

Sustainability KPI Report 2022

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Methodological Note

Objective of the document

In April 2023, the Italgas Group (hereinafter also referred to as “Italgas” or the “Group”) published its Integrated Annual Report 2022¹ as a tool for the integrated reporting of financial and non-financial data. It consists of the Directors’ Report (with both financial and non-financial reporting) the Consolidated Financial Statements and the Separate Financial Statements of Italgas S.p.A. The vast majority of sustainability disclosure in the Integrated Annual Report 2022 already presents data related to both Italian and Greek companies, this latter referring to the consolidation period 1st September 2022 to 31st December 2022

Nevertheless, with specific reference only to the KPIs contained in this document, the “Sustainability KPI Report 2022” (hereinafter, also “Report”), DEPA Infrastructure SA and its subsidiaries were excluded from the consolidation perimeter of the Integrated Annual Report 2022, since they didn’t have significant environmental and social impacts, also given their consolidation period.

However, to enhance sustainability information transparency, the Group decided to publish the present Report, aiming at providing to relevant stakeholders further information on sustainability performance of the Group’s Greek subsidiaries.

Reporting standards

The following KPIs disclosed in this Report refer to specific KPIs identified by “Global Reporting Initiative Sustainability Reporting Standards” (hereinafter “GRI Standards”) issued by the “Global Reporting Initiative” in 2016, and amendments: 302-1, 305-3, 305-7, 306-3, 306-4, 306-5 and 403-9.

Where estimations were required in order to report particular data, this is specified in the description or in the notes to the table.

Reporting scope and period

The data and information reported in this Report, in the paragraph “Greek data”, refer to the performance of the Italgas’ company DEPA Infrastructure SA² and its subsidiaries:

- Thessaloniki – Thessalia Gas Distribution S.A. (EDA Thess)³

¹ https://www.italgas.it/wp-content/uploads/sites/2/2023/03/Integrated-Annual-Report-2022_PDF-format-not-ESEF.pdf

² <https://depanetworks.gr/>

³ <https://www.edathess.gr/>

- Attiki Natural Gas Distribution Single Member Company S.A. (EDA Attikis)⁴; and
- Public Gas Distribution Networks S.A. (DEDA)⁵

and refers to the specific period of their consolidation in the Group, i.e. from 1st September 2022 to 31st December 2022.

Furthermore, for sake of completeness, data reported in paragraph "Group data" reflect the consolidated data of both Italy (as presented in Integrated Annual Report 2022) and Greece (as presented in the above-mentioned paragraph).

This Report is available on the website:

<https://www.italgas.it/en/sustainability/reporting-hub/>

The Sustainability KPI Report 2022 was also audited of compliance ("Limited assurance engagement" according to the criteria indicated by ISAE 3000 Revised) by the auditor Deloitte & Touche S.p.A.. The audit was carried out according to the procedures indicated in the "Independent Auditor's Report" at the end of these Document.

⁴ <https://edaattikis.gr/>

⁵ <https://deda.gr/>

Greek data

GRI 302-1 Energy consumption within the organization

Energy consumed within the organization	U.o.m.	2022
FUEL ENERGY CONSUMPTION		
Fuel energy consumption from non-renewable sources		
Fuel energy consumption for civil and industrial use	TJ	1.7
- of which natural gas for civil use	TJ	0.5
- of which natural gas for industrial use	TJ	1.2
- LPG and propane air for civil and industrial use	TJ	-
Fuel energy consumption for vehicles	TJ	4.5
- of which diesel	TJ	1.8
- of which petrol	TJ	0.7
- of which natural gas	TJ	2.0
Fuel energy consumption from renewable sources		
Fuel energy consumption from renewable sources	TJ	0
Total fuel energy consumption		
Total fuel energy consumption	TJ	6.2
CONSUMPTION OF PURCHASED ENERGY		
Consumption of purchased energy from non-renewable sources		
Electricity	TJ	2.5
Heating energy	TJ	-
Consumption of purchased energy from renewable sources		
Consumption of purchased energy from renewable sources	TJ	-
Total consumption of purchased energy		
Total consumption of purchased energy	TJ	2.5
TOTAL ENERGY CONSUMED WITHIN THE ORGANISATION		
Total energy consumed within the organization	TJ	8.7

Energy consumption	U.o.M.	2022
Total non-renewable energy consumption	TJ	8.7
	MWh	2,417
Total renewable energy consumption	TJ	0
	MWh	0

GRI 305-3 Other indirect (Scope 3) GHG emissions⁶

Scope 3 category	U.o.M.	2022
Purchased Goods and Services	10 ³ tCO ₂ eq	1.9
Capital Goods	10 ³ tCO ₂ eq	6.0
Upstream transportation and distribution	10 ³ tCO ₂ eq	0.8
Waste generated in operations	10 ³ tCO ₂ eq	0
Upstream leased assets	10 ³ tCO ₂ eq	0.1
Total – supply chain	10³tCO₂ eq	8.8

GRI 305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions

Direct NOx emissions	U.o.M.	2022
Direct NOx emissions	Metric tonnes	0.4

GRI 306-3 Waste generated

GRI 306-4 Waste diverted from disposal

GRI 306-5 Waste directed to disposal

Waste generated	U.o.M.	2022
Total waste generated	Metric tonnes	9.4
Of which hazardous	Metric tonnes	0.1
Of which non- hazardous	Metric tonnes	9.3

⁶ Scope 3 GHG emissions for Greek suppliers were calculated on the basis of the calculation carried out for suppliers of the Italian companies of the Group, using the Italy-specific CEDA emission factors related to similar products and services categories

Waste delivered	U.o.M.	2022		
		Hazardous	Non-Hazardous	Total
Total waste delivered ⁷	Metric tonnes	0.05	5.54	5.59
Total waste recycled/reused	Metric tonnes	0.00	1.00	1.00
Total waste disposed	Metric tonnes	0.05	4.55	4.60
- Waste landfilled	Metric tonnes	0.00	4.55	4.55
- Waste incinerated with energy recovery	Metric tonnes	0.00	0.00	0.00
- Waste incinerated without energy recovery	Metric tonnes	0.00	0.00	0.00
- Waste otherwise disposed	Metric tonnes	0.00	0.00	0.00
- Waste with unknown disposal method	Metric tonnes	0.05	0.00	0.05

GRI 403-9 Work-related injuries

Fatalities	U.o.M.	2022
Employees	No	0
Contractors	No	0

LTIFR	U.o.M.	2022
Contractors	No	0.00

⁷ Amount of waste generated and waste delivered may differ due to portion of waste produced during the year, but not yet disposed/recycled/reused before 31st December 2022. Amount of waste generated and delivered is a result of the best estimated calculation on the basis the recorded data.

Group data

GRI 302-1 Energy consumption within the organization

Energy consumed within the organization	U.o.m.	2022
FUEL ENERGY CONSUMPTION		
Fuel energy consumption from non-renewable sources		
Fuel energy consumption for civil and industrial use	TJ	276.7
- of which natural gas for civil use	TJ	32.7
- of which natural gas for industrial use	TJ	233.7
- LPG and propane air for civil and industrial use	TJ	10.3
Fuel energy consumption for vehicles	TJ	116.0
- of which diesel	TJ	6.1
- of which petrol	TJ	32.8
- of which natural gas	TJ	77.1
Fuel energy consumption from renewable sources		
Fuel energy consumption from renewable sources	TJ	0
Total fuel energy consumption		
Total fuel energy consumption	TJ	392.7
CONSUMPTION OF PURCHASED ENERGY		
Consumption of purchased energy from non-renewable sources		
Electricity	TJ	4.1
Heating energy	TJ	0.3
Consumption of purchased energy from renewable sources		
Consumption of purchased energy from renewable sources	TJ	83.6
Total consumption of purchased energy		
Total consumption of purchased energy	TJ	88.0
TOTAL ENERGY CONSUMED WITHIN THE ORGANISATION		
Total energy consumed within the organization	TJ	480.7

Energy consumption	U.o.M.	2022
Total non-renewable energy consumption	TJ	397.1
	MWh	110,305
Total renewable energy consumption	TJ	83.6
	MWh	23,222

GRI 305-3 Other indirect (Scope 3) GHG emissions⁸

Scope 3 – supply chain	U.o.M.	2022
Purchased Goods and Services	10 ³ tCO ₂ eq	45.1
Capital Goods	10 ³ tCO ₂ eq	94.2
Upstream transportation and distribution	10 ³ tCO ₂ eq	4.8
Waste generated in operations ⁹	10 ³ tCO ₂ eq	1.6
Upstream leased assets	10 ³ tCO ₂ eq	0.6
Total – supply chain	10³tCO₂ eq	146.3

GRI 305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions

Direct NOx emissions	U.o.M.	2022
Direct NOx emissions	Metric tonnes	16.3

GRI 306-3 Waste generated

GRI 306-4 Waste diverted from disposal

GRI 306-5 Waste directed to disposal

Waste generated	U.o.M.	2022
Total waste generated	Metric tonnes	171.8
Of which hazardous	Metric tonnes	3.5
Of which non- hazardous	Metric tonnes	168.3

⁸ See Note 6.

⁹ Sum of Italian and Greek values is 1.6 10³tCO₂eq due to roundings.

Waste delivered ¹⁰	U.o.M.	2022		
		Hazardous	Non-Hazardous	Total
Total waste delivered	Metric tonnes	8.43	244.54	252.97
Total waste recycled/reused	Metric tonnes	7.20	235.22	242.42
Total waste disposed	Metric tonnes	1.23	9.33	10.56
- Waste landfilled	Metric tonnes	0.00	4.55	4.55
- Waste incinerated with energy recovery	Metric tonnes	0.00	0.00	0.00
- Waste incinerated without energy recovery	Metric tonnes	0.02	1.35	1.37
- Waste otherwise disposed	Metric tonnes	0.00	0.00	0.00
- Waste with unknown disposal method	Metric tonnes	1.21	3.43	4.64

GRI 403-9 Work-related injuries

Fatalities	U.o.M.	2022
Employees	No	0
Contractors	No	0

LTIFR	U.o.M.	2022
Contractors	No	2.03

¹⁰ See note 8.

Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT ON THE SUSTAINABILITY KPI REPORT 2022

To the Board of Directors of
Italgas S.p.A.

We have carried out a limited assurance engagement on the Sustainability KPI Report 2022 of the Italgas S.p.A. and its subsidiaries (hereinafter also the "Group") as of December 31, 2022.

Responsibility of the Directors for the Sustainability KPI Report 2022

The Directors of Italgas S.p.A. are responsible for the preparation of the Sustainability KPI Report 2022 in accordance with the "Global Reporting Initiative Sustainability Reporting Standards" established by the GRI – Global Reporting Initiative ("GRI Standards"), with reference to the selection of GRI Standards, as stated in the paragraph "Methodological Note" of the Sustainability Report 2022.

The Directors are also responsible, for such internal control as they determine is necessary to enable the preparation of the Sustainability KPI Report 2022 that is free from material misstatement, whether due to fraud or error.

The Directors are also responsible for the definition of the Italgas S.p.A. objectives related to the sustainability performance and for identification of the stakeholders and the significant aspects to report.

Auditor's Independence and quality control

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the *International Ethics Standards Board for Accountants*, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our auditing firm applies *International Standard on Quality Control 1 (ISQC Italia 1)* and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibility

Our responsibility is to express our conclusion based on the procedures performed about the compliance of the Sustainability KPI Report 2022 with the GRI Standards, with reference to the selection of GRI Standards. We conducted our work in accordance with the criteria established in the *"International Standard on Assurance Engagements ISAE 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information"* (hereinafter *"ISAE 3000 Revised"*), issued by the *International Auditing and Assurance Standards Board (IAASB)* for limited assurance engagements. The standard requires that we plan and perform the engagement to obtain limited assurance whether the Sustainability KPI Report 2022 is free from material misstatement. Therefore, the procedures performed in a limited assurance engagement are less than those performed in a reasonable assurance engagement in accordance with ISAE 3000 Revised, and, therefore, do not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

The procedures performed on the Sustainability KPI Report 2022 are based on our professional judgement and included inquiries, primarily with company personnel responsible for the preparation of information included in the Sustainability KPI Report 2022, analysis of documents, recalculations and other procedures aimed to obtain evidence as appropriate.

Specifically, we carried out the following procedures:

1. Comparative analysis of the NFS (Consolidated Non-Financial Statement required by art. 3, 4 and 7 of D.Lgs.254/2016) in Integrated Annual Report 2022 and the Sustainability KPI Report 2022 and the differentiating elements of the two documents;
2. Understanding of the processes underlying the origination, recording and management of qualitative and quantitative material information included in the Sustainability KPI Report 2022.

In particular, we carried out interviews and discussions with the management of Italgas S.p.A. and we carried out limited documentary verifications, in order to gather information about the processes and procedures which support the collection, aggregation, elaboration and transmittal of data and information to the department responsible for the preparation of the Sustainability KPI Report 2022.

In addition, for material information, taking into consideration the Group's activities and characteristics:

- at the parent company's and subsidiaries' level:
 - with regards to qualitative information included in the Sustainability KPI Report 2022, we carried out interviews and gathered supporting documentation in order to verify its consistency with the available evidence;
 - with regards to quantitative information, we carried out both analytical procedures and limited verifications in order to ensure, on a sample basis, the correct aggregation of data.

- for the following companies, DEPA Infrastructure SA and its subsidiaries - Thessaloniki – Thessalia Gas Distribution S.A. (EDA Thess), Attiki Natural Gas Distribution Single Member Company S.A. (EDA Attikis) and Public Gas Distribution Networks S.A. (DEDA), we carried out remote meetings, during which we have met their management and have gathered supporting documentation with reference to the correct application of procedures and calculation methods used for the indicators.

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the Sustainability KPI Report 2022 of the Italgas S.p.A. as of December 31, 2022 is not prepared, in all material aspects, in accordance with the GRI Standards as stated in the paragraph “Methodological Note” of the Sustainability KPI Report 2022, with reference to the selection of GRI Standards.

DELOITTE & TOUCHE S.p.A.

Signed by
Franco Amelio
Partner

Milan, Italy
July 14, 2023

This report has been translated into the English language solely for the convenience of international readers.