•	No impact
Resource exploit.	<b>Ocean</b> (Kg Chlorine)	No impact			●	No impact
	<b>Fresh water</b> (m <sup>3</sup> Freshwater)	●	•	•		•

Based on most recent SBTN guidance (to be confirmed in validation process):

- 1 Infrastructure Construction has a material impact on Land Usage, while other pressures have no material impact across the value chain
- 2 All Operations (T&D, Storage, off-shore & onshore regassification) do **NOT** have a material impact on Nature

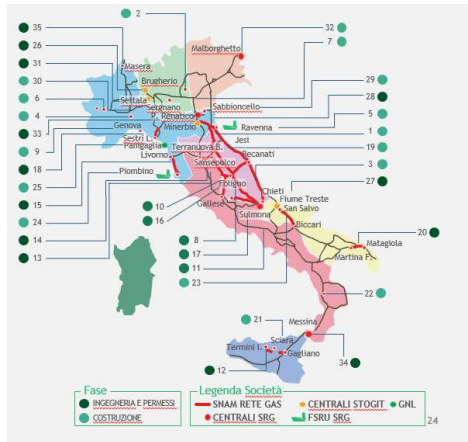
**Infrastructure construction: only material impact on nature is "Land-use change"**

Legend: Impact normalization: ● Not significant (1) ● Low (2) ● Medium (3) ● High (4) ● Very High (5)

Source: SBTN Sector Materiality Tool

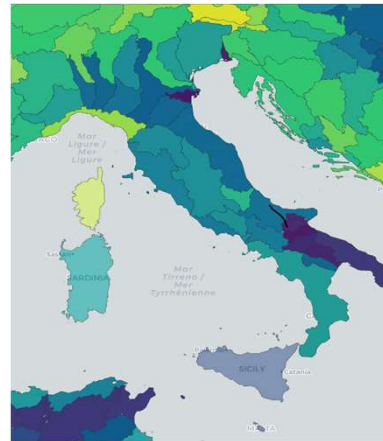
# Biodiversity risk estimate

## Footprint land use change



Baselining of projects impact by Km2 of area occupied

## Ecosystems Assessment

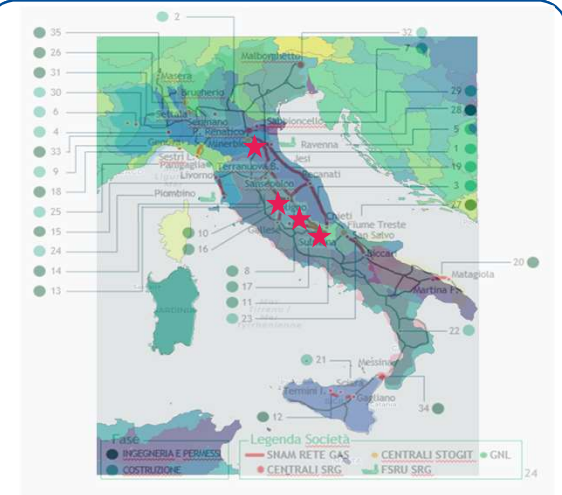


Assessment of **terrestrial ecosystems integrity** within the areas involved in the operations<sup>1</sup>

X

=

## Biodiversity risk

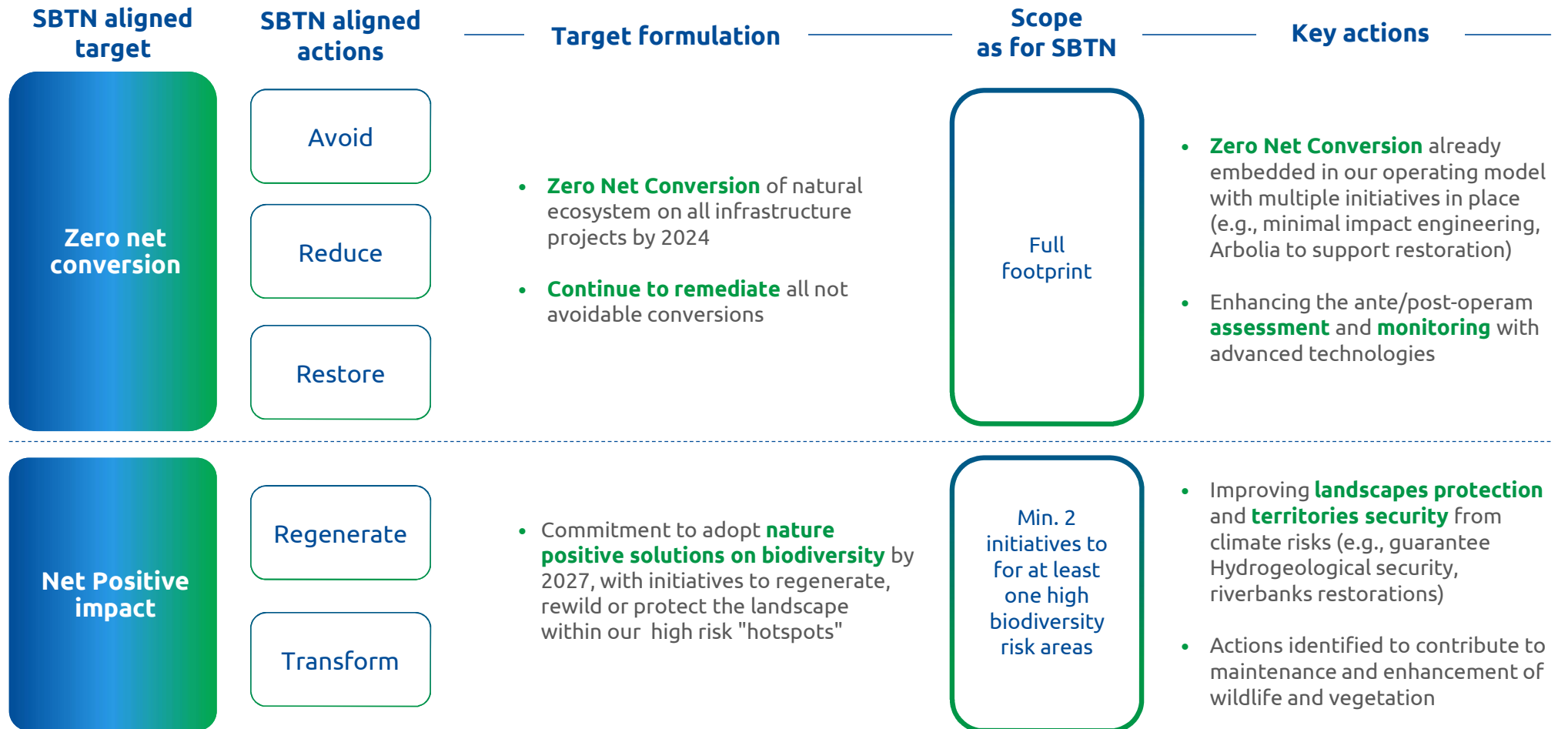


Identification of **hotspots** with significant impact within high biodiversity risk areas

Snam footprint "cross-checked" with the terrestrial ecosystem to identify areas at higher biodiversity risk

1. Use of EII which provides indication on integrity of terrestrial ecosystems globally at 1km2 resolution, providing a scientifically robust way of measuring, monitoring and reporting on terrestrial ecosystem integrity at any geographical scale; from already degraded environment to intact environment

# Commitments & key actions



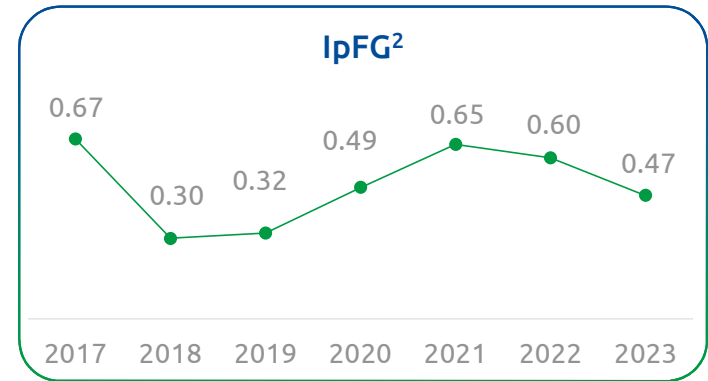
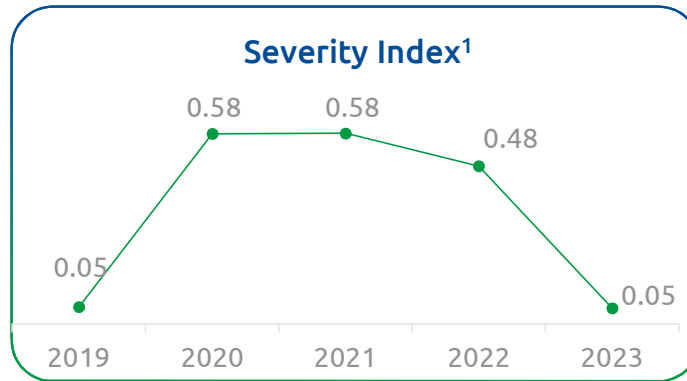
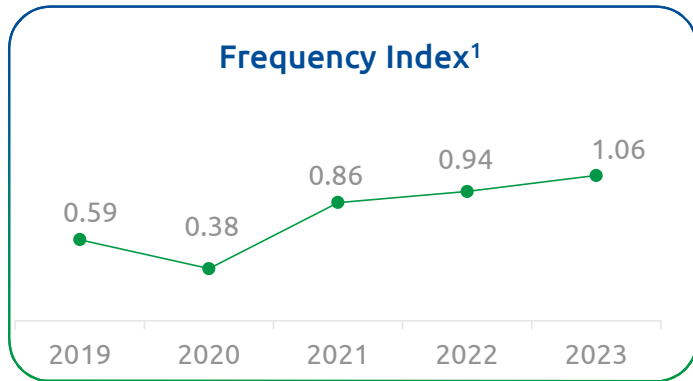
# Snam People



# Health & Safety



*IpFG (Combined Frequency and Severity Index) < min. 3y by 2027*



- **Snam4safety** project launched in 2018 to strengthen the safety culture and awareness of employees, contractors and suppliers

In 2023:

- New training courses on safety leadership and expansion of the perimeter of workers involved
- Construction sites visits increase (+24% yoy)
- Increase of suppliers' safety workshop carried out (+30% yoy)
- Specific initiatives on energy transition businesses for fostering the safety culture

- **Safety certification ISO 45001:**



**Zero accidents target**

1. Employees + Contractors  
2. Combined Frequency and Severity Index

# Welfare initiatives & Employees well-being



- *Employees engagement index: >80% in 2027*
- *Participation in welfare initiatives: 80% in 2027*

## Welfare initiatives

30 welfare services organised into **5 main areas** of intervention:

- Family and Education
- Health and Care
- Well-being and Work-Life Balance
- Finance and Savings
- Social Commitment

## News 2023

- **Healthcare integrative insurance** will be extended to all segments of the company population
- Master Be parents support for caregivers with ERG involvement
- Summer camps

## 2023 Survey & main themes

1. Sustainable Engagement
2. Well-being
3. Job satisfaction
4. Work, Organization and Efficiency
5. Purpose, Drive and Trust
6. People
7. Supervisor
8. Diversity, Equity and Inclusion
9. Job Security, Total Rewards and Employability
10. Retention

Response rate  
80%

Sustainable  
engagement index<sup>1</sup> 84%

1. Ranging from 0 to 100 based on an internal survey performed by a third party on a standard methodology

# Training

Initiatives to develop skills aligned with a constantly evolving work environment, such as the use of advanced technologies and innovative work procedures. Beyond the traditional role of skill dissemination, training aims to create awareness and empower employees regarding the company's goals and strategies.



*Training hours delivered to employees: 40 h/capita by 2027*

## Snam Institute: the in-house Academy

**Training hub**, a driver of **change** and **innovation**, and a generator of potential, was created by listening to the **needs** of the business to **enhance** the skills of our people and **supporting** them in developing their **professional identity**

### 2 MAIN PROJECTS



**~ 130,000** Training hours delivered in 2023  
(+8% vs 2022)

**34** Average hours delivered per employee

**93%** Of the **company population** involved in at least one course

**~ 150** Internal training members

### Competence Centers and Excellence Hub

In a moment of strong **generational turnover**, to preserve **Snam's distinctive know-how** and transmit technical skills, **Competence Centers** have been established and formalized. These centers consist of experts who serve as references for specific topics. Additionally, the **Excellence Hub Group** has been instituted to promote technical training and define operational standards for gas operations

### Development programs

Target-specific training and leadership development programs to enhance **managerial skills** and the ability to **innovate** and learn about **technological trends**, to promote an **organizational culture open to change**, and to create **engagement** in people. In 2023, **4** new Development Programs launched involving **~200 colleagues**



# Diversity & Inclusion



*Women in exec. and middle-mgmt. roles: 27.5% by 2027*

*Gender pay gap<sup>1</sup> between +/- 5% by 2027*

2020

- **Policy Framework:** spread the culture of diversity and equal opportunities, apply specific HR policies and metrics to ensure fairness at all stages of the employment relationship (specific policies on diversity & inclusion, gender equality, recruiting, harassment and gender transition)
- **Inclusion Manifesto:** educational company-wide guidelines to behave and communicate inclusively in the workplace
- **Employee Performance Management:** yearly performance process integrates feedback conversations and evaluations on inclusiveness
- **Inclusion Week:** a yearly week of training events dedicated to increasing awareness on diversity and inclusion
- **E-learning Pills & Training Programs** on unconscious bias
- **#Snam4diversity Talks:** quarterly webinars with internal and external guest speakers on DE&I topics
- **E-learning Pills for Snam Suppliers:** an online training program dedicated to our suppliers on DE&I
- **Employees Resource ESG Roadshow:** joint roadshow with Snam Foundation to engage all employees
- Included for the 3rd year in **Bloomberg's Gender-Equality Index**

2023

- **Employees Resource Groups:** employees groups supporting our DE&I roadmap by raising awareness on parenthood, disability, LGBTQ+, STEM, gender & generations

**Achievement of UNI 125:  
2022 Certification for  
Gender Equality in 2023**



**New commitment  
on gender pay gap in our  
Scorecard**

1. For equivalent organizational positions

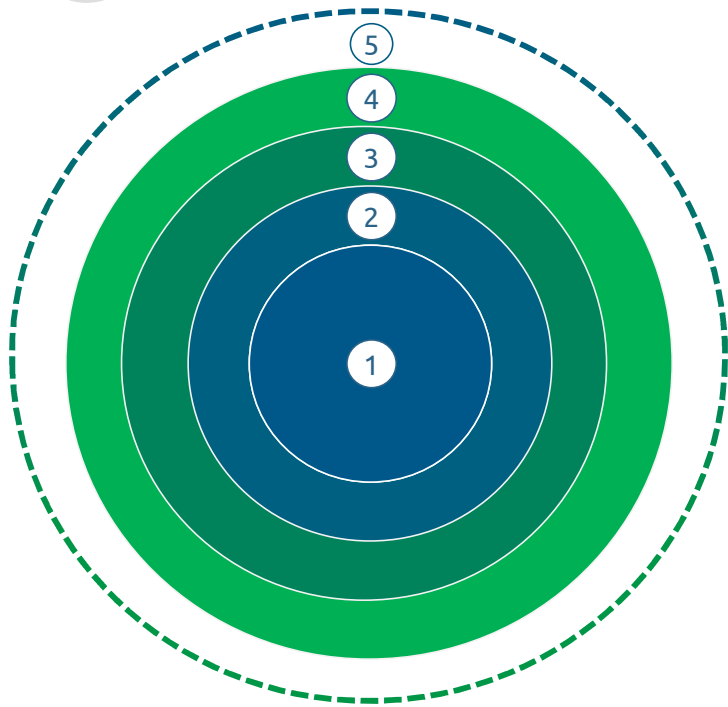
# Engagement & Local Communities



# Local Communities



Benefits for local communities over reg. revenues ca 1%  
Value released at local communities > € 1 bn



Value Released at Local Communities (€M)

Benefits for Local Communities (as % of regulated revenues)

1	<ul style="list-style-type: none"> <li>Direct Liberalities, sponsorships and compensations<sup>1</sup></li> <li>Contributions to Arbolia and Foundation</li> <li>Contributions to Italian start-ups</li> </ul>	~ € 3 m ~ € 2.4 m ~ € 0.1 m <b>~ € 5.5 m</b>
2	<ul style="list-style-type: none"> <li>Compensations and mitigations (CapEx)</li> </ul>	~ € 11.1 m <sup>4</sup> <b>~ € 11.1 m<sup>4</sup></b>
3	<ul style="list-style-type: none"> <li>Italian retail investors dividends<sup>2</sup></li> <li>Salaries</li> </ul>	~ € 155 m ~ € 322 m <b>~ € 413 m</b>
4	<ul style="list-style-type: none"> <li>Italian SME Suppliers</li> <li>Local Taxes<sup>3</sup></li> </ul>	~ € 940 m ~ € 68.1 m <b>~ € 1,008.1 m</b>

**Tot. '22** > € 1.4 bn

- 1 Core value distributed
- 2 Value distributed to impacted local communities
- 3 Value distributed to retail investors and employees
- 4 Value distributed to suppliers and government
- 5 Indirect value generated

1. From Income statement  
 2. Based on Italian Retail Investors at 16.8% (2023 Q1 report), a total number of shares of 3,360,857,809 and a dividend per share in 2022 of 0.2751€  
 3. Included TARI, IMU and IRAP  
 4. Includes SRG and STOGIT "Oneri compensazioni ambientali" and "Sistemazione a Verde"; the figure is to be considered a partial of total "Compensations and mitigations". From 2024 onwards, P&C will gear up from '24 to track all these items and have a figure as accurate as possible

# Engagement with stakeholders in 2023

## Financial community

**Investors engagement** before and after the 2023 AGM  
Roadshow and meetings with investors: 336 investors met

## Italian Regulator

### Main public consultations and processes carried out:

- Regulation by Cost and Service Objective (ROSS)
- Tariff criteria for the 6<sup>th</sup> RP for transmission and regasification
- Ravenna FSRU Regasification Code and First Booking Procedure
- Reorganization of gas transportation metering activity
- Criteria for optimized biomethane plant connections to gas grids
- Quality of service in gas transmission
- Cost benefit analysis

## Other stakeholders and Institutions

### Customers/suppliers/infra operators/associations

- **4** commercial workshops
- **5** online thematic roundtables
- Annual customer satisfaction Survey
- **4** webinars on biomethane
- **1** webinar on cost benefit analysis
- **143** meetings with Trade Unions

### National Institutions

- **>150** meetings with: national Institutions (Government, Parliament); local Institutions (Regions and Municipalities impacted by Snam activities/infrastructure)

### European and International Institutions

- Participation in **10** EU public consultations
- **>50** meetings with European Institutions, trade associations and think tanks
- **>100** meetings with members of state and government, diplomatic representatives, authorities, and multilateral organizations

### 2023 Materiality Matrix

- 3 workshops engaging specific stakeholders' categories (clients, suppliers, employees) in order to identify **material topics** according to the **impact materiality** perspective
- 1to1 interviews
- **10.266 stakeholders engaged** for the impact and financial materiality assessment

# Suppliers

Involving Suppliers in the decarbonization journey, raising awareness about climate change, and supporting digital innovation contribute to promoting a shared model of sustainable development



*3rd parties subject to procurement process on which reputational checks are performed: 100% suppliers*

*ESG criteria in proc. Procedures (% of spending): 65% by 2027*

## Suppliers Engagement & Training

- OpenEs (ESG disclosure Platform) to exchange data
- **CDP Questionnaires**
- Suppliers Engagement on Salesforce Net Zero Cloud
- ESG Education Pills
- **Road to the annual convention** with focus on emissions and cyber

## ESG Criteria & Supplier's Decarbonization Plans

- **190 contracts** (>100 suppliers) with ESG criteria equal to ~ **35% of 2023 procurement volume**
- **100 Decarbonization Plans** evaluated (60% positively)

## Target Scope 3

- Redefinition Perimeter of action
- **Emissions from Hybrid Analysis:**
  - Spend Based
  - Primary Supplier Data
  - Related Decarbonization Targets

## Sustainable construction site

- 8 Pilot Sites** along the Adriatic Line:
- Use of Biofuels (diesel + Hydrotreated Vegetable Oil)
  - Electrification Equipment (introduction of electric heavy-duty vehicles)
  - Water Reuse and Waste Recovery (e.g., 95% of excavated soil reused on site)

# Snam Foundation

“3P approach...

A “3P” approach  
to fostering a  
Just Transition

- > Energy Poverty
- > Education Poverty
- > Food Poverty

...implemented through 3 levers”

**Volunteering:** donation of ~4,100 hours yearly  
on projects

**Financing:** 3<sup>rd</sup> sectors partners collaborating on  
different projects locally

**Educating:** building skills and capacity for volunteers,  
3<sup>rd</sup> sector partners and beneficiaries to scale our impact

## Key 2023E indicators



~ € 1.45 M  
**Projects expenses & costs**



32,350  
**Beneficiaries**



93  
**Partners**



1,000  
**Participants colleagues**



Distinctive approach combining volunteering, financing and education

# Arbolia – A benefit company to develop new green areas in Italy

energy  
to inspire the world

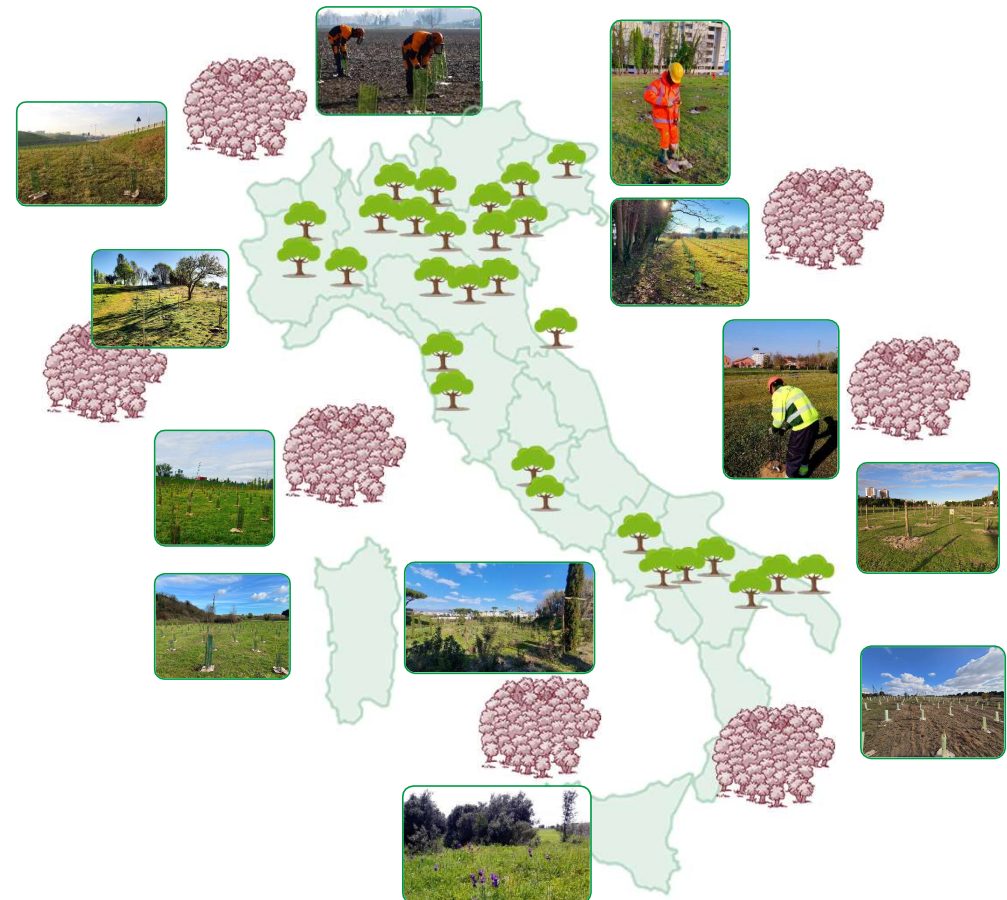


Benefit company established in 2020 by Snam and the Cassa Depositi e Prestiti Foundation, creates new green areas in Italy, contributing to the fight against climate change, improving air quality, enhancing life in cities, and promoting sustainable development

## AFFORESTATION

- 35** completed projects
- ~ 82,000** equivalent plants planted
- 8,900** tons of CO2 absorbed in next 20 years
- 37,500 kg** of PM10 absorbed annually
- 6,500 tons** of oxygen returning to the environment in 20 years

Design and implementation of afforestation projects in **urban contexts** in collaboration with public and private entities, **financially supported by third parties**



## Disclaimer

Luca Oglialoro, in his position as manager responsible for the preparation of financial reports, certifies pursuant to paragraph 2, article 154-bis of the Legislative Decree n. 58/1998, that data and accounting information disclosures herewith set forth correspond to the company's evidence and accounting books and entries.

This presentation contains forward-looking statements regarding future events and the future results of Snam that are based on current expectations, estimates, forecasts, and projections about the industries in which Snam operates and the beliefs and assumptions of the management of Snam.

In particular, among other statements, certain statements with regard to management objectives, trends in results of operations, margins, costs, return on equity, risk management are forward-looking in nature.

Words such as 'expects', 'anticipates', 'targets', 'goals', 'projects', 'intends', 'plans', 'believes', 'seeks', 'estimates', variations of such words, and similar expressions are intended to identify such forward-looking statements.

These forward-looking statements are only predictions and are subject to risks, uncertainties, and assumptions that are difficult to predict because they relate to events and depend on circumstances that will occur in the future.

Therefore, Snam's actual results may differ materially and adversely from those expressed or implied in any forward-looking statements. Factors that might cause or contribute to such differences include, but are not limited to, economic conditions globally, political, economic and regulatory developments in Italy and internationally.

Any forward-looking statements made by or on behalf of Snam speak only as of the date they are made. Snam does not undertake to update forward-looking statements to reflect any changes in Snam's expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

The reader should, however, consult any further disclosures Snam may make in documents it files with the Italian Securities and Exchange Commission and with the Italian Stock Exchange.



