

## SUSTAINABILITY AND STAKEHOLDER ENGAGEMENT POLICY

### Values and pillars of the sustainability policy

Every day the work of the men and women at Italgas enables millions of people to use a sustainable, durable, reliable source of energy.

A continuous commitment, based on expertise, efficiency, innovation, quality and safety and inspired by the transparency of daily activities, integrity of behaviour and responsibility towards the communities served.

Italgas' mission is to provide an essential service and to encourage the energy transition by building the grids of the future and promoting innovative and sustainable solutions for the distribution of renewable gases such as biomethane and green hydrogen. The Group aims to guarantee to the community energy services managed and delivered with efficiency, safety and excellence thus contributing to the creation of more sustainable and smart cities and generating long-term value for customers, the market, the territory and all its stakeholders, respecting ecosystems and the environment as a whole. In this way, Italgas undertakes to contribute to the achievement of the sustainable development goals of the United Nations 2030 Agenda and the goals defined by the European Union.

Italgas' vision is to be a leading player in the world of energy, driving its evolution with continuous and sustainable innovation to improve people's quality of life.

By constantly integrating the concepts of sustainability into its business model, the Italgas Group aims to create lasting value for all of its stakeholders, through ongoing dialogue, the sharing of objectives and the strengthening of collaborative, transparent and professional relations.

For Italgas Group, creating sustainable value means preserving, increasing, or, where appropriate, minimizing the consumption of all capitals that are used to produce value. The Company's goal is to ensure that activities, addressed by the Strategic Plan and the Sustainable Value Creation Plan, not only create economic value, but also enable the regeneration of capital used in production processes.

This virtuous circularity, for the Group, is sustainability: working, together with its stakeholders, to generate positive impacts on the capitals that represent the wealth of the communities in which Italgas operates.

The notion of development that the Group pursues therefore takes into account the rights of all interlocutors involved in the process of value creation: Italgas aims for an economic and social development that does not compromise the right of future generations to design their own future and is committed to development that protects people, their rights and the environment, guarantees fair and collaborative commercial relations and actively supports the communities where it operates.

By extending its commitment along the entire value chain, the Italgas Group also involves external parties in the achievement of its objectives: from this perspective, particular attention is paid to the entire supply chain, which must reflect the principles and values of Italgas, respect the highest international criteria for the protection of the environment and people's rights and share the active commitment to the achievement of sustainability goals.

Sustainability, referring to the system of values and operating practices that permeates the operations of all company departments, is integrated into the Group's long-term growth strategy and is implemented through a multi-year plan, called Sustainable Value Creation Plan, which sets out multi-year objectives and a cycle to assess their achievement, inspired by the principle of continuous improvement.

Consistently and constantly evolving with respect to the updates of the Strategic Plan, the Sustainable Value Creation Plan is adapted and structured into actions and projects capable of realising the three pillars in which it is framed:

- Italgas for the future of the planet
- Italgas for the future of people
- Italgas for a sustainable future together

#### **Italgas for the future of the planet**

The Group's commitment to environmental protection and decarbonization issues runs through all of its businesses. With regard to gas distribution, the cCompany is committed to the continuous improvement of its infrastructures and their extension, with the aim of making them digital and increasingly safe, as well as more accessible. Through digitization, networks are being made suitable to accommodate and distribute different and renewable gases such as biomethane and green hydrogen. In the water sector, technological and digital modernization of the infrastructure enables more efficient management of such a valuable resource, while improving the quality of service provided. In addition, by enhancing the activities of ESCo Geoside and reducing the Group's energy consumption and emissions, Italgas continues to strengthen its role as an active player in the fight against climate change. Finally, Italgas' commitment also includes protecting the ecosystems in which it operates and encouraging the circular economy.

### **Italgas for the future of people**

Italgas considers people to be its most valuable assets, which is why it is actively engaged in improving the quality of life of customers, through the provision of safe and reliable service, and of employees and collaborators, through the promotion of strict policies for health, safety and welfare, protecting human rights, valuing and supporting diversity, inclusion and equal opportunities.

In addition, Italgas works to increase the energy security in the Countries in which it operates, making its contribution to reducing energy dependence on foreign countries, by developing networks that can accommodate different gases such as biomethane and green hydrogen.

### **Italgas for a sustainable future together**

Italgas takes a "Partnership for the goal" (SDG 17) approach, promoting ongoing research into innovative solutions for the energy transition and, in general, a culture of innovation within and outside the Group. Best practices are disseminated throughout the supply chain, so that sustainability principles are respected throughout it. Caring for the territory, supporting employment and the local economy, and developing and supporting projects that reflect the Group's identity and values are a fundamental part of Italgas' commitment to the territories in which it operates.

### **Sustainability governance**

The Italgas governance system is structured in order to:

- integrate sustainability into the highest governance processes;
- integrate responsibility, management of risks and control processes related to sustainability into the company structure;
- guarantee compliance with principles and values by involving the entire organisation.

The Board of Directors defines the Group's sustainability and company strategies, starting with the commitment to the energy transition and decarbonisation, and is formed according to criteria that valorise diversity.

Furthermore, there are three Board Committees, in compliance with Corporate Governance Code, tasked with providing advice and proposals including in relation to issues pertaining to Sustainability:

- the Sustainable Value Creation Committee, which supports the Board in relation to guidelines, processes, initiatives and activities put in place to oversee the Company's commitment to sustainable development along the value chain, also with regard to

climate change issues, examining and assessing, among other things, sustainability policies, including this one, aimed at ensuring the creation of value over time for the shareholders and all other stakeholders over a long-term horizon in accordance with the principles of sustainable development, the integration of ESG issues into the Strategic Plan and into the company Risk Management System, profit and non-profit strategies, including Group gas advocacy activities, in addition to the disclosure of non-financial information, to be submitted to the Board of Directors, in coordination with the Control, Risk and Related-Party Transactions Committee in relation to its assessment of the suitability of the periodic financial and non-financial information to correctly represent the Company's business model, strategies, the impact of its activities and the performance achieved;

- the Control and Risk and Related-Party Transactions Committee, which supports the Board in assessments and decisions also in relation to processes underpinned by wider sustainability issues, such as those concerning the Internal Control and Risk Management System as well as those related to the approval of periodic financial and non-financial reporting; in particular, the Committee, among other tasks, assesses the suitability of periodic financial and non-financial information to correctly representing the Company's business model and strategies, the impact of its activities and the performance achieved, coordinating with the Sustainable Value Creation Committee, and examines the content of periodic non-financial information relevant to the internal control and risk management system;

- the Appointments and Remuneration Committee, which, among other things, expresses opinions regarding the remuneration of the directors, general managers, statutory auditors and executives with strategic responsibilities, integrating the sustainability objectives into the remuneration policies of top management and on the Policy for the diversity of corporate bodies adopted by the Company.

The operational management of sustainability issues is entrusted to the Sustainability Function tasked with:

- designing and implementing the sustainability model alongside the other responsible departments of the Group,
- overseeing the stakeholder engagement processes,
- drafting the non-financial information and monitoring, alongside the departments responsible, the progress of the initiatives and achievement of the Group's sustainability objectives and targets;
- supporting the Sustainable Value Creation Committee in carrying out its propositional and advisory functions to the Board of Directors.

#### **Stakeholder engagement activities**

Dialogue and the sharing of objectives are central aspects for creating lasting value and mutually beneficial relations: as a result, the Italgas Group dedicates particular attention to the stakeholder engagement process, which is structured around the identification, prioritization of stakeholders (be these direct or indirect) and their continuous involvement through the most suitable forms of dialogue.

The periodic activities performed include:

- updates to potential stakeholder categories;
- assessment of their relevance based on specific parameters;
- assignment of the priority level of each stakeholder category and definition of targeted and calibrated engagement methods for each one.

The aforementioned prioritization process, determined on the basis of the relevance for the company activities and the strategic nature of the stakeholder, is carried out through an assessment based on various criteria, such as:

- legislative, economic and sustainability-related context;
- strategy and aspects of business continuity;
- reputation risks and risks related to stakeholder management.

Finally, based on the organic strategy of dialogue and stakeholder engagement, the Group implements activities to manage the risks that emerge in relation to said analysis and which become the subject of specific mitigation measures carried out by the company responsible departments.

#### **Dissemination and updating of the Policy**

The Italgas Group undertakes to periodically review the need for any updates to this Policy following significant changes linked to the context and the Group's sustainability strategy.

Furthermore, the Group undertakes to promote the knowledge of this Policy among Italgas employees and to publish it for all interested stakeholders using tools such as its Non-Financial Statement and the Group's website.

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The CHIEF EXECUTIVE OFFICER

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