Report on the 2025 Remuneration Policy and 2024 Compensation Paid

Italgas

Our Identity

Values, **Mission** and **Purpose** are the synthesis of our Identity. They tell what we are and what we want to become. **Together**.

Vision

To be leading the world of **energy**, driving its sustainable evolution and **innovating** each day to **improve people's quality of life**.

Mission

We have guaranteed **efficient, safe and excellent energy services** to the community for over 180 years.

We favour the **energy transition**, creating **the networks of the future** and promoting **innovative, sustainable solutions**.

We take **care** of **local communities**.

We fuel **positive and productive relationships** with all of our stakeholders: individuals, companies, suppliers and shareholders.

We enter **new markets** where we can apply our distinctive expertise.

We promote the **growth** of individuals and develop talent, creating **inclusive, stimulating** work environments.

Purpose

Pioneers by **passion** and builders by **calling** we bring all our energy to accelerate the **ecological transition**.

We do it **for us**. We do it **for everyone**.

Report on the 2025 Remuneration Policy and 2024 Compensation Paid

Approved by the Board of Directors' meeting of 12 February 2025
The Report on the Remuneration Policy and Compensation Paid is published in the "Governance - Remuneration" section of the Company's website (www.italgas.it/en)

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Letter from the Chairperson of the Appointments and Compensation Committee

Dear Shareholders, I am pleased to present the Report on the 2025 Remuneration Policy and 2024 Compensation Paid, an annual document through which we aim to transparently and comprehensively disclose Italgas' Remuneration Policy and its link with the Group's business and sustainability strategy, as well as to strengthen the valuable and constructive dialogue with all stakeholders.

The Appointments and Compensation Committee, set up following the Shareholders' Meeting of 26 April 2022 and currently composed of, in addition to the undersigned, Directors Manuela Sabbatini and Claudio De Marco, has reached the end of its three-year term of office. Over the three-year period, the Committee worked with passion and dedication to ensure that Italgas' Remuneration Policy represents a pivotal element for the achievement of the Group's objectives, increasingly strengthening the link with the Strategic Plan and the Sustainable Value Creation Plan.

All this was also supported by the engagement and listening activities of the main stakeholders and the analyses carried out by external and independent consultants, through which the Appointments and Compensation Committee was able to ascertain a general appreciation of Italgas' Remuneration Policy.

2024 was another year of growth for Italgas, also consolidated by the signing of the purchase agreement for 2i Rete Gas. With this transaction, Italgas is poised to become the leading European operator in the gas distribution sector, thus marking a historic milestone in the Group's history; given the importance of the transaction and in view of its extraordinary and exceptional nature, the Board of Directors, at the proposal of the Appointments and Compensation Committee, approved a one-off bonus, subject to the closing, for a limited number of Group employees, aimed at rewarding not only their commitment to intense, technically demanding and strategically enlightened work, but also and above all the continuity of the business, which has been so widely extended thanks to the deferral of part of the bonus for retention purposes.

The results achieved in the economic-financial area reflect the Group's excellence in infrastructure development and the digitisation of assets, not only gas but also water. In fact, on the one hand, the Group continues to play a primary role in the digital transformation of networks and in energy efficiency, confirming the centrality of gas distribution networks on the path of ecological transition in both Italy and Greece, and on the other hand, it continues with the integration of the recently acquired water companies, aiming at fostering the development of a more efficient water distribution service, the reduction of water losses from networks and the creation of value for communities.

This Report on the Remuneration Policy and Compensation Paid reflects these strategic objectives in the context in which the Group operates.

Among the most relevant changes to this document, I would like to mention the introduction, for the first time, of an employee share ownership plan (the "2025-2027 IGrant Plan"), which the Board of Directors proposes for the approval of the Shareholders' Meeting. This plan, intended for the entire Group workforce with the exception of the Chief Executive Officer and Executives with Strategic Responsibilities, represents a fundamental element of Italgas' broader total reward strategy and has the objectives of (i) strengthening the Italgas Group employees' sense of belonging through the promotion of a logic of sharing and participation in the overall results, while at the same time offering everyone the opportunity to benefit from the Company's development, (ii) aligning the interests of employees and shareholders, promoting value creation over the medium-long term, and (iii) extending the opportunity to all recipients to hold share capital of the Italgas Group.

The document has also been further refined, placing more and more emphasis on the link between performance and remuneration, especially with a view to sustainable development. Greater visibility is also given to the main results achieved in terms of sustainability, diversity and inclusion and to the numerous initiatives carried out in favour of all Italgas people, also thanks to listening tools such as the annual climate survey and other dedicated surveys, including the services renewed or activated in the welfare and well-being sphere and the launch of the new "Total Reward: your remuneration in Italgas" service, aimed at offering employees a complete and transparent view of the total value of their remuneration package, consisting not only of direct and variable remuneration, but also of numerous indirect benefits and additional advantages made available by the Company for personal and family well-being. I would also like to emphasise that, thanks to its HR policies and strategies and its commitment to contributing to the well-being of its people and the development of a positive and inclusive work environment, Italgas has been certified Top Employer Italia since 2020, an accolade that the Company has aimed for every year and that underpins the value principles in which it believes.

In general terms, however, the 2025 Remuneration Policy is defined as essentially in line with the previous one and is based on a number of key principles now highly consolidated in the Group:

- **COHERENCE**: on an annual basis, the Company conducts remuneration benchmarking analyses to ensure full alignment with key market and governance practices, while monitoring external competitiveness and internal fairness in remuneration. The analyses, carried out with the support of an external and independent advisor, ensured that the remuneration of Italgas' Top Management and of Directors and Statutory Auditors was consistent with market benchmarks, confirming the soundness of the direction taken by the Board of Directors in defining the Company's Remuneration Policy with respect to the reference context.
- **LISTENING**: Italgas pays great attention to the opinion of the various corporate stakeholders, both internal and external, in order to promote a remuneration policy that is consistent for the majority of employees and that meets the needs and expectations of shareholders and proxy advisors. Specifically, in 2024 and the early months of 2025, Italgas conducted its usual engagement activities with institutional investors, reinforcing dialogue to increase transparency and ensuring that the expectations of its main stakeholders were taken on board, and carrying out an in-depth analysis, as it does every year, of the results of the Shareholders' Meeting vote on the Report on the 2024 Remuneration Policy and 2023 Compensation Paid. Among the most relevant employee listening initiatives, however, I consider it of the utmost importance to report the renewal of the "Your Voice Counts" climate survey this year too, aimed at the entire Group workforce, which recorded a response rate once again above the national benchmarks and amounting to 88% in Italy and 87% also including employees in Greece. The survey was designed to measure engagement levels, identify organisational conditions that encourage or hinder a positive internal atmosphere and the engagement of people, highlight possible areas of intervention and initiate an action plan to benefit all of the Group's people.

- **SUSTAINABILITY AND INCLUSION**: inclusion and sustainability issues are constantly at the core of the Group's strategy, also thanks to the Committee's strong emphasis on the close linkage of top management's remuneration being linked to ESG objectives included in both short- and medium/long-term incentive schemes. Italgas' commitment in this area is to hold the entire corporate workforce accountable for the Company's sustainability priorities and foster a climate of general agreement in this regard. Among the main changes, on the subject of inclusion, I would like to mention the challenging goal of bringing complete gender pay equality into the Strategic Plan cycle, now translated into annual targets. Among the sustainability challenges, moreover, Italgas has included in the "IGrant" employee share ownership plan, submitted for approval to the Shareholders' Meeting, the linking of part of the matching mechanism to an ESG objective and has confirmed the dissemination of ESG objectives in all the MBO plan beneficiaries' scorecards. In order to transparently report the Group's action on these priority objectives, this document emphasises and highlights the main achievements in 2024, in terms of both environmental sustainability and inclusion and diversity.

The Remuneration Policy is also consistent with the Company's vision, mission and purpose, and with the three-pillar leadership model that enables the Company to drive change and achieve its strategic objectives: Excellence, Innovation and People. I am convinced, as are my fellow Committee members, that the value principles are fully reflected in the Remuneration Policy presented here; we strongly believe that they will form the basis for the further development that the next Appointments and Compensation Committee in office will want to bring to it.

We also believe that this approach can be assessed positively and will meet the expectations of all of Italgas' stakeholders, at the same time ensuring a Remuneration Policy aligned with national and international governance and market best practices.

I would like to take this opportunity to thank my fellow Directors and members of the Appointments and Compensation Committee, Manuela Sabbatini and Claudio De Marco, for their meticulous and passionate work carried out together over these years of office, and the Company departments for their invaluable and always helpful support.

In the hopes that this Report might provide an effective and in-depth framework of the Italgas Remuneration Policy, I am grateful for the willingness to communicate and for the support during the Shareholders' Meeting for continuous and profitable dialogue to achieve shared and ambitious objectives.

Fabiola Mascardi

Chairperson of the Appointments and Compensation Committee

2025 Remuneration Policy: executive summary

The main characteristics of the 2025 Remuneration Policy are shown below. The policy was prepared in consideration of specific compensation benchmarks created with the support of an independent and highly specialised advisor and taking account of national and international best practice.

<table>
<tr><th>Element</th><th>Purpose and characteristics</th><th>Amounts</th></tr>
<tr><td>Fixed remuneration</td><td>This remunerates in accordance with the role, to assure attractiveness and motivation.
It is defined in line with the complexity and responsibilities that the role manages, so as to guarantee internal fairness, and is monitored with respect to the external market, to assure the right level of competitiveness.</td><td>• Chairperson: € 300,000
• CEO: € 850,000
• ESR: defined in relation to the role assigned
• Non-executive Directors: € 50,000</td></tr>
<tr><td>Short-Term Incentive (STI)</td><td>This defines a clear and predetermined tie between remuneration and annual performance.
The value of the STI depends on the level of attainment of economic-financial and sustainability targets set by the Board of Directors:
<table><tr><th>KPI</th><th>Weight</th></tr><tr><td>Profitability (EBITDA)</td><td>30%</td></tr><tr><td>Investment (spending)</td><td>25%</td></tr><tr><td>Net Financial Position</td><td>20%</td></tr><tr><td>Sustainability:</td><td></td></tr><tr><td>• Combined accident index</td><td>5%</td></tr><tr><td>• Leakage on the distribution network (in terms of percentage of km of network inspected)</td><td>7.5%</td></tr><tr><td>• Energy consumption</td><td>7.5%</td></tr><tr><td>• Diversity and inclusion: Gender Equity Pay Gap</td><td>5%</td></tr></table>The Plan also includes a performance gate (overall score >= 85%), the non-achievement of which shall result in zero payout, irrespective of the level of achievement of the individual targets.</td><td>• CEO: incentive at target equal to 80% of the fixed remuneration (up-front target component: 52% of the fixed remuneration)
• ESR: incentive at target equal to 51% of the fixed remuneration (up-front target component: 33% of the fixed remuneration)</td></tr>
<tr><td>2024-2025
Co-investment with three-year deferral</td><td>35% of the short-term incentive accrued is deferred to shares and subject to three-year co-investment, with the aim of further strengthening alignment between management and stakeholders.
The deferred incentive is subject to an additional performance condition (cumulative EBITDA) and a share matching mechanism.</td><td>• CEO: deferred target component equal to 28% of the fixed remuneration
• ESR: deferred target component equal to 18% of the fixed remuneration

The quota indicated only refers to the deferred component, net of its possible revaluation linked to performance and the company matching described in the First Section of this Report.</td></tr>
</table>

<table>
<tr><th>Element</th><th>Purpose and characteristics</th><th>Amounts</th></tr>
<tr><td>2023-2025
Long-Term Incentive (LTI)</td><td>This favours the alignment of individual targets with stakeholders' targets in the long-term, while also serving a retention function.
The value of the LTI accrued depends on the level of achievement of the following objectives:

KPI — Weight
Consolidated Net Profit — 50%
Relative Total Shareholder Return — 30%
Sustainability:
• Reduction of CO_2 emissions – Scope 1 and 2 — 10%
• Reduction of net energy consumption — 10%</td><td>• CEO: incentive at target equal to 65.5% of the fixed remuneration on an annual basis
• ESR: incentive at target equal to 34% of the fixed remuneration on an annual basis</td></tr>
<tr><td>Severance agreement and pay</td><td>Consistent with relevant market practices and Italian law, the Company may provide an indemnity for termination of employment and/or administration relationship in the form of specific individual agreements.</td><td>• CEO: 2 annuities of annual fixed remuneration supplemented by the average variable incentive paid in the last three years
• ESR: no severance pay agreements currently provided for</td></tr>
<tr><td>Non-compete agreement</td><td>To protect the Company's interest, the Company may provide for non-compete agreements lasting one year against payment of a fee.</td><td>• CEO: 1 annuity of remuneration
• ESR: no non-compete agreements currently in place</td></tr>
<tr><td>Benefits</td><td>They are an integral part of the remuneration package and are predominantly welfare or social security based.
They are defined in line with the main market practices and in compliance with the provisions of national collective labour agreements and supplementary company agreements for executives.</td><td>CEO and ESR:
• Supplementary pension fund
• Supplementary healthcare funds
• Insurance coverage
• Car for personal and business use</td></tr>
<tr><td>Shareholding guidelines</td><td>They help to further strengthen alignment with shareholder interests in the long-term.
They consist of the requirement to meet a minimum holding requirement of Italgas shares for the entire tenure.</td><td>• CEO: 1 annuity of fixed remuneration</td></tr>
<tr><td>Clawback</td><td colspan="2">The clawback, applicable to all incentive instruments listed, has a duration of 10 years and the purpose of avoiding fraudulent conduct and/or conduct not in line with the Company values and excessive risk-taking, which may compromise the Company's sustainability in the long-term.</td></tr>
<tr><td>Independent Managers / Compliance Officer in an unbundling regime</td><td colspan="2">All the incentive systems defined above are appropriately designed for the Independent Managers / Compliance Officers identified by the Italgas Group, in order to ensure and guarantee the neutrality of the management of essential infrastructures, as defined by the reference regulations.[1]</td></tr>
</table>

[1] Pursuant to Annex A (TIUF) to resolution 296/2015, amended and supplemented with resolution 15/2018, which, in addition to providing for specific provisions relating to the functional unbundling obligations for companies operating in the electricity and gas sectors, governs the independence requirements of the Independent Manager / Compliance Officer of companies operating in the corporate unbundling of sales and production.

New elements for 2025

In order to ensure continuous improvement of the Remuneration Policy and considering the voting results of the 2024 Shareholders' Meeting, the feedback received from proxy advisors and investors, regulatory developments and market trends, the Company has introduced some new elements in this Report, which are summarised below:

- comprehensive updating of the representation of information, with particular reference to the paragraphs on linking the Remuneration Policy to the sustainability strategy and employee engagement (services for welfare and well-being and pay transparency);
- refinement of the calculation of the ratio (so-called "pay ratio") between the Chief Executive Officer's remuneration and the median gross annual remuneration of Italgas Group employees and of the historical trend of employee remuneration, in order both to include in the analysis the perimeter of employees in Greece, with a view to Group representation, and to align with the requirements of the new European Union regulations on sustainability reporting (Corporate Sustainability Reporting Directive, "CSRD");
- review of the sustainability objectives of the Short-Term Incentive system, in order to identify indicators that are increasingly challenging and consistent with the sustainable development path undertaken by the Company in recent years. In particular, with reference to the 2025 corporate scorecard, a gate was introduced for the targets of the combined accident frequency and severity index for employees and contractors and energy consumption, aimed at strengthening the Company's commitment also with reference to the new companies acquired by the Group;
- introduction, for the first time in the Italgas Group, of an employee share ownership plan (the "2025-2027 IGrant Plan"), submitted to the Shareholders' Meeting for approval. The plan, based on 3 allocation cycles (2025, 2026 and 2027), is aimed at the entire Group workforce with the exception of the Chief Executive Officer and Executives with Strategic Responsibilities, and introduces matching mechanisms offered by the Company against the purchase of Italgas shares. It represents a fundamental element of Italgas' broader total reward strategy and has the objectives of (i) strengthening employees' sense of belonging to the Italgas Group, through the promotion of a logic of sharing and participation in the overall results, while at the same time offering the opportunity to benefit from the Company's development, (ii) aligning the interests of employees and shareholders, promoting value creation over the medium-long term, and (iii) extending the opportunity to all recipients to hold share capital of the Italgas Group.

The new elements introduced in this document are in line with the guidelines of the Shareholders' Rights Directive II and the provisions of the Issuers' Regulations and the Corporate Governance Code, and also ensure alignment with the best practices of the national and international market.

Key elements of the Remuneration Policy

The Remuneration Policy, which is illustrated in detail in the First Section of this Report, was adopted by the Board of Directors, at the proposal of the Appointments and Compensation Committee, on 12 February 2025. The policy is intended to:

i) promote **sustainable success** by pursuing the **objectives of the Strategic Plan and the Sustainable Value Creation Plan**, improving the **long-term financial and non-financial results**;

ii) pursue and promote the **creation of value** for the various Company stakeholders: employees, shareholders, local communities, suppliers;

iii) **attract, retain and motivate** people with high professional qualities;

iv) encourage the **commitment** of key resources in relation to strategic objectives;

v) encourage actions and conducts that respect the **values** and **culture** of the Company, in compliance with the principles of meritocracy, inclusion and plurality, equal opportunity, enhancement of people's knowledge and professionalism, fairness, non-discrimination and integrity required by the Code of Ethics.

1. General principles and guidelines

Italgas' Remuneration Policy is characterised by its strong link to the Strategic Plan and the Sustainable Value Creation Plan, in addition to alignment with market and governance best practices. Therefore, it is founded on a number of principles and clear guidelines of what the Policy itself envisages or excludes in terms of remuneration for Management.

Principles and guidelines of the Italgas Remuneration Policy

What our policy envisages

- **Remuneration policy and variable incentive plans closely linked to the Strategic Plan and Sustainable Value Creation Plan** with **set, measurable objectives consistent** with the interests of the various stakeholders
- Objectives that entail an **assessment of Company performance both in absolute and relative term**, with third-party verification where possible
- **Consistency** of comprehensive remuneration with respect to the **market references** subject to annual assessment to make sure of being **constantly in line with best practices**
- **Balanced pay mix**, aimed at aligning remuneration with performance effectively achieved, with a **significant incidence of the medium/long-term variable components** (including with equity instruments) for the Top Management
- Adequate **vesting and deferral periods** of incentives over a time frame of at least three years
- Adoption of **claw-back mechanisms** in the event of error, negligence and gross intentional violation of laws and/or regulations
- **Structured engagement plans** to obtain shareholders' expectations and feedback
- Remuneration policy strongly geared towards **meritocracy** and defined in compliance with the principles of **plurality, equal opportunity, enhancement of people's knowledge and professionalism, fairness, non-discrimination and integrity**
- Provision **of shareholding guidelines** for the Chief Executive Officer, aimed at strengthening the link with shareholder interests

What our Policy does NOT envisage

- No level of remuneration in excess of the market references defined in the Remuneration Policy
- No form of incentive that is not tied to the achievement of performance or retention objectives
- No form of variable remuneration for non-executive Directors
- No form of extraordinary/discretionary incentive for the Chief Executive Officer
- No benefit of excessive value, limited to social security, welfare and insurance benefits

2. Pay-mix

The compensation package of the Chief Executive Officer and other Executives with Strategic Responsibilities of the Italgas Group is set-up as follows:

- A significant portion of the remuneration is linked to the achievement of pre-established objectives linked to the sustainability of the business and the creation of value for stakeholders;
- A significant component of the compensation package is deferred in time and tied to long-term targets;
- The remuneration is paid partly in shares to further strengthen the alignment of management and stakeholder interests in the long-term.

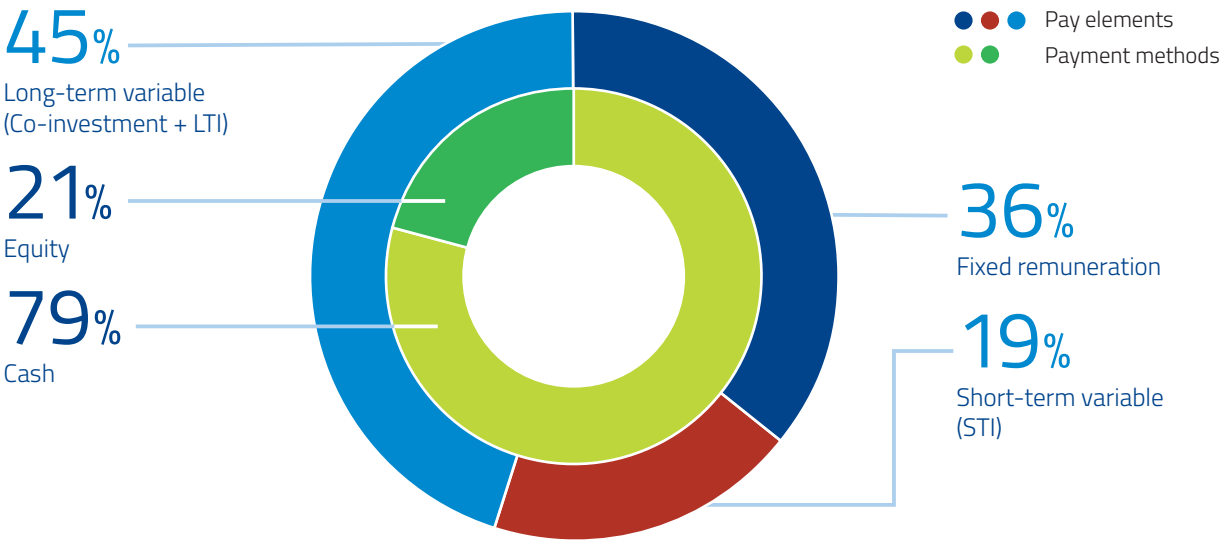
64%

of the Chief Executive Officer's total target remuneration is related to the achievement of annual and multi-year performance targets.

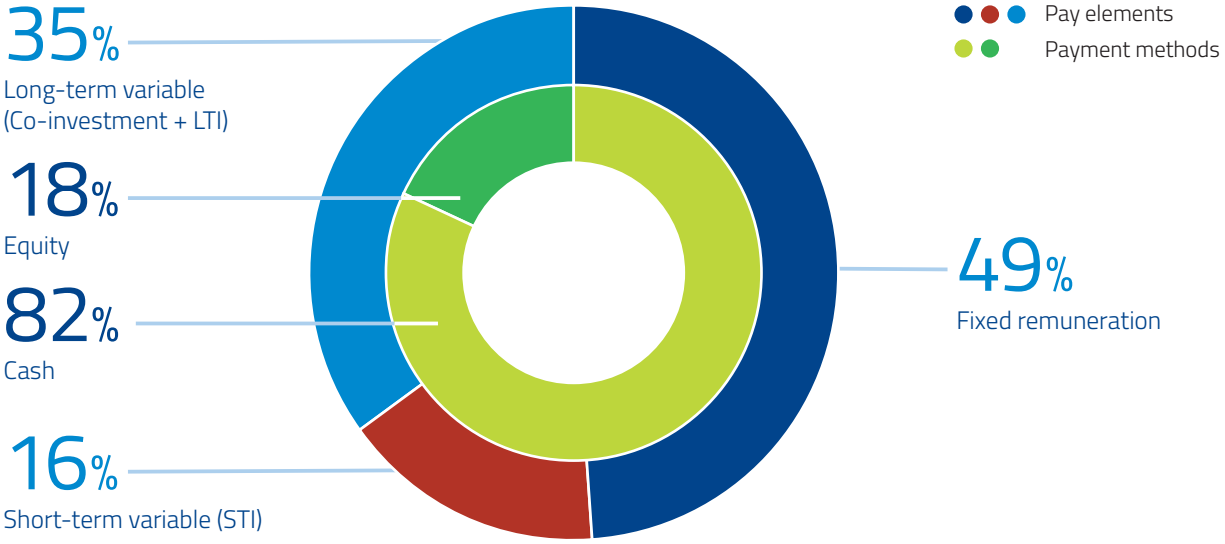
The target pay-mix for 2025 for the Chief Executive Officer and Executives with Strategic Responsibilities is set out below.

Theoretical pay mix[2] and form of remuneration for target performance results

Chief Executive Officer



Executives with Strategic Responsibilities



[2] The theoretical pay-mix is calculated net of the Dividend Equivalent component (only available during final accounting) and any change in share price.

3. Remuneration Policy and performance

3.1. Italgas: Total Shareholder Return and main benchmarks

The following graph shows a comparison between performance in terms of Total Shareholder Return of Italgas and of the main indexes of comparison, namely the FTSE MIB index and the EURO STOXX Utilities, for the year 2024.

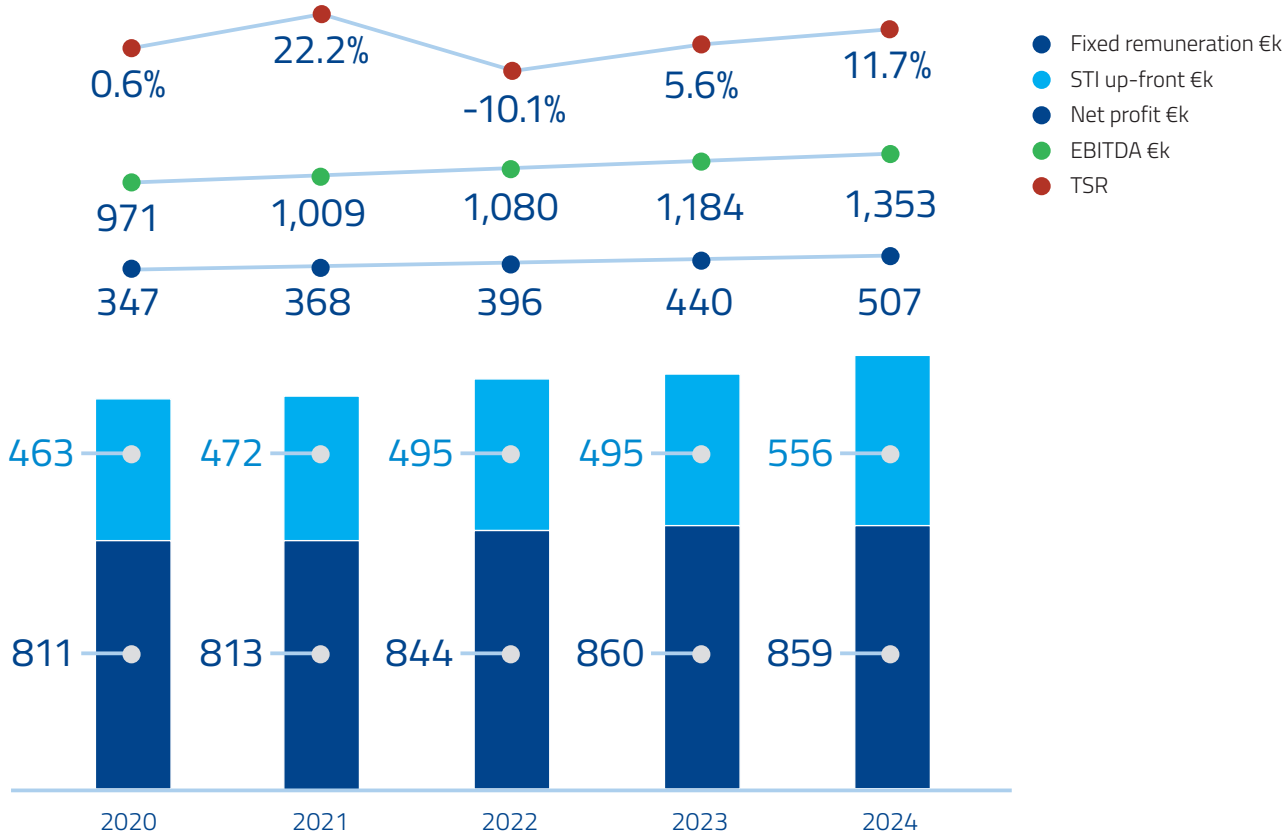
Trend in Total Shareholder Return from 1 January 2024 to 31 December 2024

3.2. Italgas' performance and remuneration of the Chief Executive Officer and Pay Ratio

3.2.1. Comparison of corporate performance and remuneration of the Chief Executive Officer

The graph shows the relationship between the remuneration of the Chief Executive Officer (fixed compensation and upfront short-term incentive, for the respective year) and Italgas' performance for the years 2020, 2021, 2022, 2023 and 2024 expressed in terms of sustainability of the results in the form of EBITDA and net profit and creation of value for shareholders in the form of Total Shareholder Return.

Comparison of corporate performance and annual remuneration of the Chief Executive Officer



3.2.2. Pay Ratio

For the sake of greater transparency, the ratio (so-called "pay ratio") between the Chief Executive Officer's remuneration and the median gross annual remuneration of Italgas Group employees is also shown below, considering:

- only the fixed remuneration component, represented as the gross annual compensation paid for performing the activities required by the position held;
- the total remuneration package, represented as total personnel costs actually paid to employees during the year.

Given the presence of Group activities in both Italy and Greece, a correction factor was applied to the Greek perimeter data using the Price Level Index (PLI) values provided by the World Bank, in order to take into account the different purchasing power between the two countries. The PLI, in fact, takes into account both current nominal exchange rates and the relative price levels, thus making comparisons between countries using the same currency more accurate.

It should be noted that the pay ratio, calculated until 2022 only on the Group's Italian perimeter[3] , remained substantially constant over the years analysed, demonstrating the care taken by the Company in defining its remuneration policies as a whole.

The refinement of the pay ratio calculation method compared to previous years was deemed appropriate in order to both include the perimeter of employees in Greece in the analysis, with a view to Group representation, and to align with the requirements of the new European Union regulations on sustainability reporting (Corporate Sustainability Reporting Directive, "CSRD").

Pay Ratio: Chief Executive Officer's remuneration and the average remuneration of employees

Pay elements	2023	2024
Fixed remuneration	1:22	1:21
Total remuneration	1:43	1:39

[3] The acquisition of DEPA Infrastructure, now called Enaon, was completed on 1 September 2022.

3.2.3. Final score for the 2024 Company scorecard

With reference to financial year 2024, the Chief Executive Officer's short-term incentive was defined according to achievement of the targets of the Company scorecard as shown below:

Chief Executive Officer – Final accounting of the 2024 Short-Term Incentive Plan objectives

Performance parameters		Weight	Unit of measurement	Performance Minimum (70)	Target (100)	Maximum (130)	Final value	Score	Weighted score
Economic-financial	Profitability (EBITDA)	30%	€ million				1,353	130	39
	Investments	25%	€ million				833	130	32.5
	Net Financial Position	20%	€ million				6,673	108.5	21.7
Sustainability	Combined accident index	5%	Combination of frequency and severity indices of accidents recorded during the year				0.027	128.8	6.4
	Leakage on the distribution network	7.5%	Percentage of network km inspected out of total network km managed				154%	130	9.8
	Energy consumption	7.5%	Reduction of Group net energy consumption with the same gas input in 2023				390.7	130	9.8
	Gender Equity Pay Gap	5%	Change in average ratio of hourly basic wage F vs M for homogeneous clusters				-1.1%	130	6.5
								Total	**125.7**
								Performance gate	**ON**

4. Remuneration Policy, Strategy and Sustainability

4.1. Strategic Plan, Sustainable Value Creation Plan and Remuneration Policy

Italgas is committed to ensuring that its Remuneration Policy supports and encourages sustainable business development, in line with the provisions of the Company's Strategic Plan and Sustainable Value Creation Plan.

Italgas' 2024-2030 Strategic Plan, approved by the Board of Directors in 2024, defines the Group's growth path over the next few years, which involves:

- the acquisition of 2i Rete Gas, which represents a historic turning point for Italgas, creating the European champion in gas distribution;
- the continuation of the development of gas distribution in Italy, with activities aimed at repurposing and completing the digitisation of the network under the control of the DANA system, and in Greece, with activities to develop the network towards areas of the Country not yet reached by methane;
- strengthening its presence in the water sector, through the implementation of activities to integrate recently acquired companies into the Group and to share technical and technological know-how aimed at fostering the development of a more efficient service, reducing losses and creating value for communities;
- accelerating growth in the field of energy efficiency through the use of artificial intelligence in all Group activities.

Following the trajectory already traced by the Strategic Plan is the 2024-2030 Sustainable Value Creation Plan which, starting with an analysis of the challenges posed by the complex external context, identifies actions that, together with targets, will generate a positive impact on the planet, people and the economic system. Indeed, Italgas is committed to fostering decarbonisation, in particular by digitising networks to make them ready for renewable gas, fighting climate change, offering citizens a quality service while protecting the health, safety and welfare of employees and promoting new skills, diversity and inclusion, and supporting suppliers to ensure sustainability in the supply chain.

The definition of the strategic path and the priorities guiding the Group's sustainability strategy starts with an analysis of the material issues, i.e., those considered to have a high impact for the Company, considering the business model, the characteristics, as well as the expectations of its stakeholders.

Italgas updates the materiality analysis on an annual basis, taking into account stakeholder requests, changes in the regulatory environment, the Group's strategy and any drivers capable of significantly affecting the Group's capacity to generate value in the short-, medium- and long-term.

Starting with the FY 2024 financial statements, the new CSRD (Corporate Sustainability Reporting Directive) legislation introduced the mandatory requirement to conduct a Double Materiality analysis: Italgas will have to report on issues considered material from an impact perspective (Impact Materiality, considering impacts generated through an inside-out perspective) or financial perspective (Financial Materiality, considering impacts incurred through an outside-in perspective).

Italgas has identified and assessed the impacts generated by its activities, considering both direct operations and indirect activities along the entire value chain, adopting an inside-out perspective, with the aim of identifying the current and potential positive and negative effects that the Group and the stakeholders operating along its value chain generate or could generate on the environment and people. The financial materiality analysis, instead, led to the adoption of an outside-in perspective aimed at identifying risks and opportunities that affect or could affect the Group's financial position, economic results and cash flow, as well as access to the financial market and the cost of capital in the short-, medium- and long-term.

The results of the materiality analysis conducted in the financial year 2023 for the Group are set out below:

Topical ESRS	Topic
E1	Climate change
Entity-specific	Water losses
E5	Circular economy
S1	Own workforce
S2	Workers in the value chain
S3	Affected communities
G1	Business conduct

The main elements linking the 2025 Remuneration Policy, the 2024-2030 Strategic Plan and the 2024-2030 Sustainable Value Creation Plan are set out below.

Link between the Strategic Plan, Sustainable Value Creation Plan and Remuneration Policy

		Digital transformation, repurposing and network development	Energy efficiency
Short-Term Incentive (STI)	Profitability (EBITDA)	✓	✓
	Investment (spending)	✓	
	Net Financial Position		
	Sustainability: • Combined accident index • Leakage on the distribution network (km inspected) • Energy consumption • D&I: Gender Equity Pay Gap		✓
Co-investment	EBITDA	✓	
Long-Term Incentive (LTI)	Consolidated Net Profit	✓	
	Relative TSR		✓
	Sustainability: • Reduction of CO_2 emissions – scope 1 and 2 • Reduction of net energy consumption		✓

	New growth opportunities	Upskilling, reskilling and insourcing of core competencies	Solid and efficient financial structure	Sustainable Value Creation Plan	Value creation for stakeholders
	✓		✓	✓	✓
	✓	✓			
			✓		
				✓	
	✓		✓		✓
	✓		✓		✓
				✓	✓
				✓	

4.2. ESG, Human Capital Strategy and Remuneration Policy

For several years, Italgas has been committed to developing and maintaining an effective governance system aligned with national and international best practices in order to address business challenges and the path towards sustainable development as well as possible.

The Sustainable Value Creation Committee was established in the aim of making sustainability prevalent across all areas of the Group since 2016, the year it was once again listed on the FTSE MIB. The Committee, supported by the Sustainability Function, carries out preparatory work and provides proposals and advice to the Board of Directors on sustainability matters, understood as the guidelines, processes, initiatives and activities intended to oversee the Company's commitment to sustainable development along the Group's entire value chain.

In particular, its main tasks include examining and assessing:

- the sustainability policies aimed at ensuring the creation of value over time for shareholders and for all other stakeholder in the long-term with regard to the principles of sustainable development; this also in order to support the Board of Directors in the preparation of the business plan;
- the sustainability guidelines, objectives, plans, instruments and consequent processes;
- the disclosure of non-financial information pursuant to Legislative Decree no. 254/2016, to be submitted to the Board of Directors, in coordination with the Control, Risk and Related Party Transactions Committee in relation to the assessment by the latter of the suitability of the periodical financial and non-financial information for the purpose of correctly representing the business model, the Company's strategies, the impact of its activities and the performance achieved;
- the integration of ESG aspects into the ERM matrix;
- the Company's stakeholder engagement policy.

In addition, when defining the remuneration policies of Top Management, the Sustainable Value Creation Committee is typically called upon to assess whether the sustainability objectives and targets are consistent with the Group's strategic objectives that are relevant to sustainable success.

Italgas' commitment to ESG issues is developed not only at national level but also and above all at international level, through the creation of alliances with partners and experts. More specifically:

- Italgas is committed to the United Nations Global Compact, the global initiative that encourages the creation of a worldwide network for sustainable development, asking member companies to respect 10 universal principles concerning human rights, labour, environmental protection and the fight against corruption;
- since 2020 Italgas has been part of the voluntary "Oil and Gas Methane Partnership" initiative to reduce methane emissions in the Oil&Gas sector;
- in 2023, Italgas continued the Biomethane Industrial Partnership, a partnership platform aimed at facilitating collaboration between policy makers, industry representatives and other stakeholders to achieve the European Commission's target of 35 BCM of biomethane production by 2030;
- in 2024, for the fourth consecutive year, Italgas received the important Gold Standard award by the International Methane Emissions Observatory (IMEO) in the report entitled "An Eye on Methan 2024", published by the United Nations Environment Programme with the support of the European Commission.

The sustainability issues are structured into specific objectives that become an integral part of the Group's operational management. These objectives are monitored constantly through the Sustainable Value Creation Plan developed, in line with the United Nations SDGs and with the Global Reporting Initiative (GRI) standards, in the Business Plan.

4.2.1. Key results in 2024

Italgas' commitment to ESG remained high and constant throughout 2024. Italgas' sustainability ratings were reconfirmed or improved and its stock was included in an increasing number of primary SRI indexes, in recognition of the sustainable approach of the Company's strategies and activities, as well as the transparent information provided to all its stakeholders.

Moreover, confirming the importance of ESG matters for the Group, Italgas undertakes an annual commitment to translate the sustainability objectives into the incentive systems of the entire Company workforce: all the MBO scorecards assigned in 2024 included at least one sustainability target, while the remaining employee population was awarded the production bonus, the disbursement of which is conditional, among other things, on the achievement of sustainability indicators. The purpose of this initiative is to make the entire Company population responsible for the Company's priorities and to consolidate a general climate of agreement in this area.

For 2025, the structure whereby a quarter of the overall weight is placed on ESG targets is confirmed for the Company scorecard, thus aligning the weight of sustainability KPIs with that of key economic and financial metrics. Moreover, Long-Term Incentive Plan sets struc-

tured and measurable multi-year targets consistent with the Group's Sustainable Value Creation Plan, with a total weight of 20%.

Summary of 2024 ESG results

Combined accident index (f x g)

Performance level

Close to the Maximum

Percentage of network km inspected

Performance level

Maximum

Energy consumption

Performance level

Maximum

Gender Equity Pay Gap

Performance level

Maximum

Positioning in the sustainability indexes/ratings

Index/rating	2024 results	
Dow Jones Sustainability Index World	91/100	Improved on the 89/100 score in 2023
Carbon Disclosure Project (CDP) Climate Change	A	Evaluation in line with 2023
FTSE4GOOD	4.3/5	Evaluation in line with 2023

Italgas shares are also included in the Dow Jones Sustainability Index World and Europe, MIB ESG Index, MCSI's ESG indices, as well as those of other operators such as Bloomberg, Morningstar, Euronext and Stoxx. Italgas was also included for the sixth consecutive year in the S&P Global Sustainability Yearbook, had its "AA" sustainability rating confirmed by MSCI (MSCI ESG Rating), improved its ESG rating assigned by Moody's, had its "Low Risk" rating confirmed by Sustainalytics, and was included in the "Top 1% S&P Global ESG score" category.

4.2.2. Diversity and inclusion

In the ESG area, Italgas pays particular attention to people and diversity and inclusion issues, striving daily to respect all forms of diversity and to support gender equality first and foremost.

In keeping with what was defined in the Strategic Plan and in line with previous years, the initiatives undertaken in 2024 were mainly aimed at further reducing the staffing and pay gap between women and men in the Group, with the aim of making gender representation an increasingly integral element of the corporate culture, and strengthening the D&I culture in terms of gender, ageing and disability.

In order to ensure an effective process of the dissemination of D&I culture in the Group, Italgas:

- has adopted a policy on diversity, gender equality, inclusion, the prevention of discrimination and protection of the dignity of Group personnel, issued by the Chief Executive Officer in consultation with the Diversity and Inclusion Steering Committee, with the aim of implementing the fundamental principles of the Code of Ethics and maintaining the best conditions of well-being at work, ensuring a working environment inspired by principles of equality and protection of the freedom and inviolability of the person;
- has incorporated the concept of "inclusion" into the Italgas Group's mission and it is one of the key words of the leadership model;
- in 2023 and 2024, obtained the UNI/PdR 125:2022 certification for gender equality for Italgas S.p.A.,

which recognises the ability of organisations to adopt a systemic approach and cultural change that is capable of creating inclusive and equal working environments. In 2024, the same certification was also obtained by Geoside S.p.A., the Italgas Group's ESCo, and the commitment in the years to follow is to achieve this important milestone for all other Group companies as well;

- also has a specific Policy to ensure the diversity of corporate bodies dedicated to the Board of Directors, the Board Committees and the Board of Statutory Auditors of Italgas S.p.A.;
- included, as of 2020, a gender balance target in the short-term incentive scorecard, such as the percentage of female applicants out of the total number of applications examined for recruitment and the percentage of women holding the role of head of an organisational unit and the gender pay gap;
- included in the 2024-2030 Strategic Plan and the 2024-2030 Sustainable Value Creation PLan new targets related to gender pay equity and the development of skills and enhancement of resources.

Italgas' commitment to Diversity & Inclusion

	Women managers	Training	Gender pay gap
Main milestones achieved	28.8% of women in managerial positions, including Greece and consolidated water companies (2023: 28.8% including Greece)	45 hours of training *per capita* carried out in 2024, including the Greece scope (2023: 40 hours)	Change in the average ratio of women's and men's hourly basic pay for comparable clusters of employees by organisational weight of 7.5% in Italy (2023: 8.6%)
Objectives for 2030	33% of women in positions of responsibility, including the Greece scope	45 hours of training *per capita*, with a greater focus on digital and ESG training at Group level, therefore also including newly acquired companies	Gender pay gap of +/-3%, calculated as the average ratio of women's and men's hourly base pay within employee clusters that are comparable in terms of organizational weight, including the Greece scope

4.2.3. Gender pay gap in Italgas

In order to continue the path in the D&I area and thanks to the results achieved in terms of gender balance in previous years, from 2024 the Company envisages a new social lever in the short-term incentive by reinforcing the commitment on a specific indicator aimed at reducing the gender pay gap.

In particular, in recent years the Company has conducted an in-depth analysis on the methods used to calculate the gender pay gap, also with the support of external and independent advisors, in order to survey the main market practices in Italy and Europe. As a result of the analyses performed, the Company found that the gender pay gap calculated as the simple mean and median of the ratio of women's and men's remuneration without distinction of job description is not very representative of diversity in the Group.

For this reason, the Company, with the support of the Appointments and Compensation Committee, refined the definition of the gender pay gap, developing the "Gender Equity Pay Gap" indicator, based on the principle of "equal pay for equal work", not only to promote fairness and justice within the workplace, but also to contribute to better employee motivation and satisfaction in order to reduce turnover and at the same time attract talent by improving company performance. The Gender Equity Pay Gap indicator thus identified is therefore based on the average hourly wages of the Group's women and men according to their clustering based on the organisational weight of

the position held (so-called "grade") and homogeneous professionalism.

For the purposes of the Gender Equity Pay Gap, therefore, and developing a personnel classification system that is fair and consistent with the applied methodology, in 2024 the Company reviewed, also with the support of external consultants, the grade of all the organisational positions, resulting in an update of the overall organisational mapping. Moreover, to calculate the Gender Equity Pay Gap, only the fixed component of remuneration is taken into account, since the variable components are defined in accordance with the Group's remuneration policy, i.e., bonus opportunities are attributed solely on the basis of the grade of the role held and paid according to the performance actually achieved.

The Gender Equity Pay Gap was first introduced in the 2024 Company scorecard and confirmed in the 2025 Company scorecard.

4.2.4. The link between Human Capital Strategy and ESG

Italgas' 2024-2030 Sustainable Value Creation Plan is formed of the 3 supporting pillars indicated below, which are then integrated into the Human Capital Strategy and structured at company management incentive system level, further indicating their relevance, and in several initiatives pursued by Italgas.

ITALGAS FOR THE FUTURE OF THE PLANET

Our objectives

- Digitise to enable the energy transition and decarbonisation
- Contribute to the fight for climate change
- Protect ecosystems and promote the circular economy

Human Capital Strategy

- **LTI Plan**: targets linked to CO_2 emission reduction - scope 1 and 2 and energy efficiency
- **MBO Plan**: targets linked to the reduction of fugitive emissions, the reduction of energy consumption, digitisation of the distribution network, innovation and integration of distribution processes through investments in the network with a view to innovation
- **"Ideas4Italgas: Innovare insieme"**: collection of ideas/projects from employees to foster the development of innovation
- **Promotion of the "AWorld" app**: the official app chosen by the United Nations to support the ActNow campaign against climate change and to educate, engage and stimulate change in people by supporting sustainable behaviour, not only in the office but in everyday life
- **"Circular Economy Project"**: a working group that brings together cross-cutting skills from different corporate and territorial departments, with the aim of exploring new opportunities and implementing innovative solutions to promote the transformation of production and consumption models and foster sustainable and balanced growth
- Projects on the **digitisation of key HR processes**
- **Awareness-raising campaigns** on environmental issues, also with the support of educational institutions

ITALGAS FOR THE FUTURE OF PEOPLE

Our objectives

- Improving the quality of life and ensuring the safety of employees, citizens and the national energy system
- Developing and disseminating skills of the future
- Valuing diversity and supporting equal opportunities and inclusion

Human Capital Strategy

- **MBO plan**: objectives linked to respect for diversity and inclusion, with specific reference to gender equality in terms of the pay gap and the reduction of the frequency and severity of accidents, and the identification of objectives related to network security among the relevant departments (e.g., implementation of digitisation for network security, Picarro technology)
- **Smart working**: smart working etiquette and flexibility for all workers (including technicians in the field) with an additional 40 days/year to support parenting, frail persons and care for relatives
- **Creation of training courses** through partnerships with Italian and foreign universities and business schools aimed at protecting Italgas' know-how and ensuring innovation
- **"Digital Ambassador"** for digital re-skilling and **"D&I Ambassador" programmes** to develop a culture of inclusion
- **"Italgas NextGen"**: a project that aims to create a direct and effective relationship between our Group and various Technical Institutes throughout the Country, to guide students towards professional paths with strong technical skills
- **Annual climate survey**: aimed at assessing the level of engagement and listening to the voice of Italgas' people
- **Welfare e Wellbeing**: continuous updating of the Wellgas platform, enriched with new initiatives so that it is increasingly comprehensive and inclusive and responds to employees' needs and feedback
- Promotion of the culture of **respect for diversity and inclusion** through the dedicated organisational department and the development of related initiatives: STEM project, D&I survey, partnership with Valore D, "Safe in Pink" initiative, "Cultures in Connection" project
- **Smart Rotation**: the Group's internal job posting system to foster internal development and growth
- **ItalGo**: corporate intranet for the best experience and active engagement of Italgas' people, with particular attention to the best use of the tool for people with recognised frailty
- Modern, people-oriented **workspaces**
- **Awareness-raising campaigns** on health and safety issues
- **Communication and sharing** projects and initiatives aimed at giving Italgas' people a voice

ITALGAS FOR A SUSTAINABLE FUTURE TOGETHER

Our objectives

- Promoting innovation and dialogue through partnerships
- Encouraging the adoption of sustainability principles in the supply chain
- Taking care of the territory

Human Capital Strategy

- Definition of dedicated programmes and initiatives for internal and external support such as **"Sustainable Mobility"**
- **Heritage Lab:** joining the project resulting from the collaboration between the ASL Città di Torino, the Mental Health Centre, the Department of Life Sciences and Systems Biology of the University of Turin and the Il Margine cooperative, with the aim of creating corridors that encourage the movement of butterflies and other pollinating insects between green areas
- **"Click To Be Green"**: an initiative created in cooperation with Sales Companies that allows the creation of green areas on public land through the use of ClicktoGas digital quotation services
- Supply chain **awareness-raising campaigns** on environmental issues (e.g., carbon footprint reduction)

4.2.5. "IGrant" employee share ownership plan NEW

In order to spread an increasingly inclusive and participatory culture at all organisational levels, in 2024 Italgas developed the Group's first employee share ownership plan (the "2025-2027 IGrant Plan"), which will be submitted to the Shareholders' Meeting for approval.

The plan, aimed at the Italgas Group's entire workforce with the exception of the Chief Executive Officer and Executives with Strategic Responsibilities, introduces matching mechanisms offered by the Company against the purchase of Italgas shares, and intends to pursue the following goals:

- strengthen employees' sense of belonging to the Italgas Group through the promotion of a logic of sharing and participation in the overall results, while offering them the opportunity to benefit from the Company's development;
- align the interests of employees and shareholders, promoting value creation in the medium-to long-term;
- extend to all recipients the opportunity to hold share capital of the Italgas Group.

Furthermore, by identifying a performance target identified among the priority ESG objectives to which part of the matching mechanism is linked, the plan aims to spread commitment to sustainability issues to the entire Company workforce.

The 2025-2027 IGrant Plan is based on 3 allocation cycles, starting in 2025 (1st cycle), 2026 (2nd cycle) and 2027 (3rd cycle), and provides differentiated participation conditions based on the contractual classification. More specifically:

- for the non-executive ["non dirigenti"] workforce, participation in the plan is envisaged through the purchase of a maximum of 200 Italgas shares for each cycle (so-called "Subscribed Shares"). In exchange for the subscription of shares, in the first participation cycle only, the plan provides for the free assignment of 100 shares (so-clled "Bonus Shares") and, for each participation cycle, (i) a further assignment of matching shares in a number equal

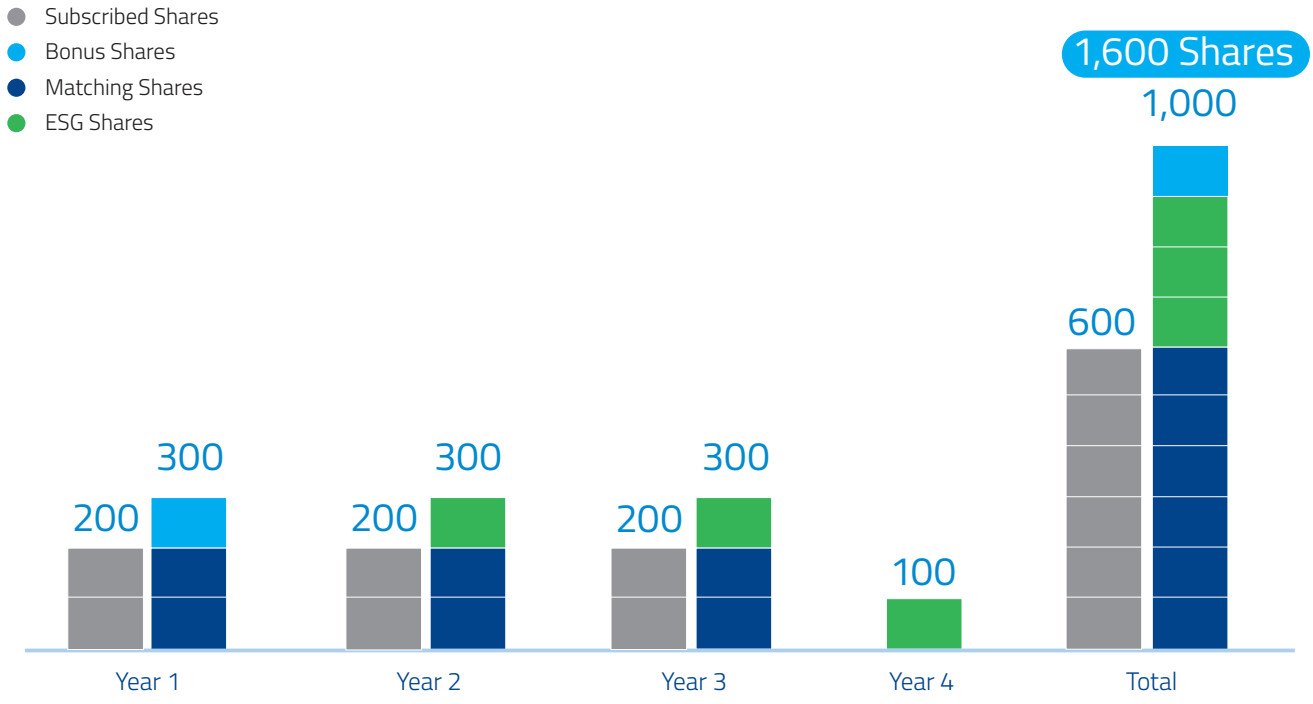
to 100% of the shares subscribed (so-called "Matching Shares") and (ii) subject to achievement of the ESG objective during the performance period, a further assignment of matching shares in a number equal to 50% of the shares subscribed (so-called "ESG Shares").

- the executive ["dirigenti"] workforce is expected to join the plan through the purchase of a maximum of 1,400 Italgas shares for each cycle (so-called "Subscribed Shares"). In exchange for the subscription of shares, in the first participation cycle only, the plan provides for the free assignment of 100 shares (so-called "Bonus Shares") and, for each participation cycle, subject to the achievement of the ESG objective during the performance period, an additional assignment of matching shares in a number equal to 25% of the subscribed shares (so-called "ESG Shares").

There is a lock-up period of 3 years for Bonus Shares and Matching Shares and of 1 year for Subscribed Shares and ESG Shares.

For further details on the 2025-2027 Igrant Plan, see the Information Document published in the "Governance – Remuneration" section of the website Italgas.it/en.

Example of how the IGrant Plan operates for non-executive employees against the purchase of the maximum number of shares and membership from the first cycle of the plan, assuming achievement of the ESG target set for each cycle



The IGrant Plan is part of the broader context of policies introduced in the compensation & benefits area and the total reward strategy that Italgas has developed in recent years. Over time, the Group has strengthened its position in crucial areas such as compensation, welfare, talent management and the work environment, becoming a benchmark in the human resources sector. The adoption of an employee share ownership plan completes this path, further strengthening the link between employees and the Company's success.

5. Engagement activities

5.1. Employee engagement and initiatives for people

Italgas pays great attention to the opinion of its employees and constantly monitors their working conditions and remuneration in order to promote a consistent Remuneration Policy for the general Company population. Each year Italgas carries out a structured process to analyse and review the fixed salaries of its employees in order to recognise the merit and growth of individuals. This process considers both principles of internal fairness and competitiveness towards the external market, and the assessment of role performance and compliance with the Italgas leadership model and values, through a structured process involving the People, Innovation & Transformation Department in close collaboration with all Company departments.

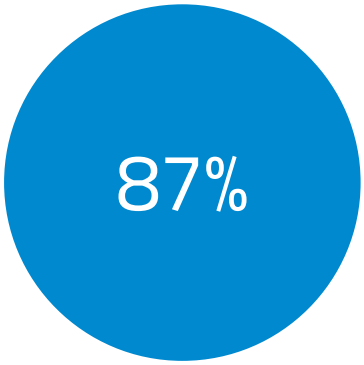
In continuity with past years, during 2024, the People, Innovation & Transformation Department carried out numerous initiatives aimed at gathering ideas and proposals for improvement from employees, with the aim of always ensuring continuous listening and implementing actions that are truly effective for the Group's people.

The most significant initiatives include the renewal and updating of the "Your Voice Counts" climate survey aimed at the entire Company workforce, which once again recorded a high response rate from Company employees of 88% in Italy and 87% also including employees in Greece (in line with the previous survey and higher than national benchmarks). The survey, which was designed to meet the Group's new needs and priorities, embracing the new themes with respect to the surveys conducted in 2022 and 2023, was designed to measure engagement levels, identify organisational conditions that encourage or hinder a positive internal atmosphere and the engagement of people, highlight possible areas of intervention and initiate an action plan to benefit all of the Group's people.

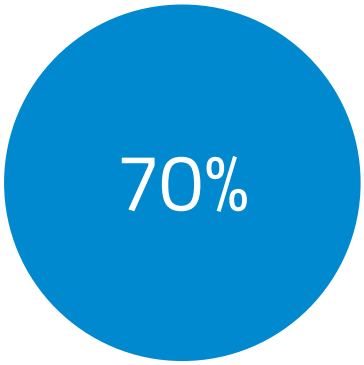
Highlights of the 2024 "Your Voice Counts" climate survey

Thematic areas

- Engagement
- Resources and Tools (Enablement)
- My Work (Energy)
- Ethics and CSR
- Objectives
- Trust and Leadership
- My Manager
- Performance Management and Reward
- Development and Training
- Inclusion and Diversity
- Innovation and Change
- Identity and Values
- Health and Safety
- Collaboration
- Listening and Empowerment
- New Normal
- Retention



Partecipation



Level of engagement

In the welfare area, Italgas provides a plan with a wide range of services and initiatives to meet the diverse needs of the employee population, including support for family, income, health and physical welfare, leisure and daily tasks. These services are accessible to all Group employees, irrespective of the type of contract they have. Initiatives are continuously updated according to the needs and feedback of the employees, and in 2024 the welfare plan was enriched with new initiatives to be more comprehensive and inclusive. Some of the initiatives relating to health and well-being concern the activation of the telemedicine service and health coupons, the expansion of the number of affiliated locations and some training events with the category health fund. On the wellness side, several sports events were organised, such as the "IG Olympic Games", the Milan Marathon, participation in the "Safe Cup - Energy Tournament" and the Athens marathon. In support of shared parenting and work-life balance, the smart working agreement was updated by increasing the age range for parents with children up to 14 years of age and paternity leave was extended, allowing all new fathers to take 5 additional days, in addition to the 10 days currently provided for by law. 5 interactive parental empowerment workshops were dedicated to parents and also open to their non-employee partners. The welfare plan continues also to offer support for income and leisure (micro-credit, agreements with banking institutions, etc.), for the family (day-care reimbursement, summer camps, study support), and for health and welfare (cancer prevention). "Welfare Days" and webinars are an important opportunity for all Company population to share and learn more.

The formalisation of an accompanying path/return from maternity/paternity leave and the formalisation of an information document on parenting and its management in Italgas are planned for next year. These actions aim, by 2030, to reach more than 90% of employees using corporate welfare services and to achieve higher than 85% net promoter score engagement of employees (degree of satisfaction of working for the Group).

Moreover, in 2024 Italgas launched the new "Total Reward: your remuneration in Italgas" service dedicated to the Group's entire workforce in Italy, through the activation of an individual platform offering employees a complete and transparent view of the total value of their remuneration package, consisting not only of direct and variable remuneration, but also of numerous indirect benefits and additional advantages made available by the Company for personal and family well-being. The new Total Reward service aims to:

- convey the total value of the remuneration package offered by the Company to each employee;
- ensure greater transparency and clarity regarding individual salaries;
- enable employees to monitor the evolution of their reward package through the annual comparison of remuneration components;
- strengthen the recognition and valorisation of people, including through the provision of indirect remuneration elements.

Thanks to its HR policies and strategies and its commitment to contribute to the well-being of its people and the development of a positive and inclusive work environment, Italgas has been certified Top Employer Italia since 2020, through a certification issued by the Top Employer Institute, the global certifier of corporate excellence in HR.

5.2. Shareholder engagement and analysis of the shareholders' voting results

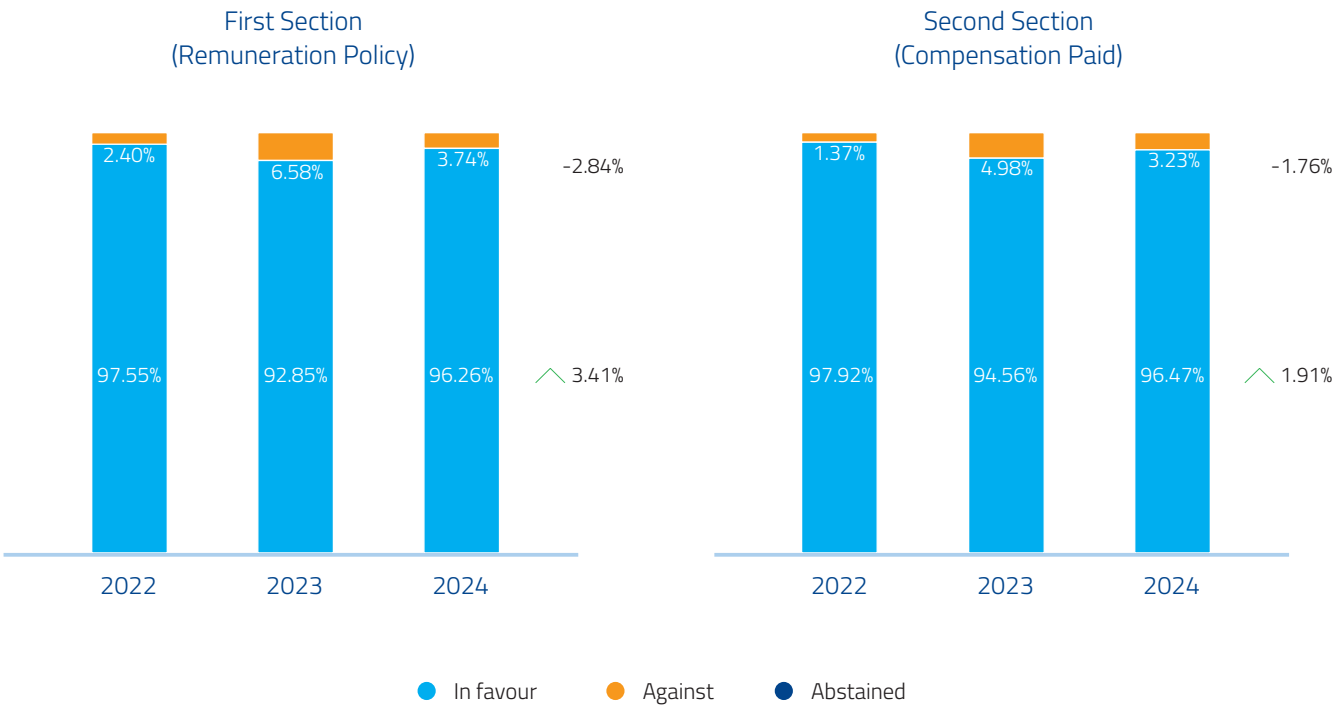
Italgas considers dialogue with its shareholders and institutional investors on issues relating to the Remuneration Policy as a fundamentally important element, encouraging the long-term commitment of shareholders in the process to define and analyse how to implement the Remuneration Policy. In 2024 and the early months of 2025, in continuity with previous years, the Company further strengthened dialogue with investors, with the aim of representing the initiatives implemented with regard to remuneration to the best of its ability, and above all ensuring that all shareholder expectations were taken on board.

In relation to the continuous dialogue and listening around the indications received from shareholders and investors, as usual, Italgas carried out an in-depth analysis of the shareholders' voting results regarding the binding vote on the First Section of the Report on the 2024 Remuneration Policy and the 2023 Compensation Paid and the advisory vote on the Second Section. The 2024 Shareholders' Meeting season, in particular, was marked by an increase in the number of votes in favour compared to 2023 with regard to both the Remuneration Policy and the Compensation Paid. Moreover, the results of the Shareholders' Meeting concerning remuneration were also analysed from a comparative perspective with reference to the results recorded in the FTSE MIB Italia index and considering the minorities present at the Shareholders' Meeting, confirming a positive outcome for both resolutions.

The amendments and changes introduced to the Remuneration Policy and presented as part of this Report therefore take account of the analyses conducted during the 2024 season of shareholders' meetings and the dialogue with institutional investors carried out in preparation for the 2025 Shareholders' Meeting, with the aim of increasingly raising transparency and clarity in the disclosure of the Group's remuneration policies.

The trend of the voting results on the Annual Remuneration Reports published by Italgas over the last three years is set out below, highlighting the change in terms of percentage points of votes in 2024 compared to 2023.

Trend of the voting results on the Report on the Remuneration Policy and Compensation Paid



5.3. Risk mitigation factors

The Remuneration Policy is also designed to ensure complete alignment of the risk profile between the Group and Management, through instruments and oversights defined to mitigate the assumption of risks by Management and to ensure sustainable value creation over the medium- to long-term. The following table sets out the main risk mitigation initiatives put in place:

Remuneration policy and risk mitigation factors

Risk mitigation factors	STI	Co-investment	LTI
Use of various performance objectives consistent with the corporate strategy	✓	✓	✓
Use of incentive curves for each objective with predefined performance levels and linear interpolation of results	✓	✓	✓
Deferral of a portion of the short-term incentive subject to performance conditions	✓	✓	
Significant portion of comprehensive remuneration subject to performance conditions over a multi-year time frame		✓	✓
Presence of a maximum cap for incentive systems	✓	✓	✓
Presence of a share portion for the variable remuneration		✓	
Use of claw-back clauses	✓	✓	✓

Foreword

Italgas' Remuneration Policy, approved by the Board of Directors at the proposal of the Appointments and Compensation Committee, on 12 February 2025, in accordance with current legislative and regulatory requirements[4], defines and describes:

- in the first section, the Policy adopted by Italgas S.p.A. for 2025 for the remuneration of Directors, including the Lead Independent Director, Executives with Strategic Responsibilities[5], members of the Board of Statutory Auditors and the Head of Internal Audit, specifying the general objectives pursued, the bodies involved and the procedures utilised to adopt and implement the Policy. The general principles and guidelines defined in the Italgas Policy also apply for the purposes of determining the compensation policies for companies directly and indirectly controlled by Italgas;
- in the Second Section, the compensation related to 2024 paid or payable to Directors, Statutory Auditors, individually, and Italgas Executives with Strategic Responsibilities, collectively.

The Remuneration Policy outlined in this document has also been adopted by the Company, as provided by Consob Regulations No. 17221/2010 on the subject of related-party transactions, and pursuant to Article 3.7 of the Procedure "Transactions with the interests of Directors and Statutory Auditors and Related-Party Transactions" ("Procedure for Related Parties" or "RPT Procedure") most recently revised by the Board of Directors on 30 June 2021.

The Policy described in the First Section of the document was prepared in line with the recommendations on remuneration of Corporate Governance Code promoted by Borsa Italiana S.p.A. (hereinafter "Corporate Governance Code"), in the version approved in January 2020, which Italgas has adopted. The Policy also takes into account the developments introduced regarding remuneration: by Legislative Decree no. 49 of 10 May 2019, implementing Directive 2017/828 of the European Parliament and of the Council of 17 May 2017 (Shareholder Rights Directive II, "SHRD II"), which amends Directive 2017/36/EC ("SHRD") as regards the encouragement of long-term shareholder engagement; and the related adaptations to secondary level national legislation on disclosure of remuneration policies and compensation paid (Issuers' Regulations, amended in December 2020 in implementation of the SHRD II). Lastly, the Remuneration Policy has been prepared in consideration of the remuneration studies carried out with the support of a highly specialised independent advisor and national and international best practices.

The text of the Report on the Remuneration Policy and Compensation Paid is available to the public at the registered office, on the Company's website[6] and on the website of Borsa Italiana up to the twenty-first day preceding the date of the Shareholders' Meeting called to approve the Financial Statements for financial year 2024 and to pass a binding resolution on the First Section of the Report, as well as a non-binding resolution on the Second Section, in accordance with current legislation[7].

Documents on the following are considered as attached to this Report: the 2021-2023 Co-investment Plan approved by the Ordinary Shareholders' Meeting of 20 April 2021, the 2024-2025 Co-investment Plan approved by the Ordinary Shareholders' Meeting of 6 May 2024, the 2020-2022 Long-Term Monetary Incentive Plan approved by the Ordinary Shareholders' Meeting of 12 May 2020 and the 2023-2025 Long-Term Incentive Plan approved by the Ordinary Shareholders' Meeting of 20 April 2023, which are published in the "Governance - Remuneration" section of the website Italgas.it/en.

[4] Article123-*ter* of Legislative Decree No. 58/1998 and article 84-*quater* of the Consob Issuers' Regulations (Resolution no.11971/1999, as subsequently amended and supplemented) and subsequent amendments introduced by Legislative Decree 49/2019 in Part IV, Heading III, Section II of Legislative Decree 58/1998.

[5] The definition of "Executives with Strategic Responsibilities" as per Article 65, subsection 1-*quater* of the Issuers' Regulations, covers persons who have the power and responsibility, directly and indirectly, for planning, management and control of Italgas. Italgas Executives with Strategic Responsibilities, other than Directors and Statutory Auditors, are: General Counsel, Head of People, Innovation & Transformation, Head of External Relations and Sustainability, Head of Institutional Relations and Regulatory Affairs, Head of Procurement and Material Management, Chief Executive Officer of Italgas Reti, Chief Executive Officer of Toscana Energia, Chief Executive Officer of Bludigit, Chief Financial Officer, Head of Corporate Strategy, Head of Group Security & Real Estate.

[6] The text is published in the "Governance - Remuneration" section of the Company's website (www.italgas.it/en).

[7] In compliance with Legislative Decree 49/2019, Art. 3, paragraph 1, letters e) and g).

First Section – 2025 Remuneration Policy

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1. Governance of the remuneration process

1.1. Bodies and parties involved

The Policy on the remuneration of the Italgas' Board of Directors members is defined in accordance with statutory and regulatory provisions and involves several company Bodies and Departments:

Advisory and/or decision-making bodies

- Appointments and Compensation Committee
- Board of Directors
- Shareholders' Meeting

Supporting Bodies and Departments

- Board of Statutory Auditors
- People, Innovation & Transformation Department
- General Counsel Department
- Chief Financial Office Department
- External Relations and Sustainability Department
- Sustainable Value Creation Committee
- Independent consultants

1.1.1. Shareholders' Meeting

The duties of the Shareholders' Meeting by law and the Bylaws, limited to the topics of interest in this Report, are:

- to appoint and dismiss the Board of Directors;
- to appoint the Chairperson and members of the Board of Statutory Auditors;
- to establish the remuneration of the members of the Board of Directors and of the Board of Statutory Auditors, at the time of their appointment and for the full duration of their term of office;
- to resolve, upon the proposal of the Board of Directors, on compensation plans based on financial instruments, pursuant to Article114-*bis* of the CLF;
- to express a binding vote on the approval of the First Section of the Company's Report on the Remuneration Policy and Compensation Paid, pursuant to Article 123-*ter* of the CLF;
- to cast an advisory vote on the approval of the Second Section of the Company's Report on the Remuneration Policy and Compensation Paid, pursuant to Article 123-*ter* of the CLF.

1.1.2. Board of Directors

With regard to remuneration, the Board of Directors, as proposed by the Appointments and Compensation Committee, and after consulting the Board of Statutory Auditors, determined the remuneration of the Directors vested with specific duties and the compensation of the non-executive Directors for their participation in Board Committees. The Board of Directors also determines, upon the proposal of the Appointments and Compensation Committee, the remuneration of the Lead Independent Director and the remuneration of the Head of Internal Audit.

The Italgas' Board of Directors currently in office was appointed by the Shareholders' Meeting of 26 April 2022 and will remain in office for 3 financial years, until its term of office expires with the Shareholders' Meeting called to approve the Financial Statements for financial year 2024. It is made up of the following 9 members, 5 of whom qualify as independent[8]:

Chairperson	Chief Executive Officer	Member
Benedetta Navarra	**Paolo Gallo**	**Manuela Sabbatini**
Independent non-executive Director	Executive Director	Non-executive Director
Member	Member	Member
Maria Sferruzza	**Qinjing Shen**	**Claudio De Marco**
Non-executive Director	Non-executive Director	Independent non-executive Director Lead Independent Director
Member	Member	Member
Fabiola Mascardi	**Gianmarco Montanari**	**Lorenzo Parola**
Independent non-executive Director	Independent non-executive Director	Independent non-executive Director

Two-fifths of the members of the new Board of Directors (4 out of 9) belong to the least represented gender (female) in accordance with current gender balance legislation.

In line with the Italgas[9], corporate governance rules, the Board:

- after examining the proposals of the Appointments and Compensation Committee, determines the Remuneration Policy for the Directors, including the Lead Independent Director, for General Managers and Executives with Strategic Responsibilities and, without prejudice to the provisions of art. 2402 of the Italian Civil Code, the Statutory Auditors of the Company and its subsidiaries and the compensation systems;
- defines, after consulting with the Appointments and Compensation Committee and the Control, Risk and Related Party Transactions Committee, the remuneration of the Head of Internal Audit in line with the Company's Remuneration Policies;

[8] Specifically, 4 Directors qualify as independent pursuant to Articles 147-*ter*, paragraph 4, and 148, paragraph 3, of the CLF and Article 2 of the Corporate Governance Code, including the Chairwoman of the Board of Directors, and one Director qualifies as independent pursuant to Articles 147-*ter*, paragraph 4, and 148, paragraph 3, of the CLF. The independence requirements were verified at the time of appointment and, most recently, on 9 March 2023.

[9] For further information on Italgas' governance structure see the "Report on Corporate Governance and Ownership Structure" published in the "Governance" section of the Company's website.

- implements the compensation plans based on shares or financial instruments that have been approved by the Shareholders' Meeting;
- approves the Remuneration Policy, prepared and presented by the Appointments and Compensation Committee, to be submitted to the Shareholders' Meeting for approval;
- assesses, after a mandatory opinion of the Appointments and Compensation Committee, the content of the vote on the Report on the Remuneration Policy and Compensation Paid cast by the Shareholders' Meeting and the Committee's proposals concerning the adequacy, overall consistency and application of the Compensation Policy adopted.

In complying with the recommendations contained in the Corporate Governance Code, the Board of Directors is assisted in remuneration matters by an Appointments and Compensation Committee made up of non-executive Directors, the majority of whom are independent, having both a consulting and advisory function in this regard.

The Appointments and Compensation Committee can request support from other company bodies and departments in activities pertaining to remuneration issues, including:

- The Board of Statutory Auditors: can attend Appointments and Compensation Committee meetings and expresses the opinions required by the legislation in force, verifying consistency with the Remuneration Policy adopted by the Company.
- Management team of the People, Innovation & Transformation Department: provides technical and specialist support on compensation issues in addition to the preparation of detailed analyses such as, by way of example and not limited to, monitoring of the internal and market compensation dynamics; studies and benchmarking of market practice and trends; analyses of the compensation levels in terms of internal fairness and competitiveness with respect to the markets chosen as reference.
- Management team of the General Counsel Department: provides technical and specialist support regarding the governance of the Group's corporate bodies; supports the People, Innovation & Transformation Department in the preparation of public information relating to the Group's remuneration and incentive systems, in collaboration with other competent company Departments;
- Management team of the Chief Financial Officer Department: provides support in identifying and evaluating the economic-financial parameters on which the variable incentive systems are based and in determining ex-post their level of achievement.
- Management team of the External Relations and Sustainability Department: provides support in identifying and evaluating the sustainability parameters included in the variable incentive systems and in determining ex-post their level of achievement.
- Sustainable Value Creation Committee: supports the identification of sustainability parameters potentially included in variable incentive schemes.

1.1.3. Appointments and Compensation Committee

1.1.3.1. Composition, appointment and tasks

The Appointments and Compensation Committee was established by the Board of Directors on 23 October 2017[10] and, in line with the recommendations of the Corporate Governance Code, consists of three non-executive Directors, the majority of whom are independent[11], with the Chairman elected from among the independent Directors. All Committee members have adequate knowledge and experience in financial or compensation policies, as assessed by the Board at the time of appointment.

The Appointments and Compensation Committee in office on the date of this Report was appointed by the Board of Directors on 2 May 2022 and subsequently updated by the Board of Directors on 22 February 2023. It will hold office for 3 financial years, until expiry of the term of office scheduled with the Shareholders' Meeting convened to approve the Financial Statements for financial year 2024, and is composed, as of the date of this Report, of the following non-executive Directors:

Chairperson	Member	Member
Fabiola Mascardi	**Claudio De Marco**	**Manuela Sabbatini**
Independent non-executive Director	Independent non-executive Director	Non-executive Director

Until 22 February 2023, the role of Chairman of the Appointments and Compensation Committee was held by the non-executive and independent Director[12] Lorenzo Parola.

The Head of People, Innovation & Transformation of Italgas serves, for matters connected with remuneration, as Secretary of the Committee.

The composition, tasks, and operating methods of the Committee are governed by specific regulations[13], updated and approved by the Board of Directors on 18 December 2020.

With regard to remuneration, the Committee has the following consulting and advisory functions towards the Board of Directors:

- it submits for approval by the Board of Directors the Report on the Remuneration Policy and Compensation Paid pursuant to Article 123-*ter* of the CLF and, in particular, the remuneration Policy for Directors, General Managers, and Executives with Strategic Responsibilities and the Board of Statutory Auditors, as well as the remuneration for the previous year to be paid to them, for its submission to the Shareholders' Meeting called to approve the Financial Statements for the financial year, within the timeframe established by law;

[10] The Compensation Committee was previously operational from 5 September 2016 to 23 October 2017.

[11] Pursuant to articles 147-*ter*, paragraph 4 and 148, paragraph 3, of CLF and article 2 of the Corporate Governance Code.

[12] Pursuant to article 147-*ter*, paragraph 4, and 148, paragraph 3, of the CLF.

[13] The rules governing the Appointments and Compensation Committee are available in the "Governance - Committees" section of the Company's website.

- it assesses the content of the vote on the two sections of the Report on the Remuneration Policy and Compensation Paid cast by the Shareholders' Meeting in the previous financial year, and provides the Board of Directors with an opinion thereon;
- it periodically assesses the adequacy, overall consistency and practical application of the Policy adopted, using, in this latter regard, the information provided by the Chief Executive Officer, submitting proposals to the Board on the subject;
- it prepares proposals on the remuneration of the Chairperson and the Chief Executive Officer, with regard to the various forms of compensation and economic treatment;
- it makes proposals or expresses opinions on the remuneration of members of the Committees of Directors established by the Board;
- it examines opinions and formulates proposals, also on the basis of instructions received from the Chief Executive Officer, regarding:
  - general criteria for the remuneration of Top Management;
  - general guidelines for the remuneration of other Executives of the Company and its subsidiaries;
  - annual and long-term incentive plans, including share-based plans;
- it expresses opinions – including on the CEO's proposals – on setting performance targets and calculating the Company results tied to the implementation of the incentive plans and defining the variable remuneration of Directors with powers; proposes stipulating clawback clauses;
- it proposes the definition, in relation to directors with powers, of: i) the indemnification to be paid in the event of termination of their employment; ii) non-compete agreements;
- it monitors the application of decisions made by the Board;
- it reports on the exercising of its functions to the Shareholders' Meeting called for the approval of the Financial Statements for the financial year, through the Chairperson of the Committee or another member delegated by the same;
- it reports to the Board on the activities it has carried out, at least every six months and before the deadline for approval of the Financial Statements and the half-yearly report, at the Board meeting indicated by the Chairperson of the Board of Directors;
- at each of its meetings, it updates the Board of Directors with a communication at the first available meeting, on the topics discussed and on the comments, recommendations and opinions formulated therein.

No Director takes part in the meetings of the Committee at which proposals to the Board are submitted in relation to their own remuneration.

In exercising these functions, the Committee presents any opinions that may be required by the current Company procedure concerning related-party transactions, within the time-frame set out by that procedure.

In accordance with the decisions made by the Board of Directors, furthermore, the Appointments and Compensation Committee annually examines the compensation structure for the Head of Internal Audit, while ensuring its compliance with the general criteria approved by the Board for Executives and informing the Chairperson of the Control, Risk and Related Party Transactions Committee thereof, according to its opinion which it is required to give to the Board.

For the effective performance of its analysis and investigatory function, the Appointments and Compensation Committee utilises the relevant Company departments and through these structures, may make use of the support of external consultants who are not in a position that would compromise their independence of judgement.

In 2024, the Chairperson of the Board of Statutory Auditors attended all Committee meetings.

1.1.3.2. Activity cycle for the Appointments and Compensation Committee

The Committee's activities pertaining to remuneration are conducted through the implementation of an annual programme that usually involves the following steps:

Activity cycle for the Appointments and Compensation Committee and thematic areas

JANUARY - MARCH

- Periodic evalutaion of Policies adopted in the previous year
- Definition of the Remuneration Policy
- Performance reporting and definition of targets related to variabile incentive plans
- Preparation of the Report on the Remuneration Policy and Compensation Paid

MARCH - MAY

- Presentation of the Report on the Remuneration Policy and Compensation Paid at the Shareholders' Meeting
- Implementation of the Short-Term Incentive Plan (STI)
- Implementation of the Co-investment Plan

JUNE - SEPTEMBER

- Analysis of the results of the Shareholders' Meeting vote on the Report on the Remuneration Policy and Compensation Paid

OCTOBER - DECEMBER

- Implementation of the Long-Term Incentive Plan (LTI)
- Monitoring of the regulatory framework and voting policies of proxy advisors and international investors

The Committee reports on the procedures for carrying out its functions to the Shareholders' Meeting called to approve the Financial Statements for the financial year, via the Committee Chairperson, in accordance with its own Regulations, complying with the Corporate Governance Code and with the aim of establishing an appropriate channel for dialogue with shareholders and investors.

The disclosure on the remuneration for Directors and Management is further ensured by updating the pages specifically dedicated to these topics under the "Governance - Remuneration" section on the Company's website.

1.1.3.3. Activities undertaken in 2024

In 2024 the Appointments and Compensation Committee met 17 times. The main remuneration issues addressed are shown below:

Meeting	Main activities carried out with regard to remuneration
February	• Approval of the new co-investment plan • Preliminary proposal for the final accounting of the 2023 corporate targets for the variable incentive systems • Analysis of the Report on the 2024 Remuneration Policy and 2023 Compensation Paid
March	• Final accounting of the 2023 corporate targets for the variable incentive systems • Determination of the 2024 corporate targets for the variable incentive systems • Approval of the Report on the 2024 Remuneration Policy and 2023 Compensation Paid
July	• Start of the analysis of the legal and technical feasibility of the disbursement of an extraordinary transaction bonus linked to the acquisition of 2i Rete Gas S.p.A. and of the benchmark analysis of extraordinary bonuses, with the support of external and independent advisors
September	• Analysis of the results of the 2024 Shareholders' Meeting vote on remuneration • Completion of benchmark analyses and start of work to prepare the proposal on the structure of the extraordinary transaction bonus linked to the acquisition of 2i Rete Gas S.p.A.
October	• Approval of the extraordinary transaction bonus structure related to the acquisition of 2i Rete Gas S.p.A.
November	• Progress analysis of the level of achievement of 2024 company objectives
December	• Analysis of the remuneration benchmarks of Executives with Strategic Responsibilities and the Head of Internal Audit • Preliminary information notice on the introduction of a employee share ownership plan • Examination of the progress of the succession plan for the Company's key people

1.2. Approval procedure for the 2025 Remuneration Policy

The definition and approval of Italgas' Remuneration Policy involves a number of Corporate Bodies and Departments, in accordance with the provisions of the Bylaws and current regulations:

1

The Appointments and Compensation Committee, in exercising its powers, defined the structures and the contents of the Remuneration Policy, for the purposes of preparing this document, in particular at its meetings of 14 and 22 January 2025 and 4, 7 and 12 February 2025, consistently with the recommendations of the Corporate Governance Code. In making its decisions, the Committee took account of the outcomes of the periodic assessment carried out on the adequacy, overall consistency and practical application of the Policy guidelines decided for 2024.

2

Italgas' 2025 Remuneration Policy for Directors, Statutory Auditors and Executives with Strategic Responsibilities was consequently approved by the Board of Directors, at the recommendation of the Appointments and Compensation Committee, at its meeting on 12 February 2025, concurrently with the approval of this document.

3

The Board of Directors then submitted the Report on the 2025 Remuneration Policy and 2024 Compensation Paid to the vote of the Shareholders' Meeting of 13 May 2025, which cast a binding vote on the First Section and an advisory vote on the Second Section.

4

The compensation Policies, defined in line with the instructions of the Board of Directors, are implemented by the delegated Bodies, supported by the relevant Company Departments.

With reference to remuneration, the Committee also made use of the support of a specialist consultancy firm to monitor the market trend and to check the compensation competitiveness of Italgas against Italian, European and sector market practices. Furthermore, for the purposes of this Report, the Committee evaluated the practices observed at national level for the preparation of remuneration reports.

2. Purpose and general principles of the Remuneration Policy

2.1. Purpose

The Italgas Remuneration Policy is consistent with the pursuit of the Company's sustainable success and takes into account the need to attract, retain and motivate people with the skills and professionalism required by the role held in the Company. The Group's significant growth in recent years has increased the visibility of Management and Italgas' Remuneration Policy has always accompanied the growth of the Group and of its key resources, with a focus on attracting and retaining the key and most deserving resources.

Italgas' Remuneration Policy contributes to the accomplishment of the mission and the corporate strategies, by:

- promoting actions and conducts in line with the vision, the mission, the values and culture of the Company, in compliance with the principles of plurality, equal opportunity, enhancement of people's knowledge and professionalism, fairness, non-discrimination and integrity required by the Italgas Code of Ethics, by the relevant diversity and inclusion policy and by the Italgas Enterprise System;
- recognising the responsibilities assigned, the achievements and quality of the professional contribution made, while taking account of the reference context and the compensation markets;
- defining incentive systems connected to the achievement of economic/financial, business development and sustainability objectives, both operational and individual, defined with a view to ensuring the Company's sustainable success and improvement of long-term results, in line with the aims of the Company's Strategic Plan and the responsibilities assigned.

2.2. General principles

In accordance with the aforesaid purposes, the Remuneration Policy is defined in line with the following principles and criteria:

- a compensation structure that will **attract, retain and motivate** people with high professional qualities;
- a compensation structure, for the **Chairperson**, consisting of a fixed fee consistent with the position held;
- **non-executive Directors**' salaries commensurate with the effort required from them in relation to participating on Board Committees, with different compensation for the Chairperson than the members of each Committee, with respect to the position allocated thereto, for coordinating the work and liaising with the corporate Bodies and corporate Functions;
- a compensation structure, for the **Chief Executive Officer and Executives with Strategic Responsibilities**, with a suitable balance between a fixed component in line with the powers and/or responsibilities assigned and a variable component defined within maximum limits and aimed at linking remuneration to actual performance;
- remuneration structure, for the **Head of Internal Audit**, consisting of an annual incentive measured on purely functional objectives, excluding economic-financial objectives;
- consistency of the overall remuneration with respect to applicable **market benchmarks** for comparable responsibilities or for positions at a similar level in terms of responsibility and complexity, as part of the panel of companies comparable to Italgas, using specific compensation benchmarks applied with the

support of institutional providers of compensation information;

- **variable remuneration** of executive roles having greater influence over Company results featuring a **significant percentage of incentive components, in particular long-term**, including based on **equity instruments**;
- adequate **periods of deferral and/or accrual of the incentives** over a time scale of at least three years, in line with the long-term nature of the business and with the connected risk profiles;
- **predetermined, measurable and definite targets, also on a share basis**, linked with the variable remuneration, so as to ensure remuneration for performance over the short- or medium-term by:
  - i. setting targets for short-term incentive plans based on a balanced scorecard that enhances the performance of the business and of the individual, in relation to the specific targets in their area of responsibility and, as regards those that are responsible for internal control functions, consistent with the tasks assigned to them;
  - ii. setting targets for a long-term incentive plan based in ways that allow an assessment of Company performance in absolute terms, with reference to the ability to generate increasing and sustainable levels of profitability, both in relative terms compared to a peer group of listed companies in the European utilities sector, and with reference to the ability to generate value;
  - iii. systematic inclusion among the objectives of the short- and long-term incentive plan of indicators representing the priority objectives of the Company's Sustainable Value Creation Plan;
- **evaluation of assigned performance targets**, excluding the effects of external impacts stemming from the development of the benchmark scenario, in order to make the most of the actual contribution to the results achieved;
- adoption of **clawback mechanisms** aimed at recovering the variable part of the compensation that is not payable since it was received on the basis of targets achieved as a result of intentional misconduct or gross negligence or on data that have proven to be manifestly incorrect;
- **benefits** in line with market benchmark compensation practices and consistent with current regulations, so as to supplement and enhance the total compensation package, taking into account the position and/or responsibilities assigned, while focusing on the social security and insurance components;
- any **indemnities** in severance pay for termination of employment and/or executive positions known to be of a "temporary" nature, or with increased risks of competitive recruitment defined within a given amount or a given number of years of remuneration;
- any retention bonuses or use of **non-compete agreements** pursuant to art. 2125 of the Italian Civil Code for roles involving specific knowledge of the business intended to protect corporate and all shareholder interests in the event of terminating employment with the company, with the provision of appropriate penalties in the event of their non-compliance;
- provision of **shareholding guidelines** for the Chief Executive Officer, aimed at strengthening the link with shareholder interests.

2.3. Derogations to the Remuneration Policy

On an exceptional and non-recurring basis, pursuant to paragraph 3-*bis* of Article 123-*ter* of the CLF updated in 2019 and Article 84-*quater* of the Issuers' Regulations updated in 2020, Italgas' Board of Directors, always in compliance with the rules governing Related Party Transactions and having heard the opinion of the Board of Statutory Auditors, may permit possible derogations to the Remuneration Policy described in Section One of this Report with regard to the provisions for the Chief Executive Officer and the other Executives with Strategic Responsibilities, in order to ensure pursuit of the long-term interests and sustainability of the Group as a whole, or to ensure its ability to compete on the market. In particular, the exceptional circumstances considered may include extraordinary transactions not previously planned (e.g., acquisitions, restructuring, reorganisation or reconversion), exogenous shocks that are unforeseeable or of an extraordinary amount and/or regulatory/legislative in nature, changes in the organisational, managerial and administrative structure of the Company that impact the economic and financial results and the creation of value in the long-term, the rotation in the appointed bodies due to unforeseen events, actions intended to attract/retain the best talent.

In these cases, the Appointments and Compensation Committee, in accordance with the procedure envisaged for Related-Party Transactions, and with possible support from the People, Innovation & Transformation Department, will assess any impact on the Remuneration Policy for the purpose of submitting a proposal for amendment and derogation from said Policy for the approval of the Board of Directors, without prejudice to compliance with its philosophy and principles expressly referred to herein. Approval of such a derogation by the Board necessitates abstention from Board discussions and related resolutions by any interested parties.

All detailed information on the possible application of derogations to this Remuneration Policy will be reported in the Second Section of the Report on the Remuneration Policy and Compensation Paid for the year following the application of the derogation.

The elements of the 2025 Remuneration Policy for which, under exceptional circumstances, a derogation may be permitted include: fixed remuneration, the short-term variable component (STI), the medium- to long-term variable component (Co-investment Plan and Long-Term Incentive).

2.4. Market benchmarks

Italgas constantly monitors the main market practices so that the relevant Company Bodies are able to submit remuneration Policies to the shareholders that are increasingly more appropriate for the professionalism, expertise and commitment required.

In keeping with previous years, the 2025 remuneration Policies were evaluated considering the market benchmarks, with support from independent and highly specialised advisors, using specific compensation benchmarks. The chosen market positioning for the Remuneration Policy is defined as below the market median considered for the fixed component, with greater emphasis placed on the variable components with a view to the overall competitiveness of the compensation package. It is believed that this is the best approach to guarantee a direct connection between remuneration and performance, ensuring at the same time a correct alignment with the Company's risk profile.

The Chief Executive Officer's remuneration positioning was analysed, in continuity with previous financial years, against three different peer groups, namely a panel of Italian companies representative of the general market, a panel of Italian companies comparable to Italgas, mainly belonging to the Energy & Utilities sector and infrastructure operators, and a panel of European companies operating in businesses comparable to that of Italgas and therefore representative of the international market of the sector. The companies were therefore identified mainly considering specific size and business criteria in order to ensure their significance. Specifically, Italgas' positioning in terms of size compared to the general Italian panel was below the first quartile for revenues, market capitalisation and number of employees, and between the median and the third quartile for EBITDA and net profit. Compared to the Italian industry panel, however, Italgas' positioning in terms of size was below the first quartile for revenue and number of employees, and between the first quartile and the median for EBITDA, market capitalisation and net profit.

The remuneration benchmarking analyses conducted show that the Chief Executive Officer's fixed remuneration is positioned between the first quartile and the market median with respect to both the general Italian panel and the Italian industry panel, in line with the Company's Remuneration Policy.

The analysis of the Chairperson's remuneration positioning, on the other hand, was carried out in relation to only the Italian companies of the panel identified for the Chief Executive Officer and showed a remuneration positioning in line with the median compared to the general Italian panel and in line with the first quartile of the market with respect to the Italian industry panel.

On the other hand, with regard to Executives with Strategic Responsibilities and Top Management, the analysis of the remuneration positioning was carried out in relation to the annual MERG Italy study by the consulting firm Mercer, with reference to roles in companies comparable in size and sector. This analysis revealed an average fixed remuneration positioning also in line with the Company's chosen positioning.

The compensation references used for the various types of role are shown in the table below[14]:

Panels used for compensation benchmarks

Ruolo oggetto dell'analisi	Panel di confronto
• Chief Executive Officer	• Italian companies • Italian companies in the Energy, Utilities and Infrastructure sector • European companies
• Non-executive Chairperson	• Italian companies • Italian companies in the Energy, Utilities and Infrastructure sector
• Non-executive Directors • Board Committees • Board of Statutory Auditors	• Italian companies
• Executives with Strategic Responsibilities • Top Management	• Mercer MERG Italy *With reference to roles in comparable companies in terms of size and sector*

Italian companies

- A2A
- Acea
- Amplifon
- DiaSorin
- ERG
- Hera
- Interpump Group
- Iren
- Leonardo
- Maire Tecnimont
- Moncler
- Prysmian
- Recordati
- Saipem
- Snam
- Telecom Italia
- Terna

Italian companies in the Energy, Utilities and Infrastructure sector

- A2A
- Acea
- Enel
- Eni
- ERG
- Hera
- Iren
- Leonardo
- Maire Tecnimont
- Saipem
- Snam
- Terna

European companies

- EDP Group
- Elia Group
- Enagas
- EnBW
- Eneco
- Galp
- National Grid
- Neste
- Orsted
- Pennon Group
- Redeia
- RWE
- Verbio
- Verbund
- Vopak

[14] The compensation surveys were conducted on an aggregate panel or on specific sub-clusters identified for consistency with the Italgas governance.

3. 2025 Remuneration Policy

The guidelines for the 2025 Remuneration Policy are in line with what has been outlined and pursued by Italgas in recent years, therefore aiming to simplify the overall architecture of the incentive system and align the performance targets with shareholders' expectations. Particular attention was paid to ESG issues and the related objectives used in the management incentive schemes, in both the short-term and the long-term, in order to further strengthen the link with the Sustainable Value Creation Plan developed by the Company.

The 2025 Remuneration Policy guidelines were evaluated by the Appointments and Compensation Committee as being consistent with the applicable market benchmarks.

3.1. Chairperson

3.1.1. Compensation for the office and powers and other indemnities

Based on the resolutions of the Board of Directors at the meeting on 15 September 2022, as proposed by the Appointments and Compensation Committee and with the favourable opinion of the Board of Statutory Auditors, the remuneration of the Chairperson of the Board of Directors for the three-year period 2022-2024 provides for a gross annual fixed salary for the position of 300,000 euros effective as of the date of appointment at the Shareholders' Meeting of 26 April 2022, including the fixed annual remuneration for non-executive Directors established by the Shareholders' Meeting, in addition to reimbursement of the costs incurred in connection with the position.

In view of the nature of this position, there are no: i) short- or long-term variable incentive components; ii) agreements on end-of-mandate settlement and compensation.

The remuneration described herein is in effect until the end of the term of office coinciding with the Shareholders' Meeting convened to approve the Financial Statements for the financial year 2024. The Chairman's compensation for the 2025-2027 term of office will be determined by the Shareholders' Meeting of 13 May 2025 for the component pursuant to Art. 2389, paragraph 1, and by the new Board of Directors for the component pursuant to Art. 2389, paragraph 3.

3.2. Non-executive Directors

3.2.1. Shareholders' meeting remuneration

On 26 April 2022, the Shareholders' Meeting approved the non-executive Directors' remuneration, for the three-year period 2022-2024, as gross annual fixed remuneration for the office of 50,000 euros, in line with the previous three-year period, in addition to the reimbursement of costs incurred in connection with the position.

In light of the recommendations of the Corporate Governance Code, the remuneration of non-executive Directors is not linked to the economic results achieved by the Company, nor are they the beneficiaries of share-based incentive plans.

No distinction is provided for in terms of the remuneration for independent Directors.

The remuneration described herein is in effect until the end of the term of office coinciding with the Shareholders' Meeting convened to approve the Financial Statements for the financial year 2024. The compensation pursuant to Art. 2389, paragraph 1, of the non-executive Directors for the 2025-2027 term of office will be determined by the Shareholders' Meeting on 13 May 2025.

3.2.2. Compensation for participating in Board Committees

The non-executive Directors' fees for participation in the Board Committees for the three-year period 2022-2024 were resolved on by the Board of Directors on 18 May 2022 effective as of the date of appointment on 2 May 2022 and are equal to:

Committee	Chairperson compensation	Member compensation
Control, Risk and Related-Party Transactions Committee	€ 40,000	€ 20,000
Appointments and Compensation Committee	€ 40,000	€ 20,000
Sustainable Value Creation Committee	€ 40,000	€ 20,000

The remuneration described herein is in effect until the end of the term of office coinciding with the Shareholders' Meeting convened to approve the Financial Statements for the financial year 2024. The non-executive Directors' compensation for participation in Board Committees for the 2025-2027 term of office will be determined by the new Board of Directors.

3.2.3. End-of-mandate settlement and compensation

For non-executive Directors, no specific end-of-mandate settlements or agreements calling for payment of compensation in the event of early termination of employment are provided.

3.3. Lead Independent Director

3.3.1. Remuneration for office

On 9 March 2023, the Board of Directors, at the request of the independent Directors, resolved to appoint a Lead Independent Director, who would represent a reference and connection point for the requests and contributions of the non-executive Directors and, in particular, of the independent Directors, to whom, *inter alia*, the power would be granted to convene, independently or at the request of other Directors, special meetings of independent Directors only, to discuss issues deemed of interest with respect to the functioning of the Board of Directors or the Company management. The term of office of the Lead Independent Director is scheduled to expire at the same time as that of the Board of Directors.

On 13 June 2023, the Board of Directors, based on the proposal of the Appointments and Compensation Committee, resolved to grant the Lead Independent Director an annual gross remuneration of 10,000 euros starting from the date of appointment, in addition to the reimbursement of expenses incurred in connection with the appointment.

The remuneration described herein is in effect until the end of the term of office coinciding with the Shareholders' Meeting convened to approve the Financial Statements for the financial year 2024. The new Board of Directors will, if deemed appropriate, appoint the Lead Independent Director for the 2025-2027 term of office and determine his/her compensation for the performance of the office.

3.4. Chief Executive Officer[15]

3.4.1. Fixed remuneration

The Chief Executive Officer's fixed remuneration was determined, at the proposal of the Appointments and Compensation Committee and with the favourable opinion of the Board of Statutory Auditors, by the Board of Directors on 15 September 2022, as a gross annual amount of 850,000 euros effective as of the date of his appointment at the Shareholders' Meeting of 26 April 2022, including the remuneration provided by the Shareholders' Meeting for Directors. Furthermore, the gross-up for the car is expected to be maintained.

As an Italgas Executive, the Chief Executive Officer is the recipient of allowance for work-related travel, domestically and abroad, in line with the provisions of the national collective labour agreement and supplementary corporate agreements.

3.4.2. Variable incentive plans

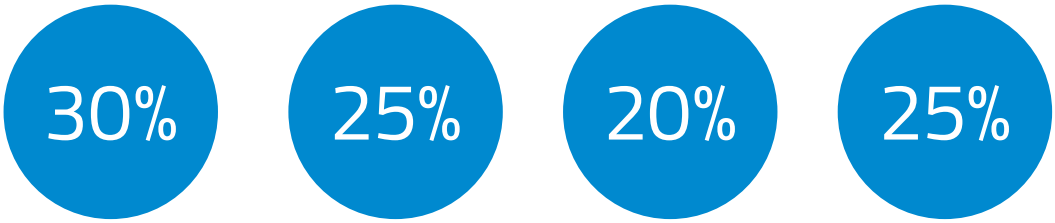
3.4.2.1. Short-term incentive

In order to ensure the strong alignment with the interests of shareholders and the creation of long-term value, a short-term incentive plan has been in existence since 2018 which is connected with a system of deferment and co-investment in Company shares (2024-2025 Co-investment Plan approved by the Shareholders' Meeting on 6 May 2024). Using shares as an incentive instrument allows for strengthening of the connection between incentive and long-term value creation, in alignment with all shareholder expectations.

The Short-Term Incentive Plan, together with the related Co-investment Plan, provides for a portion of the incentive to be paid out annually, while a portion is deferred for three years and transformed into an equivalent number of shares as illustrated below.

The 2025 Short-Term Incentive Plan (STI) is connected with the attainment of the corporate objectives set by the Board of Directors of 12 February 2025. These objectives maintain a structure that is focused on essential targets, consistent with the guidelines defined in the Strategic Plan and in the Sustainable Value Creation Plan, in order to ensure they are balanced with respect to the perspectives of interest of different stakeholders. The structure and the weight of the different objectives, in recent years, have seen a growth in the weight of sustainability in particular and, for 2025, are structured as follows:

Chief Executive Officer – Objectives of the 2025 Short-Term Incentive Plan



[15] The Chief Executive Officer, Mr Paolo Gallo, is also an Executive ["Dirigente"] of Italgas. The short- and long-term fixed and variable compensation referred to him and described herein are understood to be comprehensive of all roles and positions.

With reference to the objectives identified above, the metrics and main performance indicators[16] are described below:

Objective	Description	Weight	Scenarios	Performance	Score
Profitability (EBITDA)	Indicator representing the profitability of the operating performance, calculated by subtracting operating costs from revenue[17].	30%	Minimum	Budget -2.5%	70%
			Target	Budget	100%
			Maximum	Budget +2.5%	130%
Investment (spending)	Technical investments made in the year, excluding investments resulting from the adoption of IFRS 16.	25%	Minimum	Budget +/-10%	70%
			Target	Budget +/-7.5%	100%
			Maximum	Budget +/-5%	130%
Net Financial Position	Determined as the sum of short- and long-term financial debt (gross financial debt) and cash and cash equivalents[18].	20%	Minimum	Budget +2%	70%
			Target	Budget	100%
			Maximum	Budget -2%	130%
Sostenibilità	**Combined employee and contractor accident index:** measured as a combination of the frequency index (number of accidents per million hours worked) and severity index (number of days of absence per thousand hours worked) of accidents recorded at Group level during the year. There is a performance gate to access the target aimed at strengthening the Company's commitment also with reference to the new companies acquired by the Group[19].	5%	Minimum	0,15	70%
			Target	0,075	100%
			Maximum	0,025	130%
	Leakage on the distribution network: expressed in terms of the percentage of network km inspected at Group level during the year out of the total network km managed.	7.5%	Minimum	150%	70%
			Target	160%	100%
			Maximum	170%	130%
	Energy consumption: net energy consumption at Group level, calculated on the basis of the same amount of gas injected in 2024. There is a performance gate to access the target aimed at strengthening the Company's commitment also with reference to the new companies acquired by the Group[20].	7.5%	Minimum	405 TJ	70%
			Target	390 TJ	100%
			Maximum	375 TJ	130%
	Diversity and Inclusion: Gender Equity Pay Gap for the Italy scope, calculated as the change in the average ratio of women's and men's hourly basic pay for clusters of employees comparable by organisational weight with respect to 2024.	5%	Minimum	-0.5%	70%
			Target	-0.75%	100%
			Maximum	-1%	130%
PERFORMANCE GATE		Overall score >= 85%			

[16] With reference to the economic/financial performance indicators, considering the sensitivity of the data and its strategic relevance, reference is made to performance levels determined in comparison with budget values without explicitly providing individual numbers.

[17] In the final balance, the effects of changes with respect to the 2025 Budget will be sterilised, with the approval of the Appointments and Compensation Committee and the Board of Directors, deriving from: extraordinary M&A transactions, Authority/regulatory measures, net provisions made including provisions for environmental reclamations, charges for redundancy incentives, capital gains/losses, write-downs, changes in the EEC acquisition strategy.

[18] In the final balance, the effects of changes to the debt between the Second Forecast and the 2024 Final Figures, net of specific changes in monetary working capital and changes to the 2025 dividend policy, will be sterilised with the approval of the Appointments and Compensation Committee and the Board of Directors. The net financial position does not include financial debts for operating leases pursuant to IFRS 16.

[19] In the case of new companies acquired by the Group, the Company will have to provide activities in the area of processes, training and operational control, in order to align them with what is already currently provided for companies in the consolidated perimeter.

[20] Acqua Campania's minimum energy efficiency index equal to 1.8 MJ/m^3.

Each objective is then measured according to a performance scale (minimum, target and maximum) with an associated score ranging from 70% (for minimum performance) to 130% (for maximum performance). Below the minimum performance for each objective, a score of zero is given. For intermediate values between the minimum and the target and between the target and the maximum, the score is defined by linear interpolation. The weighted average of the performance of each objective by the relative weights determines the overall performance.

If the overall score is less than 85%, no incentive will be paid, irrespective of the level of achievement of the individual objectives (so-called "performance gate").

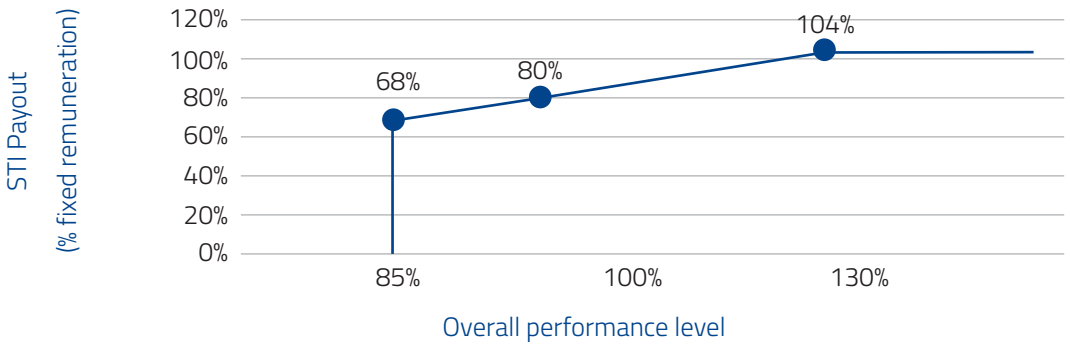
The accrued Short-term Incentive (STI) is calculated using the following formula:

STI = STI target x Overall score

The incentive levels for the Chief Executive Officer (as a percentage of the fixed remuneration) according to the overall performance level achieved are shown below:

Chief Executive Officer – Short-term incentive performance-payout curve

	Overall performance level	Payout (% fixed rem.)
Minimum	< 85%	0
	= 85%	68%
Target	= 100%	80%
Maximum	>= 130%	104%



For intermediate values, the value of the monetary incentive to be paid out is determined by means of linear interpolation.

The accrued Short-term Incentive (STI) is then divided in two portions:

1) a portion paid out annually (I_{Year}) amounting to 65% of the total amount:

$$I_{Year} = STI \times 65\%$$

Consequently, the pay-out relating to the short-term incentive that can be paid out in the year according to the attained performance levels is as follows:

	Overall performance level	Up-front STI payout (% fixed rem.)
Minimum	< 85%	0
	= 85%	44%
Target	= 100%	52%
Maximum	>= 130%	68%

For intermediate values, the value of the monetary incentive to be paid out is determined by means of linear interpolation.

2) a deferred pay-out in the Co-investment Plan equal to the remaining 35% of the total amount:

$$I_{Deferred} = STI \times 35\%$$

3.4.2.2. Co-investment Plan

The 2024-2025 Co-investment Plan, approved by the Shareholders' Meeting of 6 May 2024, is one of the components of the long-term incentive plan, together with the 2023-2025 Long-Term Incentive Plan described in the following paragraph.

It provides for the allocation of two cycles, starting in 2024 (1st cycle) and 2025 (2nd cycle), both with a three-year vesting period, aligned with the time frame of the 2023-2025 Long-Term Incentive Plan.

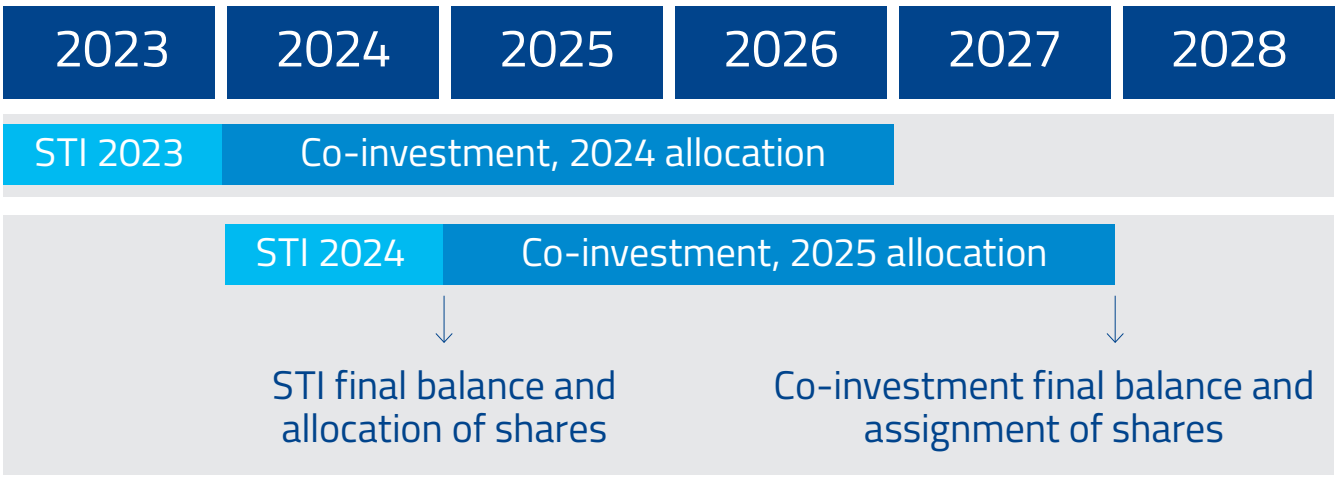
The deferred portion of the STI ($I_{Deferred}$) is transformed into Italgas shares according to the following formula:

$$Shares_{Allocated} = \frac{I_{Deferred}}{Price_{Allocation}}$$

in which the allocation price [$Price_{Allocation}$] is calculated as the average of the official daily prices recorded in the thirty calendar days prior to the date of the Board of Directors meeting that approves the reported results pertaining to the short-term incentive.

The shares shall be allocated after the three-year vesting period according to the following timeline:

Co-investment Plan – Timeline



The actual assignment of the shares is subject to a performance condition represented by the EBITDA accumulated in the reference three-year period, based on the values in the budget and Strategic Plan.

Based on the performance level achieved, a Matching by the Company is also envisaged, which consists of a predefined number of shares in addition to those initially allocated. This component ranges from a ratio of 0.6 shares for every share allocated in the event of minimum performance level to a ratio of 1 share for every share allocated in the event of maximum performance level.

The following table summarises the number of shares that can be accrued (Multiplier and Matching) based on the level of performance achieved:

	EBITDA accrued in the three-year reference period	Multiplier (% shares vs those allocated)	Matching (ratio with respect to shares allocated)
Minimum	EBITDA < Target -5%	0	0
	EBITDA = Target -5%	70%	0.6:1
Target	EBITDA = Target	130%	0.8:1
Maximum	EBITDA >= Target +5%	170%	1:1

For intermediate values, the number of shares to be assigned is determined by means of linear interpolation.

For EBITDA results of less than 5% of the target value fixed for the three years (minimum level), the number of shares assigned will be 0 and, therefore, the deferred portion of the annual incentive will not be disbursed either.

The total number of shares assigned will therefore be determined by the following formula:

$$Shares_{Assigned} = [Shares_{Allocated} \times Multiplier] + Matching$$

There is also provision for an additional number of shares to be assigned (so-called "Dividend Equivalent") on the actually accrued shares in an amount equivalent to the ordinary and extraordinary dividends distributed by Italgas during each three-year performance period and which would be due to the beneficiary during this period. The number of additional shares to be assigned is determined as the ratio between the sum of the dividends distributed in each three-year period and the average price of the share recorded in the 30 calendar days before the Board of Directors' meeting that approves the final accounting of the performance conditions to which the plan is connected.

3.4.2.3. Long-term incentive

The long-term variable component aims to ensure the sustainability of value creation for the shareholders in the medium- to long-term and is made up together with the 2024-2025 Co-investment Plan, of the 2023-2025 Long-Term Incentive Plan (LTI) approved by the Shareholders' Meeting on 20 April 2023.

The LTI Plan applies to managerial roles with the greatest impact on company results and provides for the annual allocation to the Chief Executive Officer of an amount equal to 65.5% of the fixed remuneration and the disbursement of the incentive after three years (vesting period) as a percentage of between 0 and 130% based on the weighted variation of the following parameters:

Objectives of the 2023-2025 Long-Term Incentive Plan (2025 allocation)

50%

Consolidated Net Profit

30%

Relative Total Shareholder Return

20%

Sustainability:

- Reduction of CO_2 emissions – scope 1 and 2
- Reduction of net energy consumption

With reference to the objectives identified above, the metrics and main performance indicators for the 2025 allocation[21] are described below :

Objective	Description	Weight	Scenarios	Performance	Score
Accumulated adjusted net profit	Operating performance indicator, calculated by subtracting from earnings the operating costs (EBITDA), depreciation and amortisation, net financial expenses, adding income from equity investments and subtracting income tax, excluding the income components classified as "special items[22]" (agreed and approved annually by the Board of Directors, upon the proposal of the Appointments and Compensation Committee).	50%	Minimum	Budget/Plan -5%	70%
			Target	Budget/Plan	100%
			Maximum	Budget/Plan +5%	130%
Relative TSR	Measured in relation to the positioning of Italgas in a selected peer group formed of the following European companies listed on markets in the Euro zone (also relevant for the purposes of the P4P methodology) belonging to the EURO STOXX TMI Utilities index: Snam, Terna, A2A (Italy), Redeia, Enagas (Spain), Elia System Operator (Belgium).[23]	30%	1st place		130%
			2nd place		120%
			3rd place		110%
			4th place		100%
			5th place		0%
			6th place		0%
			7th place		0%
Sustainability	**Reduction of CO_2 emissions - scope 1 and 2** compared with 2020 at constant scope.	10%	Minimum	-41.4%	70%
			Target	-42%	100%
			Maximum	-42.6%	130%
	Energy efficiency: reduction of net energy consumption compared with 2020 at constant scope.	10%	Minimum	-37.4%	70%
			Target	-38%	100%
			Maximum	-38.6%	130%

Each objective is then measured according to a performance scale (minimum, target and maximum) with an associated score ranging from 70% (for minimum performance) to 130% (for maximum performance). Below the minimum performance for each objective, a score of zero is given. For intermediate values between the minimum and the target and between the target and the maximum, the score is defined by linear interpolation. The weighted average of the performance of each objective by the relative weights determines the overall performance.

The accrued Long-Term Incentive (LTI) is calculated using the following formula:

$$LTI_{Accrued} = LTI\ target \times Overall\ score$$

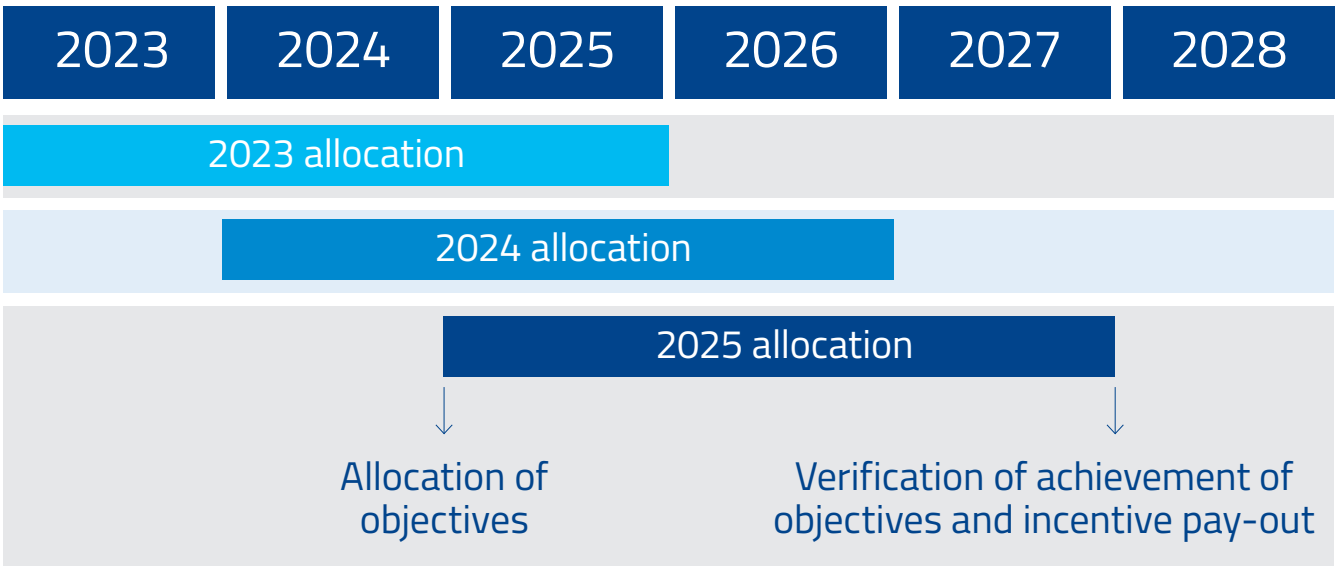
[21] With reference to the economic/financial performance indicators, considering the sensitivity of the data and its strategic relevance, reference is made to performance levels determined in comparison with budget values and strategic plan without explicitly providing individual numbers.

[22] The income components are classified as special items, if significant, when: (i) they result from non-recurring events or transactions or from transactions or events which do not occur frequently in the ordinary course of business; (i) they result from events or transactions which are not representative of the normal course of business.

[23] The peer group was identified by considering, among the companies belonging to the EURO STOXX TMI Utilities index, those with similar characteristics to Italgas in terms of business (managers of gas/electricity distribution infrastructures), regulation (therefore operating mainly in regulated businesses) and guided by a "dividend-driven" policy, and therefore also comparable from an investor's point of view.

The LTI Plan involves a three-year vesting period for each allocation cycle, as shown below.

Long-Term Incentive Plan – Timeline



3.4.3. Severance agreement and pay

The Chief Executive Officer is entitled to compensation for termination of his administration and management employment contract, in line with the practice of the reference markets.

Upon termination of the contract, in the event of non-renewal of the mandate on expiry or early termination of the mandate, there is provision for two annual payments to be made amounting to the annual fixed remuneration plus the average of the variable incentive paid over the previous three years.

The compensation is not payable if the employment contract is terminated for just cause or dismissal with a notice period for subjective reasons but with justification pursuant to the collective agreement or in the event of resignation.

The effects of any termination of the Chief Executive Officer's relationship on the rights allocated under the incentive plans in place are described in the relevant Informative Documents and Allocation Regulations. In particular, for all plans that provide for a vesting period, in the event of termination of the employment contract (agreed by mutual consensus or under good leaver conditions) during the vesting period, the beneficiary shall retain the right to a smaller incentive based on the period elapsed between the allocation of the incentive and the occurrence of this event. In the event of termination of the contract for cases other than those stated above, all rights are forfeited.

3.4.4. Non-compete agreements

A non-compete agreement exists to protect the Company's interests. Based on the standards used by companies of equivalent standing and in accordance with Art. 2125 of the Italian Civil Code, in relation to requirement for the Chief Executive Officer not to engage, for a period of one year after termination of the employment contract, in any kind of activity that might compete with that of Italgas, this provides for a payment equivalent to one annual salary to be made. To protect the Company, penalties are applicable for infringements, subject to compensation for further loss.

3.4.5. Benefits

In accordance with national collective labour agreements and supplementary company agreements for Italgas Executives, the Chief Executive Officer is also entitled to enrolment in the Supplementary Pension Fund (AZIMUT PREVIDENZA)[24], enrolment in the Supplementary Health Care Funds (FISDE and CassaPrevint)[25], and insurance cover against the risk of death and disability, as well as a car for personal and business use.

3.4.6. Shareholding guidelines

At the proposal of the Appointments and Compensation Committee, with the 2023 Remuneration Policy the Board of Directors introduced specific shareholding guidelines for the Chief Executive Officer, in order to further strengthen the alignment of interests with shareholders in the long-term.

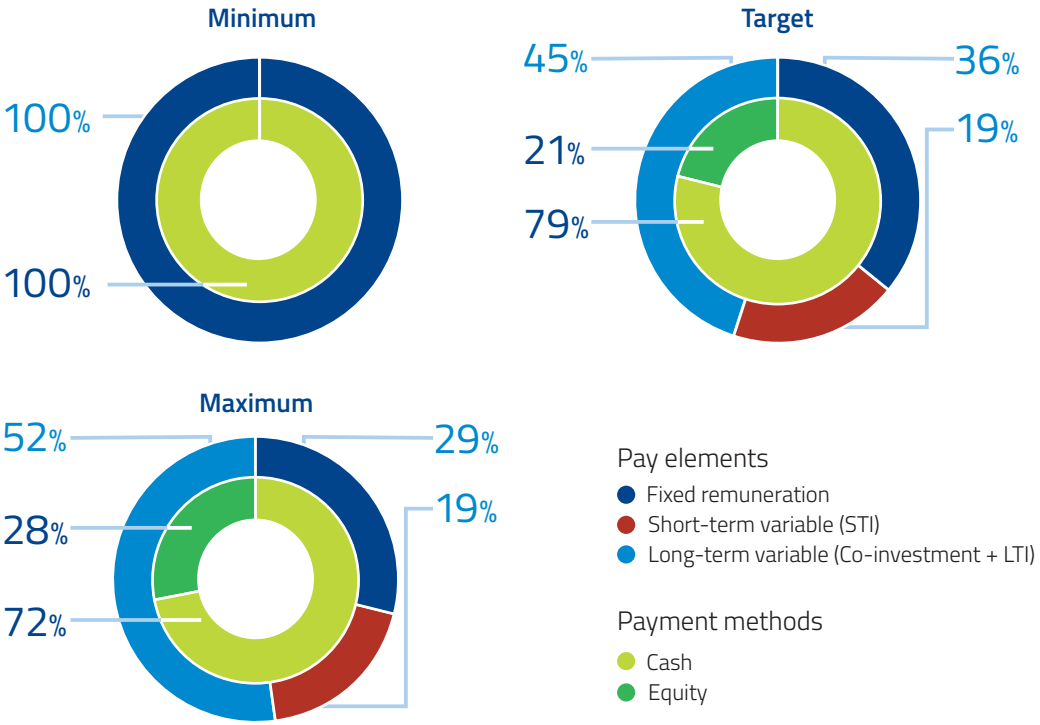
Specifically, these guidelines require the Chief Executive Officer to hold, on a recurring basis, a number of Italgas shares equal to a minimum of one year's fixed remuneration. This level may be reached within 3 years of appointment and must be maintained for the full duration of the appointment.

3.4.7. Pay-mix

The pay-mix of the Chief Executive Officer has a prevalent variable component (short- and long-term) compared to the fixed component (target scenario: 64% vs 36%), thus significantly emphasising the link between remuneration and company performance.

Chief Executive Officer

Theoretical pay mix[26] and form of remuneration for the minimum, target and maximum performance results



[24] www.azimutprevidenza.it

[25] Funds that issue refunds for health care costs to Executives, whether in service or retired, and their family members, www.fisde-eni.it; www.cassaprevint.it

[26] The theoretical pay-mix is calculated net of the Dividend Equivalent component (only available during final accounting) and any change in share price.

3.5. Control Bodies

3.5.1. Board of Statutory Auditors

The remuneration for members of the Board of Statutory Auditors for the three-year period 2022-2024 was resolved on by the Ordinary Shareholders' Meeting of 26 April 2022 and is equal to:

Role	Remuneration
Chairperson of the Board of Statutory Auditors	€ 70,000
Member of the Board of Statutory Auditors	€ 45,000

Members of the Board of Statutory Auditors are also entitled to the reimbursement of expenses incurred in the performance of their duties.

In view of the nature of this position, there are no: i) short- or long-term variable incentive components; ii) agreements on end-of-mandate settlement and compensation.

The remuneration described herein is in effect until the end of the term of office coinciding with the Shareholders' Meeting convened to approve the Financial Statements for the financial year 2024. The compensation for members of the Board of Statutory Auditors for the 2025-2027 term of office will be determined by the Shareholders' Meeting of 13 May 2025.

3.5.2. Head of Internal Audit

The remuneration of the Head of Internal Audit of Italgas consists of a fixed component and a variable component, in line with that provided for the Company's Top Management.

In line with the "Italgas Group Internal Audit guidelines", updated in 2024, the remuneration of the Head of Internal Audit is defined by the Board of Directors, after consulting the Appointments and Compensation Committee and the Control, Risk and Related Party Transactions Committee, and provides for:

- an annual incentive scorecard of objectives, with exclusively functional measurable objectives, excluding economic and financial targets and on which determination of the annual monetary incentive depends;
- an evaluation scale with minimum, target and maximum performance levels for each objective assigned;
- direct assessment of specific objectives by the Control, Risk and Related Party Transactions Committee;
- the standardisation of other forms of deferred and long-term monetary incentives for all managers.

3.6. Executives with Strategic Responsibilities

3.6.1. Fixed remuneration

For Executives with Strategic Responsibilities, the fixed remuneration is determined based on the role and responsibilities assigned, considering the compensation levels found on the market for roles with a similar level of responsibility and managerial complexity in companies on the FTSE MIB index and comparable companies in terms of business type, and can be adjusted periodically as part of the annual salary review process carried out in respect of all managers. Similarly

to what is envisaged for the Chief Executive Officer, the average market positioning chosen for Executives with Strategic Responsibilities is defined below the median of the market considered for the fixed component, providing for a recovery of competitiveness with the variable components. The guidelines for 2025, considering the reference context and current market trends, provide for selective criteria while maintaining high levels of competitiveness and motivation. In particular, the actions proposed involve adjustments addressed selectively at the holders of positions whose scope of responsibilities has increased or whose position is significantly below the median market references.

In their capacity as Italgas Executives, Executives with Strategic Responsibilities also receive reimbursements for national and international travel, in accordance with the provisions of the relevant national collective agreement and supplementary Company agreements.

3.6.2. Variable incentive plans

The Short-Term Incentive Plan (STI), for Executives with Strategic Responsibilities who are not members of the Independent Manager / Compliance Officer, in line with what is envisaged for the Chief Executive Officer, provides for compensation determined on the basis of the Italgas and individual performance results with a target (performance = 100%) and maximum (performance = 130%) incentive level of 51% and 67% of the fixed remuneration respectively. A threshold level (overall performance = 85%) is set, below which the incentive is not paid.

For other Executives with Strategic Responsibilities the variable annual incentive for 2025 is determined partly (60%) by the Company results compared to the targets assigned to the Chief Executive Officer by the Board of Directors on 12 February 2025 and partly (40%) by a series of individual targets (focused on economic/financial, operational and industrial performance, internal efficiency and sustainability matters) assigned in relation to the responsibility held, in accordance with the provisions of the Company's Strategic Plan and Sustainable Value Plan. The incentive component linked to the corporate scorecard was increased compared to previous years in order to strengthen the alignment of the Group's Top Management with the achievement of strategic priorities.

The following table shows the type of objectives assigned to Executives with Strategic Responsibilities:

Executives with Strategic Responsibilities Objectives of the 2025 Short-Term Incentive Plan

Objective	Description	Weight
Company scorecard	Short-term incentive scheme for the Chief Executive Officer, with a view to alignment with the Group's performance results.	60%
Role/function objectives	Priority and strategic objectives of an economic and financial nature closely linked to the scope of responsibility.	40%
Project objectives	Group strategic projects led by the relevant function, focused on the operational and industrial performance, internal efficiency and sustainability issues.	

The short-term incentive accrued is then divided into two portions: the annually paid portion amounts to 65% of the total amount, the deferred portion in the Co-investment Plan amounts to 35% of the total amount.

In accordance with the provisions made for the CEO, Executives with Strategic Responsibilities also participate in the long-term incentive plans as follows:

- 2024-2025 Co-investment Plan, in relation to the Company's performance measured in terms of EBITDA, under the same performance conditions and with the same characteristics as described in the paragraph dedicated to the Chief Executive Officer's remuneration;
- 2023-2025 Long-Term Incentive Plan (LTI) provided for managerial roles with the greatest impact on the Company's results. This plan has the same performance conditions and characteristics as the LTI Plan envisaged for the CEO. For Executives with Strategic Responsibilities the target incentive is 34% of fixed remuneration. The incentive payable at the end of the three-year vesting period is determined as a percentage of between 0% and 130% of the value allocated, based on the results achieved.

3.6.3. Payments made in the event of termination of office or termination of the employment contract

Executives with Strategic Responsibilities are entitled to receive the severance pay provided for in the relevant national collective labour agreement and any supplementary payments individually agreed on termination according to the criteria established by Italgas in cases of facilitated redundancy, in any case not exceeding two years of total remuneration.

On the date on which this Report was drawn up there were no supplementary individual agreements in the event of termination of the employment contract.

The effects of any termination of the employment contract of Executives with Strategic Responsibilities on the rights allocated under the incentive plans are described in the relevant Informative Documents and Allocation Regulations. In particular, for all Plans that provide for a three-year vesting period, in the event of termination of the employment contract (agreed by mutual consensus or under good leaver conditions) during the vesting period, the beneficiary shall retain the right to a smaller incentive based on the period elapsed between the allocation of the incentive and the occurrence of this event. In the event of termination of the contract for cases other than those stated above, all rights are forfeited.

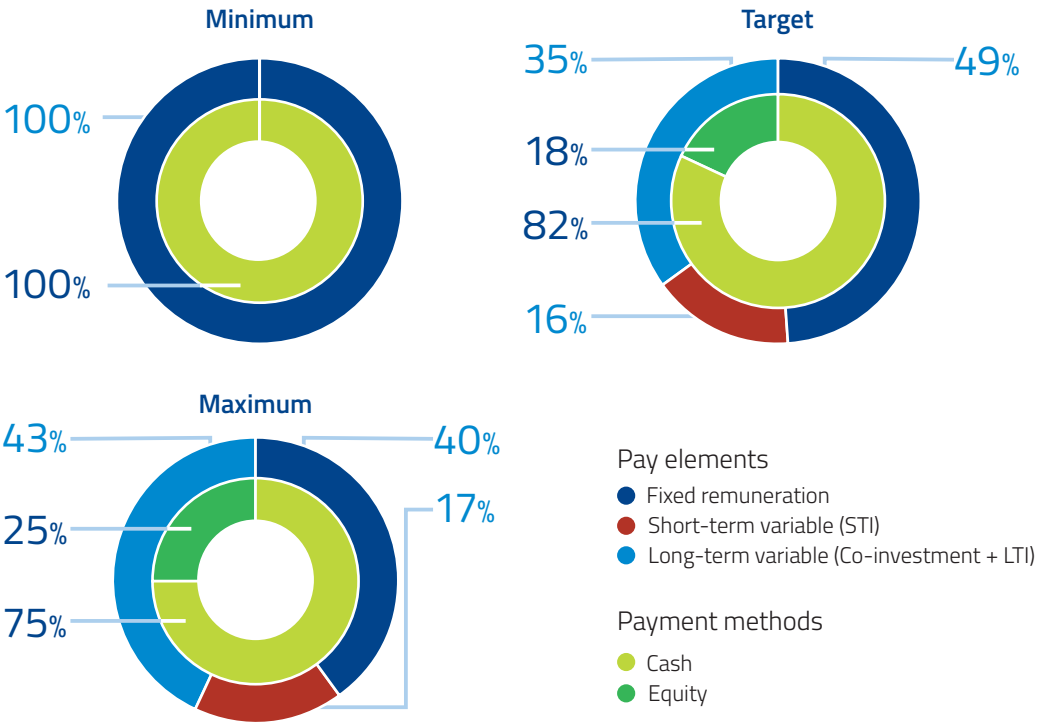
3.6.4. Benefits

In accordance with national collective labour agreements and supplementary company agreements for Italgas Executives, Executives with Strategic Responsibilities are also entitled to enrolment in the Supplementary Pension Fund (FOPDIRE or PREVINDAI or AZIMUT), enrolment in the Supplementary Health Care Fund (FISDE and Cassa Prevint) and insurance cover against the risk of death and disability, as well as a car for personal and business use.

3.6.5. Pay-mix

Executives with Strategic Responsibilities

Theoretical pay mix[27] and form of remuneration for the minimum, target and maximum performance results



3.7. Independent Managers / Compliance Officers

For Managers, including two Executives with Strategic Responsibilities, who serve as members of the Independent Manager / Compliance Officer, there is a specific Policy in relation to the short- and long-term variable incentive plans, in order to ensure the neutrality of management of essential infrastructure, in accordance with the reference legislation[28], which does not envisage the allocation of shares, but rather the disbursement of all incentives in monetary form, in addition to specific objectives linked to the distribution scope only.

[27] The theoretical pay-mix is calculated net of the Dividend Equivalent component (only available during final accounting) and any change in share price.

[28] Pursuant to Annex A (TIUF) to resolution 296/2015, amended and supplemented with resolution 15/2018, which, in addition to providing for specific provisions relating to the functional unbundling obligations for companies operating in the electricity and gas sectors, governs the independence requirements of the members of the Independent Manager / Compliance Officer of companies operating in the corporate unbundling of sales and production. In particular, subsection 10.3 sets out the ban on implementing compensation policies or incentive systems directly or indirectly connected to the performance of the sales or production activity of electricity or natural gas.

The remuneration Policy envisaged for members of the Independent Manager / Compliance Officer, albeit with the necessary specifications, is aligned with the Company's overall approach for compensation issues and is formed of a short-term variable incentive component, a medium-term component and a long-term one, in line with the structure envisaged for the Group's Managers. In particular, the following is provided for:

- A short-term incentive (STI);
- A deferment plan for the short-term incentive – "Bonus Bank" in monetary form;
- A long-term incentive (LTI) plan.

With reference to the short-term component, an incentive system is envisaged based on an outline with individual objectives and/or objectives attributable to the specific business area. With regard to Executives with Strategic Responsibilities, the bonus opportunity is 51% of the fixed remuneration for performance at target, as envisaged for the other Executives with Strategic Responsibilities who are not part of the Independent Manager / Compliance Officer.

65% of the Short-Term Incentive (STI) is paid up-front on the basis of achievement of the annual results, whereas 35% is "invested" into a company "Bonus Bank" plan and is subject to a performance condition, tied to the EBITDA of the unbundling scope, according to the same incentive scale envisaged for other Executives with Strategic Responsibilities who are not part of the Independent Manager / Compliance Officer. This deferred component is paid in monetary form in compliance with the functional unbundling legislation.

The Long-Term Incentive (LTI) Plan has the same characteristics as those defined for other Managers of the Group, but with objectives structured according to the unbundling perimeter in line with the reference legislation. In particular, the following objectives are envisaged for 2025 allocation:

Independent Manager / Compliance Officer - Objectives of the 2023-2025 Long-Term Incentive Plan (2025 allocation)

50%

Net profit of companies in the unbundling scope

30%

Digitisation projects with strategic value

20%

Sustainability:

- Reduction of CO_2 emissions – scope 1 and 2 ("unbundling" scope)
- Reduction of net energy consumption ("unbundling" scope)

3.8. Clawback mechanisms

All the variable incentive systems include a claw-back clause whereby, within the legal statute-barred term (ten years), the Company is able to retake possession of amounts paid in the event that it is ascertained that the achievement of the objectives is attributable to malicious or grossly negligent behaviour or, in any case, implemented in violation of the reference standards.

Second Section – 2024 Compensation Paid and other information

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1. Implementation of the 2024 Remuneration Policy

Below is a description of the application of the Remuneration Policy in 2024 for the Chairperson of the Board of Directors, non-executive Directors, Chief Executive Officer, Board of Statutory Auditors and Executives with Strategic Responsibilities.

The implementation of the 2024 Remuneration Policy, as verified by the Appointments and Compensation Committee during the periodic assessment required by the Corporate Governance Code, was implemented in accordance with the general principles referred to in the resolutions passed by the Board of Directors and was consistent with what was envisaged, both in the market references found and in terms of overall positioning and pay mix.

Furthermore, in 2024, in compliance with the application of regulations related to functional unbundling, Italgas applied the principles of the Remuneration Policy defined for Independent Managers / Compliance Officers.

In accordance with Legislative Decree 49/2019, article 4, paragraph b, shown below are the 2024 performance results based on the targets set by Italgas' Board of Directors, which will determine or contribute to determining the incentives pertaining to 2024 which will be disbursed in 2025.

The incentives disbursed in 2024 were paid on basis of the final statement of results for 2023, as accrued within the Italgas Group and approved by the Board of Directors following the verification and proposal made by the Appointments and Compensation Committee, which were sated in the Report on the 2024 Remuneration Policy and 2023 Compensation Paid.

1.1. Historical trend of the Company's performance and remuneration of the CEO, Chairperson and employees

In line with the requirements of the Issuers' Regulations, the following is a comparison of the annual change for the last 5 financial years:

- of corporate performance, represented here by EBITDA;
- of the remuneration of the Chief Executive Officer and the Chairperson of the Board of Directors, represented herein according to a principle of competence (as indicated in column 6 "Total" of Table 1 "Remuneration paid to Directors, Statutory Auditors and Executives with Strategic Responsibilities" of this Report);
- of the total annual remuneration of the Group's full-time employees, other than the Chief Executive Officer, represented as personnel costs actually paid to employees over the years.

Change in Company performance

PARAMETER	2020	2021	2022	2023	2024	Δ 2024-2023
EBITDA (€ mn)	971	1,009	1,080	1,184	1,353	+14.3%

Change in the total annual remuneration of the Chief Executive Officer and the Chairman

PARAMETER	2020	2021	2022	2023	2024	Δ 2024-2023
Chief Executive Officer (€)						
(Column 6 "Total" of Table 1 - "Compensation paid to Directors, Statutory Auditors and Executives with Strategic Responsibilities")	1,791,344	1,940,556	1,919,810	1,814,301	2,090,922	+15.2%
Chairman (€)[29]						
(Column 6 "Total" of Table 1 - "Compensation paid to Directors, Statutory Auditors and Executives with Strategic Responsibilities")	270,000	270,000	290,842	300,000	300,000	0%

The data relating to the Board of Directors and the Board of Statutory Auditors are not shown as they are not tied to the Company results and consistent with what is described in the Remuneration Policy.

As per instructions from Consob, column 7 "Fair Value of equity compensation" of Table 1 "Compensation paid to Directors, Statutory auditors and Executives with Strategic Responsibilities" of this Report, sets out the sum of the fair value pertaining to the year of all the equity plans currently in place; this value is not considered for the purposes of defining the comparison table. Specifically, the 2018-2020 Co-Investment Plan provided for, following finalisation of the results, the assignment to the Chief Executive Officer of 191,432 shares for the three-year period 2018-2020, 147,430 shares for the three-year period 2019-2021 and 160,613 shares for the three-year period 2020-2022. The 2021-2023 Co-investment Plan, on the other hand, following finalisation of the results, allocated to the Chief Executive Officer 124,697 shares for the three-year period 2021-2023 and 124,615 shares for the three-year period 2022-2024.

Change in annual total remuneration of employees[30]

PARAMETER	2020	2021	2022	2023	2024	Δ 2024-2023
Average (€)	45,747	46,727	47,167	46,882	49,037	+4.6%
Median (€)	41,844	42,743	41,840	42,639	44,117	+3.5%

[29] With reference to 2022, the year in which there was a change of mandate of the Board of Directors with the appointment of a new Chairman, the sum of the remuneration paid to the two Chairmen was taken into account.

[30] On 1 September 2022, the Company completed the acquisition of DEPA Infrastructure, now called Enaon; therefore, as of 2023, the figures take into account the Group's total perimeter including employees in Greece. With reference to the Greek perimeter data, a correction factor was applied using the Price Level Index (PLI) values provided by the World Bank, in order to take into account the different purchasing power between the two countries. The PLI, in fact, takes into account both current nominal exchange rates and the relative price levels, thus making comparisons between countries using the same currency more accurate. The analysis considers full-time employees only.

2. Final accounting of the performance of the variable incentive plans

2.1. Short-Term Incentive Plan

The 2024 annual incentives are paid on the basis of the final statement of results for the targets set for 2024 in accordance with the Strategic Plan and the annual budget, determined on a constant scenario basis. In particular, the results for the targets set for 2024 were finalised by the Board of Directors as suggested by the Appointments and Compensation Committee, with the favourable opinion of the Board of Statutory, at the meeting on 12 February 2025 and determined a Company scorecard performance score of 125.7 points on the measurement scale which provides for a minimum, target and maximum performance level of 70, 100 and 130 points respectively. This score determines the overall value of the short-term incentive for the Chief Executive Officer and is a significant component of the short-term incentive scorecard for Executives with Strategic Responsibilities, with a weight of 40%.

The following table shows, for each target, the weighting assigned and the level of performance reached.

Final accounting of the objectives of the 2024 Short-Term Incentive Plan – 2025 disbursement

Performance parameters		Weight	Unit of measurement	Performance			Final value	Score	Weighted score
				Minimum (70)	Target (100)	Maximum (130)			
Economic-financial	Profitability (EBITDA)	30%	€ million				1,353	130	39
	Investments	25%	€ million				833	130	32.5
	Net Financial Position	20%	€ million				6,673	108.5	21.7
Sustainability	Combined accident index	5%	Combination of frequency and severity indices of accidents recorded during the year				0.027	128.8	6.4
	Leakage on the distribu-tion network	7.5%	Percentage of network km inspected out of total network km managed				154%	130	9.8
	Energy con-sumption	7.5%	Reduction of Group net energy consumption with the same gas input in 2023				390.7	130	9.8
	Gender Equity Pay Gap	5%	Change in average ratio of hourly basic wage F vs M for homogeneous clusters				-1.1%	130	6.5
								Total	**125.7**
								Performance gate	**ON**

2.2. 2021-2023 Co-investment Plan – Assignment for the 2022-2024 three-year period

At its meeting held on 12 February 2025, following the verification and proposal of the Appointments and Compensation Committee, the Italgas Board of Directors resolved:

- an Italgas accrued EBITDA result for the 2022-2024 three-year period of 3,617 million euros which determined a multiplier of 1.46 on the measurement scale which provides for a minimum target and maximum performance level of 0.7, 1.3 and 1.7 points respectively, to be applied to the number of rights allocated in 2022 for the purpose of determining the number of Italgas shares to be assigned to the beneficiaries of the Plan. Furthermore, in consideration of the performance level achieved, Italgas has offered a free share matching, equal to 0.88 shares for each right allocated, as governed by the Plan, for a total multiplier of 2.34;

Performance parameters	Unit of measurement	Performance			Final value	Multiplier
		Minimum (0,7)	Target (1,3)	Maximum (1,7)		
Cumulated EBITDA	€ million				3,617	1.46
					Matching	0.88
					Multiplier	**2.34**

- an additional number of shares ("Dividend Equivalent") determined as the ratio between the sum of the dividends distributed in the performance period and the average of the official daily prices of the share registered in the 30 calendar days prior to assignment of said shares (12 February 2025).

2.3. 2020-2022 Long-term Monetary Incentive (LTMI) Plan – Assignment for the 2022-2024 three-year period

At its meeting held on 12 February 2025, following the verification and proposal of the Appointments and Compensation Committee, the Italgas Board of Directors resolved:

- a Consolidated Net Profit result of 1,342 million euros for the 2022-2024 three-year period, which resulted in a score of 118.92 on a measurement scale that envisages a minimum, target and maximum performance level of 70, 100 and 130 points respectively (weight 55%);

Performance parameters	Unit of measurement	Performance			Final value	Score
		Minimum (70)	Target (100)	Maximum (130)		
Consolidated Net Profit	€ million				1,342	118.92

- a Total Shareholder Return result for the 2022-2024 three-year period compared to the peer group (A2A, Elia, Enagas, Redeia, Terna, Snam) which places Italgas in 3rd place, resulting in a score of 110 on the measurement scale which gives a score of 0 for positioning in 7th, 6th and 5th place, a score of 100 for positioning in 4th place, a score of 110 for positioning in 3rd place, a score of 120 for positioning in 2nd place and a score of 130 for 1st place (weight 30%);

Position	Company	Three-year TSR (diff. %)
1	A2A	+46.16%
2	Terna	+21.68%
3	**Italgas**	**+6.08%**
4	Redeia	+3.73%
5	Snam	-4.04%
6	Enagas	-21.66%
7	Elia	-32.13%

- a result for the Sustainability indicators for the 2022-2024 three-year period which overall resulted in a score of 130 on a measurement scale that envisages a minimum, target and maximum performance level of 70, 100 and 130 points respectively (weight 15%).

Performance parameters	Weight	Unit of measurement	Performance			Final value	Score
			Minimum (70)	Target (100)	Maximum (130)		
Inclusion, over the 2022-2024 three-year period, in the DJSI, FTSE4GOOD and CDP Climate Change sustainability indexes	10%	Number of inclusions				9 inclusions	130
Reduction of emissions	5%	Decrease in the quantity of gas emitted into the atmosphere through leakage				95.7%	130
						Total	**130**

Therefore, the overall performance for the 2022-2024 three-year period was 117.91 points.

Final accounting of the objectives of the 2020-2022 Long-Term Monetary Incentive Plan – Assignment for the 2022-2024 three-year period – 2025 disbursement

Consolidated Net Profit	Relative TSR	Sustainability	Final score
118.92	110	130	117.91

In addition, in relation to the cash principle, the value relating to the 2020-2022 Long-Term Monetary Incentive accrued at the end of 2023 was paid in 2024.

3. Compensation paid to the Directors

3.1. Chairperson of the Board of Directors

3.1.1. Fixed compensation

The current Chairperson was paid the fixed compensation resolved by the Board of Directors on 15 September 2022, amounting to 300,000.00 euros gross per annum, including the fixed compensation for Directors established by the Shareholders' Meeting on 26 April 2022. These amounts are shown in Table 1 under "Fixed compensation".

3.2. Non-executive Directors

3.2.1. Fixed compensation

The non-executive Directors were paid the fixed remuneration resolved on by the Shareholders' Meeting of 26 April 2022 equal to a gross annual amount of 50,000.00 euros and the Lead Independent Director was paid the additional fixed remuneration due for the office, resolved on by the Board of Directors on 13 June 2023, in the amount of 10,000.00 euros gross per annum. These amounts are shown in Table 1 under "Fixed compensation".

Non-executive Directors were also paid the additional remuneration due for participation in Board Committees resolved on by the Board of Directors on 18 May 2022. Details of these values are set out in Table 1 under "Compensation for participation in Committees".

3.3. Chief Executive Officer

3.3.1. Fixed compensation

The Chief Executive Officer was paid:

- the fixed compensation resolved by the Board of Directors on 15 September 2022, amounting to 850,000.00 euros gross per annum, including the fixed compensation for Directors established by the Shareholders' Meeting on 26 April 2022;
- travel allowances due, amounting to 9,010.00 euros.

Therefore, the Chief Executive Officer was paid fixed remuneration for a total gross annual amount of 859,010.00 euros. This value is shown in Table 1 under "Fixed compensation".

Also disbursed and shown in Table 1 under "Other compensation" is the gross-up for the car, amounting to 5,454.13 euros gross.

3.3.2. Short-Term Incentive (STI)

The final accounting of the objectives of the Short-Term Incentive Plan for 2024 determined, as shown in paragraph "2.1. Short-Term Incentive Plan" in the Second Section of this Report, an overall performance of 125.7 points. This resulted in the Chief Executive Officer accruing a total of 854,760.00 euros as a short-term incentive. 65% of this amount will be paid upfront, while the remaining 35% will be deferred in the 2024-2025 Co-investment Plan, 2025 allocation.

The Chief Executive Officer will therefore be paid a Short-Term Incentive (STI) of 555,594.00 euros gross in 2025 as an up-front component. This value is shown in Table 3.B under "Bonus for the year – Payable/paid".

In addition, in 2024, the bonus relating to the Short-Term Incentive of 495,482.00 euros (up-front portion) was paid, in accordance with the cash principle, the accrual of which relates to financial year 2023 and about which information has already been provided in the Report on the 2024 Remuneration Policy and 2023 Compensation Paid.

3.3.3. 2021-2023 Co-investment Plan – Assignment for the 2022-2024 three-year period

With reference to the rights allocated in 2022 and accrued at the end of the performance period as at 31 December 2024, at the Board of Directors meeting on 12 February 2025, 124,615 shares were allocated to the Chief Executive Officer linked to the performance achieved in the 2022-2024 three-year period, the free matching offered by Italgas and the approved Dividend Equivalent.

3.3.4. 2024-2025 Co-investment Plan – 2024 allocation

At the meeting held on 12 March 2024, at the proposal of the Appointments and Compensation Committee and with the favourable opinion of the Board of Statutory Auditors, in accordance with the 2024 Remuneration Policy and with the 2024-2025 Co-investment Plan approved by the 2024 Shareholders' Meeting, the Board of Directors confirmed the allocation of 51,860 rights to the Chief Executive Officer to receive Company shares at the end of the three-year vesting period and upon achievement of the specific performance objective. The fair value of the allocation is shown in Table 3.A under "Fair value on the allocation date".

3.3.5. 2020-2022 Long-Term Monetary Incentive (LTMI) Plan – Assignment for the 2020-2022 three-year period

In 2024, the Long-Term Monetary Incentive (LTMI) allocated in 2022 matured for a total gross value of 656,463.93 euros based on the multiplier of 117.91 approved by the Board of Directors on 12 February 2025. This incentive will be paid during 2025 and its value is shown in Table 3.B under "Bonuses from previous years – Payable/paid".

In addition, in 2024, the bonus relating to the 2020-2022 Long-Term Monetary Incentive, allocated in 2021, was paid in accordance with the cash principle, amounting to 433,989.90 euros, the accrual of which relates to financial year 2023 and about which information has already been provided in the Report on the 2024 Remuneration Policy and 2023 Compensation Paid.

3.3.6. 2023-2025 Long-Term Incentive (LTI) Plan – 2024 allocation

At the meeting held on 24 October 2024 at the proposal of the Appointments and Compensation Committee and with the favourable opinion of the Board of Statutory Auditors, in accordance with the 2024 Remuneration Policy, the Board of Directors resolved to allocate a gross amount of 556,750.00 euros (fixed compensation x 65.5%) to the Chief Executive Officer as the 2024 allocation under the 2023-2025 Long-Term Incentive Plan, subject to achievement of the predefined performance conditions in the three-year vesting period. The gross value of the incentive paid is shown in Table 3.B under "Bonus for the year – Deferred".

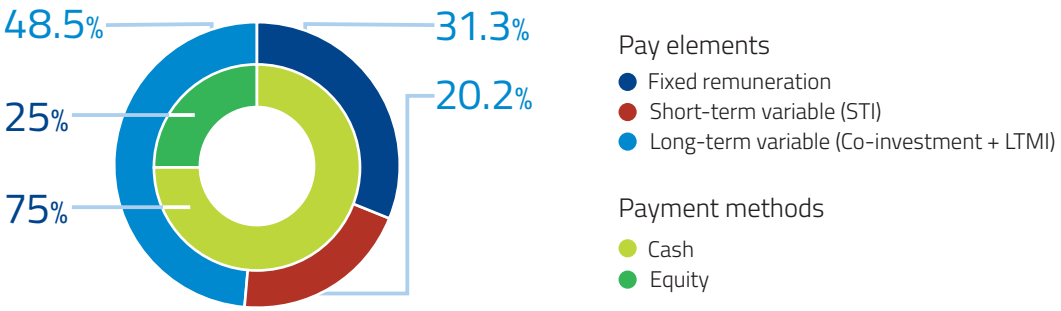
3.3.7. Benefits

In accordance with national collective labour agreements and supplementary company agreements for Italgas executives, provision was also made for the Chief Executive Officer to be enrolled in the Supplementary Pension Fund (AZIMUT), the Supplementary Health Care Funds (FISDE and Cassa Prevint) and provided with insurance cover against the risk of death and disability, as well as a car for personal and business use.

3.3.8. Pay-mix

Chief Executive Officer

Proportion of fixed and variable compensation pertaining to 2024[31]



[31] Determined by taking into account the fixed compensation paid in 2024, the short-term up-front incentive pertaining to 2024, the fair value of equity compensation pertaining to 2024 and the long-term monetary incentive pertaining to 2024. The pay-mix therefore includes the Dividend Equivalent component and any change in the share price.

4. Compensation paid to Executives with Strategic Responsibilities

In 2024, Italgas had 11 Executives with Strategic Responsibilities, in addition to the CEO: General Counsel, Head of People, Innovation & Transformation, Head of External Relations and Sustainability, Head of Institutional Relations and Regulatory Affairs, Head of Procurement and Material Management, Chief Executive Officer of Italgas Reti, Chief Executive Officer of Toscana Energia, Chief Executive Officer of Bludigit, Chief Financial Officer, Head of Corporate Strategy, Head of Group Security & Real Estate.

4.1. Fixed compensation

For Executives with Strategic Responsibilities, as part of the annual salary review process envisaged for all executives, in 2024 selective adjustments were made to the fixed remuneration as a result of promotions to higher level positions or adjustments to compensation levels needed to reflect the market benchmarks identified. The aggregate gross value of fixed remunerations disbursed in 2024 to Executives with Strategic Responsibilities is 2,734,634.92 euros and is shown in Table 1 under "Fixed compensation".

4.2. Short-Term Incentive (STI)

In 2025, variable annual incentives will be paid to Executives with Strategic Responsibilities, in accordance with the defined Remuneration Policy, with reference to the final record of performance in 2024. In particular, the incentive is connected to the Company results and to a series of business, sustainability and individual objectives assigned in relation to the responsibility of the role held. The average score achieved in 2024 by the Executives with Strategic Responsibilities was 122.1 and resulted in an overall short-term incentive equal, on average, to 62.2% of the fixed remuneration. 65% of this amount will be paid up-front, while the remaining 35% will be deferred in the 2024-2025 Co-investment Plan, 2025 allocation.

The aggregate gross value, as an up-front component, of the Short-Term Incentives (STI) to be paid in 2025 to Executives with Strategic Responsibilities amounts to 1,196,247.15 euros and is shown in Table 3.B under "Bonus for the year – Payable/paid".

In addition, in 2024, the bonus relating to the Short-Term Incentive (up-front portion) was paid, in accordance with the cash principle, for a total of 1,040,537.57 euros, whose accrual relates to the 2023 financial year and of which information has already been provided in the Report on the 2024 Remuneration Policy and the 2023 Compensation Paid.

4.3. 2021-2023 Co-investment Plan – Assignment for the 2022-2024 three-year period

With reference to the rights allocated in 2022 and accrued in 2024, at the Board of Directors meeting on 12 February 2025, a total of 149,188 shares were assigned to Executives with Strategic Responsibilities in relation to the performance achieved in the 2022-2024 three-year period, the free matching offered by Italgas and the approved Dividend Equivalent.

In compliance with the provisions of the functional unbundling legislation, the Board of Directors resolved, on the basis of the proxies received for management of said plan, to pay the monetary value for two Executives with Strategic Responsibilities appointed as Independent Manager / Compliance Officer, for a total value of 236,636.84 euros.

4.4. 2024-2025 Co-investment Plan – 2024 allocation

At the meeting held on 12 March 2024, on a proposal made by the Appointments and Compensation Committee and with the favourable opinion of the Board of Statutory Auditors, in accordance with the 2024 Remuneration Policy and with the 2024-2025 Co-investment Plan approved by the 2024 Shareholders' Meeting, the Board of Directors resolved to allocate a total of 85,044 rights to Executives with Strategic Responsibilities to receive Company shares at the end of the vesting period and on achievement of the specific performance objective. The fair value of the allocation is shown in Table 3.A under "Fair value on the allocation date".

4.5. 2024-2025 "Bonus Bank" Plan – 2024 allocation

At the meeting held on 12 March 2024, on a proposal made by the Appointments and Compensation Committee and with the favourable opinion of the Board of Statutory Auditors, in accordance with the 2024 Remuneration Policy, the Board of Directors, in favour of the Executives with Strategic Responsibilities identified as Independent Managers / Compliance Officers, resolved to defer in the "Bonus Bank" Plan a total of 122,771.56 euros, subject to re-evaluation based on performance at the end of the vesting period and the achievement of the specific performance target. The aggregate gross value of the deferred incentives for Executives with Strategic Responsibilities is shown in Table 3.B under "Bonus for the year – Deferred".

4.6. 2020-2022 Long-Term Monetary Incentive (LTMI) Plan – Assignment for the 2022-2024 three-year period

In 2024, the Long-Term Monetary Incentive (LTMI) allocated in 2022 matured for a total gross value of 954,349.90 euros based on the multiplier approved by the Board of Directors on 12 February 2025. This total incentive will be paid in 2025 and its value is shown in Table 3.B under "Bonuses from previous years – Payable/paid".

In addition, in 2024, the bonuses relating to the 2020-2022 Long-Term Monetary Incentive, allocated in 2021, were paid in accordance with the cash principle, amounting to a total of 638,688.23 euros, the accrual of which relates to financial year 2023 and about which information has already been provided in the Report on the 2024 Remuneration Policy and 2023 Compensation Paid.

4.7. 2023-2022 Long-Term Incentive (LTI) – 2024 allocation

In 2024, the Long-Term Incentive was allocated to Executives with Strategic Responsibilities for a total value of 909,210.00 euros, the accrual of which is subject to predefined performance conditions and to a three-year vesting period, determined in line with the 2024 Remuneration Policy. The aggregate gross value of the incentives allocated to Executives with Strategic Responsibilities is shown in Table 3.B under "Bonus for the year – Deferred".

4.8. Benefits

For the term of office covered, in accordance with national collective labour agreements and supplementary company agreements for Italgas Executives, Executives with Strategic Responsibilities were also granted the benefits provided for, and more specifically enrolment in the Supplementary Pension Fund (FOPDIRE or PREVINDAI or AZIMUT), enrolment in the Supplementary Health Care Fund (FISDE) and insurance cover against the risk of death and disability, as well as a car for personal and business use.

5. Transaction Bonus

On 24 October 2024, the Board of Directors, upon the proposal of the Appointments and Compensation Committee and in compliance with the "Transactions involving the interest of the Directors and Statutory Auditors and Transactions with Related Parties" Procedure, also for the purposes of Italgas' 2024 Remuneration Policy[32], resolved to award a one-off bonus related to the acquisition of 2i Rete Gas S.p.A. (so-called "Transaction Bonus") to the Chief Executive Officer and General Manager of Italgas as well as other selected employees, including 6 Executives with Strategic Responsibilities, who made a significant contribution to the transaction. The Transaction Bonus, in particular, was resolved in consideration of the extraordinary and exceptional nature of the acquisition transaction capable of generating value creation and long-term competitiveness.

In fact, the acquisition of 2i Rete Gas S.p.A. has a significant industrial and financial rationale, in consideration of the fact that integration of the target company into the Italgas Group allows the creation of a European champion in the gas distribution sector, with unique investment and innovation capabilities. The transaction underwent in-depth analysis and evaluation by the Board of Directors, which noted its strong strategic rationale based on the following elements:

i) the creation of a European champion: the consolidation of the gas distribution sector in Italy will accelerate the implementation of investments and the uniform development of the national infrastructure;

ii) the creation of a platform to promote investments and the energy transition: the increased investment capacity will allow the Company to continue to play a leading role in supporting a safe, sustainable and economic ecological transition;

iii) value creation: opportunities for growth and investment in innovation, the development of industrial synergies and cost efficiency will maximise value creation for the benefit of shareholders and all stakeholders.

In fact, the new company configuration will be able to rely on Italgas' know-how in the digitisation of assets and its track record achieved in operational excellence from its listing on the stock exchange up to today. With over 6,500 employees, the new entity will serve 12.9 million customers on the gas infrastructure in Italy and Greece, to whom it distributes an average of more than 13 billion cubic metres of gas each year through 154,000 kilometres of networks.

[32] For a description of the 2024 Remuneration Policy, see the First Section of Italgas' "Report on the 2024 Remuneration Policy and 2023 Compensation Paid", approved by the Shareholders' Meeting on 6 May 2024 and available on the Company's website www.italgas.it/en "Governance - Remuneration" section.

In particular, the Transaction Bonus is awarded in application of the provisions of the 2024 Remuneration Policy (which does not expressly provide for extraordinary bonuses) concerning exercise of the option to derogate the same, in particular where it indicates, in paragraph "2.3. Derogations to the Remuneration Policy": «*On an exceptional and non-recurring basis, [...] Italgas' Board of Directors [...] may permit possible derogations to the Remuneration Policy [...] in order to ensure pursuit of the long-term interests and sustainability of the Group as a whole, or to ensure its ability to compete on the market. In particular, the exceptional circumstances considered may include extraordinary transactions not previously planned (e.g., acquisitions, restructuring, reorganisation or reconversion), [...].*».

For the purpose of drafting its proposal, the Appointments and Compensation Committee consulted its advisors, experts in both remuneration and legal policies, with whom it conducted an in-depth analysis of the reference benchmarks for extraordinary bonuses and international market practices, the existence of the conditions for awarding the Transaction Bonus and the profiles pertaining to its quantification, as well as the correct procedural process to be followed for its approval.

Payment of the Transaction Bonus is subject to the closing of the transaction and is envisaged, for the Chief Executive Officer and General Manager and Executives with Strategic Responsibilities, in two instalments, i.,e. 50% in cash at the closing and the remaining 50% in the form of shares 18 months after the closing, with the exception of the Executives with Strategic Responsibilities appointed as Independent Managers / Compliance Officers for whom the bonus is paid on the same dates in two instalments, both in cash. The deferral condition allows the retention purpose to be emphasised and reinforced.

The total value of the Transaction Bonus at the date of allocation was 850,000 euros for the Chief Executive Officer and General Manager and 1,487,000 euros in total for the Executives with Strategic Responsibilities.

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Table 1 – Compensation paid to Directors, Statutory auditors and Executives with Strategic Responsibilities

The following table lists the compensation paid to Directors, Statutory Auditors and, at aggregate level, Executives with Strategic Responsibilities[33].

An indication of the compensation paid by Italgas to other companies is provided; there is no indication of additional compensation received by subsidiary and/or associated companies as they are fully paid back to the Company.

More specifically:

- the "***Fixed compensation***" column shows, on an accrual basis, the fixed emoluments and wages and salaries due in 2024, gross of social security and tax charges. Flat fee reimbursements and attendance fees are excluded as they are not payable. The note provides details of the compensation as well as a separate indication of any allowances and amounts payable based on the employment contract;
- the "***Compensation for participation in Committees***" column shows, on an accrual basis, the compensation due to Directors for their participation in the Committees set up by the Board. The note provides a separate indication of the compensation for each committee in which the Director participates;
- the "***Variable non-equity compensation***" column shows, under "***Bonuses and other incentives***", the incentives payable for the year from accrual of the related rights following verification and approval of the related performance results by the competent corporate bodies as specified in greater detail in Table 3.B "Monetary incentive plans for Directors and Executives with Strategic Responsibilities";
- the "***Variable non-equity compensation***" column shows, under the "***Profit sharing***", no data as this did not exist in 2024;
- the "***Non-monetary benefits***" column shows, on an accrual and taxability basis, the value of the fringe benefits assigned;
- the "***Other compensation***" column shows, on an accrual and taxability basis for the Chief Executive Officer, the gross-up value of the car;
- the "***Total***" column shows the sum of the previous items;
- the "***Fair Value of equity compensation***" column shows the fair value on the date on which compensation pertaining to the financial year was allocated with respect to the incentive plans based on financial instruments, estimated according to international accounting standards;
- the "***Compensation for end of office or termination of employment contract***" shows the amount of any redundancy incentives or non-competition agreements for Executives with strategic responsibilities who ended their employment during 2024.

[33] The are no prerequisites set by current legislation for disclosure on an individual basis.

TABLE 1: Compensation paid to Directors, Statutory auditors and Executives with Strategic Responsibilities

(Amounts in €)

					1		2	
Name and Surname	**Notes**	**Office**	**Period office was held**	**Expiry of office**	**Fixed compensation**		**Compensation for participation in Committees**	
Board of Directors								
Benedetta Navarra	(1)	Chairperson	01.01.2024 - 31.12.2024	Shareholders' Meeting for the Approval of the Annual Report 2024	300,000	(a)		
Paolo Gallo	(2)	Chief Executive Officer	01.01.2024 - 31.12.2024	Shareholders' Meeting for the Approval of the Annual Report 2024	859,010	(a)		
Qinjing Shen	(3)	Director	01.01.2024 - 31.12.2024	Shareholders' Meeting for the Approval of the Annual Report 2024	50,000	(a)	20,000	(b)
Maria Sferruzza	(4)	Director	01.01.2024 - 31.12.2024	Shareholders' Meeting for the Approval of the Annual Report 2024	50,000	(a)	20,000	(b)
Manuela Sabbatini	(5)	Director	01.01.2024 - 31.12.2024	Shareholders' Meeting for the Approval of the Annual Report 2024	50,000	(a)	40,000	(b)
Claudio De Marco	(6)	Director	01.01.2024 - 31.12.2024	Shareholders' Meeting for the Approval of the Annual Report 2024	60,000	(a)	40,000	(b)
Lorenzo Parola	(7)	Director	01.01.2024 - 31.12.2024	Shareholders' Meeting for the Approval of the Annual Report 2024	50,000	(a)	40,000	(b)
Fabiola Mascardi	(8)	Director	01.01.2024 - 31.12.2024	Shareholders' Meeting for the Approval of the Annual Report 2024	50,000	(a)	40,000	(b)
Gianmarco Montanari	(9)	Director	01.01.2024 - 31.12.2024	Shareholders' Meeting for the Approval of the Annual Report 2024	50,000	(a)	40,000	(b)
Board of Statutory Auditors								
Giulia Pusterla	(10)	Chairperson	01.01.2024 - 31.12.2024	Shareholders' Meeting for the Approval of the Annual Report 2024	70,000	(a)		
Maurizio Di Marcotullio	(11)	Standing Auditor	01.01.2024 - 31.12.2024	Shareholders' Meeting for the Approval of the Annual Report 2024	45,000	(a)		
Paola Maria Maiorana	(12)	Standing Auditor	01.01.2024 - 31.12.2024	Shareholders' Meeting for the Approval of the Annual Report 2024	45,000	(a)		
Executives with Strategic Responsibilities								
11 Executives with Strategic Responsibilities (13)					2,734,635	(a)		
				Grand Total	**4,413,645**		**240,000**	

3		4	5	6	7	8
Variable non-equity compensation						
Bonus and other incentives	Profit sharing	Non-monetary benefits	Other compensation	Total	Fair value of equity compensation	Compensation for end of office or termination of employment contract
				300,000		
1,212,058 (b)		14,400 (c)	5,454 (d)	2,090,922	675,872 (e)	
				70,000		
				70,000		
				90,000		
				100,000		
				90,000		
				90,000		
				90,000		
				70,000		
				45,000		
				45,000		
2,387,234 (b)		171,528 (c)		5,293,397	920,444 (d)	
3,599,292		**185,928**	**5,454**	**8,444,319**	**1,596,316**	

1) Benedetta Navarra - Chairperson of the Board of Directors

a) The amount includes the fixed annual compensation for the duties assigned by the Board of Directors' meeting of 15 September 2022, which includes the annual compensation established by the Shareholders' Meeting of 26 April 2022 for the office of Director.

2) Paolo Gallo - Chief Executive Officer

a) The amount of 859,010.00 euros includes:

- the fixed annual compensation approved by the Board of Directors at the meeting held on 15 September 2022, which includes the annual compensation established by the Shareholders' Meeting of 26 April 2022 for the office of Director;
- the allowances due for national and international travel undertaken, in accordance with the national collective labour agreement for the relevant Executives and supplementary company agreements (in the total amount of 9,010.00 euros).

b) The amount relates to 555,594.00 euros of the 2024 annual monetary incentive to be paid in 2025 and 656,463.93 euros relating to the Long-Term Monetary Incentive allocated in 2022 and to be paid in 2025.

In addition, in 2024 the following incentives pertaining to 2023 were paid: 495,482.00 euros relating to the 2023 annual monetary incentive; 433,989.90 euros relating to the Long-Term Monetary Incentive awarded in 2021.

c) The amount corresponds to the value of the fringe benefits assigned, on an accrual and taxability basis.

d) The amount relates to the gross-up value of the Chief Executive Officer's car.

e) The amount corresponds to the fair value on the date on which compensation pertaining to the financial year was allocated with respect to the incentive plans based on financial instruments, estimated according to international accounting standards.

3) Qinjing Shen - Director

a) The amount includes the annual fixed compensation established by the Shareholders' Meeting on 26 April 2022 for the office of Director.

b) The amount includes the fixed annual compensation established by the Board of Directors' meeting of 18 May 2022 for participation, as a Member, in the Sustainable Value Creation Committee.

4) Maria Sferruzza - Director

a) The amount includes the annual fixed compensation established by the Shareholders' Meeting on 26 April 2022 for the office of Director.

b) The amount includes the fixed annual compensation established by the Board of Directors' meeting of 18 May 2022 for participation, as a Member, in the Sustainable Value Creation Committee.

5) Manuela Sabbatini - Director

a) The amount includes the annual fixed compensation established by the Shareholders' Meeting on 26 April 2022 for the office of Director.

a) The amount includes the fixed annual compensation established by the Board of Directors' meeting of 18 May 2022 for participation, as a Member, in the Appointments and Compensation Committee and participation, as a Member, in the Control, Risk and Related Party Transactions Committee.

6) Claudio De Marco - Director

a) The amount includes the fixed annual compensation established by the Shareholders' Meeting of 26 April 2022 for the office of Director and the fixed annual compensation established by the Board of Directors on 13 June 2023 for the position of Lead Independent Director.

b) The amount includes the fixed annual compensation established by the Board of Directors' meeting of 18 May 2022 for participation, as a Member, in the Appointments and Compensation Committee and participation, as a Member, in the Control, Risk and Related Party Transactions Committee.

7) Lorenzo Parola - Director

a) The amount includes the annual fixed compensation established by the Shareholders' Meeting on 26 April 2022 for the office of Director.

c) The amount includes the fixed annual compensation established by the Board of Directors' meeting of 18 May 2022 for participation, as a Chairperson, in the Sustainable Value Creation Committee.

8) Fabiola Mascardi - Director

a) The amount includes the annual fixed compensation established by the Shareholders' Meeting on 26 April 2022 for the office of Director.

b) The amount includes the fixed annual compensation established by the Board of Directors' meeting of 18 May 2022 for participation, as a Chairperson, in the Appointments and Compensation Committee.

9) Gianmarco Montanari - Director

a) The amount includes the annual fixed compensation established by the Shareholders' Meeting on 26 April 2022 for the office of Director.

b) The amount includes the fixed annual compensation established by the Board of Directors' meeting of 18 May 2022 for participation, as Chairperson, in the Control, Risk and Related Party Transactions Committee.

10) Giulia Pusterla - Chairperson of the Board of Statutory Auditors

a) The amount includes the annual fixed compensation established by the Shareholders' Meeting of 26 April 2022 for participation, as Chairperson, in the Board of Statutory Auditors.

11) Maurizio Di Marcotullio - Standing Auditor

a) The amount includes the annual fixed compensation established by the Shareholders' Meeting of 26 April 2022 for participation, as a Standing Auditor, in the Board of Statutory Auditors.

12) Paola Maiorana - Standing Auditor

a) The amount includes the annual fixed compensation established by the Shareholders' Meeting of 26 April 2022 for participation, as a Standing Auditor, in the Board of Statutory Auditors.

13) Executives with Strategic Responsibilities

a) The amount of 2,734,634.92 euros corresponds to the Gross Annual Salary and the allowances for national and international travel undertaken, in accordance with the national collective labour agreement for the relevant Executives and supplementary company agreements, totalling 39,443.70 euros.

b) The amount of 2,387,233.89 euros includes:

- the gross aggregate value of the 2024 annual monetary incentive to be paid in 2025, amounting to 1,196,247.15 euros;
- the gross aggregate value of the Long-Term Monetary Incentive allocated in 2022 and to be paid in 2025, amounting to 954,349.90 euros;
- the monetary value of the rights relating to the 2021-2023 Co-investment Plan allocated in 2022 and paid to two Executives with Strategic Responsibilities appointed as Independent Managers / Compliance Officers, equal to 236,636.84 euros.

In addition, in 2024 the following incentives pertaining to 2023 were paid: 1,040,537.57 euros relating to the 2023 annual monetary incentive; 638,688.23 euros relating to the Long-Term Monetary Incentive allocated in 2021; 182,513.44 euros as the incentive for the 2021-2023 Bonus Bank Plan allocated in 2021 to two Executives with Strategic Responsibilities appointed as Independent Managers / Compliance Officers.

c) The amount corresponds to the value of the fringe benefits assigned, on an accrual and taxability basis.

d) The amount corresponds to the fair value on the date on which compensation pertaining to the financial year was allocated with respect to the incentive plans based on financial instruments, estimated according to international accounting standards.

Table 2 - Stock options assigned to Directors and Executives with Strategic Responsibilities

As there are no data to report, table 2 is not included.

Table 3.A - Incentive plans based on financial instruments other than stock options for Directors and Executives with Strategic Responsibilities

The following table shows the deferred portions of the Short-Term Incentive converted into rights to receive Company shares, at the end of the vesting period and upon achieving the specific performance objective, according to the Co-investment Plan valid for the 2022-2024 three-year period assigned to the Chief Executive Officer and, at aggregate level, to Executives with Strategic Responsibilities.

More specifically:

- The "***Number and type of financial instruments***" column shows the number of rights allocated for the stated plan;
- the "***Fair Value on allocated date (euros)***" column shows the fair value of the rights allocated;
- the "***Vesting period***" column shows the three-year duration of the allocated vesting period;
- the "***Market price on allocated (euros)***" column shows the allocation price calculated as the average of the official daily prices recorded in the thirty calendar days preceding the Board of Directors meeting that approved the allocation. The allocation price for 2024 was 5.1446 euros;
- the "***Financial instruments vested during the financial year and not assigned***" column contains no data as there are none to report;
- the "***Financial instruments vested during the financial year and assignable***" column contains the number of shares assigned to Chief Executive Officer and Executives with Strategic Responsibilities based on the performance level related to the 2022-2024 vesting period and reported by the Board of Directors on 12 February 2025;
- the "***Financial instruments pertaining to the year***" column shows the fair value pertaining to the year relating to the Co-investment Plan, estimated according to the international accounting standards which distribute the related cost over the vesting period; the total corresponds to the amount shown in Table 1 of the "Fair value of equity compensation" column.

TABLE 3.A: Incentive plans based on financial instruments other than stock options for Directors and Executives with Strategic Responsibilities

Name and Surname position	Plan Date of resolution	Financial instruments allocated in previous years not vested during the year			
		Number and type of financial instruments	Vesting period	Number and type of financial instruments	Fair Value at allocation date (euros)
Paolo Gallo Chief Executive Officer	2022 Co-Investment Plan Italgas BoD of 09/03/2022				
	2023 Co-Investment Plan Italgas BoD of 09/03/2023	48,939	three-year		
	2024 Co-Investment Plan Italgas BoD of 12/03/2024			51,860	266,799
	Transaction Bonus (*) Italgas BoD of 24/10/2024			80,144	425,004
Executives with Strategic Responsibilities	2022 Co-Investment Plan Italgas BoD of 09/03/2022				
	2023 Co-Investment Plan Italgas BoD of 09/03/2023	65,882	three-year		
	2024 Co-Investment Plan Italgas BoD of 12/03/2024			85,044	437,517
	Transaction Bonus (*) Itagas BoD of 24/10/2024			112,391	596,009
	Total	**114,821**		**329,439**	**1,725,329**

(*) The actual assignment of the shares related to the Transaction Bonus is subject to the approval of the Shareholders' Meeting pursuant to law and subordinated to the closing of the transaction for the acquisition of 2i Rete Gas S.p.A..

Financial instruments allocated during the year			Financial instruments vested during the year and not assigned	Financial instruments vested during the year and assignable		Financial instruments pertaining to the year
Vesting period	Allocation Date	Market price on allocation (euros)	Number and type of financial instruments	Number and type of financial instruments	Value at maturity date	Fair Value (euros)
				124,615	5.6514	258,771
						249,763
three-year	12/03/2024	5.1446				167,338
18 months from closing	24/10/2024	5.3030				
				149,188	5.6514	309,798
						336,232
three-year	12/03/2024	5.1446				274,414
18 months from closing	24/10/2024	5.3030				
				273,803		**1,596,316**

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Table 3.B - Monetary incentive plans for Directors and Executives with Strategic Responsibilities

The following table shows the short- and long-term variable monetary incentives provided for the Chief Executive Officer and, at aggregate level, for Executives with Strategic Responsibilities.

More specifically:

- the "***Bonuses for the year - Payable/paid***" column shows the Short-Term Incentive paid during the year based on the final statement of performance produced out by the relevant corporate Bodies in relation to the objectives set for the year 2024;
- the "***Bonuses for the year - Deferred***" column shows the amount of the incentive allocated for the year 2024 under the Long-Term Incentive (LTI) Plan;
- the "***Deferral period***" column shows the duration of the vesting period of the long-term incentive allocated in the year;
- the "***Bonuses from previous years - No longer payable***" column contains no data as the conditions for non-payability or partial payment of the bonus did not arise as predicted in the Plan Regulations;
- the "***Bonuses from previous years - Payable/paid***" column contains the long-term variable incentives paid during the year, accrued on the basis of the final accounting of the performance conditions of the vesting period, including the monetary value of the Co-investment Plan and the monetary value of the Bonus Bank Plan for Executives with Strategic Responsibilities appointed as Independent Managers / Compliance Officers;
- the "***Bonuses from previous years - Still deferred***" column shows the incentives allocated from existing deferred and long-term plans that have not yet been accrued;
- the "***Other bonuses***" column does not show the values of other bonuses as none were disbursed;
- the Total of "***Bonuses for the year - Payable/paid***" and "Bonuses from previous years - Payable/paid" is the same as the figure shown in the "Bonuses and other incentives" column in Table 1.

TABLE 3.B: Monetary incentive plans for Directors and Executives with Strategic Responsibilities

(Amounts in €)

Name and Surname	Office	Plan	
Board of Directors			
Paolo Gallo	Chief Executive Officer	2024 Short-term Incentive Plan Italgas BoD of 12/02/2025	
		2022 Long-term Monetary Incentive Plan Italgas BoD of 26/10/2022	
		2023 Long-term Incentive Plan Italgas BoD of 24/10/2023	
		2024 Long-term Incentive Plan Italgas BoD of 24/10/2024	
		Transaction Bonus (*) Itagas BoD of 24/10/2024	
			Total
Executives with Strategic Responsibilities			
11 Executives with Strategic Responsibilities		2024 Short-term Incentive Plan Italgas BoD of 12/02/2025	
		2022 Long-term Monetary Incentive Plan Italgas BoD of 26/10/2022	
		2023 Long-term Incentive Plan Italgas BoD of 24/10/2023	
		2024 Long-term Incentive Plan Italgas BoD of 24/10/2024	
		2022 Bonus Bank Plan - Italgas BoD of 09/03/2022 Monetary disbursement Independent Operators as per functional unbundling regulations	
		2023 Bonus Bank Plan - Italgas BoD of 09/03/2023 Monetary disbursement Independent Operators as per functional unbundling regulations	
		2024 Bonus Bank Plan - Italgas BoD of 12/03/2024 Monetary disbursement Independent Operators as per functional unbundling regulations	
		Transaction Bonus (*) Itagas BoD of 24/10/2024	
			Total
			Grand Total

(*) The actual disbursement of the Transaction Bonus is subject to the closing of the acquisition of 2i Rete Gas S.p.A. The amount includes the Transaction Bonus for No. 1 Executive with Strategic Responsibilities appointed as Independent Manager and paid in two equal instalments, respectively at the closing and 18 months after the closing, both in cash.

Bonus for the year			Bonus for previous years			Other bonuses
Payable/ paid	Deferred	Deferral period	No longer payable	Payable/paid	Still deferred	
555,594						
				656,464		
					556,750	
	556,750	three-year				
	425,000	at closing				
555,594	**981,750**		**0**	**656,464**	**556,750**	**0**
1,196,247						
				954,350		
					848,820	
	909,210	three-year				
				236,637		
					108,542	
	122,772					
	891,000	at closing / 18 months after closing				
1,196,247	**1,922,982**		**0**	**1,190,987**	**957,362**	**0**
1,751,841	**2,904,732**		**0**	**1,847,451**	**1,514,112**	**0**

Table 4 - Shareholdings held

In accordance with Article 84-quater, fourth paragraph, of the Consob Issuers' Regulations, the following Table shows the investments in Italgas S.p.A. held by the Directors, Statutory Auditors and Executives with Strategic Responsibilities, as well as by their spouses not legally separated and minor children, directly or through subsidiaries, trust companies or third parties, as shown in the shareholders' register, communications received and other information acquired from these individuals. It includes all individuals who held the post for some or all of the financial year. The number of shares (all "ordinary") is shown separately for each Director and Statutory Auditor and in aggregated form for Executives with Strategic Responsibilities. The stated individuals have full ownership of the shares.

TABLE 4.A: Shareholdings held by Directors and Statutory Auditors

(Situation at 31 December 2024)

Name and Surname	Office	Investee Company	Number of shares owned as at 31 December 2023	Number of shares purchased in 2024	Number of shares sold in 2024	Number of shares owned as at 31 December 2024
Paolo Gallo	Chief Executive Officer	Italgas	513,475	124,697 (*)	52,000 (**)	584,172
Benedetta Navarra	Chairperson of the Board of Directors	Italgas	0	0	0	0
Claudio De Marco	Director	Italgas	0	0	0	0
Gianmarco Montanari	Director	Italgas	200	0	0	200
Qinjing Shen	Director	Italgas	0	0	0	0
Fabiola Mascardi	Director	Italgas	0	0	0	0
Manuela Sabbatini	Director	Italgas	0	0	0	0
Lorenzo Parola	Director	Italgas	0	0	0	0
Maria Sferruzza	Director	Italgas	0	0	0	0
Giulia Pusterla	Chairperson of the Board of Statutory Auditors	Italgas	0	0	0	0
Paola Maria Maiorana	Standing Auditor	Italgas	0	0	0	0
Maurizio Di Marcotullio	Standing Auditor	Italgas	0	0	0	0

(*) Free allocation of Italgas S.p.A. ordinary shares following the accrual of rights allocated pursuant to the "2021-2023 Co-investment Plan" approved by the Shareholders' Meeting of 20 April 2021.
(**) Sale of Italgas S.p.A. ordinary shares assigned free of charge pursuanto to the "2021-2023 Co-investment Plan" approved by the Shareholders' Meeting of 20 April 2021, to cover tax charges (so-called "sell to cover") related to such assignment in accordance with the provisions of the Plan.

TABLE 4.B: Shareholdings held by Executives with Strategic Responsibilities

(Situation at 31 December 2024)

	Investee Company	Number of shares owned as at 31 December 2023	Number of shares purchased in 2024	Number of shares sold in 2024	Number of shares owned as at 31 December 2024
11 Executives with strategic responsibilities	Italgas	156,260	142,229 (*)(***)	84,639 (****)	213,850 (*****)

(***) Of these, 11,930 shares were purchased by persons closely associated (i.e., spouse, children, directly or through subsidiaries, trust companies or intermediaries) with Executives with Strategic Responsibilities.
(****) Of these, 35,775 shares were sold as ordinary shares, assigned free of charge pursuant to the "2018-2020 Co-investment Plan" approved by the Shareholders' Meeting of 19 April 2018, to cover the tax charges (so-called "sell to cover") related to such assignment in accordance with the provisions of the Plan; while 48,864 shares were sold as ordinary Italgas shares.
(*****) Number of shares held at 31 December 2024 by Executives with Strategic Responsibilities and persons closely associated with them (i.e., spouse, children, directly or through subsidiaries, trust companies or intermediaries).

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