



Compliance Standard

Diversity of Corporate Bodies Policy

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Version History

- Rev. 00 (24/01/2019)
- Rev. 01 - 25/01/2021
 - Update to comply with the new Corporate Governance Code in force from 1 January 2021
- Rev. 02
 - Update to the latest market best practices.

For the purposes of this document, where required and not otherwise specified, the terms and definitions available in the “Glossary” section found on the company Intranet apply.

Any regulatory references are detailed in the “External References” section available on the company Intranet.

Any printed copies of the document are not checked and revised.

Before use it is necessary to check that the document is up-to-date compared with the original in force on the company’s intranet.

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I. FOREWORD

This policy (the “**Policy**”) concerning the diversity of the composition of the Board of Directors and Board of Statutory Auditors of Italgas S.p.A. (“**Italgas**” or the “**Company**” or the “**Issuer**”) was approved by the Issuer’s Board of Directors on 24 January 2019 after obtaining the opinion of the Appointments and Compensation Committee, later updated on 25 January 2021, upon the recommendation of said Committee in view of the new Corporate Governance Code promoted by the Corporate Governance Committee to which Italgas has adhered, and which applies as of 1 January 2021 (the “**Corporate Governance Code**”). The Policy was most recently updated on 13 June 2023 by way of resolution of the Issuer’s Board of Directors, after consulting the Appointments and Compensation Committee, in order to take account of the development, trends and prospects of the Company and its Group¹, as well as the most recent best practices. The Policy was also reviewed by the Sustainable Value Creation Committee.

The amendments and/or supplements to this Policy will come into force on the day indicated by law, regulations or resolution of the Board of Directors or, in urgent cases, by the Chief Executive Officer (“**CEO**”), or, if applicable, by the publication of the Policy on the Company website (as provided for by Art. 5 of this Policy).

Art. 123-bis, subsection 2, letter d-bis), of Italian Legislative Decree 58/1998 (the “**CLF**”) establishes that the annual corporate governance and ownership structure report which the “*issuers of transferable securities admitted to trading in regulated markets*” are bound to prepare pursuant to the said art. 123-bis of the CLF must contain, inter alia, “*a description of the diversity policies applied in relation to the composition of the administration, management and control bodies with regard to aspects such as age, the gender composition and educational and professional background, as well as a description of the objectives, methods of implementation and results of such policies*”.

Principle VII and Recommendation 8 of the Corporate Governance Code also recommend that issuers apply “*diversity criteria, including gender ones, to the composition*” of the board of directors and board of statutory auditors² and that they identify, “*the most suitable tool for their implementation, taking into account its ownership structures*”.

As such, in compliance with said provisions and pursuant to Recommendation 23 of the Corporate Governance Code³, this Policy sets out certain criteria that should be taken into account:

- when drawing up the guidelines of the Board of Directors to shareholders on the future size and composition of the new Board of Directors pursuant to the aforementioned Recommendation 23 of the Corporate Governance Code;
- when the Shareholders’ Meeting draws up and votes on the slates of candidates as part of the renewal of the corporate bodies or additions thereto;
- where it becomes necessary to replace one or more Directors during their term of office pursuant to Article 2386 of the Italian Civil Code.

¹ “Group” means Italgas S.p.A. and its subsidiaries pursuant to Article 93 of Legislative Decree 58/1998 (Consolidated Law on Finance or “CLF”).

² With reference to the composition of the board of directors, principle VII of the Corporate Governance Code specifies moreover that the application of diversity criteria must “*ensur[e] the primary objective of adequate competence and professionalism of its members*”.

³ The principle referred to recommends that “*The board of directors, bearing in mind the results of the assessment [of the functioning of the said board and its committees as well as on the size and composition of the same], expresses its opinion to the shareholders on the managerial and professional figures whose presence on the board is deemed appropriate, also with a view to diversity criteria, before the appointment of the new board (...)*”.

In any case, the requirements of professionalism, integrity and independence, as well as the situations of incompatibility and/or forfeiture, as per the applicable laws and regulation, self-regulatory provisions and company Bylaws, shall remain valid.

2. PRINCIPLES AND OBJECTIVES

The Italgas' Board of Directors recognises that diversity in the composition of the corporate bodies, in terms of gender, nationality, age, background and professional experience, can foster discussion and new ideas within the Board, making it open to innovation and lateral thinking with a focus on different social and environmental needs, promoting critical thinking and avoiding the risk of groupthink. Among other things, this also helps to maintain independent decision-making on issues falling within its remit and ensure the efficiency of control activities.

The Italgas' Board of Directors also aims to achieve a climate of collaboration with constructive exchanges to encourage board discussions and critical thinking of members of the corporate bodies, both within said bodies, with respect to them and across the entire company.

By adopting a specific diversity policy and making it available to the public on the company website, the hope is to also achieve a greater degree of transparency as regards the criteria and encourage an optimal composition of the company bodies. This should therefore be applied at the moment of renewing the company bodies or integrating them during their term of office, without prejudice to the prerogatives of the Issuer's shareholders.

3. CRITERIA

3.1 Board of Directors

The Company's Board of Directors, pursuant to and by effect of the provisions of the Corporate Governance Code (see art. Recommendations 21, 22 and 23⁴), considers that an optimal composition of the Issuer's administrative body may be guaranteed by complying with the following criteria:

- (i) Board of Directors composed by a majority of non-executive Directors, so that they can contribute to monitoring the delegated bodies, especially with reference to potential conflicts of interest, as well as to encourage board discussions;
- (ii) at least half of the Directors having the independence requirements of the applicable *pro-tempore* legislation and the Corporate Governance Code⁵, in order, among other things, to allow an adequate and heterogeneous composition of the Committees;
- (iii) at least two-fifths of the Directors made up of the least represented gender (notwithstanding the *pro tempore* regulatory provisions on gender balances requiring a higher quota⁶) in order to support and promulgate a culture of equal opportunities, improve gender balances and promote the principles of

⁴ Recommendation 21 “The board evaluation assesses the size, composition and functioning of the board and its committees. It includes also the board's active involvement in the definition of the company's strategy and in the monitoring of the management of the company's business as well as the appropriateness of the internal control and risk management system”.

Recommendation 22 “The board evaluation is conducted at least every three years, before the renewal of the board of directors” and “in large companies other than those with concentrated ownership, the board evaluation is conducted on an annual basis and can be diversified according to the term of the board's mandate. In such companies, the board considers whether to appoint an external facilitator for its evaluation at least once every three years”.

Recommendation 23 “In companies other than those with concentrated ownership the board of directors sets forth guidelines on board composition deemed optimal before its renewal, considering the outcome of the board evaluation”.

⁵ Recommendation 5 establishes that in Large Companies other than those with concentrated ownership (like Italgas, according to the definition given thereof in the Corporate Governance Code) “independent directors account for at least half of the board”.

⁶ In such regard, art. 144-undecies. I, subsection 3, of the Regulation issued by Consob through Resolution no. 11971 of 1999 (as later amended) on the subject of issuers (“**Issuers' Regulations**”) provides that wherever the application of the gender division criteria does not result in an integer number of members of the administrative and control bodies belonging to the less represented gender, such number is rounded up, except for corporate bodies formed of three members, where the number will be rounded down.

fairness and respect, among other things;

- (iv) balanced combination of managerial, professional, academic and/or institutional profiles within the administrative body, so that complementary skills are represented such as to ensure the correct and diligent performance of the functions assigned to it.

In particular, the following profiles should be present:

- managerial profiles who have gained experience in positions of responsibility within companies and/or groups of significant size or complexity and/or that operate in sectors related to the Company's business, and/or that are internationally present or significant;
 - professional profiles who have worked within professional firms or consulting companies and, in any case, in legal, economic, accounting, financial, technical-scientific or IT areas, or in areas relating to various sustainability issues (environment, including climate change, social and governance), which are also relevant to the Company's business and/or at international level;
 - academic and/or institutional profiles that have gained experience in the field of legal, economic, accounting, financial or technical-scientific areas that are also relevant to the Company's business and/or at international level;
- (v) where possible, taking into account the skills needed for the proper and diligent performance of their functions, members of the Board of Directors of different age groups and/or different levels of seniority, so that different perspectives are represented and there is an adequate balance between continuity and change;
- (vi) where possible, taking into account the skills needed for proper and diligent performance of their functions, given also the Group's international operations, members on the Board of Directors should:
- have international experience (such as training and/or professional experience abroad and/or positions in companies or bodies with high international exposure), and preferably sound knowledge of the English language;
 - have different ethnic and/or geographical backgrounds, so as to promote interculturality;
- (vii) the Chair should be selected from those individuals with authority, standing, experience and knowledge of corporate governance issues, so that he/she can foster internal discussions and pool different skills and experience (working in synergy with the CEO) and serve as the interlocutor of the control body and internal committees in line with the duties of organising the Board's work and circulating information;
- (viii) the CEO should be selected from those individuals with leadership and entrepreneurial skills, a high, well-recognised level of credibility and authority, intellectual independence and integrity, and specific experience in managing companies that are comparable in terms of size and complexity to the Company and its Group, as well as adequate skills in the economic-financial field and sensitivity towards various sustainability issues (environmental, social and governance).

Furthermore, all members of the Board of Directors should dedicate adequate time to the performance of their duties in the Company, ensuring the highest possible attendance (at least 80% attendance at the Board and Committee meetings of which they are members in any case).

In this respect, the following should be taken into account: a) the guidelines on limits to the number of positions simultaneously held, recently drawn up by the Board of Directors, as well as b) the actual commitment required for the performance of the positions held and further work and professional activities.

3.2 Board of Statutory Auditors

The Board of Directors of the Company believes that an optimal composition of the Issuer's control body can be ensured by compliance with the following criteria:

- (i) at least two-fifths of the Statutory Auditors made up of the least represented gender (notwithstanding the *pro tempore* regulatory provisions on gender balances requiring a higher quota⁷) in order to support and promulgate a culture of equal opportunities, improve gender balances and promote the principles of fairness and respect, among other things;
- (ii) all statutory auditors having the independence requirements provided for by the applicable *pro-tempore* legislation and, where applicable, by the Company Bylaws;
- (iii) where possible, taking into account the skills needed for the proper and diligent performance of their functions, members of the Board of Statutory Auditors of different age groups and, as far as compatible with the necessary independence requirements, different levels of seniority, so that different perspectives are represented and there is an adequate balance between continuity and change;
- (iv) without prejudice to compliance with the requirements of professionalism provided for by law, training and professional training of the statutory auditors to ensure a balanced combination of profiles and experience within the body suitable to ensure the proper performance of the functions assigned to it.

The members of the Board of Statutory Auditors, in its capacity as Internal Control and Audit Committee, must be, as a whole, competent in the field in which the Company operates, as required by current legislation on statutory audit.

Moreover, all members of the Board of Statutory Auditors should devote adequate time to the performance of their position held in the Company, ensuring the highest possible attendance at meetings. In this respect, the following should be taken into account: a) the limits to the number of positions simultaneously held as per the *pro tempore* legislation in force, as well as b) the actual commitment required for the performance of the positions held and further work and professional activities.

4. IMPLEMENTATION OF THE POLICY

This Policy contains some indications addressed to the Issuer's shareholders in order to guide the definition – by the said shareholders – of the proposals of candidates when renewing the company bodies.

Without prejudice in any case to the prerogatives of the Company shareholders in the definition of such proposals, in compliance with the *pro-tempore* regulations in force.

In addition, the Board of Directors, the Appointments and Compensation Committee and the Issuer's shareholders should take into account the principles and criteria set out in this Policy in particular if one or more members of the company bodies need to be replaced during the term of office, without prejudice in any case to compliance with the *pro-tempore* regulations in force.

5. AMENDMENTS AND SUPPLEMENTS

The Board of Directors of the Company is responsible for monitoring the updating of this Policy, as well as the results of its implementation. A description of the results achieved is contained in the corporate governance and ownership structure report pursuant to art. 123-bis CLF.

⁷ In such regard, art. 144-undecies.1, subsection 3, of the Issuers' Regulations provides that wherever the application of the gender division criteria does not result in an integer number of members of the administrative and control bodies belonging to the less represented gender, such number is rounded up, except for corporate bodies formed of three members, where the number will be rounded down.

In particular, the Policy is reviewed at least every three years, taking into account, among other things, the applicable legal or regulatory provisions, as well as the experience accumulated and market practice in this field.

The provisions of this Policy are updated and/or supplemented by the Company's Board of Directors after consulting the Appointments and Compensation Committee.

Should the individual provisions of the Policy need to be updated and/or supplemented as a result of amendments to the applicable laws or regulations, or of specific requests from Supervisory Authorities, as well as in cases of proven urgency, this Policy may be amended and/or supplemented by the CEO, with subsequent ratification of the amendments and/or supplements by the Board of Directors at the first subsequent meeting.

6. CONSERVATION OF DOCUMENTATION AND RESPONSIBILITY FOR UPDATES

All work documentation arising from the application of this document shall be stored by the relevant Departments, in accordance with the timing and procedures laid down by the Italgas Enterprise System.

Updates of the document in question and their relative disclosure shall be ensured by the procedures laid down by the Italgas Enterprise System.

If the conditions are met, the Company shall be required to comply with the unbundling legislation in all its forms. In particular, it shall be subject to the accounting separation requirements and the management of Commercially Sensitive Information must take place in compliance with the provisions of the specific regulations.