TOMORROW IS NOW

Our commitment.
The world we live in is characterised by great uncertainties for the future and by changes that are destined to affect millions of people’s lives. The health emergency that we are experiencing, due to the spread of the Coronavirus, has revealed how indispensable are safety and well-being of individuals. They are also fundamental conditions to ensure that our modernity, made of creativity, progress and innovation, lays on solid foundations and can thus continue to be the driving force of the future.

Business world is called to take on new responsibilities towards society and territories: a greater effort is required, together with a broader engagement to support the cultural transformation promoted by new generations. They are, in fact, ambassadors of a strong social and environmental conscience, pushing businesses and institutions to contribute to the building of a truly sustainable system and safeguard their future.

Sustainability and resilience therefore become increasingly relevant issues, especially due to the importance that investors are giving to ESG, including these criteria in their investment decisions. The legislation evolution, especially in Europe, is supporting this transformation with the introduction of strict requirements for organizations, showing how an integrated sustainability strategy in business can lead to more competitive advantages for companies, making them capable of generating value and bring benefits to all of society.

Italgas, through its Sustainability Plan, accepts the challenges of the Sustainable Development Goals (SDGs) promoted by the United Nations in the global Agenda to 2030, and sets them out in five strategic pillars to strengthen its sustainability culture, place people at the core, create value for territories, customers and the gas market and contribute to the efficiency and security of the energy system.

«We believe that the strategic integration of sustainability in business will bring certainties while creating value for communities and territories.»
With more than 180 YEARS OF HISTORY, we are the largest natural gas distributor in Italy and the third largest operator in Europe.

With a historic presence in major Italian cities including Turin, Florence, Rome, Naples and Venice, we are investing to bring gas where it is not present yet.

With our affiliated companies, our market share EXCEEDS 34%.

More than 4,000 PEOPLE work every day to guarantee a quality service to citizens and businesses.

MORE THAN 70,000 KM OF NETWORK
1,744 MUNICIPALITIES WITH OPERATING CONCESSIONS
7.5 MILLION CUSTOMERS SERVED
8.8 BILLION M$ DISTRIBUTED GAS
7.53 MILLION REDELIVERY POINTS
«We commit every day to make cities more sustainable, investing in digital innovation and continuous improvement of the service. We want to play a key role in the sustainable future of energy and contribute to the social and economic development of the country.».

5 STRATEGIC PILLARS

- Develop the sustainability culture
- Put people at the centre
- Create value for the territory and communities
- Create value for customers and the market
- Contribute to the efficiency and security of the system

13 GOALS ACHIEVED
46 ACTIVE ACTIONS IN 2019

DEVELOP THE SUSTAINABILITY CULTURE

- Launched the new Sustainability policy release
- Provided the sustainability questionnaire to 120 suppliers, and development of a sustainability rating
- Inclusion in the main international sustainability ratings SRI
«People are our most valuable resources; they are the main actors of change and continuous improvement».

Thanks to our people we manage to guarantee a high-quality service, investing in:

- **SAFETY**
  - guaranteeing safety in operations and providing continuous training and awareness

- **EXPERTISE AND SKILLS**
  - offering professional development programmes to our employees

- **WELL-BEING**
  - offering welfare services and initiatives to ensure a positive work-life balance
1,800
THE AVERAGE
OF PEOPLE
CONNECTED DAILY

1,600 hours
OF VIDEO
CONFERENCING
IN MARCH

MORE VALUE IN WELFARE
FOR OUR EMPLOYEES

In 2018, we have launched Flexible Benefits, offering the opportunity to employees to convert Participation Bonus to access Welfare goods and services: insurance, family care, support to education, mobility, free time.

The service has been appreciated by our employees, so we have disbursed an additional Welfare Bonus equal to 18% of the converted portion. In 2019, around 95% of the corporate population signed in the platform and the number of employees who have used at least one service has grown by 20%.

CORONAVIRUS, NORMALITY AND SAFETY FOR OUR PEOPLE

During the health emergency we guaranteed all end users, families and businesses, the essential services for the gas distribution system, while ensuring regular supervision of the Emergency Response activities (active 7 days a week, 24 hours a day) and network maintenance.

To respect everyone’s safety, we have guaranteed remote operations adopting smart working for all employees limit as much as possible risks linked to the sanitary emergency.

We have provided all the necessary protective equipment for people working on-site and has adopted the procedures necessary to ensure safety in all operations. We also continued to hire new staff, guaranteeing the newly hired remote operating plans.

ITALGAS WELFARE SYSTEM:

Free time
Family and Children care
People wellbeing
Artistic and cultural initiatives

192 new hires from the market.
Injuries frequency index reduced by 30%.
84,000 hours of training in one year, 21 per employee on average.
More than 1000 employees involved in sharing the results of the analysis of work environment.
Training in technical expertise through 25 augmented reality viewers.
35 young graduated women hired in the “IngegnerE, femminile plurale” program.

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IN MARCH
We contribute to the social and cultural development of the communities in which we operate, encouraging and nurturing continuous and direct dialogue.

«We bring energy and contribute to social and cultural development of the communities in which we operate».

We want to increasingly foster connections among network, territories and communities through:

› **COLLABORATION**
  with schools, associations and other organizations in the territories to promote cultural and artistic projects and initiatives

› **KNOWLEDGE**
  of our history in order to preserve an important cultural heritage and share it with new generations
PARCO RUSSOLI: A NEW GREEN AREA FOR MILAN

In September 2019, to celebrate the opening of the second edition of Milan Green Week, it was inaugurated the new Parco Russoli, a green area of about 10,000 m² that we have restored and given back to the neighbourhood of our office in Milan.

A green lung with over 3,100 species of shrubs and herbaceous plants and 25 trees; it has also become a place for leisure, furnished with a soccer field, a fitness area, a new playground for children, including games for differently abled, a relaxation area and a fenced area dedicated to dogs.

CORONAVIRUS EMERGENCY: OUR COMMITMENT TO COMMUNITIES

Italgas has supported the organizations that are at the forefront in the fight against the spread of the virus: the Sacco hospitals in Milan, Amedeo di Savoia-Asl Città di Torino, Guglielmo da Saliceto of Piacenza and the Hospital of Padua, the Policlinico San Matteo of Pavia, the Spallanzani of Rome and the Cotugno of Naples.

In support of the Civil Protection action, we instead made a direct donation and launched “Together for Italy, donate your day to the fight against Coronavirus”, a solidarity campaign thanks to which our employees can allocate the economic equivalent of hours of their own work. Italgas has doubled the donation, integrating an additional equal amount.

697 thousand euros invested in sponsorships and donations in different fields: energy education, sport and cultural activities.

Sponsorship of the Italian National Men’s and Women’s Tennis Championships teams in the Davis Cup and Fed Cup competitions.

More than 1,500 PCs donated to the schools affected by 2016 earthquake in central Italy.

Seven meetings of “Energia mi piace”, the project carried out with Confindustria which aims to train consumers aware of the use of sustainable resources.

400 students involved in 4 Safety Walk dedicated to schools.

Presented White Energy Week, project for work experience for high-school students to educate young people to energy efficiency culture and good environmental sustainability practices.
CREATE VALUE FOR CUSTOMERS AND THE MARKET

«From the design and realization of the network, to the final client: we commit to offer the highest quality standards and security of the service, both technical and commercial».

Our commitment fosters the innovation of both the management process of the network and of our way of working to get closer to sales companies and clients, promoting:

› DIGITALIZATION

of the network thanks to which we will get to know better, and in real time, our network and clients, increase security and reduce environmental impact

› COMMUNICATION

directly with sales companies and final users to improve service quality

We are committed to guarantee a reliable natural gas distribution as a strategic asset for sustainable development.
MAKE SAP TECHNOLOGY ACCESSIBLE FOR EVERYBODY

Thanks to the collaboration with SAP, our informatic systems is now more accessible to everyone, including blind and visually impaired people. We have developed a screen reader, enabling voice access to the PC, improving accessibility and usability thanks to audio feedback.

This tool allows blind people to work more effectively and efficiently, for instance in email management and web browsing. In this way, we managed to develop an innovative solution that will be adopted not only inside Italgas group, but in the whole market.

A CHANNEL TO STRENGTHEN RELATIONSHIP WITH SALES COMPANIES: GASONLINE

We released version 2.0 of the "GasOnLine" web portal, the most important communication channel dedicated to sales companies. New release features simplified procedures through a more intuitive and enriched platform, with documents and tools that enable sales companies to operate autonomously and in a transparent way.

This is part of our strategy to get closer to the final client and harmonize processes, with a continuous improve of our service.

CONVENTION DEDICATED TO SALES COMPANIES AND TWO WEBINARS

Convention dedicated to sales companies and two webinars that engaged 150 participants from 70 sales companies, the first of their kind in the gas distribution sector

Seminary with consumer associations to promote new measures improving customer relations

More than 2 million smart meters installed for the complete substitution programme within 2020

More than 700 million invested in digitisation of the network (since 2016)

Inspected 60% of the high and low-pressure network, intervening in 11,600 significant points on the network

Launched the Costumer Portal MyItalgas to create a channel for end customers to access to the services and send requests for information or complaints.

Compliance with the maximum time for reaching the call-out site for emergency assistance in 98.9% of the cases

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We efficiently manage energetic and natural resources and limit environmental impact of our activities, choosing a responsible and transparent approach.

«We work in the greatest respect of the environment and natural resources».

For this reason, we are working to build a sustainable infrastructure in the territories, with an approach oriented to:

› **INNOVATION**
  of the network to employ new technologies to build a modern and performing infrastructure

› **EFFICIENCY**
  of all operations, also envisioning a new life for the products we don’t use anymore
PLASTIC-FREE OFFICES

Less plastic in our offices with 4,000 eco-friendly bottles, made of metal and other recycled materials, distributed to all employees. The initiative is part of a wider plastic reduction program, with the installation of spring water dispensers in all offices, replacing traditional plastic cups and stirrers.

Also, our supplier is promoter of the WATER WILL SAVE WATER project: for each bottle purchased, we helped remove over 1 kilo of waste from the Mediterranean Sea and the Italian coasts.

A PILOT PROJECT TO REDUCE GAS CONSUMPTION IN PRE-HEATING PHASE

Natural gas also powers our distribution network and hence we are committed to optimize its consumption. In 2019, we have carried other experiments in the central heating management system of Reduction and Measurement (IPRM) plants to reduce preheated gas. 29 systems have been installed so far, reducing more than 20% of the pre-heating gas consumption. Thanks to more than 70 devices installed, we have achieved a reduction in consumption of around 3%.

Started 30 methane conversion projects for LPG networks, for a 15% reduction in emissions.

Drawn up the Energy Masterplan document, including all possible interventions in property, networks and company fleet.

More than 24 million euros invested for safety and security and 21 million for environment.

Other 18.2 km of network replaced with hemp and lead-sealed joints.

Recovered 99% of total disposed waste.

Started the installation of sheds for air quality monitoring in the IPRMs.

Launched the experimentation of 2 groups of IPRMs to reduce energy consumption by remotely controlling the network pressure.

22 new solar plants and installation of LED lamps in the IPRMs.
Natural gas is the cleanest fossil fuel

Gas can supplement the naturally intermittent renewable energy sources and ensure satisfaction of peaks in demand

Gas can support transition to a circular economy

We want to promote natural gas and renewable gas in transportation and Heating&Cooling.

Gas as a “bridge” towards a future low-carbon-integrated energy system

Completed the conversion of the company vehicle fleet: 100% of the fleet is now powered by methane

Updated the policies of biomethane input in the network to guarantee transparency and non-discrimination to producers.

With its 1,900 plants, Italy is currently the third largest producer in the world with 2,4 billion m³ produced every year, already sufficient to feed the circulating vehicle fleet, with a potential growth up to 10 billion by 2030

Signed a collaboration agreement with GRDF, the most important gas distributor in France, that includes research, development and innovation of power-to-gas technologies and hydrogen input in the network

We want to foster the integration of gas with electric system, where the excess electricity from renewable sources can be used to produce synthetic gas.

We want to allow make it possible the input to the distribution network of biomethane, the renewable gas that can be produced from biological waste, promoting a circular and sustainable use of resources.