



NFD 2022

CONSOLIDATED
NON-FINANCIAL
DISCLOSURE



LETTER TO STAKEHOLDERS

When we speak of energy transition, we are perhaps not looking far enough. We can barely cope with immediate emergencies and make forecasts for short-term scenarios. What escapes us is its revolutionary potential.

If we think back to ourselves at the start of the digital revolution, we will probably have to acknowledge that at the time we were unable to imagine how much it would impact, determine and also facilitate our lives. We did not immediately grasp its revolutionary importance. To do the same with the energy transition would be a mistake and would risk depowering it of its full meaning.

It is true, the scenarios are complex. We must take due account of the people's and industry's energy needs the physical geography of our Country and our housing stock, the (unfortunately) negative growth of Italy's population. We must consider its economic development, the climate change, the protection of biodiversity, the energy resources currently available to us and geopolitical balances.

Global events such as the pandemic and the war between Russia and Ukraine, which severely impacted the soundness of supply chains, the cost of energy and raw materials and forced us to urgently find alternative sources of supply to meet our national gas needs, highlighted the fragility of our energy system. And that is why they have played a role in accelerating the green transition process.

Although the decarbonisation targets we have set ourselves may now seem difficult to achieve by the deadline and in the way we have planned, it is nevertheless undeniable that the direction is clear and that we are now facing a paradigm shift.

What is now most pressing is the need to define the intermediate steps along this journey.

It is up to the Government and the Regulator to lay down and implement strategic guidelines within the framework of EU policies and plans, especially after the update of the new Italian Integrated National Plan for Energy and Climate (PNIEC), which needs to be revised according to the EU Fit-for-55 and RePowerEU packages.

As 2i Rete Gas, we remain committed to reducing our carbon footprint and we are ready to meet the demands of the new national energy plan, being confident of just how indispensable our infrastructure and technical expertise is for its management. For some time, we have also been developing lines of work to assist in the green transition for advanced uses of our assets with a view to green objectives.

More specifically, the Parent Company already took action in 2022 on two lines of investigation in partnership with leading university institutions, to carry out a series of studies on the injection of hydrogen into distribution networks, as well as experiments as part of a pilot project for injecting methane/hydrogen mixtures, also in collaboration with industry players.

The production of hydrogen and/or synthesis gas, which are low-carbon, can be an effective tool for the use of surplus energy from non-programmable renewable sources. This makes it possible to avoid the costs of investing in new infrastructure for the transmission, distribution and storage

of electricity, while continuing to make full use of functional and efficient infrastructure such as that already in place for gas.

On the other hand, as far as biomethane is concerned, the number of plants already connected to our distribution network is growing. The three current plants, which were connected in 2022, cover the annual needs of 10,000 households and constitute a positive circular economy model, which integrates the agro-food and the environmental services industries with the energy chain.

Alongside these initiatives, however, an even more important aspect of our activities should be considered, on which the Regulator has already focused its attention: the convergence in the distribution segment of electricity and gas, as a truly enabling factor in the evolving transition process.

This process will provide a made-to-measure service, calibrated to fit specific local situations, almost street-by-street and house-by-house, to supply the end client with the available and most economical resource, on the

basis of the infrastructures already built and those planned, in unified coordination with the authorities that grant the service concession.

The key to a sound and valid outlook for the national energy system is necessarily that of integration between adjacent sectors to create synergies and efficiencies that preserve our infrastructures, without making irreversible choices before the right sustainable alternatives have been identified.

As occurred with the digital revolution before, the energy paradigm shift will take time to achieve its full potential. We may run into failures. We may express opinions that turn out to be inaccurate. We may find obstacles on our way. But we will not lose sight of the final destination, being aware that we are the protagonists not of an era of change, but rather of a change of era.



Michele De Censi
Chief Executive Officer

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METHODOLOGICAL NOTE

Objective and reference standards

The aim of the “Consolidated Non-Financial Disclosure” (hereinafter also referred to as the “Disclosure” or “NFD”) for 2022 is to provide a transparent clear and full description of the results achieved by the 2i Rete Gas Group (hereinafter also referred to as “2i Rete Gas” or the “Group”) in pursuit of its intention to manage its activities responsibly, by delivering on commitments aimed at creating and distributing value, while considering some global challenges as well as aspects that, having a significant impact on the company’s performance, could have a substantial influence on the assessments made by its stakeholders. It was prepared consistent with the criteria set in previous years, pursuant **Italian Legislative Decree No. 254 dated 30 December 2016** (hereinafter referred to

as “Decree 254/2016”) and by relying, as a methodological framework, on the most recent version of the **GRI Sustainability Reporting Standards** (hereinafter referred to as “GRI Standards”), updated on 30 June 2022, using the “*in accordance with*” option. More specifically, in drafting this Disclosure, 2i Rete Gas also considered all the reporting principles laid down by the GRI, that are required and essential for ensuring high quality reporting: **Accuracy; Balance; Clarity; Comparability; Sustainability Context; Timeliness; Verifiability**. The NFD drafted in this manner therefore highlights the results of the in-depth analyses carried out in relation to the topic areas selected as relevant based on Italian Decree 254/2016, the characteristics of the Group and the business activity car-

ried out, considering at the same time the results of the materiality analysis carried out in 2022.

In the year just ended, 2i Rete Gas continued the alignment process to the **Recommendations of the Task Force on Climate-related Financial Disclosures** (hereinafter referred to as “TCFD”) and to the **principles laid down by the Sustainability Accounting Standards Board** (hereinafter referred to as “SASB”), as mentioned later in this report (see “Risk management”). A more exhaustive description of the findings of the analyses carried out by the “Sustainability and Transparency” Working Group on this matter is available in the section “Commitments and tools” on the Parent Company’s website (see “TCFD Disclosure” and “SASB Information” respectively).

Scope

The **scope of consolidation** for the purposes of this Disclosure **consists of 2i Rete Gas S.p.A.** hereinafter referred to as the “Parent Company” **and its fully consolidated subsidiaries** (hereinafter referred to as the “Group”) as of 31 December 2022. These are: Cilento Reti Gas S.r.l., 2i Rete Gas S.r.l. and 2i Rete Dati S.r.l.

The NFD is published annually and, in order to better understand the comparative data with respect to previous years reported in this edition, it should be noted that, although the consolidation scope is unchanged, on 1 December 2022 the Parent Company, following the award of the relative tender, acquired the concession for the gas distribution service in the ATEM (i.e., the smallest regional area covered by a single gas distribution network operator) “Napoli 1 - Città di Napoli e Impianto Costiero” (Naples 1 - City of Naples and Coastal Plant), and started to operate over 1,600 km of network and almost 400,000 rede-

livery points, while at the same time it hired 238 employees, transferred from the previous service provider. It should also be recalled that, on 28 February 2022, the Parent Company transferred the 15 employees previously assigned to the Cinisello Balsamo (MI) plants to the service provider that won the distribution service concession in the ATEM Milano 1.

The following indicators refer to the reporting year from **1 January to 31 December 2022**; in order to ensure comparability, the data and information for financial years 2020 and 2021 have also been reported as required by the GRI. In this respect, it is pointed out that it was necessary to recalculate information in the previous reports in order to take account of the assessment made of methane gas emissions from the plants and of the fact that the subsidiaries’ figures have not been adjusted to take account of minority interests, but are reported in their entirety.

Process for the definition of topic areas and materiality

In 2022, the Group continued to develop the process started in the previous years, with the aim of further integrating sustainability with its corporate strategy and business operations. As part of this process, the **stakeholder mapping** was confirmed,

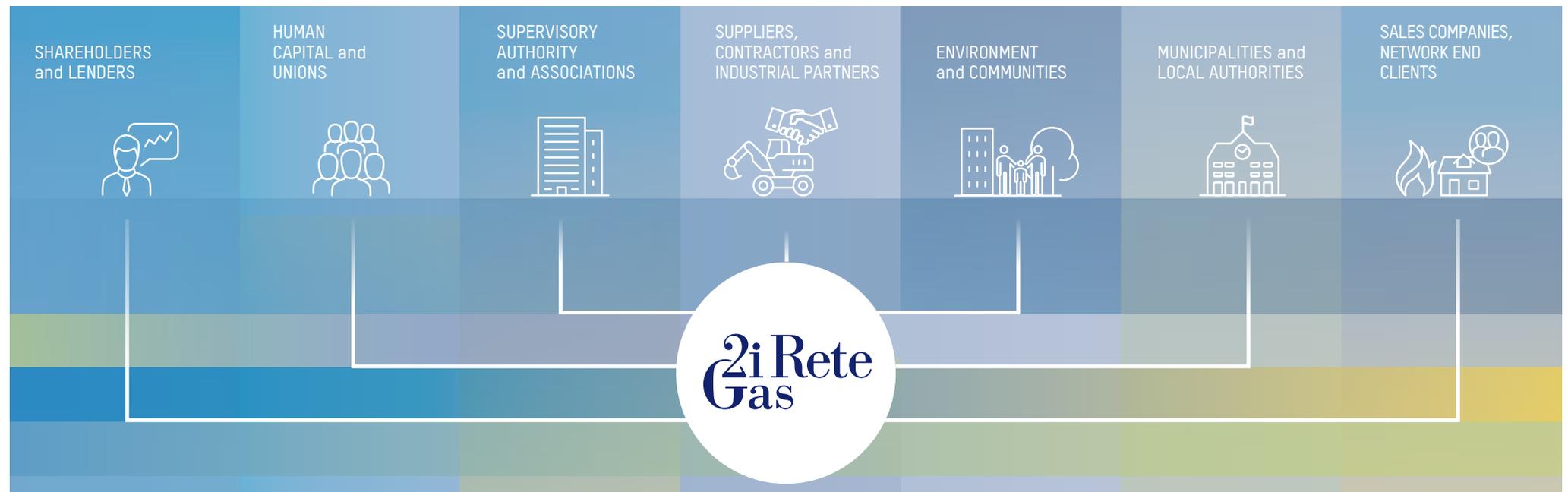
and the **materiality analysis** was carried out, incorporating the changes in GRI Standard 3 - Material Topics (impact materiality). Regarding stakeholders, both internal and external, the groups already identified in 2020 were confirmed

as parties towards which the Group has responsibilities and/or that can have an impact on its performance, the interests and expectations of whom are therefore considered when making corporate decision. As a consequence, again in 2022, as

part of activities designed to ensure a significant stakeholder engagement, 2i Rete Gas followed up with interaction practices, which had already been employed for some years aimed at customers and employees, including the findings of the most re-

cent customer satisfaction analysis (see "Satisfaction") and the work-related stress assessment (see "Engagement").

Key stakeholders for the Group



The materiality analysis focused on the assessment of material topics on the basis of the most significant related impacts – positive and neg-

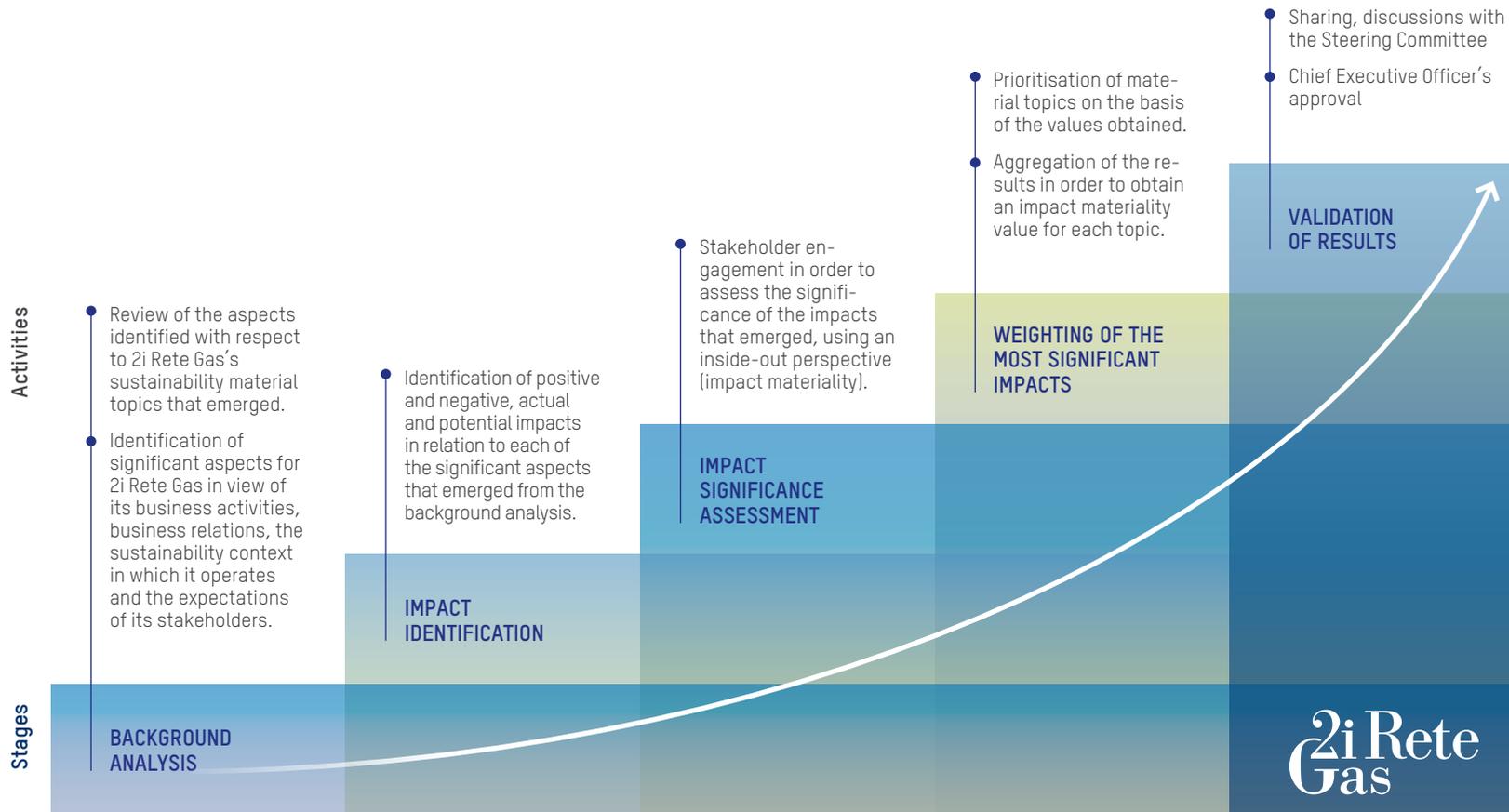
ative, actual and potential – that the Group generates or may generate on the economy, environment and people, including impacts on human

rights in light of both the context in which it operates and the activities it undertakes. This analysis involved the following activities: background anal-

ysis, impact identification, impact significance assessment, weighting of the most significant impacts, and validation of results.

The background analysis was developed by means of a survey conducted on internal and external documentary sources, aimed at gaining insights into industry macro-trends and international best practices, and of a benchmark analysis regarding material topics identified by Peers. The findings of these activities resulted in:

Process for the definition of materiality



- on the one hand, confirmation of both the **prerequisites** - i.e. the topics considered as of 2019 as indispensable for ensuring responsible business management - and of the **cross-sector material topic** "Integration of ESG factors in corporate governance", considered as of 2021 as necessary for monitoring ESG aspects. Therefore, **compliance with laws and regulations, business ethics and anti-corruption, listening to stakeholders and creating sustainable economic value**, together with the **integration of ESG factors in corporate governance** were not subject to further materiality assessments;
- on the other hand, examination of the appropriateness of integrating the assessment of **inclusion** within the topic "Diversity, inclusion and welfare" and of adding the assessment of **biodiversity** as a new topic.

Impact Description

POTENTIALLY MATERIAL TOPICS

Material Topic	Positive Impact	Negative Impact
MANAGEMENT, DEVELOPMENT AND ENGAGEMENT OF HUMAN CAPITAL	<ul style="list-style-type: none"> › Creation of a stimulating work environment, able to attract the best talents and to retain its human resources by enhancing their skills through targeted training paths, a performance assessment system able to stimulate awareness and self empowerment, as well as merit-based compensation and incentive systems aimed at ensuring that staff are satisfied with their work and the organisation. 	<ul style="list-style-type: none"> › Loss of technical and specialised know-how due to development plans and compensation and incentive systems perceived as neither fair internally, nor competitive on the market, and difficulties in attracting the best talents due to a working environment perceived as not stimulating.
SAFEGUARDING OCCUPATIONAL HEALTH AND SAFETY	<ul style="list-style-type: none"> › Contribution to the prevention and reduction of possible injuries and accidents involving its own employees and contractors' staff by spreading know-how and strengthening a culture and awareness of health and safety, going beyond regulatory requirements. 	<ul style="list-style-type: none"> › Accidents with serious consequences and damage to the mental and physical health of employees caused by failure to comply with applicable regulations, inaccurate risk assessment (including work-related stress risks) and failure to spread a culture of health and safety within and outside the organisation.
DIVERSITY, INCLUSION AND WELFARE	<ul style="list-style-type: none"> › Improving the well-being of employees by promoting an inclusive culture, a proper work-life balance, and the development of welfare plans able to respond to different needs. 	<ul style="list-style-type: none"> › A decline in workers' well-being due to possible episodes of discrimination and unequal working conditions, unsatisfactory work-life balance programmes, and welfare schemes perceived as ineffective.
RELIABILITY AND EFFICIENCY OF PLANTS	<ul style="list-style-type: none"> › Guaranteed continuity and technical and commercial quality of the service provided through efficient management of the infrastructure supporting the communities and areas served. 	<ul style="list-style-type: none"> › Deterioration in the technical and commercial quality levels of the service provided and untimely intervention in potentially dangerous situations for the communities in the areas served.
DIGITAL DEVELOPMENT	<ul style="list-style-type: none"> › Improvement of the safety standards of its plants, greater efficiency in its operational processes and network maintenance, including through the implementation of new technologies designed to improve and make the monitoring and management of its assets more effective. 	<ul style="list-style-type: none"> › Increased likelihood of occurrence of negative events related to the safety of its plants due to a failure to adopt the most innovative and effective technologies to monitor and manage its assets.
PRIVACY AND DATA SECURITY	<ul style="list-style-type: none"> › Contribution to the protection and security of data and information held by 2i Rete Gas through the adoption and implementation of technological, process, operational and organisational solutions capable of effectively countering exposure to cybercrime risk. 	<ul style="list-style-type: none"> › Loss, corruption or theft of data due to failure to implement cyber security measures capable of effectively countering potential attacks.
OPTIMISATION OF ENERGY RESOURCES AND ENVIRONMENTAL PROTECTION	<ul style="list-style-type: none"> › Identification, for the purpose of subsequent reduction, through targeted initiatives, of the direct and indirect impacts that 2i Rete Gas may have on the environment, considering the generation of emissions, including along its own value chain. 	<ul style="list-style-type: none"> › Failure to identify the direct and indirect impacts that 2i Rete Gas may have on the environment and along its value chain, due to ineffective supervision in terms of measurement, monitoring and management of these impacts.
ENERGY TRANSITION	<ul style="list-style-type: none"> › Support for the integration of renewables, increasing their flexibility of use while at the same time ensuring the security of the Country's energy system, through the future development of assets with a view to green objectives (biomethane and power-to-gas). 	<ul style="list-style-type: none"> › Damage to the environment caused by the lack of initiatives to ensure a sustainable development of gas infrastructure in the medium to long-term.
BIODIVERSITY	<ul style="list-style-type: none"> › Implementation of conservation measures aimed at preventing harm to both animal and plant life species, living in the areas in which 2i Rete Gas operates, also taking care to protect them. 	<ul style="list-style-type: none"> › Negative impacts on biodiversity generated by a failure to implement conservation measures and to comply with specific regulations.
RELATIONS WITH INSTITUTIONS AND AUTHORITIES	<ul style="list-style-type: none"> › A positive influence, while respecting everyone's roles, through participation in consultation procedures, initiated by the Authorities, on the regulation of the gas distribution service and infrastructure, or in working groups on safety, service quality and efficiency, energy efficiency and optimisation and innovative uses of networks. 	
RELATIONS WITH CLIENTS	<ul style="list-style-type: none"> › Strengthening of relations with the different types of client with whom 2i Rete Gas deals thanks to specific engagement activities that meet their expectations. 	<ul style="list-style-type: none"> › Deterioration in relations with different types of client due to a less proactive and effective approach in responding to their specific requests.
RESPONSIBLE SUPPLY CHAIN MANAGEMENT	<ul style="list-style-type: none"> › Spread of sustainability principles in its supply chain through awareness-raising activities among suppliers that interact the most with 2i Rete Gas. 	<ul style="list-style-type: none"> › Social and/or environmental damage caused by the possible violation of human rights and failure to adopt effective environmental management policies by suppliers that interact with 2i Rete Gas.
TRANSPARENT, CLEAR AND THOROUGH DISCLOSURE		<ul style="list-style-type: none"> › Undermining of its stakeholders' trust due to non-disclosure or misreporting of financial information and/or information on environmental and social performance of 2i Rete Gas.
CONTRIBUTION TO THE DEVELOPMENT OF THE REGION	<ul style="list-style-type: none"> › Return of value to the community by ensuring a safe, uninterrupted, reliable and timely service and by pursuing a constant and progressive reduction of operating costs eligible for cut-back, which translates into a lower incidence of the distribution service cost. 	

In order to assess, using an inside-out perspective (impact materiality), the significance of the positive and negative, current and potential impacts related to the potentially relevant topics that emerged from the background analysis, a questionnaire was prepared, for both the Board of Directors of 2i Rete Gas S.p.A. and for a representative sample of stakeholders, composed of employees considered experts on sustainability issues and of some sales companies. The two lists of material topics thus generated, ordered by significance, were aggregated and weighted in order to obtain an unequivocal impact materiality value for each topic.

The results were presented to the Steering Committee for discussion, the application of adjustments where necessary to better reflect the current state of the Group's priorities, prioritisation and subsequent validation by the CEO.

More specifically, it was decided to:

- aggregate aspects relating to "Contribution to the development of the region" and those relating to "Relations with institutions and Authorities" into a single material topic. In fact, the contribution to the development of the region includes the topic of passing on the economic value to the end client, one of the topics dis-

cussed with the Regulator. Similarly, a continuous and proactive dialogue exists with the Regulator on the topic of the development, cost and location of the service;

- keep "Biodiversity" in the list of topics, both by considering the real and limited cases in which 2i Rete Gas could objectively cause significant damage, and by weighting this result for the protections already required at regulatory level by the Regulator.

In light of this process, which showed results **virtually in line** with previous years, 13 material topics were therefore confirmed, one of which was new (see "Approach to sustainability").

Finally, it should be noted that the matrix view, which until last year represented the outcome of the materiality update by reporting the positioning of individual topics with respect to internal and external relevance, has now been replaced by **a list of impacts, attributable to material topics, prioritised by significance**.

The prerequisites, the cross-sector material topic, the material topics and the related impacts are reported in this Disclosure.

The "Sustainability and Transparency" Working Group collected data related thereto, provided by the rep-

resentatives of the corporate departments involved, subject to such data being processed and checked by the latter as required.

Furthermore, as in 2020 and 2021, further information is given on the management of the Sars COV-2 pandemic emergency in various sections of this report (see in particular "Management, development and engagement of human capital" and "Safeguarding occupational health and safety").

Finally, the economic data contained in the Disclosure were taken from the Group Consolidated Financial Statements.

The Board of Directors of 2i Rete Gas S.p.A. approved this document on 27 March 2023. This Consolidated Non-Financial Disclosure is subject to limited assurance in accordance with ISAE 3000 by Pricewaterhouse-Coopers S.p.A.

To facilitate dialogue with stakeholders, an e-mail address is available for any clarification regarding the Declaration and/or the information contained therein: sostenibilita@2iretegas.it

Results of the materiality analysis

Clusters	People	Assets	Environment	People	Environment	Stakeholders	Assets	Assets	Stakeholders	Stakeholders	Stakeholders	People	Environment
	Material Topics	1	2	3	4	5	6	7	8	9	10	11	12
	Safeguarding occupational health and safety	Reliability and efficiency of plants	Optimisation of energy resources and environmental protection	Management, development and engagement of human capital	Energy transition	Relations with Institutions and Authorities and contribution to the development of the region	Digital development	Privacy and data security	Relations with clients	Responsible supply chain management	Transparent, clear and thorough disclosure	Diversity, inclusion and welfare	Biodiversity

- Management of social topics
- Management of social topics and respect of human rights
- Management of environmental topic
- Cross-sector
- Management of human resources
- Management of social topics and respect of human rights



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GROUP profile

2i Rete Gas is the result of a process of acquisitions that over time has led the Group to being committed to aggregating, integrating and consolidating multiple realities in the natural gas distribution sector.

Today the Group operates nationwide in both provincial capitals and small municipalities and works daily to fulfil its role as a concessionaire of a public utility service, guaranteeing high performance levels and constant attention to the challenges facing the sector.

2,226

Municipalities served

18

Regions

72 thousand
km of network
managed

4.9 million
Redelivery
points

5.6 billion
m³ of gas transported

2,222
Employees

1



HIGHLIGHTS, HISTORY AND CORPORATE STRUCTURE

2i Rete Gas represents a reference point in the Italian natural gas distribution industry.

The Group currently operates at a national level and is present in 18 regions and 114 ATEMs (i.e., the smallest regional areas covered by a single gas distribution network operator) where, at the end of 2022, with the work of 2,222 people it

has come to serve a total of 2,226 Municipalities and about 72 thousand km of network through which it has distributed 5.6 billion cubic meters of gas on behalf of 335 sales companies to over 4.9 million network end clients, ranking as the second national operator in the industry.

This ranking was achieved starting in the last century following the first methane

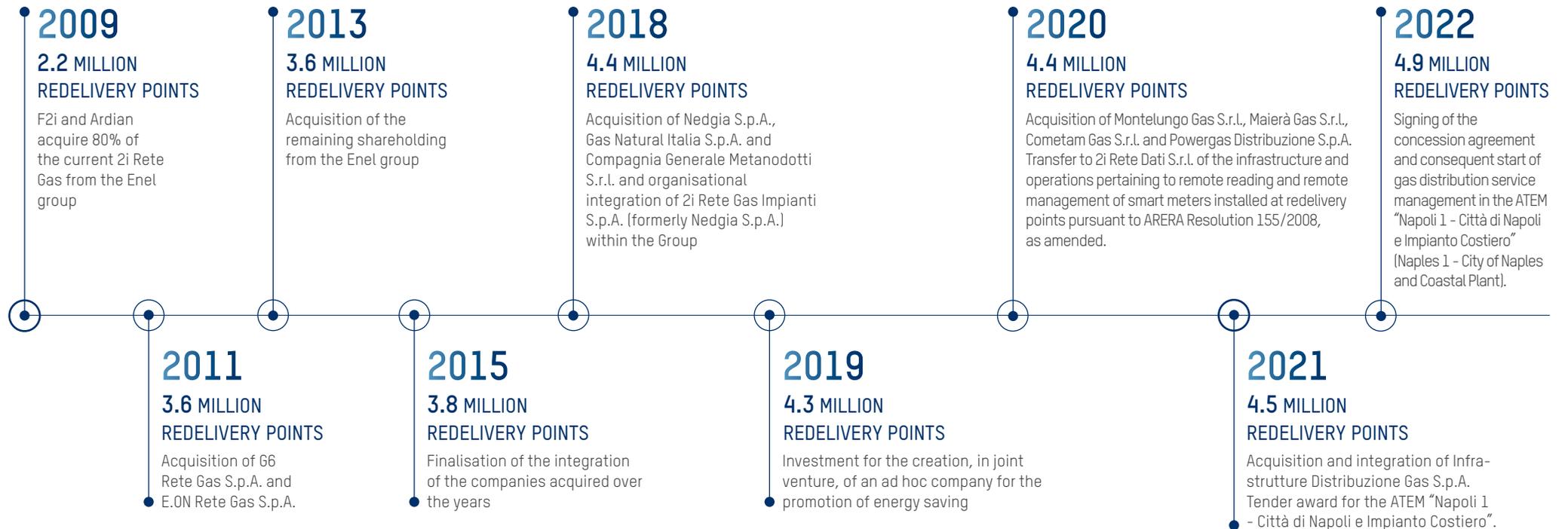
pipelines developed across the Italian territory, and thanks to a major path of expansion through acquisitions, started in the early 2000s, which anticipated the expected effects of calls for tender. Therefore, 2i Rete Gas (which has been operating as an independent distributor since 2009 and was indeed the first operator in Italy to take on this role) is currently a Group relying on

highly skilled in-house resources in the rigorous conduct of its core business, standing out for its ability to pick up and own the challenges facing the industry.

The most significant transactions include: the acquisition and integration in 2009 of the Enel group distribution network; the acquisition in 2011 of the Italian distribution networks of the German

group E.ON and of the French group GDF Suez, integrated in 2012 and 2013, respectively; and the acquisitions of the distribution network in Italy of the Gas Natural Fenosa group (Nedgia S.p.A.), integrated in 2019, and of the distribution network in Italy of Edison S.p.A. of the EDF group (Infrastrutture Distribuzione Gas S.p.A.), integrated at the end of 2021.

Major milestones



As a result of the above-mentioned corporate and business rationalisation efforts, as at 31 December 2022, 2i Rete Gas S.p.A. – in addition to a 100% interest in **2i Rete Gas S.r.l.** (the company that until 28 February 2022 managed the gas distribution service in the Municipality of Cinisello Balsamo, whose merger into the parent company, however, has already been executed by deed effective 1 January 2023) and a 100% interest in **2i Rete Dati S.r.l.** – holds a 60% interest in **Cilento Reti Gas S.r.l.**, a project company the remaining 40% of which is held by Bonatti S.p.A. as construction partner, and a 60% interest in **2i Servizi Energetici S.r.l.**

2i Rete Dati operates in the telecommunications sector and, more specifically, it installs and runs data transmission connectivity infrastructures for remote meter reading and remote

management of smart gas meters and other types of smart devices.

Cilento Reti Gas operates under a public concession for the design and construction of the network and the management of the natural gas distribution service in the areas of Bussento, Lambro and Mingardo, and in the areas of Gelbison and Cervati, Alento and Monte Stella and is engaged in the completion of the natural gas distribution plants under construction.

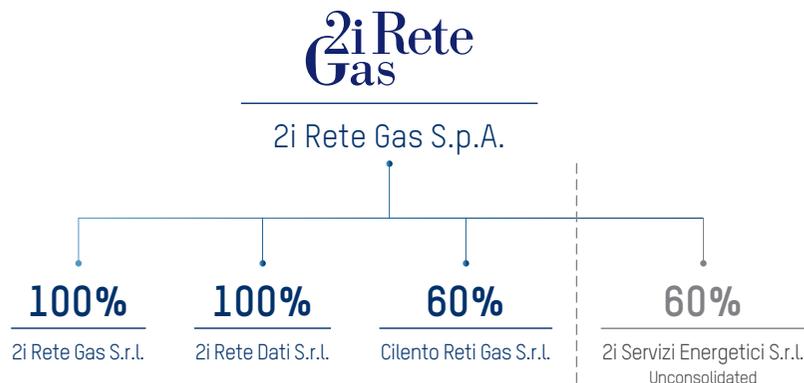
2i Servizi Energetici, established in 2019 as a joint venture with Tekne Esco S.r.l. (which holds the remaining 40% of the share capital), is the Group company engaging in the development and marketing of energy efficiency initiatives for public and private entities. The company, it should be noted, is not included in the Group scope of consolidation.

The subsidiaries of 2i Rete Gas S.p.A., in order to guarantee the highest performance levels in wide-spread local areas, benefit from the activities of the central and local organisational structures of the Parent Company, which include:

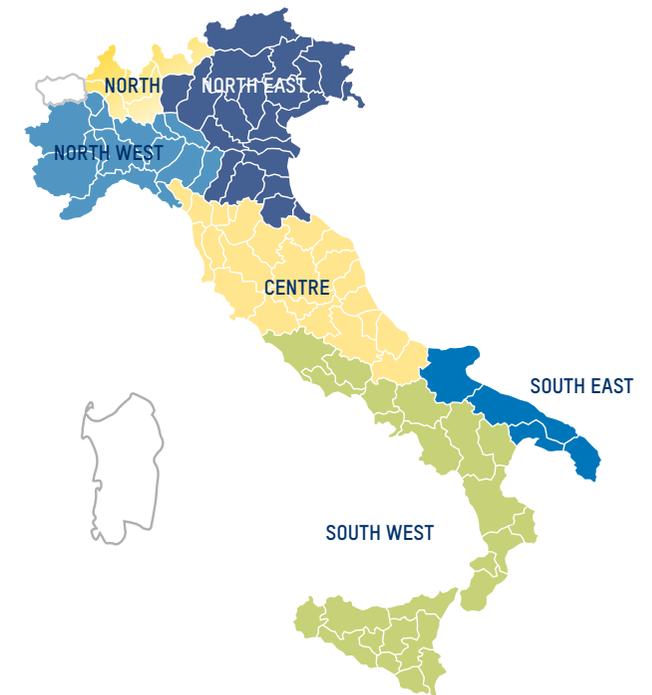
- a central management office in Milan, mainly dedicated to staff activities and operations management;
- five branch offices dedicated to staff activities in Verona, Frosinone, Acquaviva delle Fonti, Selvazzano and Naples;
- six Departments that coordinate 24 Local Areas and the Naples Area, which, in turn, manage their territory of competence.

This organisation reflects a streamlined and flexible structure, able to adapt quickly to the changing context and respond to the needs of the categories of Clients with whom the Group has relations.

The Group as at 31/12/2022



- NORTH**
 - Biella
 - Como-Varese
 - Milano Nord
 - Valtellina
- NORTH EAST**
 - Bergamo
 - Padova-Venezia
 - Rovigo
- NORTH WEST**
 - Castellazzo-Bormida
 - Milano Sud
 - Piacenza
 - Albenga
- CENTRE**
 - Massa
 - Perugia
 - L'Aquila
 - Viterbo
 - Chieti
- SOUTH WEST**
 - Napoli
 - Frosinone
 - Area
 - Nola
 - Catania
 - Palermo
- SOUTH EAST**
 - Foggia
 - Bari
 - Taranto
 - Lecce-Brindisi



GOVERNANCE

The governance model of the Group is based on the principles of integrity, fairness, and business ethics.

The system of corporate governance rules together with the set of decision-making processes guide the Group towards the creation of value for shareholders, the protection of stakeholders' interests, and ensuring transparency in relations with them, as well as towards the control of corporate risks.

OWNERSHIP STRUCTURE AND LEGAL FORM

2i Rete Gas S.p.A. is a joint-stock company whose share capital is allocated as follows:

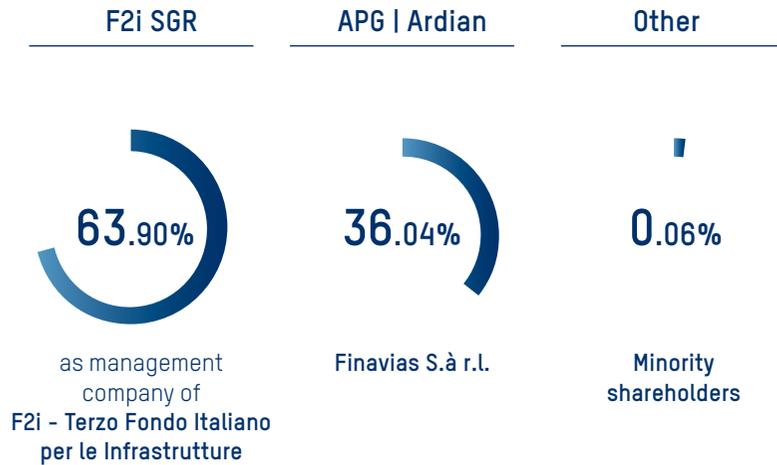
- **F2i SGR S.p.A.**, a major national independent asset management company engaging in the collection and management of funds for investment in the infrastructure sector, acting as management company of "F2i - Terzo Fondo per le Infrastrutture", being 2i Rete Gas S.p.A.'s majority shareholder (holding 63.90% of its share capital);
- **APG Asset Management**, one of the world's largest pension fund managers that invest in the infrastructure

and energy industry globally with assets under management totalling approximately € 541 billion, being the **second main shareholder, with a 22.42% equity interest (through a 62.20% interest held by Finavias S.à r.l., which directly owns 36.04% of 2i Rete Gas S.p.A.'s share capital);**

- **Ardian**, an independent international investment company that

manages investments of approximately € 150 billion across Europe, North America and Asia, being the **third main shareholder, with a 13.62% equity interest (through a 37.80% interest held by Finavias S.à r.l., which directly holds 36.04% of 2i Rete Gas S.p.A.'s share capital, as mentioned above).**

Shareholding structure of 2i Rete Gas S.p.A.



GOVERNANCE STRUCTURE, DELEGATION SYSTEM AND BODIES

2i Rete Gas S.p.A. adopts a so-called traditional governance and control system in accordance with the applicable regulatory provisions, which includes the:

- **Shareholders' Meeting**
- **Board of Directors**
- **Board of Statutory Auditors**

with the Group's statutory audit entrusted by the Board of Directors, following a tender procedure by invitation and after hearing the opinion of the Board of Statutory Auditors, to the independent auditors **PricewaterhouseCoopers S.p.A.** The functions and activities of these corporate bodies are governed by **law and the articles of association of the company.** With specific reference to the Parent Company, the decision-making body is the Shareholders' Meeting, which is responsible for appointing the Board of Directors, the Board of Statutory Auditors and the independent auditors.

The **Board of Directors** is responsible for the ordinary and extraordinary management of the Company and has the power to carry out all the actions deemed necessary to implement and achieve the corporate purpose, except for those actions that are reserved for the Shareholders' Meeting by the applicable regulations and the Articles of Association. The current Board of Directors is composed of 8 members, 3 of whom are women.



The Board of Directors was appointed by the Shareholders' Meeting on 22 April 2021 for three financial years, with its term of office expiring on the date of the Shareholders' Meeting to be convened to approve the financial statements for the year ended 31 December 2023.

In the Board's current 8-member configuration, its members include high-profile managers and professionals from the management team of F2i SGR, APG and Ardian, as well as representatives from the decision-making bodies of the sponsors of the infrastructure funds managed by F2i SGR.

Board members are identified by the Shareholders in such a way as to ensure an adequate combination of professional expertise and individual skills, especially with regard to significant expertise in the fields of energy and infrastructure, finance, sustainability, management and corporate accounting, while also ensuring adequate gender representation. The candidates are selected by the Shareholders on the basis of internal procedures that govern the definition of candidature proposals, taking into consideration the candidates' various experiences in the sector, their professional expertise, especially in the sustainability field, their standing and ability to communicate with institutions and stakeholders and, where deemed appropriate, also through the use of headhunting firms. Prerequisites that are verified by the Shareholders' compliance functions include the existence and permanence of the requirements of

good repute, the non-existence of conflicts of interest, the commitment to comply with regulations (including with regard to market abuse) and independence in the performance of the office.

Selection is carried out according to set stages and timeframes and involves the express approval of candidates on the basis of the governance rules of each Shareholder. In the selection process, gender diversity is also taken into account in accordance with the Shareholders' ESG policies, which provide for ensuring the presence of the least represented gender.

The Director Rosaria Calabrese is a Partner of F2i SGR S.p.A. and Head of the ESG Sustainability Operating Unit, and therefore makes a significant contribution to the work of the Board by bringing specific expertise and experience to it, gained in the field of corporate sustainability, also in the broader context of the companies managed by F2i SGR on behalf of investment funds.

Also sitting on the Board is Prof. Stefano Gatti, an Antin IP Professor of Infrastructure Finance from the Bocconi University Finance Department, director of the Full Time MBA and International Teachers' Programme,

who has managed research, consulting and training projects at numerous financial and non-financial institutions. He is a researcher and essayist, who does not hold any position in the Shareholders' management and who therefore ensures an independent view of the company's activities, although the company does not issue shares listed on regulated markets and is not subject to any obligations in this respect.

With regard to the remuneration policies of the highest governing body, the Board of Directors periodically monitors the adequacy and competitiveness of the remuneration of the CEO and top management. Lastly, in 2022, the Board of Directors delegated two directors, one representing the controlling shareholder F2i SGR S.p.A. and one the shareholder Finavias S.à r.l., to carry out a review of the adequacy and competitiveness of the CEO's overall remuneration with respect to the Company's competitors and in any case with respect to peers in the energy infrastructure sector, through the involvement of a leading consulting firm expert in the sector. The CEO was in turn delegated by the Board to carry out the same analysis with respect to the company's top management.

The Board of Directors holds ordinary meetings at least once a month during each financial year, with the planning of activities ensuring the unanimous participation of its members as far as possible, facilitating remote video connection and managing preliminary activities digitally using a modern software interface that makes it possible to view relevant documentation online, doing away with the need to use print and ensuring the confidentiality and traceability of all activities.

At the time of appointment, 2i Rete Gas S.p.A. also checks that Directors possess the necessary requirements of integrity and non-existence of conflicts of interest with the Company, also by acquiring a list of their offices held in other companies and the supporting declarations issued by the Directors appointed, on acceptance of the office.

The possession – by members of the Board of Directors with powers to represent the Company, as well as by members of the Board of Statutory Auditors and of the Supervisory Body – of the requirements of integrity is also subject to periodic verification in relation to the participation of 2i Rete Gas S.p.A. in calls for tender for the award of the gas distribution service.

On a half-yearly basis, for the purpose of identifying possible related parties in order to include the relevant transactions in the financial reports, a list of the offices held in other companies by each member of the Board of Directors and of the Board of Statutory Auditors is also acquired.

The Chief Executive Officer and General Manager of the Parent Company is, since FY2015, **Michele Enrico De Censi**, a manager with long-standing experience in the energy and infrastructure sector.

The Chief Executive Officer provides, on average once a month, the Board of Directors with detailed information on the Company's operating performance and the exercise of his delegated powers. He also periodically reports on the most significant management issues and activities, with particular reference to issues related to the sustainability of the business, the evolution of regulation with a focus on energy transition issues, the management by the organisation and top management of the Company's impact on the economy, the environment and people, the most significant initiatives implemented for this purpose and the progress of the main project streams in the ESG area.

In addition, the Chief Executive Officer generally reports to the Board of Directors every six months on the progress of activities with respect to the objectives of the Sustainability Plan.

Furthermore, the Chief Executive Officer submits annually to the Board of Directors, for its formal review and approval, the draft of the Consolidated Non-Financial Disclosure as well as, if applicable, the updated Sustainability Framework and Policy, together with a progress and performance report and a proposed update of the three-year Sustainability Plan (see "Approach to sustainability").

The constant involvement of the Board of Directors – both by means of reports received from the delegated body, and at the stages of planning and approval of the Sustainability Plan objectives, the periodic monitoring of the relative progress, and the approval of the reporting for the purposes of the Consolidated Non-Financial Disclosure – ensures continuous updating and training on sustainability topics for all Board members, the composition of which has been moreover substantially stable since their appointment and, for some members, also since previous terms in office.

In 2022, the Board of Directors also participated in updating 2i Rete Gas's materiality analysis, assessing the significance of the impacts associated with the social, environmental and governance topics that are most relevant to the Group (see "Process for the definition of topic areas and materiality"). Furthermore, again in 2022 the annual update session on 2i Rete Gas's sustainability journey took place with the participation of the Company and Shareholders' representatives, including 2i Rete Gas's Board Members (see "Sustainability Governance").

With reference to the Board of Directors' ESG performance assessment system, it is underlined that the Company actively participated again this year in the Global ESG Benchmark for Real Assets (GRESB) assessment process, further improving its performance: starting in 2020 from a score of 68 and after an initial improvement to 81 in 2021, in 2022 the Company was awarded a score of 92 out of 100 and is now ranked 4th out of 9 peers in the sector and 153rd out of the 649 entities scrutinised by GRESB.

In addition, 2i Rete Gas also recorded a significant improvement in the unsolicited ratings issued (i) by Sus-

tainalytics, as the company went from 33.4 risk rating points to 25.2 points, with an increase in particular in the Management parameter from 27.9 (average) to 50.8 (strong) with an equal risk exposure (47.9) and (ii) by Moody's ESG Solutions, recording an increase of 11 points (rising from 34 points for 2020 and 2021 to 45 points out of 100 for 2022), with an improvement in all the parameters used by Moody's ESG Solutions for the appraisal, including the Carbon footprint score, which improved from B (significant) to A (moderate). In particular, Moody's ESG Solutions materiality matrix explicitly emphasised additional corporate strengths, in addition to the anti-corruption safeguards already appreciated in the previous years' report, including the environmental impact mitigation strategy, ESG corporate best practices, and the quality of relations with clients and closeness to communities.

2i Rete Gas S.p.A.'s Board of Directors has also set up a **Tender Executive Committee** aimed at supporting the Company at the stage when it assesses and decides on its participation in large calls for tender, the establishment of which has been postponed, in order to preliminarily

consolidate the Board's assessment and decision-making processes and in general the shared standard in terms of the roadmap and assessment criteria.

The companies that are directly controlled are wholly owned by the Parent Company and are subject to its management and coordination, with a Sole Director at the top. Only Cilento Reti Gas S.r.l. is managed by a Board of Directors with directors representing both shareholders.

The power and delegation system implemented by the Group is structured as follows:

- a system of general powers of attorney, which provides for the distribution of powers to represent the company according to a pre-established format for each power and formalised in an official book of powers and its granting according to the position held in the company organisation held by each attorney;
- a system for the delegation of functions, consistent with the organisation and subject to periodic updating on the basis of its development, issued also in order to guarantee the effectiveness of the health and safety system pursuant

to Italian Legislative Decree 81/08, of the responsibilities assigned in compliance with the Organisation, Management and Control Model approved in accordance with Italian Legislative Decree 231/2001 (hereinafter also referred to as the "Model") and the Privacy Manual implemented to ensure compliance with the data protection requirements set out in Regulation (EU) 2016/679.

The power and delegation system is therefore aimed at ensuring that the company's operations are effective and efficient and that responsibilities are correctly allocated in terms of regulations and management.

BOARD OF STATUTORY AUDITORS

The Board of Statutory Auditors monitors compliance with the **law, memorandum of association and articles of association**, and discharges **monitoring functions in terms of compliance with the principles of proper administration in the performance of corporate activities**. It also verifies the **adequacy of the organisational, administrative and accounting structure** adopted by the Company and its actual functioning. The Board of Statutory Auditors consists of 3 standing auditors (one of whom represents the female gender) and 2 alternate auditors, appointed by the Shareholders' Meeting on 22 April 2021 for three financial years. Therefore, its term of office will expire on the date of the Shareholders' Meeting to be convened to approve the financial statements for the year ended 31 December 2023. In accordance with the provisions of article 19 of Italian Legislative Decree No. 39/2010 on control bodies in Public Interest Entities, the Board of Statutory Auditors is also qualified as **Internal Control and Audit Committee**. It also oversees the **financial reporting process, the effectiveness of the internal control and risk management systems**, as well as the **independence of the independent auditors**, in particular as regards the provision of

non-audit services to the body whose accounts must be audited.

SUPERVISORY BODY

The Supervisory Body **monitors the functioning of and compliance with the Company Organisation, Management and Control Model and makes sure that it is updated**. 2i Rete Gas S.p.A. and the companies of the Group have appointed a Supervisory Body in accordance with Italian Legislative Decree No. 231/2001. With regard to the Parent Company, the current Supervisory Body, which was appointed by the Board of Directors and whose term of office will expire in conjunction with the latter's, consists of the following 3 members, who were, among other things, appointed both in pursuance of law requirements as well as with the aim of relying on the combination of diverse professional skills and experiences: Daniela Mainini, a criminal lawyer with proven experience also in the field of liability under Italian Legislative Decree No. 231/2001, acting as Chairman; the Chairman of the Board of Statutory Auditors, Giovanna Conca, acting as a full member; and Maria Cristina Fortunati, Head of Legal Affairs, acting as a full member. Such a composition ensures ongoing exchanges also with the Board of Statutory Auditors and a link with the Company Legal Department.

Board of Directors of 2i Rete Gas S.p.A. as at 31/12/2022

Ugo De Carolis - 1965

Chairman of the Board of Directors (does not hold an executive position in the Company)

Carlo Michelini - 1968

Deputy Chairman

Michele Enrico De Censi - 1966

Chief Executive Officer, General Manager

Marion Calcine - 1984

Director
resigned on 29/09/2022

Rosaria Calabrese - 1978

Director

Carlo Maddalena - 1987

Director

Stefano Gatti - 1967

Director

Alessandra Polerà - 1978

Director

Federica Rita Vasquez - 1984

Director
in office since 29/09/2022

Board of Statutory Auditors of 2i Rete Gas S.p.A.

Giovanna Conca - 1958

Chairman

Marco Giuliani - 1959

Standing Auditor

Giovanni Cappa - 1959

Standing Auditor

Walter Bonardi - 1946

Alternate Auditor

Ercole Fano - 1986

Alternate Auditor

RESPONSIBLE BUSINESS MANAGEMENT

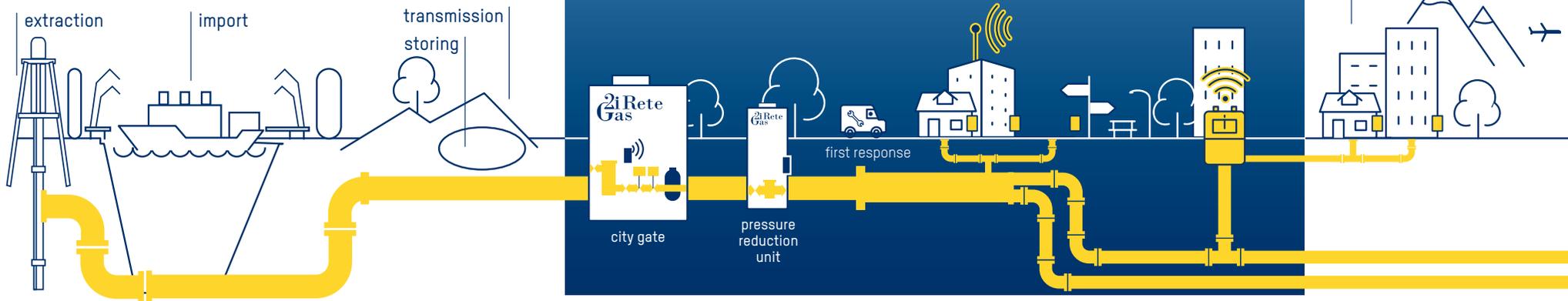
The Group operates in the natural gas supply chain and mainly carries out its business in compliance with the regulations issued by the Regulatory Authority for Energy, Networks and Environment (ARERA), which sets out the terms and procedures for accessing infrastructure and providing the service, as well as the tariffs for the remuneration of activities carried out under a public concession system.

Indeed, gas distribution is the activity that, through an infrastructure integrated system (city gates), pressure reduction units, redelivery points

and meters, ensures the withdrawal of gas from the national distribution network to redeliver it to the network end clients (domestic or industrial) on behalf of the sales companies authorised to market the supply.

Aware of its role, the Group carries out its activities by pursuing **operational excellence**, applying methods of **continuous improvement** and compliance with criteria of **management efficiency and cost-effectiveness**, offering high levels of performance and striving to ensure a sustainable evolution of the gas distribution infrastructure in the medium to long term.

Natural gas supply chain



Mission and Values

Consistent with the foregoing, the Group mission is to manage, develop and enhance gas distribution networks and infrastructure, with the aim of continuous improvement and operational excellence and to pursue technological innovations for a new energy model that reduces environmental impact and continues to efficiently meet the Country energy needs.

Moreover, the following are the guiding principles which lay at the foundation of its identity as a Group and guide its strategic choices and its daily operations.

- COLLABORATION AND SHARING
- KNOW-HOW AND EXCELLENCE
- INNOVATION AND CHANGE
- RESPONSIBILITY AND RESPECT

As set out in the Charter of Values, these values, taken as a whole and in

line with the principles established by the Code of Ethics, the Organisational and Management Model pursuant to Italian Legislative Decree 231/01 and other policy documents adopted, constitute the guide on which the Group bases the conduct that ZI Rete Gas, through its staff, concretely implements inside and outside the organisation, therefore also towards the stakeholders with whom it relates and whom it considers key interlocutors to maintain its leadership as a solid, reliable, and responsible Group.

Approach to sustainability and integration of ESG factors

By developing the above-mentioned identity values and pursuing a balanced evolution in the medium and long term, 2i Rete Gas sets out to play an active role in the transition towards a more sustainable economy from an environmental, social and governance perspective. As a result, in 2022 the Group continued to develop the process, started in previous years, with the aim of consolidating the progressive **integration of ESG factors into its corporate governance** and thus strengthening the supervision of its approach to sustainability within its strategy and operations.

FRAMEWORK

The approach that 2i Rete Gas has defined and intends to develop from an environmental, social and governance perspective is reflected in the Sustainability Framework, which was first defined at the outset of the path referred to above.

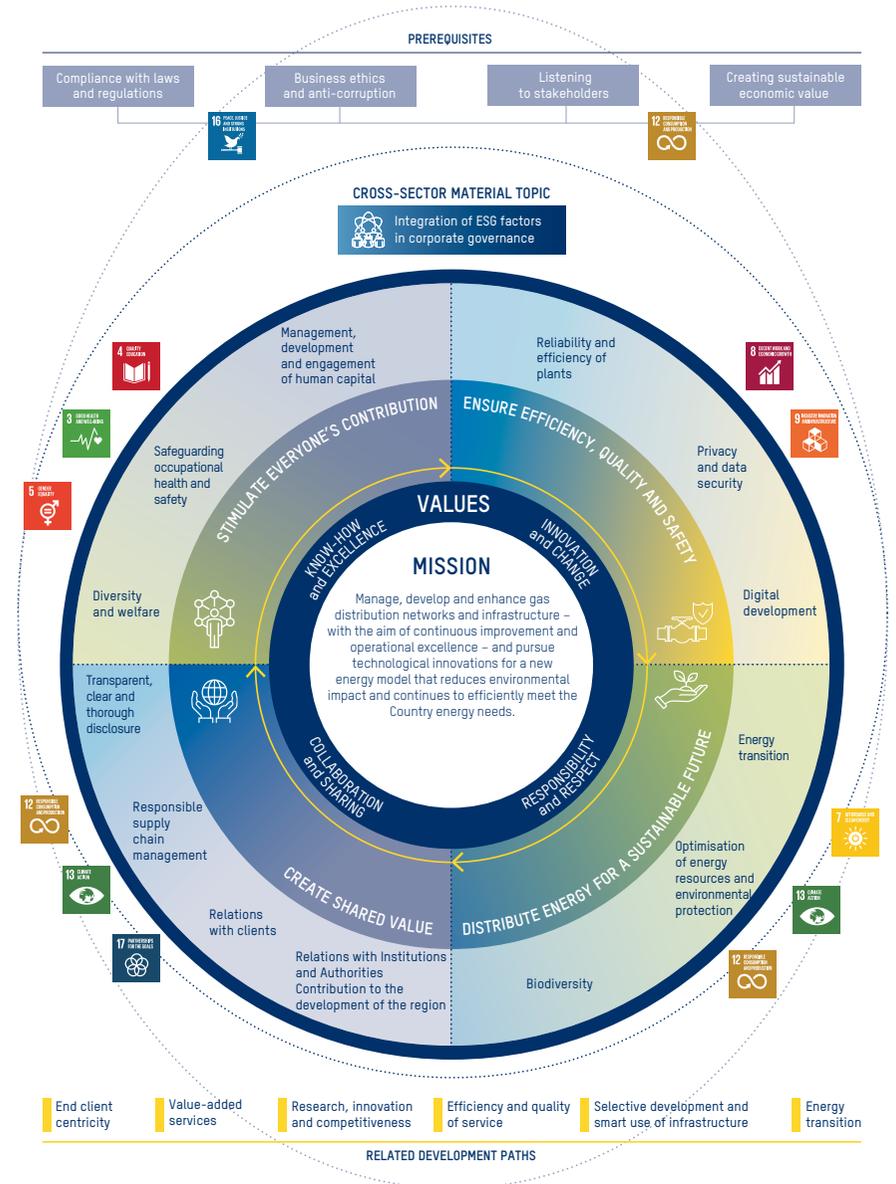
Consistent with the Mission, corporate values, material topics and reference SDGs, it:

- highlights the **prerequisites**, i.e., the aspects considered as essential to ensure responsible management of company activities: Compliance with laws and regulations; Business ethics and anti-corruption; Listening to stakeholders and Creating sustainable economic value;

- outlines the **four priority lines of action** that 2i Rete Gas has identified to contribute to achieving a more sustainable future: Stimulate everyone's contribution; Ensure efficiency, quality and safety; Distribute energy for a more sustainable future and Create shared value. The ensuing **commitments** are intended for the **four interconnected ecosystems** with which the Group interacts in conducting its business: People; Assets; Environment and Stakeholders;
- sets out the contribution that, through concrete actions, 2i Rete Gas intends to make to achieve **some of the 17 Sustainable Development Goals (SDGs)** promoted by the United Nations;
- lastly, it makes reference to the **development guidelines** linked to the Strategic Plan: Research, innovation, and competitiveness; Efficiency and quality of service; Selective development and smart use of infrastructure; Energy transition and End client centricity.

The Framework published in this report reflects the results of the latest materiality analysis (see "Process for the definition of topic areas and materiality").

Sustainability Framework



PLAN

The Sustainability Plan is a document prepared through a joint effort of all Departments and main corporate Functions. It sets out the projects that the Group has established and intends to develop in a four-year perspective and, in the long term, according to an increasingly synergistic integration of ESG aspects into strategic planning.

Building on the Framework and the related Policy (see "Policies and Certifications"), it is based on **prerequisites** as well as on **material topics**, updated annually by the Group, and on **reference SDGs**. It sets out qualitative and quantitative **goals** to be achieved in the short, medium, and long term by implementing concrete **actions** measurable through specific **KPIs** and according to **targets** established beforehand. By opting for a gradual roll-out of the Plan, 2i Rete Gas aims to implement the commitments and implementation principles set out and established in the Sustainability Policy. More specifically, it plans to contribute to the achievement of some SDGs recognised as relevant to the business and consistent with the strategic guidance of the Group.

The Sustainability Plan is **reviewed annually** after the **materiality analysis** has been updated and the periodic monitoring of the goals and projects included therein, which are consolidated as of 31 December of the previous year and disclosed in the NFD, has been completed. This task entails weighting as well as reviewing performance in relation to the results achieved as benchmarked against the established KPIs and in accordance with the guidelines previously implemented. This phase also allows some goals and/or projects to be revisited or additional goals to be included, possibly following the identification of new material topics and further with a view to meeting any new emerging needs. The results arising from the process of setting new goals together with the definition of the initiatives (i.e., lines of action and projects) required to achieve them, are integrated after the publication of the NFD and are subsequently consolidated in the revision of the Plan for approval by the Board of Directors.

In 2022, the Sustainability Plan was reviewed for the second time, and extended to 2024.

The review process in the year just ended was carried out along the following lines:

REVIEW



Review, on the basis of the progress achieved as at 31 December 2021 **towards short-term targets** (2022) that were either **confirmed** or **reformulated**, as the case may be.

SCREENING



Screening, with regard to **initiatives** with short to medium-term deadlines (2021 and 2022), of the **appropriateness of assessing possible changes** by setting **longer-term deadlines** (often up to the end of 2024) on the basis of their relevance, and **intermediate targets** (for 2022 and 2023), **that can be measured quantitatively** (often set using an incremental approach with a view to ensuring better performance monitoring).

SPECIFICATION

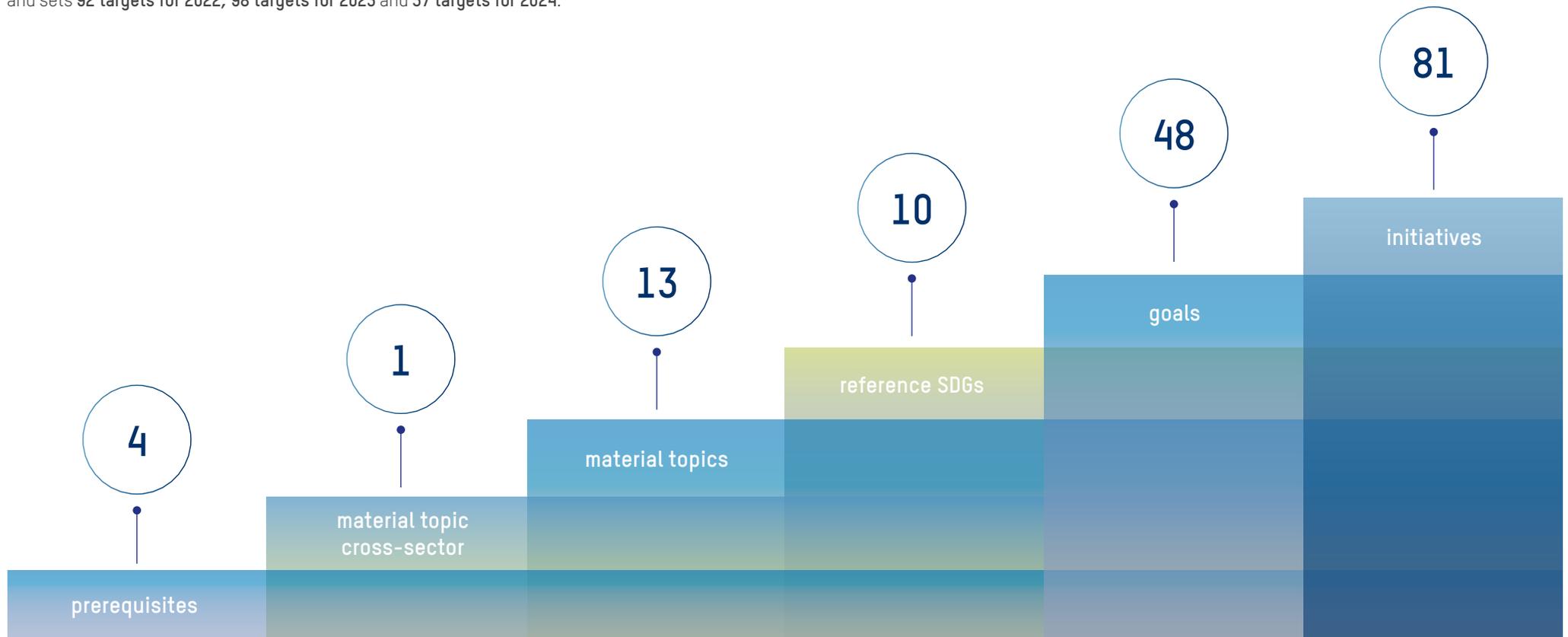


Specification in certain cases, for monitoring purposes, of the **benchmark KPIs** in light of both internal assessments and benchmark analyses.

Additionally, in light of the findings of the updated materiality analyses carried out in 2021, **6 new targets** were set in the Plan and **nine new lines of action** were planned, **4 of which were related to the preparatory action plan for progressive alignment with the TCFD recommendations**, while **2 were related to the "Diversity and Welfare" material topic**.

Structure of the Plan as revised in 2022

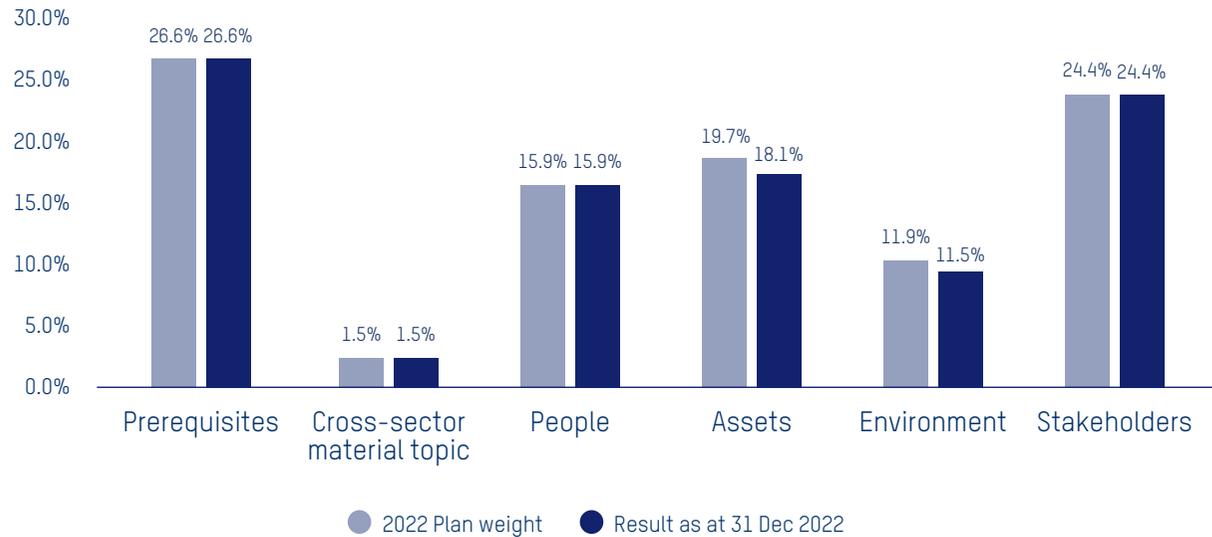
The structure of the revised Plan, formally approved by the Board of Directors of 2i Rete Gas S.p.A. in April 2022 is based on **4 prerequisites**, **1 cross-sector material topic**, **13 material topics** and **10 reference SDGs**. It includes **48 goals** to be achieved by implementing **81 concrete initiatives** (i.e., action lines and projects) and sets **92 targets for 2022**, **98 targets for 2023** and **57 targets for 2024**.



In order to promote awareness of the targets that it has set and the benefits expected from achieving them, 2i Rete Gas disseminated a summary of the Sustainability Plan to its employees through its corporate Intranet, also making it available to external stakeholders by publishing it on the Parent Company website.

From a performance viewpoint, as at 31 December 2022 the overall progress of the Plan over the four-year period stood at 54%, while 98% of initiatives relating to 2022 were completed.

Completion rates of targets achieved compared to targets set in the Plan as at 31 December 2022



This "Report" features **insight boxes** concerning several initiatives that, consistently with the goals set out in the Plan, were implemented during the year, achieving the targets set for 2022.

SUSTAINABILITY GOVERNANCE

In order to identify and manage the organisation's impacts on the economy, people and the environment by transferring to the entire company organisation the sustainability commitments undertaken and annually updated, and therefore to ensure the maintenance of the provisions stated in the Policy and achieve the goals set out in the Plan, even if specifically dedicated resources are unavailable, 2i Rete Gas has adopted a **widespread management model** considered to be functional. This model entails identifying several profiles to be tasked with supervising, in terms of implementation and monitoring, the Sustainability Plan according to different levels of responsibility. They include:

- **Sponsors**, identified in the heads of all Departments and some Divisions, entrusted with the coordination of the projects that make up the Plan;
- **Project and Process Owner**, responsible for reaching the targets set out in the Plan;
- **Data Providers**, monitoring and recording progress of the project activities, providing support to Project and Process Owners.

The tasks assigned to the above profiles, as a whole, complement those

pertaining to the **Sustainability and Transparency Working Group** and to the **Steering Committee**, which have retained their original composition as defined in 2017 and whose duties include, respectively:

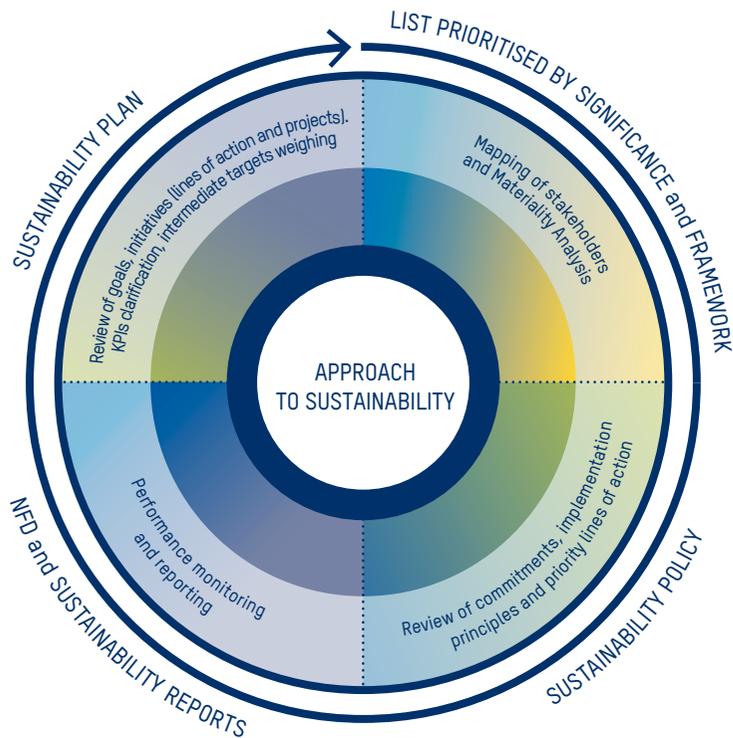
- Supporting Management in matters relating to sustainability by integrating it into the business processes and suggesting a progressive development of the initiatives, assisting Project and Process Owners in reaching the targets set out in the Plan;
- Defining updates to the Sustainability Policy (see "Policies and Certifications") and Sustainability Plan (see "Plan") and ensuring the achievement of the targets formally approved by the Board of Directors.

To support these processes, the Sustainability and Transparency Working Group and the Steering Committee met four times in 2022. Furthermore, in addition to the detailed information that the CEO provides on a regular basis to the Board of Directors, including updates on relevant aspects and activities that regard the integration of sustainability in business (see "Governance structure, delegation system and bodies"), at the end of 2022, as part of the stakeholder engagement

activities envisaged in the Plan, the Sustainability and Transparency Working Group and the Steering Committee held a specific update session for Shareholders' representatives on the main activities carried out during the year and, with a forward outlook, on the main interconnected project streams planned

for the first months of 2023, in order, amongst other things, to give feedback on the guidelines indicated by the Board of Directors to improve the monitoring of ESG aspects, receiving an assessment of substantial consensus on the effectiveness of the activities carried out and/or planned.

Approach to Sustainability



Policies and Certifications

Based on the relevant Framework, the **Sustainability Policy** is a document designed to provide guidance on corporate decisions with a view to sustainability while ensuring responsible business management. It was developed with the aim of encouraging the integration of material topics – which reflect the organisation's most significant impacts on the economy, the environment and people, including impacts on human rights – into corporate strategy and operations. In fact, 2i Rete Gas identified and defined the **priority lines of action** that will drive its contribution to achieving a more sustainable future, by drawing inspiration from the most widely accepted responsible business standards issued by relevant international organisations and contextualising them to its own reality, including:

- the Declaration on Fundamental Principles and Rights at Work of the International Labour Organization (ILO) and the relevant applicable conventions;
- the ten principles of the UN Global Compact;
- the United Nations Sustainable Development Goals (SDGs).

The essence of the document is therefore to confirm, strengthen and, at the same time, develop all those guiding principles on which the Group's own identity rests. Its purpose is to raise awareness of the sustainability **commitments** undertaken and to set out the **implementation principles** to observe and develop in order to pursue balanced development in the medium and long term. This is why the Policy highlights, endorses and sets out the Company's belief that, for sustainable and long-lasting value to be created, business growth must promote respect for human rights and inalienable rights in the company's business and along the value chain in accordance with the requirements of local, national and supranational regulations. At the same time, business growth must be combined with respect for the principles of legality, integrity, impartiality and transparency, on the basis of an integrated strategy, while applying continuous improvement practices as well as operational efficiency and cost-effectiveness criteria.

The Sustainability Policy applies to all the Group companies over which

2i Rete Gas S.p.A. has control, together with: the laws and regulations in force, the guiding and conduct principles set out in the Group Charter of Values and Code of Ethics, the Organisation and Management Model pursuant to Italian Legislative Decree No. 231/2001, and other policy documents adopted by the Group, as pursuant to the provisions, procedures and operating instructions that govern the operations of corporate functions.

First issued in 2020, the Sustainability Policy is reviewed annually and, if appropriate, adjusted according to the annual update of the materiality analysis. Therefore, in 2022 it was updated, while the third and current edition was formally approved by the Board of Directors of 2i Rete Gas S.p.A. on 27, March 2023. An overview of the commitments and implementation principles set out in the Sustainability Policy can be viewed by accessing the chapters making up this "Disclosure".

2i Rete Gas strives to promoting awareness of the Group sustainability commitments, disseminating the Sustainability Policy in its entirety to employees through its corporate

Intranet and also making it available to interested external stakeholders by publishing it on the Parent Company's website, in the section "Commitments and tools".



The **Ethics in Business Policy (or Ethics and Anti-Bribery Policy)** is a document providing guidance, harmonising, summarising and outlining the principles, paradigms and organisational and operational controls already implemented by the Group for an ongoing commitment to promoting a corporate culture based on honesty, integrity and fairness. It was formally approved by the Board of Directors of 2i Rete Gas S.p.A. in March 2021 and has since been applied to all Group companies over which 2i Rete Gas S.p.A. has control.

To promote awareness of this initiative, it was communicated and disseminated to the entire corporate population via the Intranet and,

at the same time, it was also made available to interested external stakeholders by publishing it on the Parent Company's website. Awareness of the Ethics in Business Policy was also raised by delivering ad-hoc training (see "Business ethics and anti-corruption") aimed at part of the corporate population.



With a view to enabling the Company to deliver the "Management and operation of the natural gas distribution service" regularly, uninterruptedly and safely in compliance with the applicable binding requirements and in accordance with the reference certification standards, 2i Rete Gas S.p.A. relies on an **Integrated Quality, Health, Safety and Environment Management System (IMS)**, which has been certified in accordance with the following reference standards: **UNI EN ISO 9001:2015, UNI EN ISO 14001:2015, UNI ISO 45001:2018**. It reflects the principles stated in the

Integrated Policy for Quality, Occupational Health and Safety, and Environment, which sets out the relevant issues with respect to the three standards to which it refers. The QSE Management System Policy is **fully consistent** with the contents of the Group Sustainability Policy, on which it is based.

During 2022, audits were carried out by the Certifying Institute for the periodic surveillance of the certifications renewed in 2021, with no findings of non-compliance. The certificates published on the "Certifications" section of the Parent Company's website have therefore been confirmed as valid until 3 June 2024, the date by which the renewal procedures for the following three-year period will be carried out.

Following the merger of 2i Rete Gas S.r.l. into 2i Rete Gas S.p.A., the certificate held by 2i Rete Gas S.r.l. relating to its Quality Management System pursuant to UNI EN ISO 9001:2015 was cancelled.

The Group considers its IMS as a fundamental stimulus for staff engagement and for the continuous improvement of its business activities.

COMPLIANCE WITH LAWS AND REGULATIONS

Group companies carry on their businesses in compliance with the primary and secondary law provisions applicable from time to time (with special emphasis on the provisions of the Italian Civil Code, Public Contracts Code, Italian Legislative Decree 164/2000 and relevant transposing regulations, GDPR and the regulations on the protection of personal data, legislation on Transparency and Market Abuse, Italian Legislative Decree 231/2001, Italian Legislative Decree 254/2016 and sustainability regulations; competition law, etc.), as well as – as an entity operating in the highly regulated energy infrastructure sector – with the specific provisions issued by the Regulatory Authority for Energy Networks and Environment (ARERA).

The company organisation, through dedicated departments, carefully and constantly monitors the compliance of its activities with the primary and secondary regulations and to the specific natural gas distribution sector.



FUNCTION	DESCRIPTION
LEGAL AFFAIRS	<p>The Legal Affairs function of the General Affairs Department has the task of ensuring compliance of corporate actions with the law provisions. It monitors the provisions applicable to the company's business, as well as relevant interpretation developments in case law, reporting them to the relevant divisions to ensure continuous compliance with such provisions and providing support in updating organisational documents. If necessary, the aforesaid function delivers training to other company divisions so that the conduct principles to be followed to ensure compliance are shared and complied with by all employees.</p>
REGULATORY AFFAIRS	<p>The Regulatory Affairs function of the General Affairs Department ensures constant monitoring of regulatory and institutional issues, supporting the divisions concerned in interpreting significant regulatory provisions and in amending over time the organisational documents accordingly. In particular, a report is published on a monthly basis, outlining the regulatory measures that are relevant to the Company business and to the industry at large.</p>
CORPORATE AFFAIRS AND CORPORATE GOVERNANCE	<p>The Corporate Affairs and Corporate Governance function of the General Affairs Department guarantees appropriate reporting to the Board of Directors on management, regulatory and integrated compliance aspects; it supervises updates to the power and delegation system; it supports Management with regard to compliance with corporate and financial law, competition and industrial property law, the GDPR and ESG regulations, also by taking part in the Sustainability Working Group. In relation to Italian Legislative Decree 231/2001, it guarantees proper reporting to Management and to the Board of Directors and coordinates initiatives, also on the basis of reports from the Supervisory Body, for compliance with the related rules and principles.</p>
ADMINISTRATION	<p>The Administration Function of the Administration, Finance and Control Department is responsible for ensuring the Company's compliance with and the correct interpretation of all the obligations and purposes laid down by civil regulations and accounting standards regarding financial reporting and disclosure, as well as by the tax system.</p>
ENGINEERING	<p>The Engineering Function of the Operations Department monitors the national and international technical regulatory frameworks for the gas sector to ensure compliance of the gas distribution system with the legal standards and technical provisions issued by the relevant authorities from time to time. To this end, it may also adopt and circulate within the Company – through the corporate Intranet – technical Guidelines for the design, maintenance and operation of the systems as well as technical specifications for materials, equipment, instruments and system components.</p>
QUALITY, SAFETY AND ENVIRONMENT	<p>The Quality, Safety and Environment Function of the Operations Department has the task of ensuring that corporate organisational documentation complies with the provisions of Italian Legislative Decree No. 81/2008, Consolidated Safety Act, by constantly updating the Risk Assessment Document and the company organisation for the protection of workers' health and safety.</p>

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FUNCTION	DESCRIPTION
INDUSTRIAL RELATIONS	<p>The Industrial Relations Function of the Human Resources Department has the task of ensuring the correct interpretation of labour legislation, in conjunction with the Legal Affairs, and contractual legislation and related updates, as well as providing regulatory updates to the Department on aspects related to benefits and wage and, in conjunction with the Administration, Finance and Control Department, tax-related matters. The Function is also tasked with ensuring the Company compliance with, and correct interpretation of, all the obligations and purposes under the tax system. In coordination with Corporate Affairs and Corporate Governance, this function also ensures compliance with regard to privacy protection as well as internal coordination of the Human Resources Department in relation to topics connected with the Organisation, Management and Control Model pursuant to Italian Legislative Decree 231/2001.</p>
PROCUREMENT AND SERVICES	<p>The Procurement and Services Function oversees compliance with the applicable law regulations in dealings with the supply chain and, in respect of contracts for works, services and supplies pertaining to the core business, it ensures compliance with the specific rules set out in Italian Legislative Decree 50/2016, as amended – with regard to the special sector segment – as well as Regulations governing below-threshold contracts pursuant to Article 36(8) of Italian Legislative Decree 50/2016 applicable to works, services and supplies referring to the activities as under Article 115 of Italian Legislative Decree 50/2016 for amounts below the Community thresholds set. The Function also checks the ethical reliability of the suppliers listed in the Register of suppliers (both qualified and to be qualified), in order to monitor and avert the risk of starting and/or maintaining commercial relations with entities belonging to organisations involved in criminal activity or other wrongdoing that may prove of significance, including under Article 80 of Italian Legislative Decree 50/2016 (general requirements), Anti-mafia regulations and Italian Legislative Decree 231/2001.</p>

The Group conducts its business entirely in Italy and operates in compliance with the tax system in force, duly fulfilling its duties as a taxpayer, operating in full compliance with all tax laws, regulations and practices and always cooperating with the national tax authorities with full transparency. Tax obligations relating to the Group and all its subsidiaries are managed and fulfilled by the Administration and Tax Function of the Parent Company 2i Rete Gas S.p.A., with the support of leading Italian tax firms. The operating instructions adopted by the Group in the

area of taxation cover the correct calculation of direct and indirect taxes and related obligations and are aimed at defining the processes, actions and responsibilities to ensure effective and efficient processing of tax calculations for the Annual Financial Report and all tax returns pertaining to direct and indirect taxes.



The Group tax plan, prepared each year at the same time as the Group budget, is reviewed and approved by the Head of Administration, Finance and Control and the Chief Executive Officer, taking into account the principle of prudence and strict compliance with the relevant regulations. Operational instructions regarding various aspects of tax management, such as the preparation of periodic tax returns, the control and management of pending tax liabilities and the treatment of “minor” and local taxes, are published on the company Intranet and are available to all employees.

The most relevant tax issues are not only disclosed to shareholders and the public by means of a specific disclosure in the Group’s Consolidated Financial Report, but up-to-date information is provided in the appropriate places to both directors and the corporate functions impacted from time to time. Following a number of audits and the mapping of risks, including tax-related risks, the internal control system and the Supervisory Body carry out a two-yearly follow-up on all significant aspects that could lead to errors or omissions when filing tax returns. In addition, each quarter the Supervisory Body produc-

es an information report on administrative matters, with a special focus on those related to tax compliance. The Group relies on tax breaks granted only when an actual business action is well matched with a reporting that can meet tax requirements. The issue of taxation is also the subject of a specifically dedicated part of the Organisation, Management and Control Model pursuant to Italian Legislative Decree 231/2001 (hereinafter also referred to as the “Model”), which is constantly updated. In the special part of the Model, in addition to the tax offences intro-

duced into the legislative landscape by Italian Legislative Decree 74/2000 and listed under letter B, the offence of smuggling referred to in Article 25-sexiesdecies of Italian Legislative Decree 231/2001 is also included under letter N. The text identifies the processes that are sensitive to these offences, the general principles of conduct and implementation (obligations to “do” or “not do”, monitoring and prevention measures), as well as the need to instruct and comply with instructions based on the Model itself, and the review tasks lying with the Supervisory Body.

Again in 2022, no monetary or non-monetary sanctions of significant amount and nature with respect to the business were imposed on the Group.

For information about the internal audit model and organisational controls, reference should be made to the specific section in the Consolidated Financial Statements, where disclosures on quantification of direct taxes reflected in the Group financial statements are also available.

BUSINESS ETHICS AND ANTI-CORRUPTION

As an essential prerequisite to guarantee a responsible management of its business, 2i Rete Gas is committed to carrying out its activities according to ethical principles and endeavours to promote a corporate culture based on honesty, integrity and fairness, as well as on compliance with the rules of law, impartiality and transparency principles, the laws in force, industry regulations and institutions.

TOOLS

The Group prevents the risks of corruption and bribery by implementing and applying its own first-level guidance documents, the **Charter of Values, Organisation, Management and Control Model** pursuant to Italian Legislative Decree No. 231/2001, **Code of Ethics, Sustainability Policy, Ethics in Business Policy and Integrated Policy for Quality, Safety and the Environment**, whose structure, values and principles are detailed in specific organisation-related documents (provisions, procedures, operating instructions, quality manual) governing the activities of corporate functions and by updating and/or delivering training on anti-corruption regulations and policies and on re-

sponsibility as under Italian Legislative Decree 231/2001.

The current **Organisation, Management and Control Model** of 2i Rete Gas S.p.A. was approved in 2011 and has been continuously updated over time (most recently on 29 September 2022). Approved with due harmonisation also by all subsidiaries, it sets out to outline sensitive or at-risk business processes and the relevant organisational, precautionary and control measures in place, which are designed to eliminate “crime risk” and administrative responsibility for the Group pursuant to Italian Legislative Decree 231/2001. The Model aims to ensure that the management of the Group is carried out in compliance with the principles of legality, correctness, transparency and traceability, in line with efficient work practices and in compliance with the provisions of the law.

The **Code of Ethics**, which is part of the Model, defines in detail the ethical and behavioural principles which the Parent Company, the subsidiaries and their respective employees and collaborators (as well as all other addressees, such as members of corporate bodies, suppliers and con-

sultants) are required to observe in the discharge of their duties, including the principle of legality, fairness, impartiality, and personal integrity. The Code of Ethics also requires the aforesaid principles to be abode by in the Company’s relations with its main stakeholders, including employees, shareholders, clients, public administrations, etc., setting out precise conduct criteria that must be complied with. In particular, the **Model and the Code of Ethics are published on the Group’s Internet and Intranet sites**.

The Model is also the subject of periodic training for employees. In particular, also in 2022 the online course on Legislative Decree 231 was once again delivered to new hires, thus continuing the process for the spreading of regulatory notions and principles that in 2019 involved all employees, who were required to complete it within the deadlines as set by the Human Resources Department.

In the 2018-2020 three-year period, the Company employees also received extensive information and training on the specific issue of crimes related to corruption between

private individuals and on whistleblowing procedures. This activity involved the local offices as well as head-office staff.

Finally, between 2021 and 2022, in addition to training on the Ethics in Business Policy and the administrative liability of companies, further training was provided on tax offences and in general on Italian Legislative Decree 231/2001, on the Model adopted by the Company and its update, as also requested by the Supervisory Body following a tax assessment carried out by a leading tax law firm in 2020. This activity was also organised by the Human Resources Department and carried out by the Legal Affairs function of the General Affairs Department as well as by the Administration function of the Administration, Finance and Control Department and it involved all company staff affected by sensitive processes with respect to the possible tax offences relevant for the purposes of Italian Legislative Decree 231/2001, working both at headquarters and in local offices, such as Department Heads and Area Managers.

The Model is also the subject of periodic training for the members of the

Board of Directors. Every year, the Board of Directors receives a report on the activities carried out by the Supervisory Body and approves such amendments to the Model as may from time to time be necessary in order to comply with regulatory changes. In its meeting held on 19 February 2021, the Supervisory Body also provided the Board of Directors with specific training on the subject of the liability of entities for administrative wrongdoing resulting from a crime pursuant to Italian Legislative Decree 231/2001, with special emphasis on the purposes of the regulations and its scope, the strategic significance of approving and implementing the Organisation, Management and Control Model, the role of the Supervisory Body and the information flows to the latter, with a focus also on Law No. 179 of 30 November 2017, which introduced a system of protection for workers who report crimes or irregularities of which they become aware in the course of their work.

The Model includes a special section where the activities at greater risk are identified in respect of each type of crime set forth in Italian Legislative Decree 231/2001 as a possible source of administrative liability to which the Company may be exposed. Notably, given its dual nature – being on the one hand a private entity and,

on the other hand, acting as a public utility service provider in the conduct of its core business – the Company is subject to both the laws governing corruption under the Criminal Code as applicable to entities to whom public utility services are entrusted, as well as Civil Code provisions governing corruption between private individuals.

According to the Model, therefore, the activities identified as involving a higher risk of corruption include both those involving relations with public institutions and bodies (e.g. granting authorities, public authorities responsible for managing methane supply project funding, public authorities owning works that interfere with natural gas plants and distribution network, industry authorities, etc.) and those involving dealings with banks, suppliers (including selection), clients, as well as preliminary staff recruiting activities.

CONCERNS AND REPORTING

As required by the Code of Ethics, the Parent Company and its subsidiaries provide stakeholders, including their own employees, with **specific communication tools** (including two certified email accounts) where they can directly report to the Supervisory Body of the individual companies any violations or alleged violations

of the Code of Ethics and the Model. In this regard, the Company promptly arranged for its Model to comply with the rules on whistleblowing, establishing, among other things, sanctions against managers, directors and statutory auditors who infringe the whistleblowers' confidentiality or who take discriminatory or harmful actions against such individuals because of the concerns they raised.

Whenever a report is submitted, including upon recommendation of the Internal Audit Function or of directors, the Supervisory Body collects, reviews and stores all the information received and evaluates them carefully and impartially, establishing their truthfulness and validity and ensuring anonymity with regard

to the name of the person submitting the report. To this end, it adopts appropriate measures to ensure the confidentiality of the identity of the whistleblower and, consequently, to avoid any form of reprisal or discrimination.

In 2022, no anonymous reports were received, as in previous years, while various non-anonymous reports were received, of which some (4) involved failure to comply with company procedures and others (5) related to reminders for the payment of invoices to suppliers, the settlement of claims or complaints for alleged inefficiencies. They were forwarded to the relevant Company offices. Potentially relevant reports were dealt with by the Supervisory Body by providing a

specific answer to the reporting party. Based on its findings, no liability was identified against the Company and its representatives.

In addition, each corporate function provides the Supervisory Body with a four-monthly report, in which they illustrate, with reference to the four-month period, the main activities carried out with regard to internal supervision measures and controls performed in compliance with the Model, as well as any concerns raised in respect of events that may have occurred as part of potentially relevant company activities with a view to Italian Legislative Decree 231/2001. The Supervisory Body reviews the individual reports, asks for clarifications and additions as appropriate



The companies of the Group specifically have dedicated mailboxes for submitting reports, which are clearly indicated on the website and Intranet of the Parent Company.

	Supervisory Body	Code of Ethics
2i Rete Gas S.p.A.	Odv231@2iretegas.it	2iReteGas.CodiceEtico@2iretegas.it
2i Rete Gas S.r.l.	Odv231@2iretegas.it	2iReteGas.CodiceEtico@2iretegas.it
Cilento Reti Gas S.r.l.	CilentoRetiGasOdv@2iretegas.it	CilentoRetiGas.CodiceEtico@2iretegas.it

and, unless specific reports need to be filed, provides an overview of the information collected, which is then shared with the directors of the company concerned.

With reference to internal concerns raised through the periodic reports, or with specific evidence, for example relating to requests by law enforcement officers or to checks on contractors, the Supervisory Body carried out a detailed analysis of the information received, adopting the necessary measures, from time to time, for example by arranging for checks and investigations to be carried out also through the Internal Audit function, or by sending requests for clarifications to the relevant offices. None of the information contained in these reports is relevant for the purposes of any administrative liability of the Company pursuant to Italian Legislative Decree 231/2001.

Finally, it is reported that, again in 2022, the Company carried out disciplinary investigations relating to infringements of the Group's Code of Ethics and to the Model by employees who engaged in potentially significant conduct in this regard, imposing the relevant sanctions where appropriate.

The Model states that, in the event of infringement of its provisions (and, therefore, of the corporate proce-

dures that form an integral part thereof) by any employee, 2i Rete Gas S.p.A. will adopt the sanctioning measures set forth in the Model itself, with reference being made in this respect to the Disciplinary Code (as defined in the national collective bargaining agreement applicable to the Gas and Water industry). During 2022, 20 disciplinary sanctions were inflicted (4 of which of a non-conservative nature) against employees whose conduct was found to be contrary to the Code of Ethics.

FURTHER ACTIONS

As part of the policies aimed at fighting corruption, and in general of the policies for the compliance of company conduct with law provisions, with the principles of company ethics and with the rules of conduct set out in the Company Code of Ethics, in 2022 efforts continued regarding the **update of the mapping of conflicts of interest**, either actual or even just potential, declared by employees. Consistent with the procedure started in 2019, the process was implemented within an IT platform that allowed a complete report to be drafted in compliance with current privacy provisions and be updated in real time on a regular basis, thus being instrumental in preparing an action plan with a view to handling and monitoring sensitive cases.

The final reports together with the measures adopted accordingly by the Company, with a specific action plan, were shared with the Chief Executive Officer. The assessment is scheduled to take place every two years.

Last but not least, it should be noted that, in order to ensure that the Company meets the essential requirements for participation in public tenders, **audits are conducted on a regular and ongoing basis regarding criminal proceedings pending or previous convictions against all natural persons working for the Company**, whether as directors with powers of representation, members of the Board of Statutory Auditors and of the Supervisory Body or acting as mere attorneys. These audits ensure that the Company operates by relying on natural persons who have not committed crimes of such nature and extent as to affect the Company status as a public utility service provider (crimes under Article 80 of Italian Legislative Decree 50/2016, also with reference to compliance with anti-mafia legislation).

RISK MANAGEMENT

The Group internal governance and risk management system consists of the set of tools necessary or useful for directing, managing and monitoring business activities.

Its purpose is to **ensure compliance with laws and corporate procedures, to protect company assets, to manage activities effectively and efficiently, and to provide accurate and complete accounting and financial information.**

The Group has implemented an approach to manage all the risks that may affect the conditions underpinning the creation of value by setting up a system for identifying, assessing, managing, and controlling risks. The Group internal control and risk management system is based on an integrated control scheme, with the identification of the tasks of each body and function involved, and with concrete methods of coordination between them.

THE BOARD OF DIRECTORS, including by virtue of the **powers granted to the Chief Executive Officer, defines the policy for the internal control and risk management system, including those risks concerning the organ-**

isation's impacts on the economy, the environment and people, also with the support of the Internal Audit function.

In 2020, the Board of Directors approved an update of the Group's Mission and annually, when deemed necessary, it approves an update of the Sustainability Framework and Policy, which outline the sustainable development commitments that 2i Rete Gas has made and publicly disclosed, as well as the implementation principles that identify priority areas for action to be taken and developed. Every year the BoD approves a review of the Sustainability Plan, which integrates these implementation principles into 2i Rete Gas's operational planning and business (see "Approach to sustainability and integration of ESG elements" and "Policies and certifications").

The Board periodically verifies the adequacy and effective functioning of the control system, ensuring that the main business risks are identified and managed, also making use of periodic reports made by the CEO on the main operating events, with particular reference to issues related to business sustainability,

to the development of regulations with a focus on energy transition issues, and to the management by the organisation and top management of the Company's impacts on the economy, the environment and people, according to the responsibilities and targets defined in the Sustainability Plan.

THE BOARD OF STATUTORY AUDITORS, acting also as the "Internal Control and Audit Committee", **oversees the effectiveness of such system.**

THE INDEPENDENT AUDITORS carry out the legal audit, expressing an opinion on the separate and consolidated financial statements and presenting the results of the statutory audit in a special report. During the financial year, **it also carries out audits to verify that the company's accounts are properly kept and that management events are correctly recorded in the accounting records.**

THE SUPERVISORY BODY, in turn, **carries out periodic checks and specific audits on relevant corporate processes in order to determine compliance with the Model and the Code of Ethics**, as indicated above.

THE INTERNAL AUDIT FUNCTION (which also acts as Compliance Officer) **is the body that verifies the functioning and adequacy of the internal control**

system, in compliance with the **Code of Ethics**, the **Organisation, Management and Control Model pursuant to Italian Legislative Decree 231/2001** and the **Charter of Values.**

By focusing on issues that are particularly significant for the Group's business and compliance, the Internal Audit function plays a role firstly in raising the organisation awareness and perception of the corporate risks that lie ahead, and secondly, in empowering the various function and regional representatives, urging them to draft appropriate preventive and corrective action plans to mitigate such risks.

The Internal Audit function, once completed its activities, reports to the Board of Directors (hereinafter also referred to as "BoD") on an annual basis – when the consolidated financial statements are submitted for approval – on the activities carried out, the results achieved and the audit strategies included in the plan drawn up for the following three years.

On this occasion, it also submits an annual assessment of the reliability of the company control system to the BoD and the corporate control bodies, in accordance with the criteria of the Co.SO Report.

More specifically, the following activities are planned for the next 2023-2025 three-year audit plan:

- performing an intensive "audit coverage", whereby, with reference to the 2014-2025 period, audit activities will cover all processes and all the company's local entities several times;
- drafting the annual risk analysis, setting forth the related methodological guidelines (according to ERM – Enterprise Risk Management and CRSA – Control Risk Self-Assessment, international best practices) and checking the adequacy of the assessments made on general business risks and legislative and regulatory compliance risks;
- continuing extensive reliance on follow-ups on key corporate processes, checking the actual improvement made to the internal control system, as a result of the preventive/corrective action plans requested during the Risk Analysis and of previous audit activities;
- carrying out merit assessments on process controls thanks to the increasingly intensive support provided by the "continuous audit" methodology deployed by the Internal Audit function. This methodology, which goes beyond the sampling log-

ic typical of audits, was implemented by analysing the entire company database – appropriately focused on "Red Flag" indicators relating to key company processes – to pinpoint, with the desired frequency (monthly, quarterly, half-yearly, yearly), situations worthy of attention, analysis and study that emerged;

- the development and gradual spread of the aforementioned methodological and IT approach among corporate functions – again in accordance with international best practices referred to in this case as "continuous monitoring" – in order to improve their self-monitoring system and make it more rapid and effective;
- monitoring the complete and effective implementation of the preventive or corrective action plans required during audits in previous years, the implementation of which has been entrusted to the various functions and local entities;

THE DATA PROTECTION OFFICER (DPO), appointed in 2018, is responsible for **informing and advising the Data Controller and Processors (and employees that process personal data) on the obligations arising from EU legislation** (notably Regulation (EU) 2016/679) and **Italian legislation, monitoring compliance thereof.**

When required, the DPO must give an opinion on any data protection impact assessment, as well as monitor its progress in accordance with Article 35 of the Regulation. The DPO must also **cooperate with the Data Protection Authority and act as a point of contact** on matters relating to the processing of personal data.

With specific reference to the monitoring of the obligations deriving from Regulation (EU) 2016/679 (GDPR), the Company, also with the support of the DPO, notably:

- formalised, updated and disclosed the Record of processing activities (Article 30 of GDPR), as a reference basis for proper planning and verification of security measures and the related Operational Instruction for its management;
- appointed and empowered internal Processors (Article 28) and external Processors (contractors and service providers of Group companies) (Article 28), defining the contractual clauses to be included in the formal relationships with external Processors;
- drafted operating instructions intended for authorised persons;
- prepared disclosures to be provided to the various parties concerned (clients, staff, contractors,

suppliers, third parties), in relation to each processing carried out within the scope of the company's activities, collecting their consent whether necessary (Article 6);

- delivered training to employees (Article 29);
- implemented and monitored security measures for electronic and paper-based processing (Article 32);
- conducted a Risk Analysis and impact assessment (DPIA - Data Privacy

Impact Assessment) (Articles 35 and 36), which are designed to identify in advance, in relation to each processing operation, the appropriate countermeasures to ensure adequate security by adopting appropriate technical and organisational measures, significantly reducing the likelihood of personal data breaches and its possible impact, while monitoring the effective implementation of such assessments and measures;

- prepared and provided employees with a Handbook that contains

the rules of conduct and security measures implemented and set out in the EU Regulation.

THE QUALITY, SAFETY AND ENVIRONMENT FUNCTION, with a view to ensuring compliance with the standards mentioned above, **carries out internal audits extended also to ensuring compliance with respect to the Consolidated Law on Safety (Italian Legislative Decree 81/2008), the Consolidated Law on Environment (Italian Legislative Decree 152/2006 and Part I of the Consoli-**

dated Law on the regulation of quality and tariffs of gas distribution and metering services for the regulatory period 2020-2025 (ARERA Resolution 569/19/R/gas).



The Risk Management Model is described in section 14 of the 2022 Annual Financial Report, while for risks and opportunities related to climate change, reference should be made to the section "Commitments and tools" on the Parent Company's website (see "TCFD Disclosure").

Major risks regarding key topics

TOPIC AREA	ASSOCIATED RISKS	STAKEHOLDERS INVOLVED	RISK MANAGEMENT METHODS
MANAGEMENT OF ENVIRONMENTAL TOPIC	Dispersion and inefficiency of the gas distribution network	Environment and communities	Extensive monitoring of the network with equipment to search for leaks Planned verifications Odourisation level checks Scheduling network upgrade work
	Non-optimal consumption	Environment and communities	Implementation of energy saving projects concerning the gas used for preheating Upgrading car fleet with lower environmental impact vehicles Actions to improve energy efficiency of buildings
	Enhancing odourisation management of low-usage networks	Environment and communities	Extending projects for automatic adjustment of odourisation levels, network digitisation
	Failure to manage the energy transition process	Environment and communities, Shareholders and lenders Public authorities and institutions, end customers of the network	Testing Projects for alternative use of distribution networks through a process of digitisation of such networks and testing of renewable gas mixtures

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TOPIC AREA	ASSOCIATED RISKS	STAKEHOLDERS INVOLVED	RISK MANAGEMENT METHODS
MANAGEMENT OF HUMAN RESOURCES	Lack of skills enhancement	People and the unions	Individual performance assessment plan Training projects
	Failure to provide adequate and timely technical training on distribution network management	People and the unions	Continuous refresher training endeavours, timely release of procedures
	Insufficient supervision of health and safety issues	People and the unions	Health monitoring, extra-professional accident insurance, life insurance policy, COVID-19 insurance policy Training and raising awareness endeavours
	Lack of or inadequate dialogue with People and Unions	People and Unions	Communication and Management training Frequent company meetings with the Unions and Works Councils
MANAGEMENT OF TOPICS RELATED TO ACTIVE AND PASSIVE CORRUPTION	Non-transparency in the management of relations with Local Authorities	Municipalities and Local Authorities, People	Model 231 and Code of Ethics Charter of Values Procedures containing rules of engagement and ongoing reporting to Supervisory Body
	Selection of suppliers that are non-compliant with the legal requirements	Suppliers and contractors	Register of suppliers, selection process, purchasing portal Model 231 Code of Ethics
	Inadequate supervision of financial reporting procedures	Shareholders and lenders, Communities	Internal Audit plans, Continuous monitoring, Certification by independent bodies, Constant updating of procedures
MANAGEMENT OF SOCIAL TOPICS AND RESPECT OF HUMAN RIGHTS	Service interruption	Municipalities and Local Authorities Community People	Intervention within the standard required by the regulation Informing the competent authorities of the reasons for the gas incident and of the measures taken
	Delayed handling of requests from contracting authorities	Municipalities and Local Authorities Community People	Programme to handle document requests Monitoring of responses within the set deadlines Reporting to granting authorities
	Unsatisfactory quality of service	Sales companies and End clients	Performance monitoring, call centre, customer satisfaction survey, meetings with sales companies, conciliation protocol
	Use of suppliers that do not meet the minimum selection requirements of the Group	Suppliers and contractors	Register of suppliers, selection process, purchasing portal Code of Ethics

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TOPIC AREA	ASSOCIATED RISKS	STAKEHOLDERS INVOLVED	RISK MANAGEMENT METHODS
MANAGEMENT OF SOCIAL TOPICS AND RESPECT OF HUMAN RIGHTS	Failure to provide precise and on-time control over corporate governance issues	Shareholders and lenders	Governance model, timely reporting to the Board of Directors, creation of ad-hoc Working Groups
	Insufficient supervision of health and safety issues	Municipalities and Local Authorities Environment and communities Suppliers and contractors Network end clients	Inspection of the distribution network and attention paid to the quality of service Supply chain management in the selection phase On-site inspection visits by external safety coordinators
	Ineffective participation in the sector decision-making	Public Institutions and Authorities	Submission of opinions and documents Regular participation in institutional meetings Conventions and workshops Collaboration projects with Authorities and research centres
	Protection of personal data	People Network end clients Municipalities and Local Authorities Environment and communities Suppliers and contractors	Information initiatives on the activities carried out in compliance with the relevant legislation, including: Nominating the Data Protection Officer and the Data Processors, Establishment of a data processing register Amendment of contractual clauses and disclosures Implementation of IT infrastructure security tools, with special reference to the security of data exchanged by the smart meter network

TCFD

Progressive alignment with TCFD recommendations

In 2022, in order to study risks and opportunities related to climate change and their impacts on business activities, 2i Rete Gas continued its process of progressive alignment with the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"), established in 2015 by the Financial Stability Board (FSB) in order to improve and increase the quantity and quality of information concerning climate-related financial risks disclosed by businesses, banks and investors in order to provide more specific reporting to stakeholders. The findings of the analyses carried out are available in the "Commitments and tools" section of the Parent Company's website.

SASB

Progressive alignment with the principles set out by SASB

In 2022, 2i Rete Gas continued along the path it had begun in the previous year to progressively align with the principles set out by the Sustainability Accounting Standards Board (SASB), an independent non-profit organisation founded in 2011, which defines certain industry standards for disclosing, mainly to its own investors, the most significant information about its monitoring of sustainability issues. The findings of the analyses carried out are available in the "Commitments and tools" section of the Parent Company's website.

CREATING SUSTAINABLE ECONOMIC VALUE

In 2022, the 2i Rete Gas Group took over the ATEM "Napoli 1" at the end of a tender process whereby the Parent Company was awarded the concession for the area, thus expanding the scope of its operations.

The Group's operating figures for the year (active redelivery points and kilometres of network managed) improved compared with last year as a result of the aforementioned acquisition.

The volumes of gas distributed were down on the previous year, in line with the general trend for gas consumption in the Country, due to initiatives aimed at curbing consumption, to mild temperatures, as well as to the continuing uncertainty on international energy markets.

From an economic point of view, the Financial Report shows a decline in revenues and EBITDA due to the effect of tariff regulation, which recognises a lower rate of return on the company's Net Invested Capital.

Financial expenses rose marginally due to debt management, which was affected during the year by the ac-

quisition of the assets of ATEM "Napoli 1" and by the tariff regulation on discount components granted by the Government.

Therefore, net profit stood at € 169.5 million and, while the net financial position, which changed during the year due to both the aforesaid acquisition and business needs, increased by approximately € 357 million.

For the 2i Rete Gas Group, the creation of sustainable economic value, as set out in its Sustainability Policy, is achieved for shareholders and bondholders, as well as in the generation of positive impacts inside and outside the organisation for all stakeholders. As such, it is a key enabler in ensuring business continuity over the long term.

In this regard, the Group reports its consolidated results also according to the **economic value directly generated and distributed** criterion, disclosing the relevant stakeholders to whom flows were distributed. A total amount of € 1,051 million was generated during the year, 73.5% of which was distributed to

the various stakeholders, while 26.5% was retained. Around 34% of the distributed amount was used to pay suppliers of goods and services, while a similar percentage was

shared between employees, shareholders and public administration entities. The latter figure includes both government duties and taxes and the fees the Group pays directly

to the municipalities in accordance with the concession agreements entered into.

505.7
million €
EBITDA
AT THE END OF 2022

169.5
million €
NET PROFIT FOR THE YEAR
AT THE END OF 2022

1,300.3
million €
SHAREHOLDERS' EQUITY

Economic performance

MAIN ECONOMIC AND EQUITY INDICATORS OF THE GROUP

	2020	2021*	2022
REVENUE	1,038.8	1,076.8	1,052.1
EBITDA	514.4	527.8	505.7
EBIT	313.8	318.3	292.3
NET PROFIT	183.8	211.2	169.5
NET FINANCIAL POSITION	2,650.2	2,831.3	3,187.9
SHAREHOLDERS' EQUITY	1,040.8	1,147.7	1,300.3
NET INVESTED CAPITAL	3,691.0	3,969.9	4,486.7
TOTAL NET FIXED ASSETS	3,630.0	3,905.3	4,435.3

*Restated pro forma compared with 2021 figures.

Economic value directly generated and distributed in 2022

	million €	%
Operating revenue	1,012.55	
Other revenue	36.89	
Financial income and interest	1.33	
Economic value generated	1,050.77	
Economic value to suppliers (Operating costs reclassified)	360.99	34.4%
Economic value to employees	123.18	11.7%
Economic value to public administration entities	125.02	11.9%
Economic value to shareholders	104.95	10.0%
Economic value to lenders	58.66	5.6%
Economic value to the community	-	0%*
Economic value distributed	772.80	73.5%
Economic value retained	277.97	26.5%

* The economic value distributed to the community lies in the continuous process of cost efficiency that leads to a tariff reduction.

MARKET SHARE

The Group's market share, in terms of both redelivery points and kilometres of network managed, increased during the year, also thanks to the takeover of the management of the distri-

bution service in ATEM "Napoli 1" after the assets were transferred from the outgoing operator and first operator in the sector.

EU TAXONOMY

Common classification system for sustainable economic activities of the European Union

An important objective of the European Union (EU) Action Plan on Sustainable Finance is to steer cash flows towards investments that can be considered environmentally sustainable. In this context, the EU Taxonomy Regulation 2020/852, which came into force in mid-2020, is intended to serve as a standardised and mandatory classification system for determining which economic activities are considered environmentally sustainable in the EU and to define specific disclosure requirements that companies must meet on an annual basis. The EU has currently published a list of activities considered sustainable ("EU Catalogue") for two of the six environmental objectives: climate change mitigation and climate change adaptation. The Delegated Regulations determine which economic activities can generally be considered within the scope of these environmental objectives. For reporting year 2022, in accordance with the European Union's disclosure requirements, only those portions of eco-

nomical activities that are Taxonomy-Eligible and Taxonomy-Aligned in terms of revenues, investments and costs must be reported. Pursuant to Article 8 of Regulation EU 2020/852, the Group is required to apply the rules of the Taxonomy Regulation. The values relied upon to calculate revenues, investments and costs are therefore based on the data shown in the Consolidated Financial Statements.

All consolidated Group companies are included in this analysis with regard to revenues, investments and costs. All KPIs were calculated considering whether the reported values were generated through activities considered Taxonomy-eligible according to Annex I (Substantial contribution to climate change mitigation) and Annex II (Substantial contribution to climate change adaptation) of Delegated Regulation (EU) 2020/852.

In order to be able to determine not only its eligible but also its aligned activities, 2i Rete Gas imple-





mented a structured process to investigate the different factors underlying the three KPIs:

- 1) all individual eligible activities were mapped by selecting those for which the description was consistent with the Group's activities;
- 2) for each eligible activity identified, the technical screening criteria and the respective DNSH constraints ("Do No Significant Harm") were investigated and compliance was verified;
- 3) once compliance with the taxonomy-eligible and taxonomy-aligned criteria was verified, an accounting extrapolation was made of the economic values attributable in 2022 with regard to revenues generated; CapEx and OpEx.

These three steps were carried out while also performing the necessary checks on compliance with the minimum safeguards consistent with the approaches put forward in the Platform on Sustainable Finance's "Final Report on Minimum Safeguards" published in October 2022. These analyses found no relevant elements to report in the areas of Human Rights, Anti-Corruption, Taxation and Competition Practices.

The values thus obtained in compliance with Regulation 2021/2178 have been reported in this document using the required templates.

With regard to the different KPIs, attention is drawn to the following aspects:

- with regard to revenues, if the numerator consists of the economic values that comply with the taxonomy requirements, the denominator was calculated as the total "Revenues" generated during 2022 net of those for Intangible Assets recognised in accordance with IFRIC Interpretation 12. It should be noted that the proportion of Taxonomy-aligned revenues stood at 87.34%, of which 77.63% for activity 4.14 and 9.72% for activity 7.5;
- for CapEx arising from products or services associated with Taxonomy-aligned economic activities, the denominator was calculated by considering the amount of the increase in property, plant and equipment, intangible assets and right-of-use assets (IFRS 16). It should be noted that the proportion of Taxonomy-aligned investments stood at 94.78%, of which 81.17% for activity 4.14 and 13.60% for activity 7.5;
- for OpEx arising from products or services associated with Taxonomy-aligned economic activities, the denominator reflects the sum of all those direct non-capitalised costs for research and development, building renovations, short-term leases, maintenance and repair expenses, and any other direct expenses related to the routine maintenance of property, plant and equipment. It should be not-

ed that the proportion of Taxonomy-aligned expenditure stood at 71.46%, of which 49.62% for activity 4.14 and 21.85% for activity 7.5.

Finally, with reference to the disclosure pursuant to Article 8(6) and (7) of Delegated Regulation (EU) 2021/2178, which provides for the use of the templates provided in Annex XII for the disclosure of nuclear and fossil gas activities, it should be noted that all templates have been omitted as they are not representative of the Company's activities.

All the analyses and results shown were calculated on the basis of the best current interpretation of the EU Taxonomy, also in light of the different disclosures published by the Commission on FAQs submitted on the relative topics.

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2022

Economic Activities (1)	Code(s) (2)	Absolute turnover (3) million €	Proportion of turnover (4) %	Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")						Minimum safeguards (17) Y/N	Taxonomy-aligned proportion of turnover, Year 2022 (18) %	Category (enabling activity) (20) E	Category (transitional activity) (21) T
				Climate change mitigation (5) %	Climate change adaptation (6) %	Water and marine resources (7) %	Circular economy (8) %	Pollution (9) %	Biodiversity and ecosystems (10) %	Climate change mitigation (11) Y/N	Climate change adaptation (12) Y/N	Water and marine resources (13) Y/N	Circular economy (14) Y/N	Pollution (15) Y/N	Biodiversity and ecosystems (16) Y/N				
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Transmission and distribution networks for renewable and low-carbon gases	4.14	567.90	77.63%	77.63%	0.00%							Y	Y		Y	Y	Y	77.63%	
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	7.5	71.09	9.72%	9.72%	0.00%							Y					Y	9.72%	E
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		638.99	87.34%	87.34%	0.00%													87.34%	
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Transmission and distribution networks for renewable and low-carbon gases	4.14	7.64	1.04%																
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		7.64	1.04%																
Total (A.1 + A.2)		646.63	88.39%																
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities (B)		84.95	11.61%																
Total (A + B)		731.58	100%																

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2022

Economic Activities (1)	Codes(s) (2)	Absolute CapEx (3)	Proportion of CapEx (4)	Substantial contribution criteria						DNSH criteria ["Does Not Significantly Harm"]						Minimum safeguards (17)	Taxonomy-aligned proportion of CapEx, Year 2022 (18)	Category (enabling activity) (20)	Category (transitional activity) (21)	
				Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)					
		million €	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T	
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1 Environmentally sustainable activities (Taxonomy-aligned)																				
Transmission and distribution networks for renewable and low-carbon gases	4.14	548.05	81.17%	81.17%	0.00%							Y	Y		Y	Y	Y	81.17%		
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	7.5	91.85	13.60%	13.60%	0.00%							Y					Y	13.60%	E	
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		639.90	94.78%	94.78%	0.00%													94.78%		
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Transmission and distribution networks for renewable and low-carbon gases	4.14	7.04	1.04%																	
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		7.04	1.04%																	
Total (A.1 + A.2)		647	95.82%																	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
CapEx of Taxonomy-non-eligible activities (B)		28.21	4.18%																	
Total (A + B)		675.15	100%																	

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2022

Economic Activities (1)	Code(s) (2)	Absolute OpEx (3) million €	Proportion of OpEx (4) %	Substantial contribution criteria						DNSH criteria ["Does Not Significantly Harm"]						Minimum safeguards (17) Y/N	Taxonomy-aligned proportion of OpEx, Year 2022 (18) %	Category (enabling activity) (20) E	Category (transitional activity) (21) T
				Climate change mitigation (5) %	Climate change adaptation (6) %	Water and marine resources (7) %	Circular economy (8) %	Pollution (9) %	Biodiversity and ecosystems (10) %	Climate change mitigation (11) Y/N	Climate change adaptation (12) Y/N	Water and marine resources (13) Y/N	Circular economy (14) Y/N	Pollution (15) Y/N	Biodiversity and ecosystems (16) Y/N				
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Transmission and distribution networks for renewable and low-carbon gases	4.14	14.11	49.62%	49.62%	0.00%						Y	Y		Y	Y	Y	49.62%		
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	7.5	6.21	21.85%	21.85%	0.00%						Y					Y	21.85%	E	
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		20.32	71.46%	71.46%	0.00%												71.46%		
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Transmission and distribution networks for renewable and low-carbon gases	4.14	3.20	11.27%																
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		3.20	11.27%																
Total (A.1 + A.2)		23.52	82.73%																
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities (B)		4.91																	
Total (A + B)		28.43																	

PEOPLE



COMMITMENT

- 2i Rete Gas is committed to putting **people** at the heart of its business, ensuring their respect, encouraging their engagement and development in terms of their **ability to contribute** and promoting a culture based on **diversity empowerment, inclusive approaches** and **exchange**, so that everyone can unleash their full potential and continue to enhance their skills, contributing responsibly and proudly to the improvement of company performance, by:

IMPLEMENTATION PRINCIPLES

- respecting **human rights and inalienable rights** in the conduct of the company's business and along the value chain, as well as **constitutional principles of parity and equality**.
- promoting the **development of skills, experience sharing and knowledge exchange** through open discussion, as well as implementing a **merit-related** policy based on the assessment of human resources' conduct, efforts, achievements and self-development.
- the recognition of **equal opportunities** for all employees, also with a view to pursuing **gender equality** and supporting **women's empowerment** and the repudiation of all forms of discrimination, rather viewing **diversity** as a source of value.
- **listening, dialogue and communication** endeavours with a view to encouraging **participation and empowerment**.
- **facilitating** employees' **work-life balance**, by increasing flexibility while reducing conditions of vulnerability.
- protecting the **health and safety** of its employees and collaborators.

Stimulate
EVERYONE'S
contribution



2

SIZING

The Group, drawing on its long-standing expertise in new asset integration processes, developed a flexible organisational model capable of capturing synergies in terms of market presence, costs and efficiency, empowering People and enhancing their skills, while appreciating their ability to manage and view change as an opportunity, as well as their continuous innovation-oriented attitude and focused approach towards sustainability principles.

At the end of 2022, Group employees* numbered 2,222, including 238 colleagues recruited when management of the ATEM "Napoli 1 - Città di Napoli e Impianto Costiero" (Naples 1 - City of Naples and Coastal Plant) started up.

As part of a project to refresh and enhance professional skills that are crucial for the development of the business strategy, as well as of generational change, 2i Rete Gas undertook an important **multi-year recruitment** plan that led, in 2022, to **344 new recruits**, also considering the integration of ATEM "Napoli 1".

Excluding the ATEM "Napoli 1" staff, graduates account for 42.45% of those recruited from the market and their average age is 34 years.

The Group continues to consider it strategic to rely on in-house skills that cannot be delegated, recruiting also experts in the technical-operational area to replace staff leaving due to retirement age. The number of new recruits of this type increased in 2022 compared with the previous year and this resulted in a slight decrease in the percentage of graduates in the company.

The average age of the corporate population, including the staff ac-

quired with the takeover of the ATEM "Napoli 1", is 49.04 years (excluding the latter it is **48.25 years**).

If the last nine years (2014-2022) are considered, 523 people were recruited from the market. After the takeover of the ATEM "Napoli 1", the number of new hires reached 761, of which 303 were graduates (accounting for approximately 39.82% of new hires).

In 2022, 151 people left the Group, of whom 15 due to transfer pursuant to Italian Ministerial Decree of 21/04/2011, 60 due to retirement and 14 due to termination by mutual consent regarding people close to retirement. They included high

school graduates (43.05%) and university graduates (19.87%), with women accounting for 7.28% on total terminations. The average age of all employees terminated in the period was 52.9.

At 31 December 2022, permanent contracts accounted approximately for 98.60% of total contracts. In 2022, preference was once again given to direct employment with the company; 89.24% of new employment contracts were permanent and 10.76% fixed-term. The decision to opt for permanent contracts was consistent with the search for career profiles requiring greater specialist and management experience in the sector.

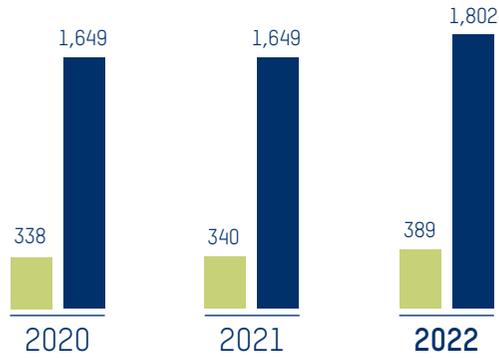


** 523 from the market and 238 with the ATEM "Napoli 1"

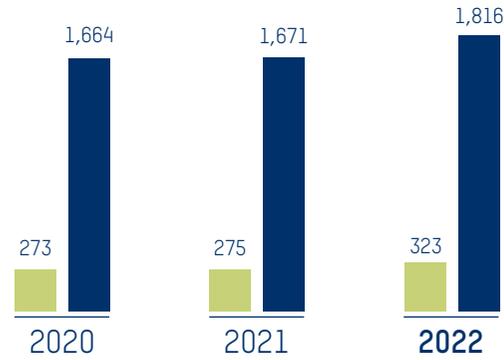
* headcounts

Type of contract

Permanent



Full-time



Fixed-term



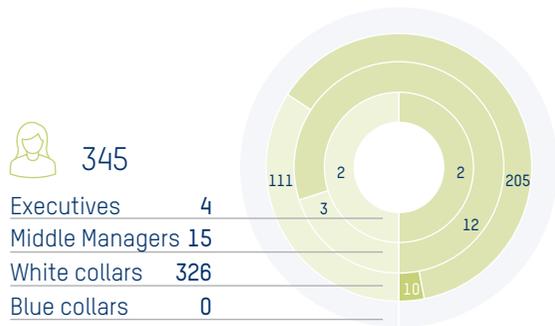
Part-time



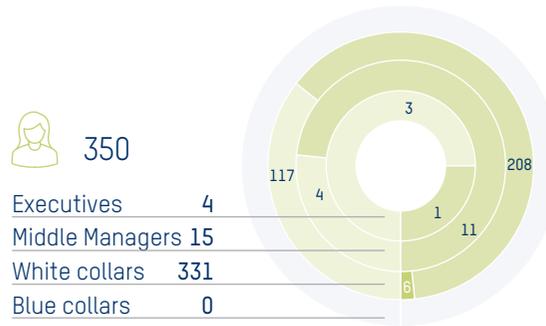
Note:
no details of employees with non-guaranteed hours are given as no types of contract classifiable as such exist within the Group.

Current staff

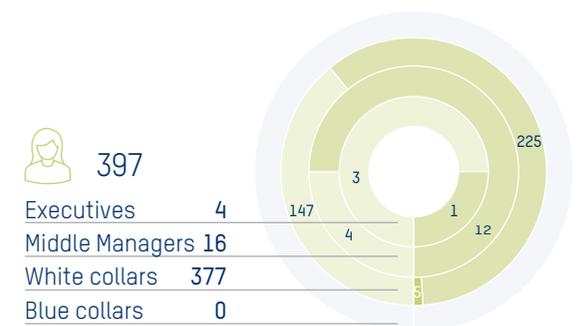
2020



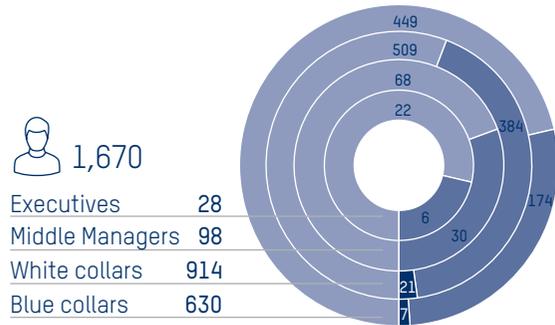
2021



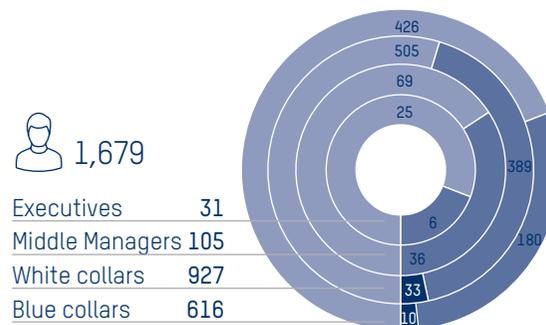
2022



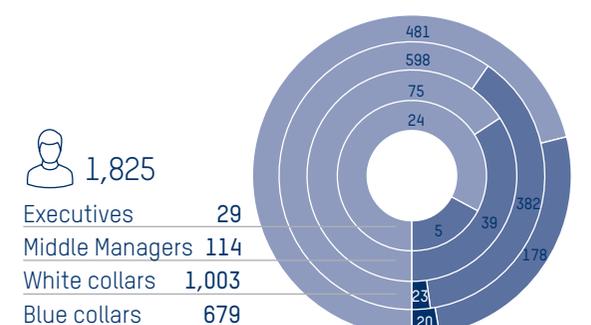
Total 2,015



Total 2,029



Total 2,222



Average age by gender

2020



45.45 51.05

Total: 50.09

2021



45.62 50.83

Total: 48.23

2022

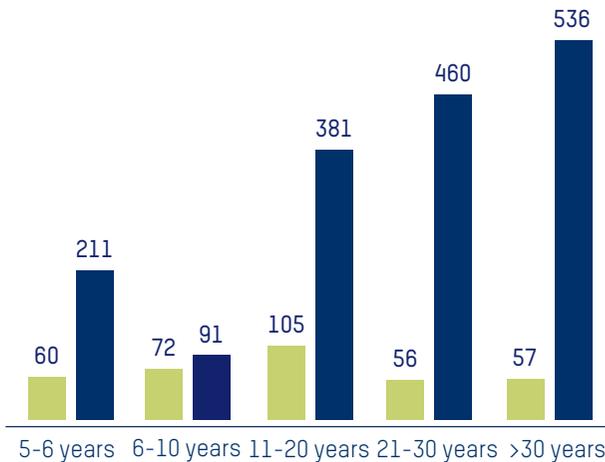


46.45 51.63

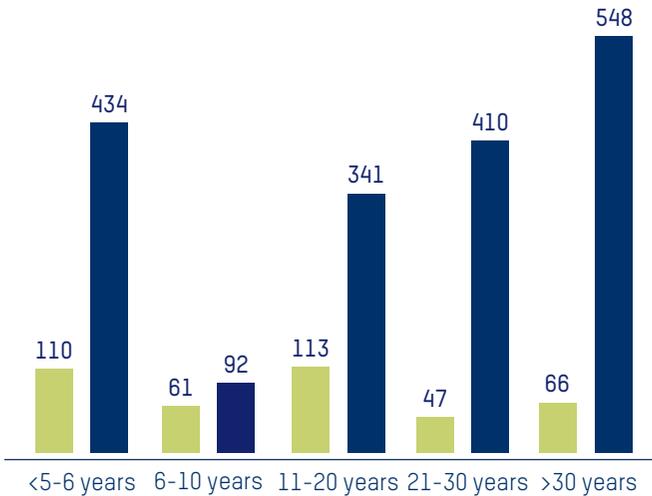
Total: 49.04

Employees by gender and seniority

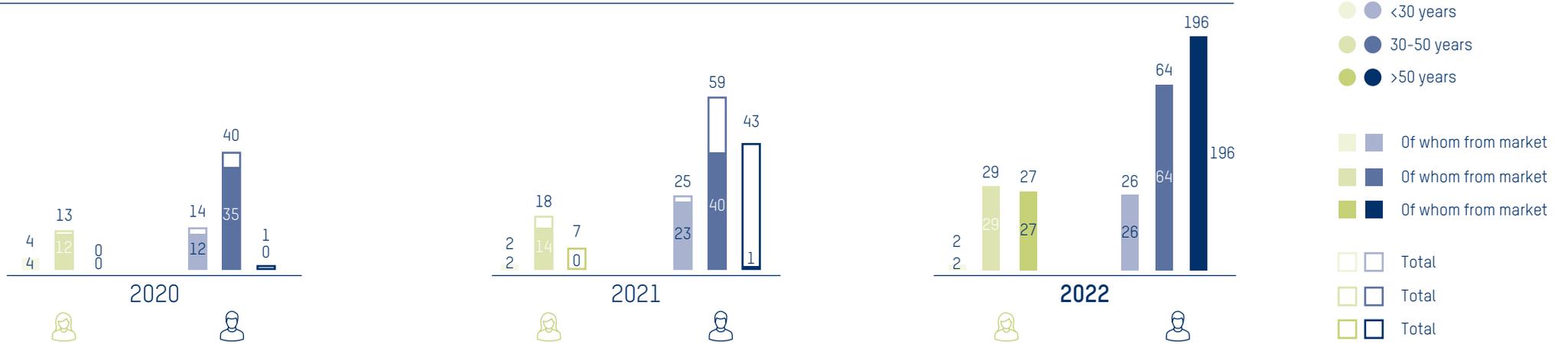
2021



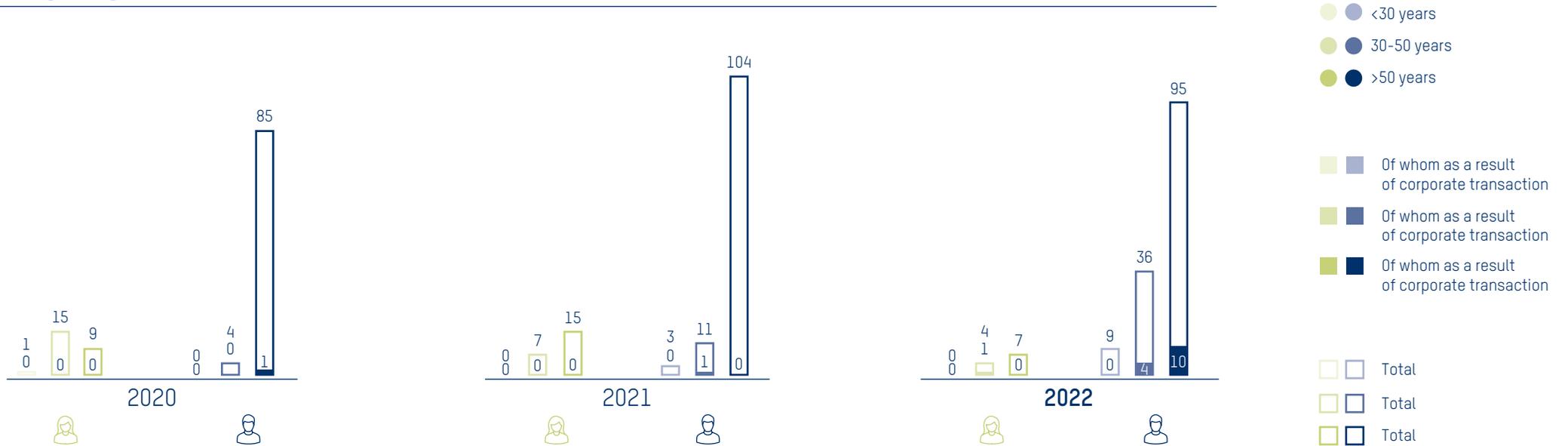
2022



Incoming



Outgoing



Incoming-outgoing turnover

2022

	<30 years	30-50 years	>50 years
	+40.0%	+12.2%	+17.5%
	-0%	-1.3%	-4.5%
	+60.5%	+10.6%	+16.6%
	-20.9%	-5.3%	-7.2%

2021

	<30 years	30-50 years	>50 years
	+33.3%	+6.5%	+0%
	-0%	-2.7%	-12.1%
	+54.8%	+6.8%	+0.1%
	-4.7%	-1.6%	-10.1%

2020

	<30 years	30-50 years	>50 years
	+40.0%	+5.5%	+0%
	-10.0%	-6.8%	-7.8%
	+42.9%	+5.9%	+0%
	-0%	-0.7%	-8.0%

 women  men

Regarding the percentage values relating to rates, the effects of extraordinary corporate transactions on both entries and terminations are excluded, while those reflecting the integration of ATEM "Napoli 1" staff are included.

MANAGEMENT, DEVELOPMENT AND ENGAGEMENT OF HUMAN CAPITAL

2i Rete Gas considers People to be a key strategic asset and promotes a corporate culture based on inclusion, diversity empowerment and engagement based on open and constructive dialogue and feedback. It therefore strives to strengthen increasingly inclusive approaches and to foster a feeling of belonging, mutual trust, a sense of responsibility and the professional skills of each Resource, who thereby becomes an agent of the corporate continuous improvement endeavours.

The Group promotes human capital development and talent empowerment, by fostering teamwork, knowledge exchange, the sharing of experiences, co-operation between different generations and through lifelong learning, aimed at combining technical specialisation, a flexible approach and managerial skills.

As part of its overall Human Resources management, 2i Rete Gas implements specific action plans designed to consolidate a

positive and proactive work environment, aimed at accepting new challenges to generate constant development and innovation.

By relying on its first-level control measures (i.e., Code of Ethics; Organisation, Management and Control Model pursuant to Italian Legislative Decree 231/2001; Charter of Values; Sustainability Policy and Integrated Policy for Quality, Safety and the Environment), 2i Rete Gas ensures that all staff management and development processes are carried out in compliance with the ethical principles that the Group is committed to upholding, starting from the respect for **Human Rights** and **equal opportunities, without discrimination of any kind.**

The development of distinctive, specialist, operational and managerial skills is driven by the definition of targeted training paths and deployment of **job rotation** and **succession plans.** Efforts are made to promote a **conduct culture based on open meaningful feedback** as well as on **exchange,** where managers support their direct reports in their growth path. Learning and improvement are supported and encouraged by:

- a **performance evaluation** process that can raise awareness and self-empowerment;
- **targeted training paths,** including with a view to ensuring expertise continuity in relation to a turnover of resources in the same position;
- **development plans** that ensure the transfer of skills from senior to junior resources;
- **remuneration and incentive schemes** that guarantee transparency and impartiality, based on merit, performance measurement and conduct assessment.



RECRUITMENT

In line with the foregoing, 2i Rete Gas relies on a recruitment and selection process that is mindful of **Human**

Rights and the **dignity of the individual;** it is based on **transparency** and **impartiality.** It provides **equal opportunities** to any individual irrespective of their gender, religion, belief, ethnic origin, disability, age, sexual or political orientation, and avoids any form of discrimination.

In order to ensure compliance with these principles, the search and recruitment process is governed by a **specific procedure,** which at the same time ensures the proper exercise of **responsibilities** by all the parties involved.

Impartiality and **objectivity** in the recruitment and selection stages are also supported by the well-established use of a specific management tool that guarantees the precise and rapid **traceability** of all stages in the process, including the timing and the various validation and assessment steps. The process and the system provide for the prior **detection of any situations of conflict of interest or violations of the provisions of the Organisation, Management and Control Model pursuant to Italian Legislative Decree 231/2001.**

In 2022, the year in which a partnership with the *Politecnico di Milano* to promote initiatives related to the attraction of young engineers and Employer Branding, a total of **105 processes resulting from external recruitment searches** were completed.

2i Rete Gas continues to support **job posting** and **job rotation,** viewing them not only as tools to meet organisational needs, but also as methods of choice to create opportunities for the exchange of skills and knowledge. In 2022, **69 internal recruitment searches** were commenced. The percentage of positions for which job posting or job rotation tools were used as the first search channel was **53% for searches relating to Headquarters** and 64% for those relating to local area units.

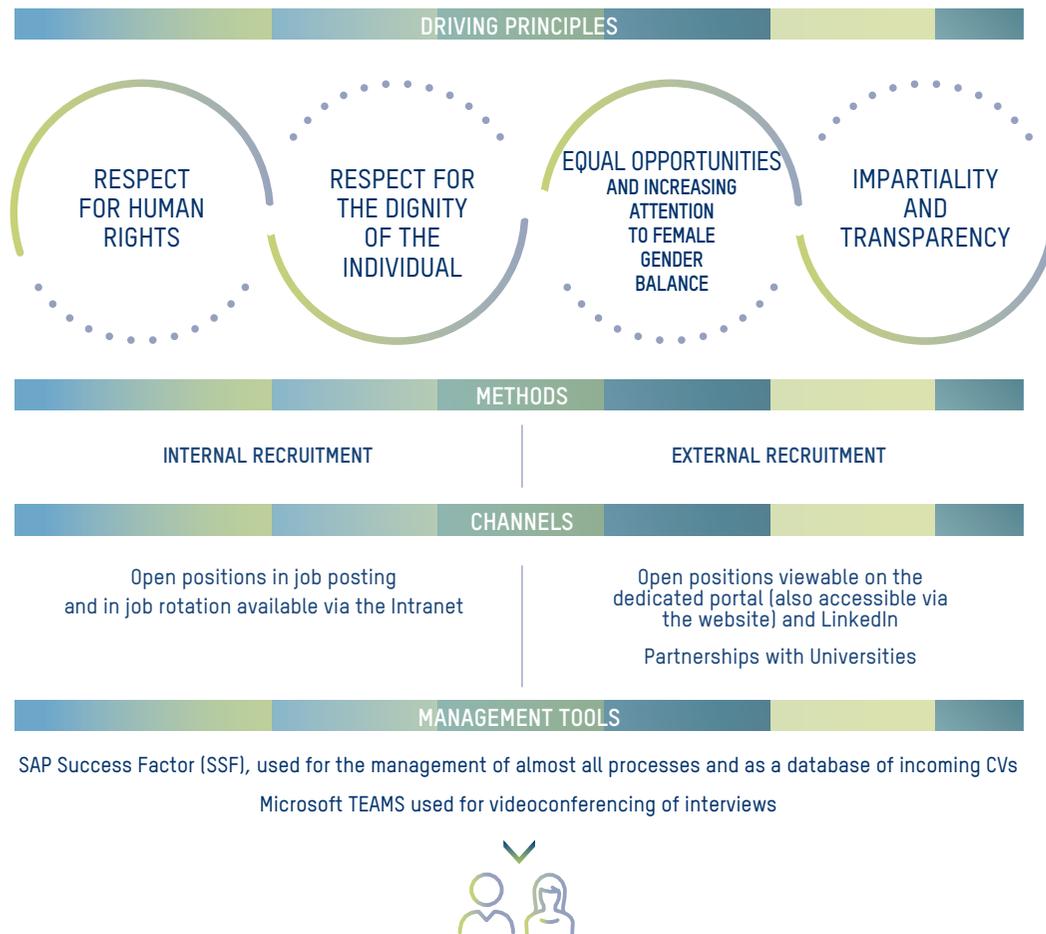
In 2022, for **vacant staff positions, the percentage of female staff hired from the market was 60%,** a clear improvement compared with the previous year. If the integration of ATEM “Napoli 1” staff is considered, the percentage was 41.57%.

On the other hand, with regard to local area vacancies of a technical-operational and/or engineering

nature, in line with the past, mainly male applications were received. As a result, it was not possible to further improve, compared with previous years, the percentage of female staff recruited, such percentage remaining at any rate consistent with the general Italian landscape of

female graduates in STEM (Science, Technology, Engineering, Maths) subjects.

The recruitment process



DEVELOPMENT AND TRAINING

The Group firmly believes that, in order to increase the quality and efficiency of its performance and ensure that its choices and actions prove successful, it is essential to nurture constant **motivation**, invest in the **professional development** of its People, through dialogue, sharing, as well as open and continuous feedback, encouraging new experiences and offering support tools to update and develop skills.



resource with reference to the position held, also with a view to define a **customised and appropriate training and career development plan**.

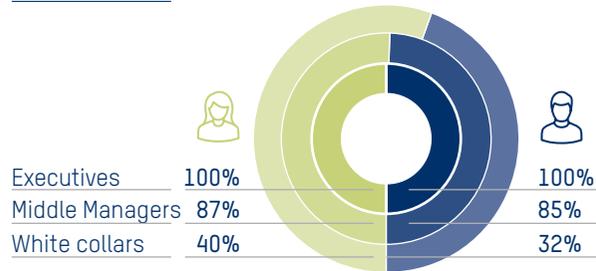
In 2022, performance assessment involved the inclusion of more technical and operations staff. A total of 521 colleagues were included in the 2022 assessment plan, of whom 381 were office staff and 140 operations staff.

This is why, after completing and consolidating for the entire organisation a **job evaluation** project designed to make the performance assessment process even more targeted and effective, 2i Rete Gas continued the **process to roll out its performance assessment process** with which it assesses the level and degree of competence of the individual

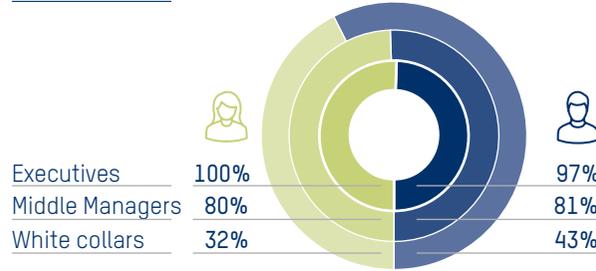
The staff progressively involved (2017-2022) in the assessment process, within the consolidation scope excluding the newly acquired ATEM "Napoli 1" staff, reached 60.99%, a figure that also includes the qualitative assessments made for the beneficiaries of the incentive schemes. ATEM "Napoli 1" staff will be involved in the assessment process from 2023 onwards.

Employees that underwent an annual assessment

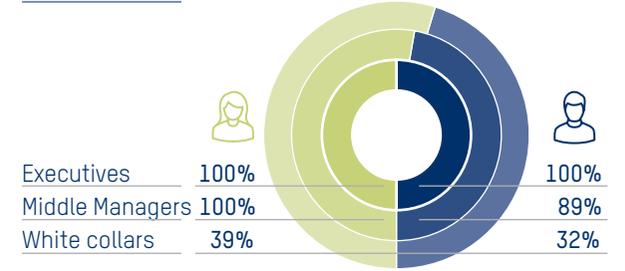
2020



2021



2022



Note: percentage figures refer to staff assessed by gender and professional category as well as staff included in incentive plans. Since the assessment of employees not included in other incentive systems is held on a two-yearly basis, the trend is obtained by comparing 2022 data to 2020 data. The percentages are impacted due to the fact that staff from the ATEM "Napoli 1", although it was merged into 2i Rete Gas during the year and therefore considered in the calculation of the total, will be assessed starting in the following year and will then be included in the ordinary assessment process in 2023.

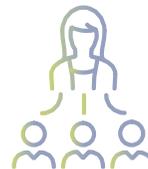
Training is a key driver for the Group and plays a crucial role as a development and value enabler. It is an integrated system of differentiated paths, methods and innovative approaches designed to develop and improve the skills and abilities of each employee. It relies on a variety of tools and content built on market best practices and the experiences of people who are already part of the Group. With the creation of a cor-

porate training catalogue, it is now possible to list the skills required by a given position and carry out an accurate skill gap analysis, with the subsequent definition of structured individual development plans designed to guarantee the development of an individual's knowledge and the enhancement of the talents within the company.

The multi-year training plan, revised annually where necessary, in 2022

was again defined on the basis of 6 specific training areas:

- **Managerial:** aimed at developing soft skills and improving specific individual skills of the People involved in role and/or organisational growth;



- **Technical/operational:** aimed at developing technical/operational skills. It is delivered by attending external and internal courses in order to share distinctive skills and encourage contamination of ideas. It includes tools and methodologies geared towards operational improvement, technological and IT updating and constant regulatory compliance;



• **Specialist, IT and Language:** aimed at gaining, maintaining, and developing specialist, IT and language skills pertaining to the employees' own job family and business area;



• **Quality and Safety:** including courses developed both in compliance with Italian Decree no. 81/2008 and in order to raise awareness of this issue among staff.



In 2022, albeit with due precautions constantly monitored by and shared with the Quality, Safety and Environment function, **in-person training activities** resumed more significantly, accounting for around **46%** of training hours delivered.

Nevertheless, the online format remained in use, as it allows more people to be reached and thus to overcome the limitations resulting from distance and complex logistics.

New training courses were implemented and new operating manuals and video tutorials were made accessible also to external staff working for contractors. This approach was guided by principles of inclusiveness and achieved significant results in terms of skill migration, also to the benefit of external staff.

In 2022, hours of training delivered **increased by 37%** on the previous year, due in particular to a substantial increase in technical and specialist training.

IT systems were used to introduce tools and methods to measure **satisfaction** with and the **effectiveness** of the training opportunities available from time to time.

Personnel involved in training | including terminated personnel

1,896

as at 31.12.2020



283



1,613

1,786

as at 31.12.2021



257



1,529

2,264

as at 31.12.2022

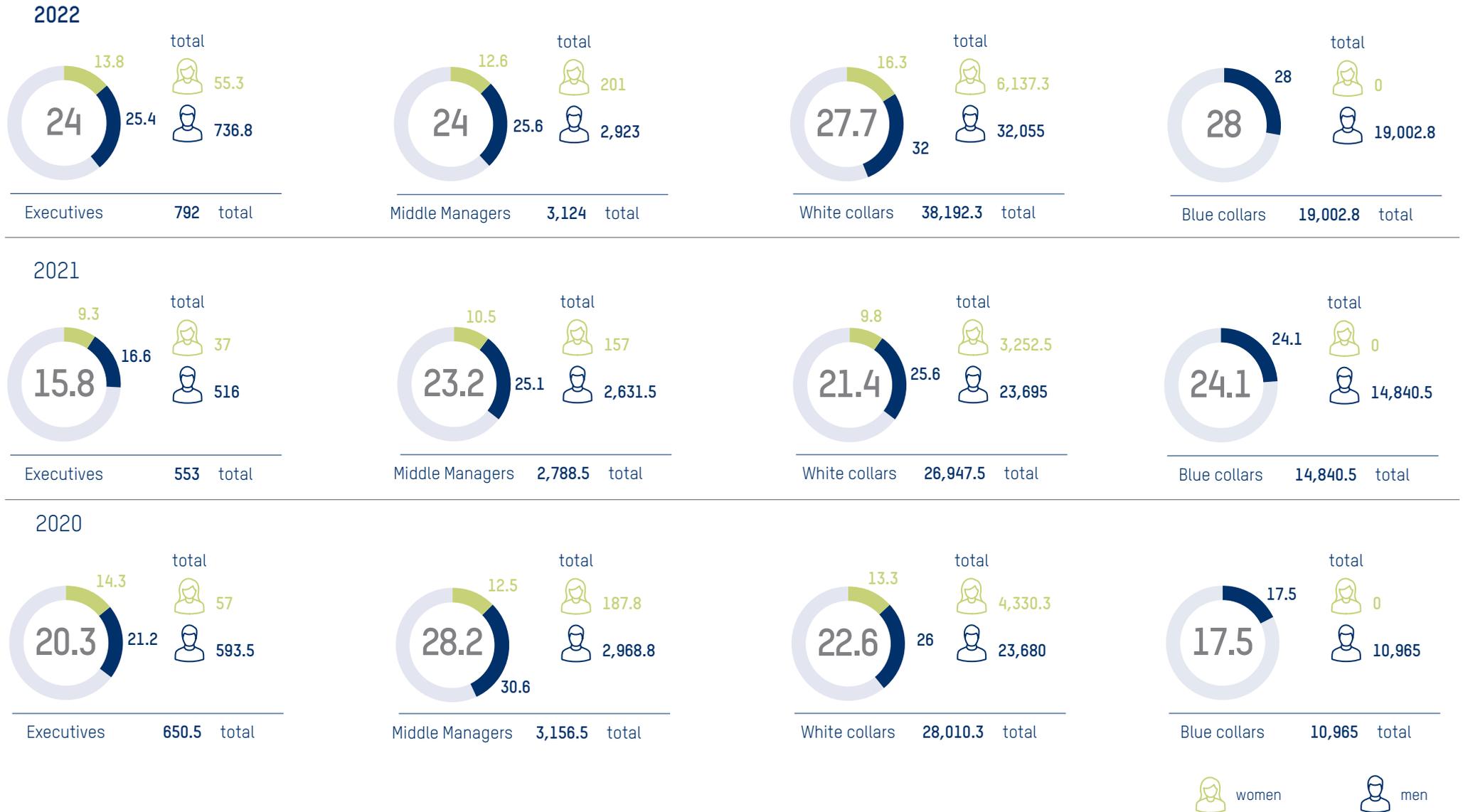


395



1,869

Average and total hours of training by professional category figures referring to headcount

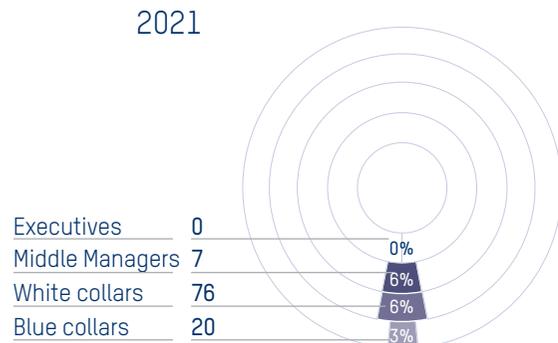
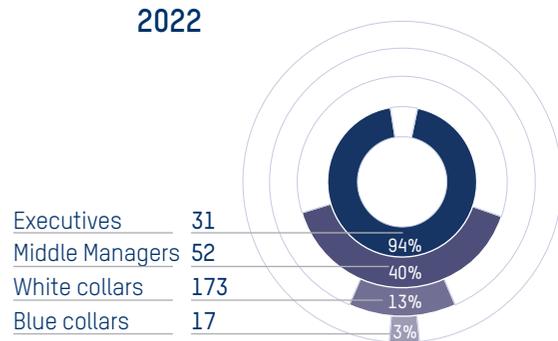


Total hours of training by gender and professional category



* In addition to managerial and specialist training, it includes language and IT training.

Employees trained on anti-corruption related issues



In the **managerial** area, the first training program on soft skills for high-potential junior employees, identified through interviews with their direct managers, was also launched. In addition to time management and problem solving, the course covered topics which included emotional intelligence, effective communication and managing cross-cutting complexities, to improve performance and interpersonal skills. This program is part of a broader project to identify, train and develop staff with potential for growth in different positions and will continue in 2023 with specific courses created for this purpose, which will also include structured courses for female employees in collaboration with “Valore D” (see “Diversity, inclusion and welfare”).



Regarding **technical and operational training**, of particular note are the course on **First Response designed for new recruits** and the completion of training on the introduction of new operational functions related to the works area.

Further to the activities promoted by the members of one of the internal groups known as **Network Time – Groups set up in 2019 with the task of analysing the margins for the improvement of business processes based on an innovation and simplification approach** and composed of people with intermediate representative roles, such as company ambassadors, the technical and management know-how gaps of staff and companies were mapped and the areas for which in-depth training is needed to harmonise and develop knowledge and therefore to increase the levels of quality and efficiency of performance were identified. Practical training on **First Response and the classification of dispersions** was then implemented with field exercises carried out on part of the corporate population.

As concerns training on **User Management**, a **theoretical** module session was organised with newly recruited internal staff and with workers from companies in a pilot area. On this occasion, registrations were obtained for the preparation of an e-learning module, intended for all companies that work with 2i Rete Gas.

Approximately 220 out of about 1,000 in-house qualified colleagues at-

tended refresher courses on **UNI PDR 11632 and 39:2018 standards**. In addition to the training provided to update qualifications, approximately 30 employees were trained to obtain the various types of qualification foreseen by the standard **UNI 11632 – UNI PDR 39:2018**.

With the aim of achieving the most complete harmonisation as well as the streamlining of processes, the belonging to a specific professional network was emphasised: several employees with similar roles and expertise worked together and held discussions to identify best practices and harmonise methods and conduct for each type of role and process. The training course for the **professional network of Operational Control Officers** (aka ACOs) was thus completed.

Around 342 colleagues were trained on the “**STI ELETTRONICO**” tool for greater knowledge of business processes and 206 colleagues were trained on the consultation of cartography on tablets.

In order to provide an overall vision, including the economic aspect, of the assignment of works to companies, basic training on the **Technical specifications and list of fees** was provided to 246 employees for

better management and control of works carried out by contractors in the event of substantial changes in contracts.

As in previous years and with a constant focus on the quality of the service provided, training was organised in the areas of **User Management, Operation and Maintenance**. In response to a large demand from local areas, **Meter Fault Tracker (MFT)** training started for colleagues working in the field of smart meters.



As concerns **specialist training**, the course **“Getting to know the company and learning more about our business”**, an induction experience highly appreciated by young people in the company, was once again offered, this time for 107 colleagues recruited in the last two years, with the involvement of all function managers to give a detailed knowledge of the core activities of their units. New recruits are given specific training termed **“New Entry”**.

In 2022, relations with the **Italian Gas Committee** (aka CIG) were con-

solidated with participation in various courses and forums with a total of 88 staff attending.

At the time of signing the trade union agreement on **“Lavoro Agile”** (smart working), specific online courses were provided to give operational support to 205 management and approver colleagues, as well as the course **“Sicurezza Lavoratori Base - smart working”** (Basic Worker Safety - smart working), the e-learning version of which was attended by the 1,106 colleagues who accepted and signed the above agreement.

On the subject of **anti-corruption**, in addition to initiatives to involve new recruits, a refresher course on Tax Crimes was organised. The course involved 82 colleagues including managers and representatives.

Aimed at describing the main social engineering techniques used with regard to cyber attacks and consolidating knowledge on how to recognise possible threats and help protect 2i Rete Gas’s information assets, the entire corporate population was involved in an e-learning course on Information Security - Phishing (see **“Data and Information Security”**).

Regarding **language training** English language courses for groups and individuals continued to be delivered.

Finally, in collaboration with the Quality, Safety and Environment function and the Prevention and Protection Services function, all **safety-related refresher courses** were held, especially on first aid, fire prevention (medium hazard), and road signs in the presence of road traffic. Also PES/PAV (expert person/informed person) as well as Theory and on the road DriveCheck training sessions were provided, organised in cooperation with **“ASC - Guida Sicura Quattroruote”** (automotive safety centre), to teach driving safety issues.

COMPENSATION SYSTEM

The Group pays attention to the implementation and updating of compensation policies consistent with business strategies, market trends and organisational structures, with a focus on possible related developments and **alternative motivational levers to ensure a modern total reward system**. Benefits are also granted to employees, whether employed under a full-time, part-time or fixed-term employment agreement.

Resource management aims to stimulate and guide work performance and is designed to create compensation systems that are **internally fair and market competitive**. At the same time, it enables a communication process that involves managers in the allocation criteria and supports them in seamlessly conveying to their employees the principles that led to the decisions made.

The corporate approach in defining the compensation system is not limited to aspects of a strictly monetary nature but is developed according to a coordinated vision of **reward systems to ensure staff satisfaction and engagement with both their work and their organisation**.

Again, following a close review of the track record of the individual resources, in relation to the position held and their growth potential, development opportunities are identified in accordance with the internal equity principles. Merit is recognised in terms of consistent discharge of their duties, level of performance in terms of results achieved and commitment shown with respect to the self-development plan and room for skill improvement due to developments in their current or future position.

As in previous years, the assessment of meritocratic actions focused on the application of **criteria increasingly closely related and attentive to the different types of roles and skills**, with account also being taken of the **cross-functional complexity underlying the position held, the levels of experience and knowledge gained, highly specialised and strategic for the business**.

ENGAGEMENT

2i Rete Gas believes that engaging its own People plays a key role in ensuring a virtuous running of the organisation and reinforcing an increasingly responsible and informed vision of the contributions that each employee can make on a daily basis in terms of good relations, fruitful cooperation and support, even personally, to corporate developments and strategies.

It is precisely in this regard that the annual **Management Meeting** was held in October in 2022 between the Chief Executive Officer and company management to report on company results, important issues, ongoing projects and the outlook for the future. Each director or head of division explained his or her activities, thereby reinforcing a sense of teamwork and sharing.

In November 2022, the event was repeated for heads of operating units and local area representatives, who for the first time received an update on the aforementioned topics from the Chief Executive Officer in a meeting dedicated to them. The atmosphere was open and informal.

According to a participatory engagement approach, each colleague was asked to indicate, by means of a quick multiple-choice poll, which 2 topics of greatest interest they would like to receive information or insights on. The most voted topics were "Energy transition and possible developments in the sector" and "Gas tenders: state of the art, difficulties and perspectives".

These were also the first meetings held in person, after the social distancing measures imposed by the health emergency.

Smart working was maintained as a work-life balance tool, while the value of interpersonal relationships and an in-person presence was underlined. With the introduction of smart working on a trial basis, rules were introduced for the use of communication tools and collaboration prac-

tices. A "Guide to smart working" was issued, aimed both at complying with certain governmental and regulatory requirements and at illustrating the rules for the application of the current agreement, at the same time giving useful indications/instructions on how to: plan and organise work when smart working; formalise and correctly address communications; interact and collaborate effectively with colleagues and one's supervisor; take part effectively in calls and meetings and, last but not least, how to take care of yourself.

In 2022, the results of the most recent edition of the **work-related stress assessment survey and climate analysis** were shared. Based on employee input, an **action plan** was drawn up, designed to make it even easier and more sustainable to work, while preserving health and safety. These results were shared in specific local area meetings, planning to reach the entire company population in the first quarter of 2023.

All employees are constantly updated on regulatory, organisational and business issues by means of **specific corporate communications** and the **Intranet**.

DIVERSITY, INCLUSION AND WELFARE

The Group is committed to extending the same conditions of respect and equal dignity to all members of the organisation, rejecting all forms of discrimination, while strongly pursuing the physical, psychological and social well-being of its People and promoting work/life balance.

ty of the individual and recognises the importance of diversity as added value for the development of the organisation and the achievement of results.

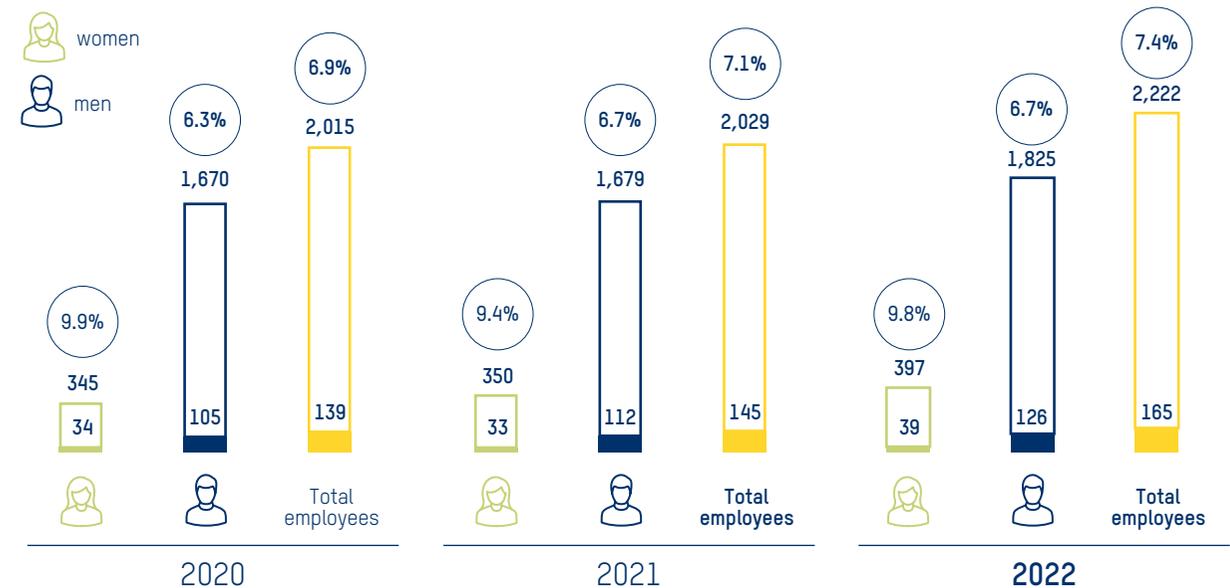
Over the years, tools and solutions have been implemented with a view to increasingly supporting inclusive approaches and empowering diversity, which must be regarded as a unique contribution of each Resource; agreements with Provincial

Authorities have been entered into and, in accordance with the regulations in force, a multi-year plan for the onboarding of staff belonging to protected categories has been implemented. The Group allocates these resources to specialist positions and key roles, where possible.

As at 31 December 2022, 2i Rete Gas employees belonging to protected categories totalled 165, including 126 men and 39 women.

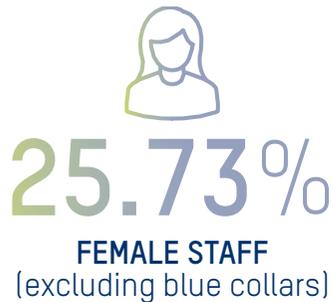
At 2i Rete Gas, in compliance with the Code of Ethics and the Sustainability Policy, the Group acts with absolute and inviolable respect for the digni-

Protected categories



To this end, specific performance targets have been assigned to certain company profiles as part of the incentive systems, to promote **gender equality** in the research and development phase. 2i Rete Gas endeavours to increase the number of women employed with the Group, including in positions of responsibility, and is committed to encouraging the professional growth of women.

The Group's female staff compared to the total number of employees, including the 238 colleagues from the ATEM "Napoli 1" (excluding blue collars), accounts for 25.73%. Net of the merger, the Group's female staff compared to the total number of employees (excluding blue collars) accounts for 26.28%.



Over the past 9 years, the total number of women hired stands at 192 (25.23%) out of 761 hires. The presence of women in the last year is significant, especially in central staff functions (where they account for more than 41% of the entire staff

population), while in the Departments, where most of the activities carried out include operational tasks entailing a high degree of manual skill – i.e. related to plant engineering and mechanical technology – the number of women is naturally lower, as these jobs are less appealing to female staff.

At present, the percentage of women having more specialist skills, i.e. women with technical qualifications, has also proved to be significant in filling specialist positions. Indeed, recruitments completed during the past 9 years include 119 female graduates (out of 303 graduates), including in technical and engineering fields (39.3% of graduates hired). In 2022, this situation was even more evident as most recruitments resulted from the need to rely on technical and operational profiles. This is also due to the fact that technical/ engineering faculties are attended by a higher percentage of male students.

Currently, women holding leading, management and executive and/or coordination positions account for 11.5% (11 out of 96 profiles) of the total boundary. Also in 2022, the Group confirmed its commitment to increasing the percentage of women in responsibility/coordination positions, along with salary improvement measures.

As regards the percentage that identifies the Gender Pay Gap, in 2022, average total basic salaries fell year-over-year for the individual job categories of Executives and Middle Managers. In 2021, the result was in fact particularly positive and exceptional, because it

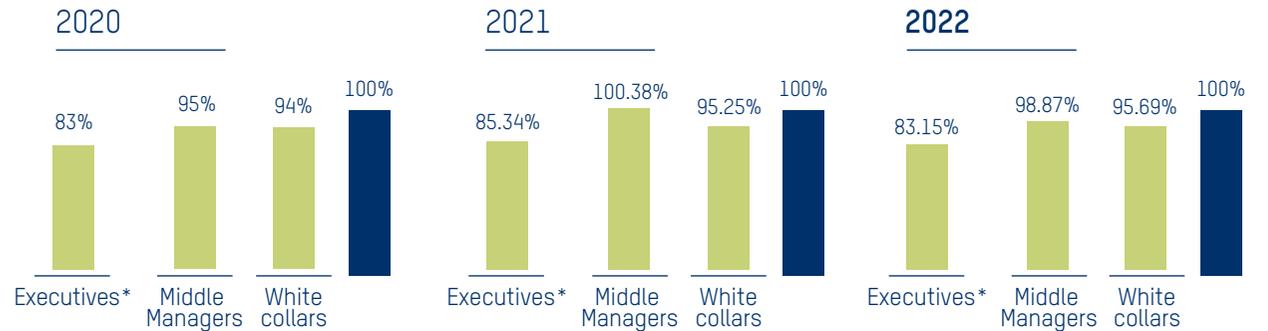
resulted from dynamics linked to salary increases and male staff joining and leaving the Group. In addition, in 2022, there were salary increases for Executives and Middle Managers that, as a result of local area organisational changes, mostly affected male staff.

Nevertheless, if the trends prior to 2021 are also considered, the result for 2022 is still an improvement.

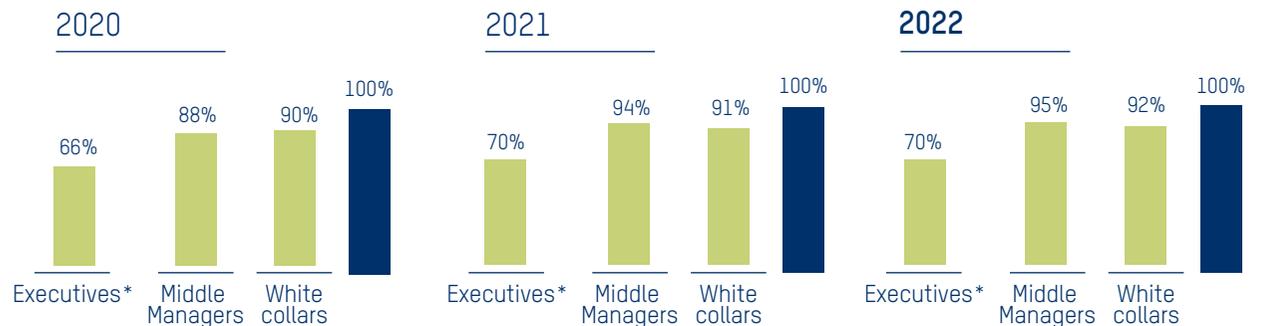
On the other hand, as regards average remuneration, the Gender Pay Gap ratio shows a continuous improvement.

Ratio of basic salary and remuneration of women to men

Average basic salary by gender and professional category



Average remuneration by gender and professional category



* As in previous years, the Executives cluster includes the CEO and key executives.

Regarding **parental leaves**, family-oriented initiatives, with special emphasis on working mothers, include endeavours designed to support maternity. In particular, during the period of compulsory maternity leave, 2i Rete Gas guarantees **maternity benefits to the extent of 100%** of salary instead of 80% as required by law. In addition, company benefits are maintained throughout the leave period.

Rate of return after parental leave | seen as compulsory + optional maternity leave

	31 Dec 2020			31 Dec 2021			31 Dec 2022*		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Number of employees that took parental leave	42	5	47	34	3	39	46	4	50
Number of employees that returned to work after parental leave ended	38	5	43	29	3	32	35	4	39
Number of employees that were still on parental leave during the year	5	-	5	5	-	7	11	-	11
Number of employees on parental leave in the previous year that returned to work in the reference period	16	-	16	5	-	5	7	-	7
Number of employees retained 12 months after returning to work following a period of parental leave	29	7	36	38	5	43	28	3	31
Return-to-work rate after parental leave	90%	100%	91%	100%	100%	100%	100%	100%	100%
Retention rate after parental leave	83%	100%	86%	100%	100%	100%	97%	100%	97%

* The indicator calculation methodology was, regarding 2021 and 2022, better aligned with GRI standards to more accurately reflect specific disclosures. As to 2020, the indicator considers, as a denominator, the total number of users rather than the total number of employees who would have been required to return to work after taking parental leave.

In principle, almost all employees requesting a parental leave return to work and retain their job even after one year from the end of the leave, resuming their previous activities or being assigned to tasks having a similar professional content. Return

to work can also be facilitated by extending part-time contracts for a one-year term, the renewal of which can be subsequently re-evaluated on the basis of the employees' and company's needs. In 2022, in addition to the ordinary maternity, paternity and

parental leave, by applying the trade union agreement on smart working, women were able to take additional days of smart working both during pregnancy (female smart working) and in cases of new parenthood until the child is three years old.

Additional days of smart working were also granted to persons benefiting from Law No. 104. Smart working for the entire working week is provided for persons undergoing life-saving treatment.

The Group is willing and determined

to continue to consider the introduction of new forms of flexible working schedules, with special reference to people having greater difficulties in managing family life and personal problems, as also confirmed by the implementation of a solidarity-based time bank analysis.

Initiatives related to the Sustainability Plan

In relation to the goal set out in the Plan designed to integrate ESG aspects within the business by joining networks and/or associations involved in the promotion and development of responsible business practices, during 2022 2i Rete Gas S.p.A. engaged in preliminary and preparatory discussions to become a member of "Valore D". Membership was last formalised with effect from January 2023.

"Valore D" is the first association of companies in Italy that promotes gender balance and the spread of an inclusive culture to support the innovation, progress and growth of organisations in the Country. Indeed, "Valore D" supports its member companies by providing know-how and dealing with issues related to three SDGs ("Gender equality"; "Decent work and economic growth"; "Reduced inequalities") and it acts as a partner for institutions. For 2i Rete Gas S.p.A., joining "Valore D" represents a further incentive to consolidate its commitment to promoting and implementing Diversity & Inclusion best practices and, more specifically, to defining and implementing initiatives to support gender equality and women's empowerment.

For more information: www.valored.it

A corporate welfare system has been in place at 2i Rete Gas since 2018 to meet the diverse needs of employees, in the belief that it has now become an essential tool to be included among the initiatives designed to support **welfare** and **work-life balance**.

In 2022, the Welfare Plan of 2i Rete Gas was expanded and renewed, with the aim of offering employees even more concrete and extensive benefits, including through agreements signed with facilities of various types (medical, sports and wellness centres, etc.), thereby increasing the number of support opportunities throughout the country. What is new compared with 2021 is that the packages have been extended to include employees' family members among the beneficiaries.

As last year, with reference to any family needs, there is the possibility for staff to access forms of microcredit that can support the family/individual financial budget, for expenses linked to child education, family assistance services and medical expenses. In addition, the telemedicine service is still available and, also in 2022, the project "On the road" was launched with the aim of supporting employees' children in choosing their best educational and working career path.

In 2022, 329 employees subscribed to the **Welfare Plan**. The most popular services included payments to supplementary pension schemes and reimbursements for education, vouchers, health and well-being.



2i Rete Gas points out that during the year no such discrimination incidents occurred as to require corrective measures to be adopted.

RELATIONS WITH THE UNIONS

The Group pursues and upholds the objective of promoting fruitful and meaningful industrial relations at all levels while respecting the role of each party. To this end, it endeavours to establish a continuous, transparent and concrete dialogue, which calls for the active involvement of social partners. In fact the Group promotes freedom of association and engagement with social partners in collective bargaining.

The organisation of trade union representatives in the Group is widespread throughout local areas. In this regard, with reference to the Industrial Relations Protocol, the first plenary meeting of the Chief Executive Officer with company trade union representatives and the national and local trade union secretariats who signed it was held this year. During such meeting, the outlook scenario for the sector was illustrated, with a specific focus on the role and mission of 2i Rete Gas.

When delegates were elected to represent companies in the Fondenergia (energy sector pension fund) Meeting, 2i Rete Gas elected its member as one of the 20 national delegates.

In compliance with legal requirements, the Group, gives advance notice and, where appropriate, enters into discussions with trade union representatives if company reorganisations are being planned.

In this respect, it should be noted that in the first half of 2022 the transfer of the 15 workers assigned to the Cinisello Balsamo plants under the ATEM "Milano 1" distribution service concession was concluded positively, following consultation with local trade unions and the Works Councils, pursuant to Ministerial Decree No. 21/04/2011 (Social Clause Decree). On 28 February 2022, the subsequent transfer of the workers was formalised with the termination of employment contracts and recruitment at the same time by the new operator.

The indications set out in the shared Protocol on an update of the measures to counter and contain the spread of the SARS-CoV-2/COVID-19 virus in the workplace were implemented, and the meetings of local Committees at the level of individual Departments and Headquarters continued, with a mixed company (Employer, Head of Prevention and Protection Service, Human Resources

es) and trade union (Workers' Safety Representative/Works Council) composition. By means of regular reporting and discussion, procedures were updated and actions undertaken to render all measures to contain the spread of COVID-19 effective.

The results relating to indicators for the 2021 Performance Bonus were finalised in a report signed by the parties concerned. The bonus benefited from de-taxation criteria, and employees were given the opportunity to elect to convert the monetary component into benefits/services through a new company application. With specific reference to family, health, care and welfare, availability of welfare services by means of mixed credit, i.e., redelivery point credit and "2insieme a Te" credit, was re-proposed. With the redelivery point finalisation agreement, the percentages (up to 100% of the accrued bonus) and the reasons for converting the performance bonus were confirmed, without prejudice to the provisions of the goods and services terms and conditions.

The agreement on the Performance Bonus limited to the year 2022 was signed, which confirmed some of the previous technical indicators.

The possibility of converting 100% of the total amount of the bonus into welfare services or transferring it to sector supplementary pension funds was also envisaged, with an additional credit of up to 15%.

Additional welfare measures were provided for, including the signing of an agreement with trade unions for the recognition of a "fuel bonus" amounting to € 200.00 for 2022.

To implement the procedure to regulate smart working on a trial basis, monitoring of the development of this type of work was envisaged by means of a bilateral body with a mixed composition (company representatives and trade union representatives chosen from the Works Council), which met during the year in order to monitor the application of smart working in the company organisation.

In 2022, in keeping with the company's programme to use untaken holidays, a specific trade union agreement was signed for the collective closure of the Headquarters and of the offices in Verona, Frosinone, Acquaviva delle Fonti, and Selvazzano Dentro, during the December long weekend (9 December) and for the two middle weeks of August.

Discussions with the trade unions were successfully concluded, and agreements were signed on the reorganisa-

tion of offices and on smart working. The regulation of the latter was implemented with individual agreements, signed by eligible workers, effective as of 1 April 2022, at the end of the state of pandemic emergency.

In the second half of 2022, the unions Filctem-CGIL, Femca-CISL and UILT-EC-UIL jointly announced the positive result of their deliberations on the proposal to renew the Gas-Water National Collective Labour Contract for 2022-2024, signed on 30 September, which took effect on the same date.

The report on male and female staff situation for 2020-2021 was presented on the ClicLavoro portal and was also sent to trade union representatives (internal Works Councils).

On 1 December 2022, the 238 workers assigned to the ATEM "Napoli 1" plants were recruited, in accordance with Ministerial Decree of 21 April 2011. Following such integration, study and discussion meetings were commenced with the national and local trade union secretariats.

As a result of the reorganisation of the South-West and Central Departments, which led to the active involvement of the social partners with specific informative meetings, and following the acquisition of the ATEM "Napoli 1" and the recruitment of its staff, consultations were com-

menced with the unions to define the procedures for electing trade union representatives in line with the new organisational structure.

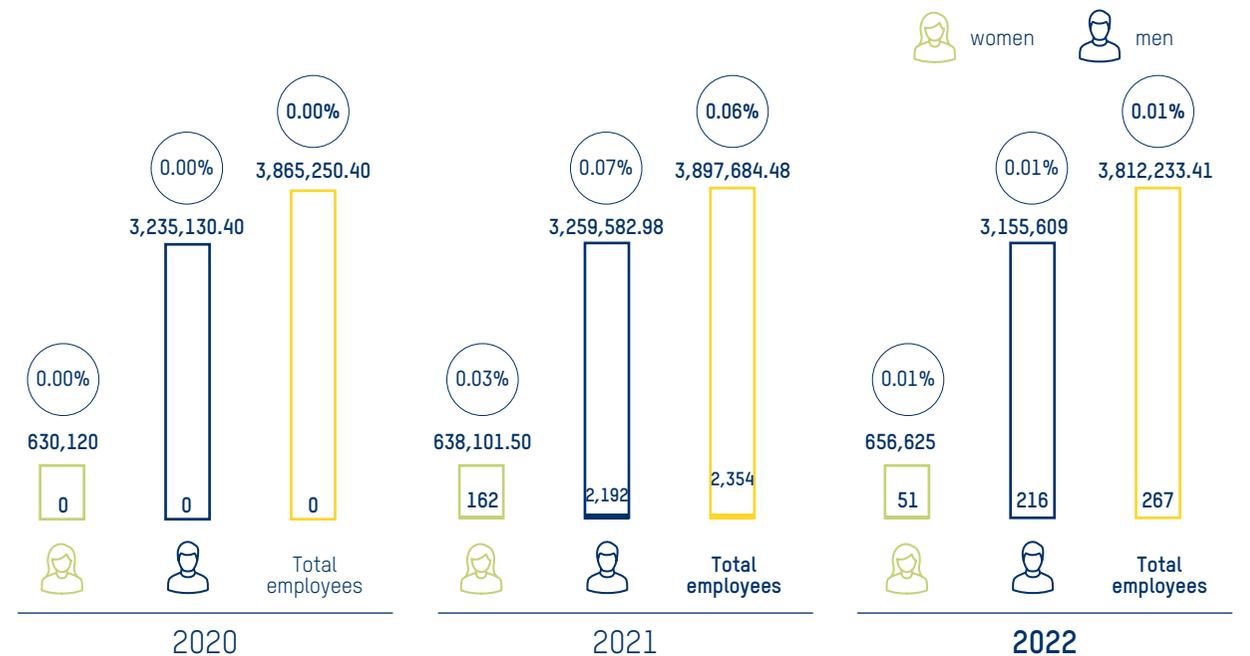
In relation to the ATEM "Udine 2", a technical "Staff" round table was created after the award of the tender for gas distribution to AcegasApsAmga S.p.A.. In this regard, preliminary verifications and preparatory discussions were commenced to regulate the transfer - on a continuity basis

- of the 2i Rete Gas staff already assigned to the plants, in compliance with the technical timeframes feasible for the changeover between operators (outgoing and incoming) and with the provisions of the Ministerial Decree of 21 April 2011.

At the end of the year, implementing the indications arising also from the latest renewal of the Gas-Water National Collective Labour Contract (applicable to all Group employees

except executives, to all of whom the special National Collective Labour Contract for Industry Executives applies) and from the company agreement on smart working, a **virtual trade union notice board** was launched on the Intranet as a further tool, available to company representatives, to facilitate communication also remotely.

Hours of strike on workable hours



SAFEGUARDING OCCUPATIONAL HEALTH AND SAFETY

2i Rete Gas is committed to protecting the health and safety of its employees and contractors' staff, providing a healthy and safe working environment and promoting initiatives aimed at increasing awareness among employees and stakeholders about solutions that ensure better risk management and, therefore, the prevention and reduction of possible injuries and accidents.

standards that are even higher than those required under relevant national legislation. For this reason, in addition to pursuing improvement of health and safety in the workplace with regard to in-house staff, the Group invests in the safety of the community and the environment in which it operates, sharing this commitment also with its collaborators and external contractors.

All Group companies ensure safety by deploying a specific organisational structure, within which the persons involved are vested with the powers granted according to proxies. Operationally, it is supported by the **Prevention and Protection Service** (aka SPP), consisting of a Head of Prevention and Protection Service (aka RSPP) identified by Employers (aka DL).

The **safety organisation model** of the aforesaid structure is made up of 8 production units.

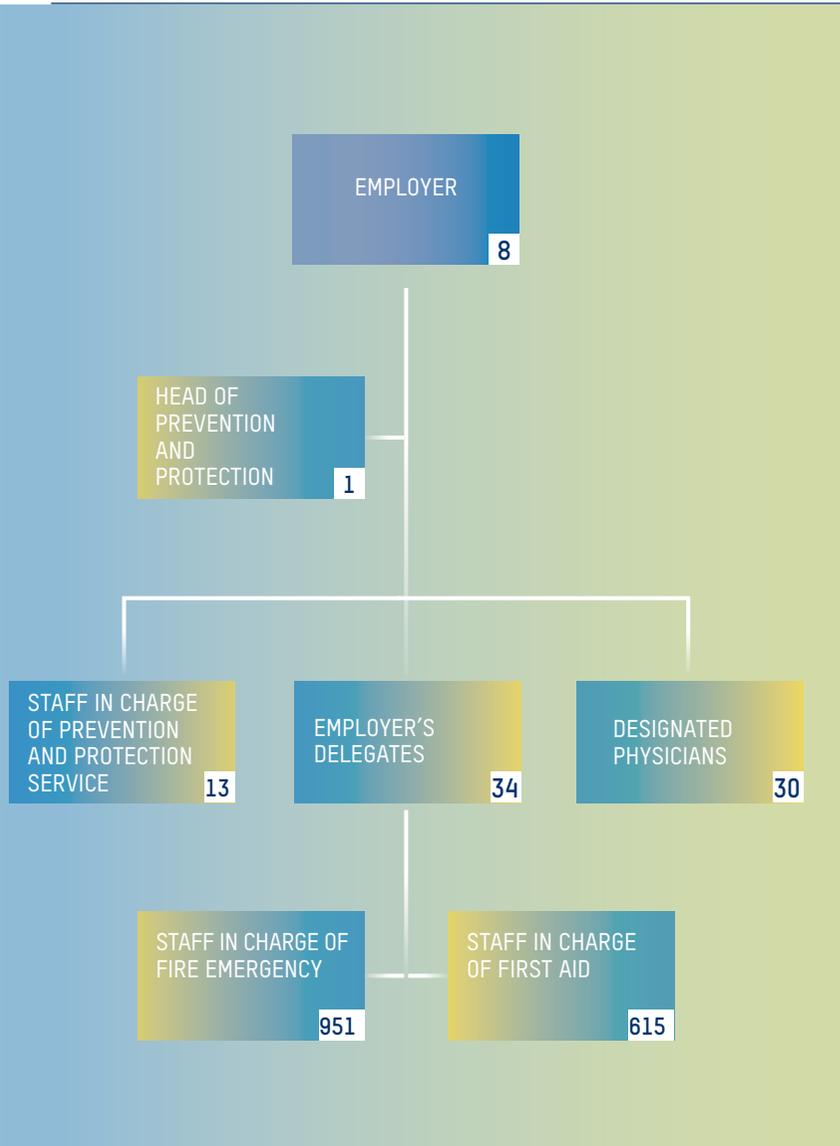


To this end, since 2014 2i Rete Gas has voluntarily adopted a **Health and Safety Management System** (aka SGSL) in accordance with the most widespread reference standards (OHSAS 18001:2007, now replaced by UNI ISO 45001:2018), which over the past few years have contributed to building a collective awareness of Health and Safety issues, basing their cornerstones on preventive context and risk analysis, dialogue with workers and involvement of top management. This approach, which is applied across the organisation and to the entire infrastructure under management, aims to reduce accidents and injuries and nurture a safety culture within and outside the organisation, setting out

Workers covered by an occupational Health and Safety Management System



Organisation chart of the Health and Safety Management System



Top Management and the Employers actively participate in ensuring compliance with the principles set out in the Integrated Policy for Quality, Occupational Health and Safety and the Environment adopted by 2i Rete Gas, contributing to the Health and Safety Management System, ensuring compliance with the applicable binding requirements, monitoring the updating of the **risk assessment** document and performing such activities as deemed to be instrumental in analysing, preventing and mitigating the risks related to the corporate business.

The Health and Safety Management System covers all the company processes and accurately assesses risks and opportunities. This activity involves the entire organisation on a daily basis by planning various types of controls, as summarised below, scheduled on sensitive processes. The relevant findings will form the database for the analysis and the progressive implementation of the improvement actions from which the monitoring plans are derived.

• Security checks (VISORV)

Checks designed to ensure the appropriate discharge of activities conducted on personnel employed by entities responsible for control. (Target for 2022: checks on 60% of

the headcount as at 31 December of the year prior to the reference year);

• Safety checks while works are underway (RV)

Controls designed to ensure the appropriate discharge of tasks entrusted to third-party suppliers in places where the organisation conducts its business. Activity monitored by Operational Control Officers (aka ACOs);

• Worksite safety checks

Checks lying with the Safety Coordinators in the Execution Phase (aka CSE) to protect health and safety at

worksites. They are carried out by internal and external staff qualified to act as CSE in accordance with the provisions of Title IV of Italian Legislative Decree 81/2008.

In addition to the implementation of the checks that are decided, planned and measured annually according to the target, in 2022 and as part of the Health and Safety Management System, a new tool was introduced for the periodic monitoring of the following indicators that are reported to the safety organisation in a report entitled Corporate Health and Safety Management (aka GASS):

0. Staff overview	1. Injuries	2. Security checks (VISORV)	3. Health Surveillance	4. PPEs
<input type="checkbox"/> White collars	<input type="checkbox"/> 1.1. 2iRG staff	<input type="checkbox"/> 2.1. Trend	<input type="checkbox"/> Trend	<input type="checkbox"/> Outcome of checks
<input type="checkbox"/> Operations staff	<input type="checkbox"/> 1.2. Firms	<input type="checkbox"/> 2.2. Qualitative analysis	<input type="checkbox"/> Fitness assessments	<input type="checkbox"/> Critical issues and suggestions
<input type="checkbox"/> Officers	<input type="checkbox"/> 1.3. Near miss			
<input type="checkbox"/> Staff in charge of emergency				
5. Risk evaluation and risk assessment document (DVR)	6. Visits and inspections Supervisory Bodies	7. Emergencies and evacuation	8. Workers' safety representatives (RLS) and further information	
<input type="checkbox"/> DVR status	<input type="checkbox"/> Local Health Service (ASL) inspections, Certification Body, ...	<input type="checkbox"/> Emergency plans	<input type="checkbox"/> Engagement	
<input type="checkbox"/> On-site inspections Physician	<input type="checkbox"/> Critical issues identified	<input type="checkbox"/> Evacuation drills	<input type="checkbox"/> ...	
<input type="checkbox"/> Assessment of specific risks	<input type="checkbox"/> Corrective actions	<input type="checkbox"/> Critical issues and corrective actions		
<input type="checkbox"/> Improvement actions				

These indicators, which were monitored in 2022 as was the case in previous years and consistent with the lines of action set out in the Sustainability Plan, complement the results described below.

As mentioned earlier, in order to limit accidents, the Group internally verifies occupational health and safety at local structures and carries out checks during works at open sites

run by contractors. Consequently, it constantly analyses the results of controls and defines actions and measures to improve health and safety performance.

The Group monitors the supervision of health and safety aspects in order to ensure prevention, including by relying on an inclusive approach and, therefore, with reference to the activities carried out by providers of

works and services. The Group's efforts to raising its suppliers' awareness regarding compliance with high health and safety standards thus continued through constant monitoring of worksites, carried out by in-house staff, to ensure that such suppliers adopt appropriate working practices. Starting in 2019, this activity was also extended to subsidiary Cilento Reti Gas S.r.l., in relation to which control procedures appli-

cable to worksites subject to Title IV of Italian Legislative Decree 81/2008 are guaranteed by the Safety Coordinators retained by the construction partner and are, as is the case with the Parent Company, performed on a daily basis on contractors and their subcontractors.

The results of the controls and the issues found are made known by sending two-monthly reports to all the parties in the worksite safety chain: Principals and Project Supervisors.

In 2022, 5,638 inspections were carried out (5,656 in 2021), totalling 6,031 reports (6,105 in 2021) by Safety Coordinators in the Execution Phase (aka CSE). During the inspections, they also focused on ensuring that the provisions designed to protect the health of workers in relation to the pandemic emergency were complied with on worksites. In addition, 4,250 (4,919 in 2021) in-progress inspections were carried out by Operational Control Officers (aka ACOs), together with 617 (609 in 2021) technical tests.

The constant monitoring and analysis of control findings fed into an ongoing dialogue with Project Supervisors and Safety Coordinators in the Execution Phase (aka CSE), resulting

in scheduled meetings and the issue of updated documentation. Suppliers were timely engaged in meetings designed to gain insights into and manage critical issues arisen during the inspections. As a result of this process, training initiatives aimed at improving the focus on safety aspects at the worksite and on the impacted community have been implemented.

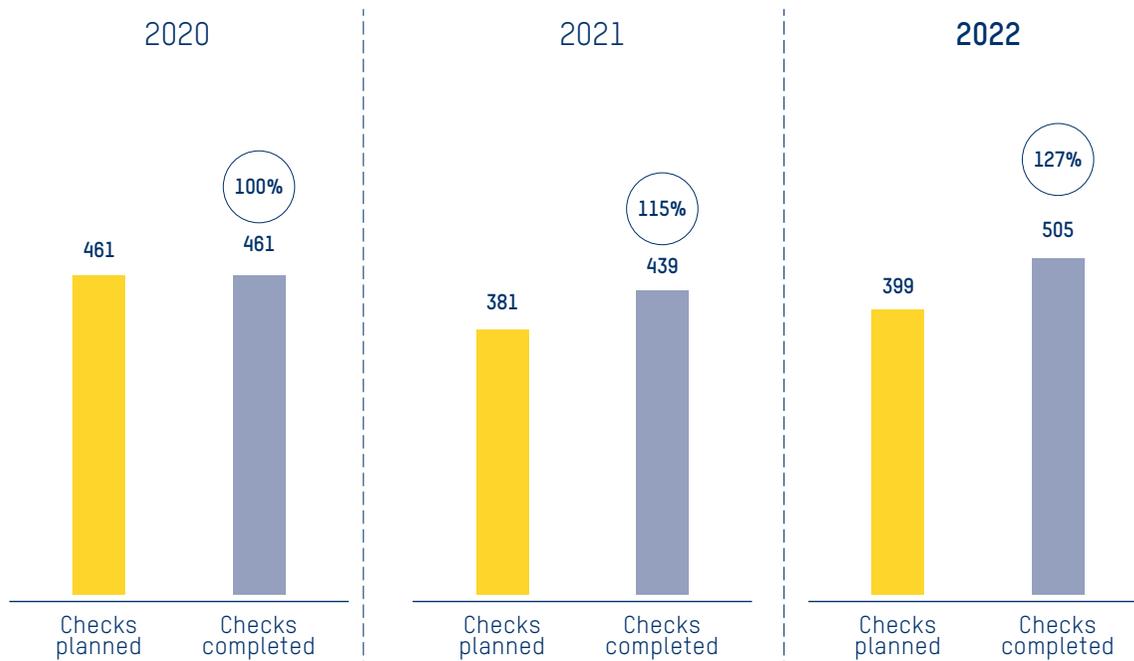
In line with the implementation principles set out in the Sustainability Policy, the Group also **monitors the accident situation of its suppliers**, keeping track of the accidents/injuries involving their employees at worksites managed for 2i Rete Gas. During the year, the number of injuries involving suppliers' staff was 13 (15 in 2021).

Injury cases at suppliers are also monitored with a view to identifying any risks that might call for the adoption of mitigation or containment measures and, at the same time, seizing possible opportunities to weight events involving contractors' staff by comparing them with those involving the Group's staff.

In 2022, injuries involving the Group's staff totalled 14 (14 in 2021), resulting in 207 lost working days (482 in 2021).

Number of surveillance checks (VISORV)

% refers to checks completed vs. checks planned



During the year, there were no injury cases that resulted in more than 60 lost working days (with production of multiple consecutive certificates) compared to the 3 recorded in 2021.

2022 shows a year-on-year decrease in injury/accident rates compared to 2021: IFR 3.08 and ASR 0.06 (in 2021: IFR 4.13 and ASR 0.14). No commuting incidents occurred in 2022.

In 2022, as in previous years, there were no accidents with serious con-

sequences that resulted in the death or permanent disability of employees.

To improving monitoring and analysis of health and safety performance, the Group resolved to rely on three indicators, the first two being normally used for statistical purposes also by the NHS and covered by UNI 7249 Standard.

The indicators used to assess effectiveness in achieving the target result in improved performance as compared to the past, such improvement

being measured by relying on IFRs and ASRs and, as a preventive measure, the assessment of near-miss accidents recorded during the year.

In order to consider a more stable IFR value in the medium term, in relation to changes in injuries and mitigating the effects arising from limited operations due to the 2020 pandemic, the value is set by weighting the achievement of the IFR to 2023 with a target confirmed at 4.80 (such val-

ue being calculated on the IFR on a three-year rolling basis).

Similarly, also with the aim of monitoring the seriousness of accidents to implement all the preventive measures, the Group monitors the Accident Severity Index (ASR, calculated as the number of lost work days due to a non-commuting incident as benchmarked against the number of hours worked). Consistent with the criterion of evaluating a medium-term target, the value is confirmed at 0.15 (Value calculated on the ASR on a three-year rolling basis).

In addition, the three-year injury/accident rates voluntarily forecast and reflected by the Group in its Sustainability Plan and recorded in 2022 showed the following values:

- **Injury Frequency Rate (IFR):** 2.33 compared to the 2023 target of 4.80 set in the Sustainability Plan;
- **Accident Severity Rate (ASR):** 0.07 compared to the 2023 target of 0.15 set in the Sustainability Plan.

These figures are, however, influenced by the 2020 results due to the restrictions imposed by pandemic emergency management.

Another measure designed to protect workers' health and safety pertains to **Health Surveillance** activities. These activities are entrusted, at Group level, to two qualified external providers which, on the basis of a North-Centre-South geographical allocation, provide occupational health services, ensuring health surveillance for all Group employees and for all work environments. The Service consists of 2 Coordinating Designated Physicians and 30 Designated Physicians covering the staff and sites of the 8 Production Units of which the Group is composed. Constant interaction is ensured between the health surveillance service, Employers and the Prevention and Protection Service, the underlying goal being to guarantee the application of the Health Protocol, supervision of the workers' fitness for duty and training on occupational health and safety.

In 2022, 1,119 medical examinations were carried out to confirm fitness for duty. At the end of the year, pending Health Surveillance activities were completed on all permanent and operations staff. In addition, around 20 specialist ex-

Total number of work-related injuries suffered by employees

	31 Dec 2020			31 Dec 2021			31 Dec 2022		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Work-related injuries suffered by employees									
Total number of work-related injuries	-	6	6	-	14	14	1	9	10
In the workplace	-	5	5	-	10	10	1	9	10
Commuting incident*	-	1	1	-	4	4	-	-	-
Hours worked	502,985	2,661,060	3,164,045	542,633	2,844,721	3,387,353	537,902	2,704,902	3,242,804
Employee injury rates									
Rate of recordable work-related injuries	-	2.25	1.90	-	4.92	4.13	1.86	3.33	3.08
Rate of Severity of recordable work-related injuries**	-	0.07	0.06	-	0.17	0.14	0.03	0.07	0.06
Days lost due to employee injury	-	182	182	-	482	482	15	192	207

* Commuting incidents calculated according to GRI 403 standard: Occupational Health and Safety 2018.

** Rate of Severity calculated as number of days lost over hours worked x 10³.

aminations and targeted investigations were carried out to establish the existence of specific pathologies reported by workers, in order to determine whether there were any limitations or preclusions to performing work duties.

Furthermore, situations that can cause work-related ill health are also monitored. As was the case in 2021, no cases of recognised work-related ill health were identified in 2022. During the year, 8 requests were received from INAIL (the National Institute for Insurance against Accidents at Work). Following investigations by the relevant body, they were indeed rejected, resulting in no case of work-related ill health being confirmed.

The situation of workers subject to prescriptions or limitations is constantly monitored with a view to paying the utmost attention to workers.

Subject to correlation with risk assessment, the analysis and ongoing assessment of the findings resulting from Health Surveillance, carried out by the Prevention and Protection Service and the Employers, confirmed the validity of the health protocol also for 2023, established the absence of any cases of recognised work-related ill health also for 2022, and suggested a scenario where improvement plans should focus on gaining further insights into the following topics and on their subsequent inclusion in the Risk Assessment Report:

- continuation of risk weighting, including in relation to the average age of employees, which is deemed to be significant in terms of the composition of the company's population and relevant in relation to assessing the potential impact/harm on the worker in the discharge of work duties;

- launch of a process for evaluating prevention campaigns on specific topics to be extended to all employees.



Still about health and prevention, the management of the SARS CoV-2 pandemic emergency continued in 2022. The measures adopted during the year were consistent with the gradual and progressive easing of containment measures, established by subsequent regulatory provisions, until the end of the state of emergency that had been declared on 31 January 2020, as ordered by the Council of Ministers with Legislative Decree No. 24 of 24 March 2022.

With regard to the trend in the number of infections recorded by the Group's internal staff, an overlapping with the trend shown by the national epidemic curve could be seen again in 2022.

The continuous health surveillance supported Employers in identifying organisational solutions, agreed with the Prevention and Protection Service and the Human Resources Department, aimed at ensuring work continuity for workers who qualified as vulnerable, allowing them to work remotely or temporarily change their job.

As in previous years, supervisory activities also continued to be carried out with respect to suppliers who, as part of their own activities, were operating at sites where responsibility for places or worksites lied with the 2i Rete Gas organisation.

The analyses carried out on the different types of accidents that

led to the injuries suffered by employees and non-employee workers whose work and/or workplace was however under the control of the organisation, highlighted that most of the events recorded in the reporting period were not directly related to activities performed following work assignments. Indeed, the events that gave rise to accidents/injuries occurred mainly before or after work.

In 2022, there were no accidents that caused financial penalties or warnings to be inflicted.

Recordable injuries by type of accident

	31 Dec 2020			31 Dec 2021			31 Dec 2022		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Employees	-	6	6	-	14	14	1	9	10
Animal bite	-	-	-	-	1	1	-	1	1
Awkward efforts/movements	-	3	3	-	3	3	-	-	-
Sliding	-	-	-	-	2	2	1	4	5
Cutting	-	-	-	-	1	1	-	1	1
Car accident while travelling on duty	-	1	1	-	1	1	-	2	2
Impact - Crushing	-	1	1	-	2	2	-	1	1
Aggression	-	-	-	-	-	-	-	-	-
While travelling with company vehicle	-	1	1	-	4	4	-	-	-
Non-employee workers	-	-	-	-	-	-	-	-	-
No injury events occurred	-	-	-	-	-	-	-	-	-

In terms of training, health and safety initiatives are developed based on an approach aimed at covering aspects that are increasingly relevant to the areas of interest and relevance for the restricted groups of workers for whom they are intended, as they also deal with issues deriving from aspects identified

as relevant on the basis of the analysis of the events and statistical data collected.

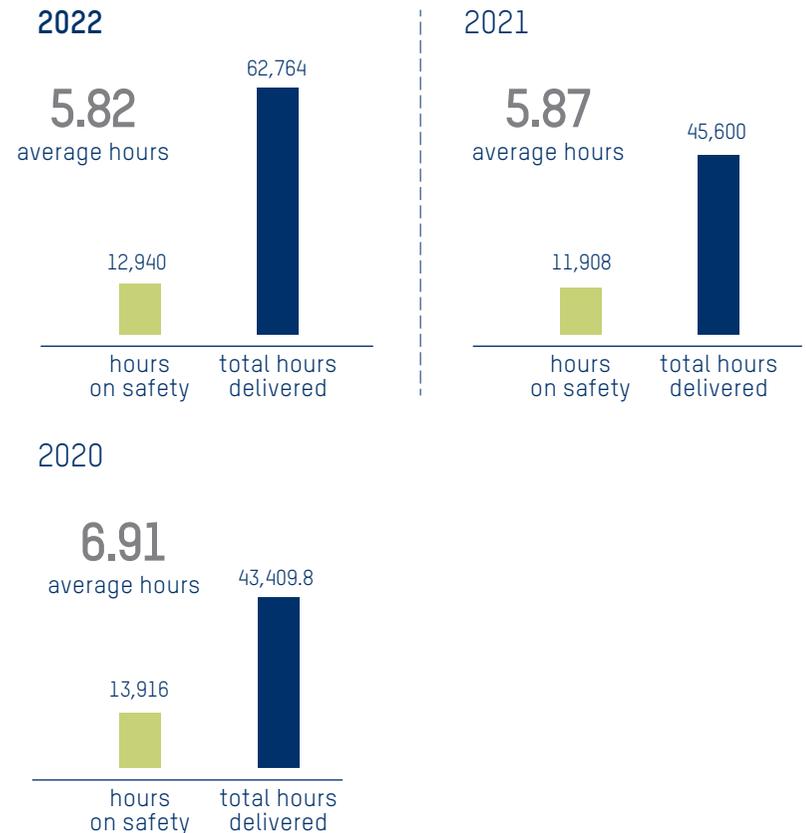
Consistent with the above, in 2022 the training plan addressing prevention and workers' safety ensured that issues connected with the management of the SARS CoV-2 health emergency were properly covered.

As concerns specific training to support the implementation of the prevention rules introduced by the organisation and determined by the new regulatory scenarios, in 2022 specific training was provided for the "Safety Officers" and for fire prevention and related supervision activities.

Following on from the previous year, initiatives continued in 2022 for the inclusion and involvement of suppliers' staff who contractually provide an e-learning first response service. This type of training, already given to internal staff providing the same

service, will be completed with a practical training session (see "Development and training"). In 2022, the e-learning course delivered 5,904 hours of training to 492 trainees representing 74 suppliers, an increase of 88%, above the target set for 2022.

Average hours of training/employee on safety issues



ASSETS



COMMITMENT

Zi Rete Gas is committed to managing its **assets** by endeavouring on a daily basis in order to guarantee the **best service to its clients** by achieving **incremental standards of technical and commercial quality**, while at the same time pursuing **operation efficiency and cost-effectiveness** criteria by:

IMPLEMENTATION PRINCIPLES

- pursuing **ongoing improvement of the supervision on infrastructures and service performances**, including by relying on the digital development of networks and processes.
- strictly **monitoring its commercial performance to ensure fully compliance with regulation**.
- fostering technological innovation as a key enabler for enhancing the **metering service**.
- ensuring proper **monitoring of safety conditions and prompt response in potentially dangerous situations**.

Ensure efficiency, quality and
SAFETY



3

BUSINESS MODEL

The business model adopted by 2i Rete Gas is designed to manage efficiently the distribution infrastructure until the next renewal of the concession, ensuring the continuity and quality of the service provided.

As mentioned earlier under "Policies and Certifications", the business model adopted by the Group is based on the IMS implemented by 2i Rete Gas S.p.A. to underpin the Company ability to provide the "Management and Operation of the Natural Gas Distribution Service" on a regular and continuous basis, in compliance with the applicable man-

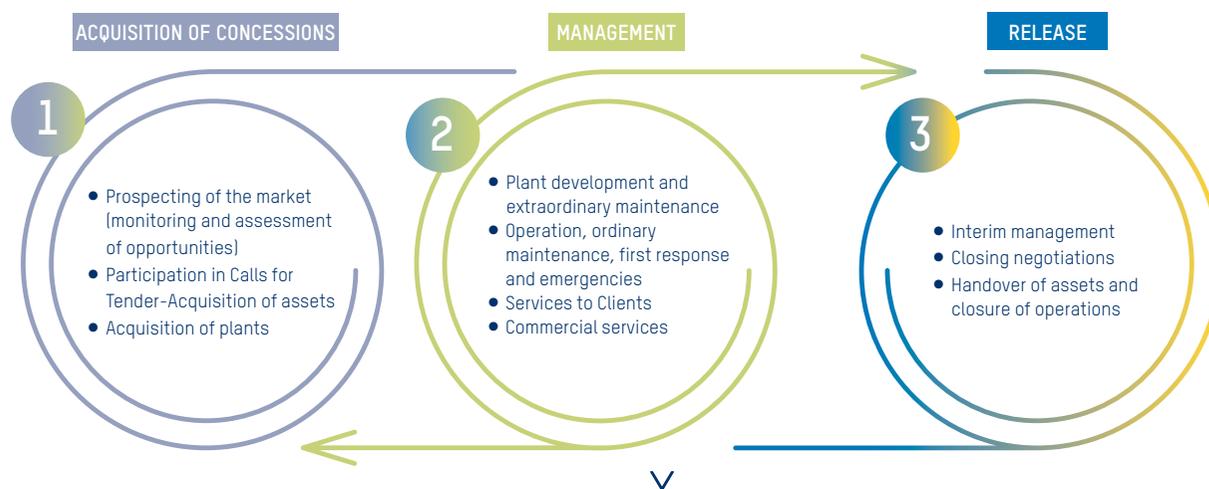
datory requirements and in accordance with the reference certification standards.

The scope of the IMS is "Design, construction and installation of plants and networks for the distribution of methane gas and LPG. Activities related to the distribution of methane gas and LPG (operation, maintenance, and servicing of plants and networks for the distribution of methane gas and LPG)". The framework where this scope is identified consists of the activities necessary to ensure the "Management and Operation of the Natural Gas Distribution Service" business process,

which comprises three different time phases (primary process macro-flows):

- **ACQUISITION OF CONCESSIONS** through calls for tenders intended for the smallest regional areas to be covered by just one gas distribution network operator (aka Ambito Territoriale Minimo - ATEM) and corporate acquisition deals;
- **SERVICE MANAGEMENT** (development, operation and maintenance of facilities, provision of service to the parties concerned);
- **RELEASE OF FACILITIES** at the end of the contract.

How the business model works



This division makes it possible to activate the management system and, for this purpose, to allow the analysis and identification of the Owners of individual activities, risks and opportunities, as well as the analysis of interventions.

RELIABILITY AND EFFICIENCY OF PLANTS

The underlying goal of maintaining an IMS is to ensure a regular, reliable and efficient service supply, while respecting the environment and protecting the health and safety of all stakeholders.

The management of an IMS implies the adoption of a **continuous improvement-oriented system approach** and reliance on **Risk Management** principles through which the most effective control actions of the activities are identified. It includes periodic and scheduled monitoring of the organisation ability to ensure that the gas distribution service is run in compliance with the applicable mandatory requirements and, consequently, ensures control over the activities provided by operations staff in relation to the operation and maintenance of the gas network infrastructure and surveillance of service providers and material suppliers. The IMS of 2i Rete Gas keeps in check the effectiveness of the implementation of processes that have an impact on the work environment, on the

health and safety of workers, on the environment and on the community, both directly and in-directly, as well as of the main business management processes and human resources with **indicators** signifying **qualitative and quantitative improvements**. Furthermore, the IMS governs the processes and methods of service management while respecting the health and safety of clients, managing risks and opportunities related to design, purchase (approval, control and certification), use and service (installation, operation and maintenance), disposal, reuse or recycling of products and services.

The scope of the IMS certification according to standards UNI EN ISO 9001:2015, UNI EN ISO 14001:2015 and UNI ISO 45001:2018, covers the primary process macro-flows pertaining to the Acquisition of concessions, Service management and Release of facilities phases. The way in which business is conducted, in compliance with laws and standards and in the pursuit of improvement objectives in accordance with

self-regulatory codes established to control the impact on the Health and Safety of products and services, is governed under specific **IMS documents** (Operational Instructions, Material Technical Specifications, Operational Technical Specifications, Standardisation Technical Specifications, Guidelines). Documents are prepared by the organisational functions that are directly responsible for the processes dealt with, shared by the associated functions, verified in terms of consistency with the IMS by the Quality, Safety and Environment function, issued and finally stored in a specific section of the corporate Intranet, where they are available for viewing by the entire organisation.

Following on from the preparatory activities started in 2021, the Quality Management System was further developed in 2022 to bring it closer to the requirements of the UNI ISO 55001:2015 "Asset Management" standard, which is applied for the optimal management of plants with a view to ensuring their technological worth. The activity in 2022 concluded with an assessment of the gap analysis on system processes and documents implemented, which confirmed the validity of the path taken

and outlined the roadmap to be followed to have the Integrated Management System (IMS) also certified to the above-mentioned standard. In this sense, opportunity assessments are underway to examine the application for certification in the context of the upcoming renewal of Quality, Health and Safety, and Environment certificates, scheduled for 2024, in order to standardise the activities and unify the three-year period of validity for all certifications.

With the aim of continuous improvement of the safety, reliability and efficiency of plants, **specific controls and audit programmes** are planned and implemented every year to benchmark IMS-related performance against pre-set indicators.

Also in 2022, IMS targets were therefore planned accordingly to the indicators historically considered for the purpose of monitoring, to the implementation principles set out in the **Sustainability Policy** from which the **Integrated Policy for Quality, Health and Safety, and Environment** is derived, and to the initiatives and KPIs set by the broader **Sustainability Plan**. Such a harmonisation process, which was submitted to the IMS Certification Institute for its perusal and

approval, resulted in a total of **17 indicators** being calculated, on which monitoring was conducted during the year. These indicators are distributed across the three reference regulatory standards (Quality - 7 KPI, Health and Safety - 5 KPI, Environment - 5 KPI) which the IMS is required to comply with, as shown in the chart named "Breakdown of IMS/QSE indicators - 2022".

As required by the reference standards, monitoring is ensured by carrying out checks aimed at verifying compliance with various parameters which, when not complied with, could lead to criticalities and inefficiencies in the system. The consistency and effectiveness of the IMS applied are assessed through the **Top Management Review Document**. Moreover, the data collected throughout the year allow actions for continuous improvement to be planned and implemented. The aforesaid document is made available to the organisation through the corporate Intranet. The annual results measured by the IMS are submitted to the Top Management for its perusal. The latter, at planned intervals, reviews performance indicators and targets to ensure their continued suitability,

adequacy and effectiveness, as well as alignment with the organisation strategic guidelines.

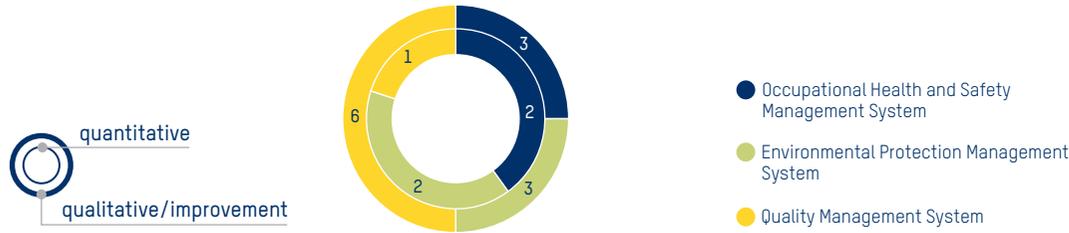
Once indicators and targets have been established, an annual **Internal Audit programme** is defined to establish the IMS compliance with the requirements of the organisation and with those laid down by certification standards. The purpose of Internal Audits, conducted by personnel holding specific qualifications in line with each of the three reference regulatory frameworks, is to perform checks on the design, operation and maintenance of plants and supervision of works (whether managed internally or outsourced), in relation to the infrastructure and technological buildings managed by Regional Departments, Local Area offices and secondary offices.

Internal Audits are also scheduled on the main Headquarters functions responsible for defining and coordinating service operation and maintenance processes (e.g.: Operations, Network Commercial Services, Engineering, Human Resources, Procurement and Services). This allows a significant sampling to be made on corporate processes falling within the scope of the IMS. Any findings,

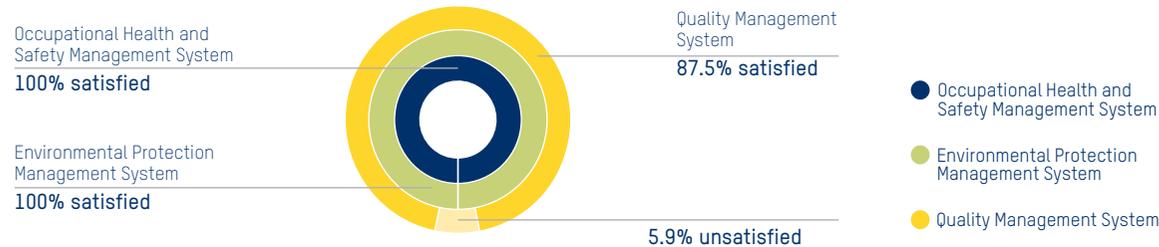
where non-compliance issues have emerged, are managed and solved within the timeframe and according to the procedures set out by System rules. For areas showing room for improvement, practices are reviewed and/or staff training courses are planned. Internal Audit findings are also evaluated for the purposes of Top Management Review, resulting in Risk Analysis re-validation and confirmation or revision of the related processes, as appropriate.

In 2022, based on targets set, all **12 indicators** relating to **quality improvements** were monitored and 11 of them were achieved; all **5 indicators** relating to **quantitative improvements** were monitored and **achieved**. As shown in the chart named "Results of IMS/QSE indicators - 2022", the percentage of completion of the action plan stood at 85.7% in relation to the Quality area, and at 100% in relation to both the Health and Safety area and the Environment area.

Breakdown of IMS/QSE indicators – 2022



Results of IMS/QSE indicators – 2022



Internal Audits will, of course, also be the subject of a planning effort in 2023, pursuing similar targets.

In addition to the Internal Audit process, IMS tasks also include **scheduled audits covering control pro-**

cesses considered as strategic for managing risk on the certified scope in relation to:

- asset and resource management (VISORV, material testing);

- the service provided to network end clients (audits performed on a test basis on events concerning service safety and continuity and commercial quality performances).

More specifically, trends are monitored in relation to:

- **surveillance visits by internal operations staff (VISORV)**, designed to establish, and where necessary raise awareness in respect of, compliance with the appropriate procedures for carrying out work activities in accordance with the established rules and adopting the required health and safety precautions, including through the appropriate handling and use of the devices and equipment provided, in accordance with corporate guidance. These activities have also led to the idea of opening a channel for the acquisition of proposals or reports that, if properly considered, may constitute ideas and opportunities for the improvement of work organisation. Therefore, in 2022 the Integrated Management System unit of the Quality, Safety and Environment (QSE) function developed and tested a specific **app** which, when used for VISORVs, allows the findings to be recorded directly in the field via the tablets supplied to the inspectors. This new surveillance method, already available and used by all Department QSE representatives, will also be made

available in 2023 to all Local Area Managers (Employer's Delegates) and their collaborators, significantly facilitating and streamlining the activity of recording, storing and subsequently managing the findings;

- **inspections designed to check appropriate performance of material testing operations** carried out by suppliers before the main products that will be used in the construction of gas distribution plants are sent to the warehouses, the purpose being to ensure compliance with the company technical specifications that during tender procedures the supplier accepted to comply with and that were confirmed at the time of contractual approval of the product. Testing operations carried out by suppliers in connection with the following are subject to compliance checks:

- non-production products with a direct impact on safety, quality and continuity of service, health and the environment, such as pressure reduction units manufactured according to 2i Rete Gas standards (attention level L1 with checks on testing operations carried out on each individual product);

- production products with a direct impact on safety, quality and continuity of service, health and the environment, such as meters, piping, power supplies for cathodic protection (attention level L2 with checks on testing operations carried out on a sample batch of identical products).

The organisation, through the QSE structure, ensured that supervision of material testing was maintained also in 2022, by performing audits at its production site to establish the appropriate execution of acceptance tests, together with the systematic control of documentary evidence certifying the tests carried out and maintenance of the quality of the equipment used. As a result of the rationalisation of test calls, grouped together where possible and sustainable in agreement with the main suppliers, test calls numbered 229 in 2022, compared with 289 in 2021. This made it possible to improve management thereof by about 20%, without causing delays in supplies to local areas.

Overall, in line with the targets set at the beginning of the year, monitoring of the following was guaranteed:

- material suppliers with control strategy L1 (4 suppliers inspected at the plant during preliminary and final testing);
- material suppliers with control strategy L2 (8 suppliers inspected at the plant during preliminary and final testing).

This activity made it possible to gather, in the appropriate form and consistent with the relevant standards, the documentation certifying product conformity and testing. Audits were performed on a test basis on the documentation provided by suppliers regarding strategic products (pipelines, meters, pressure reduction units, valves and various components) to establish the reliability of the certified tests, based on the knowledge and availability of procedures, equipment and instruments kept under metrological control. The same activity will also be ensured for 2023;

- **audits on a test basis on the methods used to handle and record service safety and continuity events** (first response service, gas emergencies and incidents, gas odourisation and network leakage) and **commercial quality performances** (time to quote work to be carried out, turnaround time for the completion of simple and complex work, connection and disconnection turnaround time, punctuality range for appointments with end clients and time to provide a reasoned reply to written complaints or enquiries), **subject to annual disclosure to ARERA**, with the aim of establishing consistency of the documentation with the information recorded in the system and the procedures set forth in the ARERA Regulation document governing the quality of gas distribution and metering services (aka "RQDG"), which covers the different regulatory periods. Auditing is carried out by the QSE unit, assisted by a group of specialists made available by Departments and by Operations and Engineering functions, appropriately

distributed to ensure a uniform development of skills and the necessary independence with respect to the subject of the audits. The control strategy for 2022 was aligned with the assessment methods that ARERA indicated in its Resolution 231/2022/R/com "Update of the methods for checking the commercial quality data of electricity and natural gas distribution, metering and sales services and the contractual quality of the integrated water service". For 2022, the Group ensured that audits on commercial quality performance were carried out on a sample of eight provinces managed and that audits on safety and continuity events were carried out on a sample of 13 plants managed (in compliance with the established annual programme). The findings and the related risk assessment were first reported in specific reports made available to local area offices subject to audit and to Department and Headquarters functions that coordinate the processes examined. At year-end, they were then reviewed and dis-

cussed in plenary sessions involving all Departments, functions and units concerned. This allowed specific or process-wide realignment to be achieved in order to seize opportunities for resource training and improvement. The same goal was set again for 2023. All the activities in the control process described above are regulated by system documents which, for various reasons, identify the responsibility, the operating methods, and the frequency with which they must be repeated over time. All system documents are consistent and in accordance with the applicable and mandatory regulations on the maintenance and operation of the gas network. For some significant parts of the network operation activities, i.e., those concerning the safety and continuity of the distribution service, 2i Rete Gas operates in compliance with the rules defined by ARERA (aka TUDG). For these activities, every year the Authority is informed of the data relating to the safety parameters with reference to the previous year. The monitoring and frequencies are recorded and stored on IT systems.

With a view to a constant attention to the safety of the plants and network end clients, **campaigns have been carried out to pre-emptively search for leakage and to verify on-site the degree of odourisation of the gas distributed.** In this connection, 2i Rete Gas carries out checks on network leakage according to improved standards compared to the national reference legislation. In 2022, based on operating pressure, 70% of the total low-pressure network and 50% of the high-pressure and medium-pressure network were checked. In addition, the state of corrosion of steel pipes (76% of the total network) and cathodic protection systems was monitored.

Plant reliability and efficiency are also ensured by continuous **monitoring of safety conditions and a promptly response in potentially dangerous situations.** To this end, the Group is increasingly focused on aspects related to service continuity, with the aim of identifying possible critical issues that could require the adoption of measures to improve the service provided to network end clients. To do this, several years ago 2i Rete Gas started a project for the replacement of network sections classified as "old", planning works on the basis of different criteria, such

as year of construction, leakage and the number of repairs recorded over the years. In addition, in accordance with the guidelines of the Italian Gas Committee (aka CIG), the organisation is required to activate processes defined by the organisation itself in the event of incidents involving fuel gas distributed through networks. There were only two such events in 2022 attributable to third parties. The last of these events in order of occurrence, the handling of which did not require any work to section off the network, is still being investigated to ascertain responsibility.

Again in this area, it should be noted that the continued refinement of network survey methods with **greater accuracy in detecting leaks in the distribution network** occurred through the adoption of a new technology, which was adopted in an increasingly large number of municipalities in 2022.

Initiatives related to the Sustainability Plan

With a view to **mapping the geographical areas in which the Parent Company operates and monitoring the exposure of the network infrastructure managed to risks arising from hydrogeological instability**, in 2022 2i Rete Gas identified a model to define a specific **risk index**. It also completed the **mapping of the current plant situation**, by applying the model to the entire network infrastructure and then identifying a plant risk index. The development of a special IT tool to automatically update the index is planned for 2023.

Reliability and efficiency of the service related to commercial quality performances are ensured by **monitoring strict compliance with service regulation with respect to the requests received and the service provided to network end clients.** To this end, the Group is increasingly focusing on aspects related to service accuracy with the aim of identifying any non-compliance with the rules laid down by ARERA, considering, where necessary, adopting corrective or adjustment measures to improve the service.

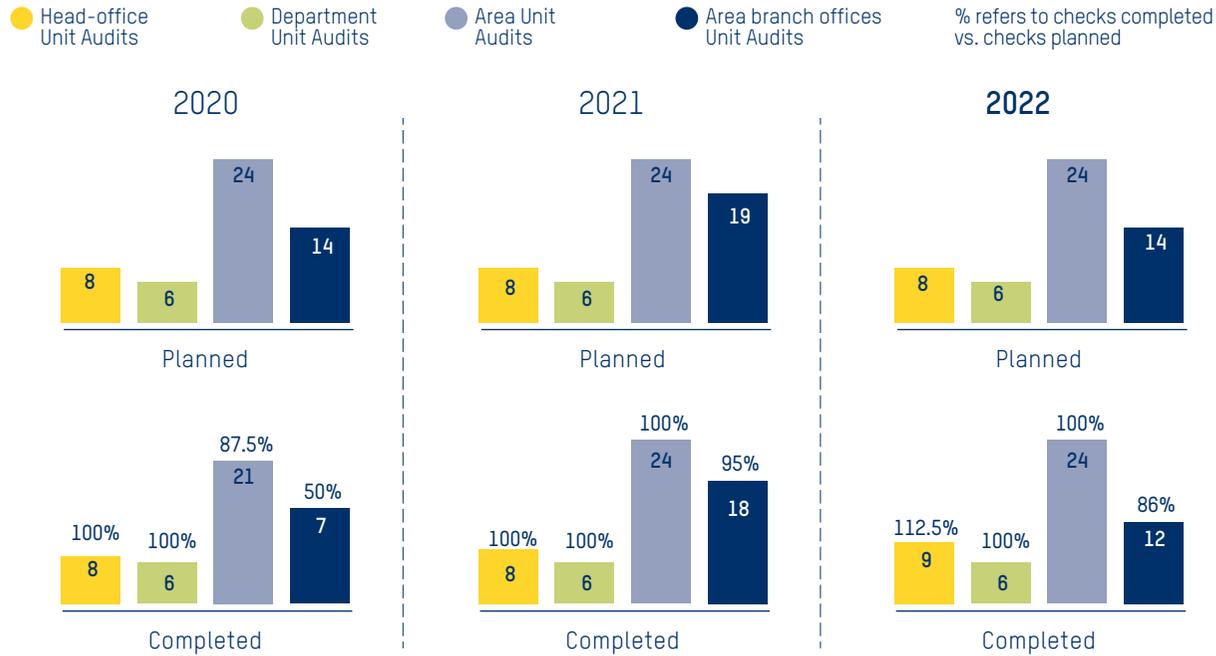
On the other hand, as regards the management of new technologies in compliance with the regulatory obligations established by ARERA, installation, commissioning and management of smart meters continued

in accordance with the set investment plan (see "Smart meter"), as did installation and commissioning of devices to measure and record pressure values in the low-pressure network.

The Group is paying increasing attention to the potential capabilities afforded by technological innovations to allow the monitoring of infrastructure and the services provided to be improved constantly (see "Advanced analytics to boost safety and operational efficiency" and "Advanced analytics for process monitoring"). Finally, as an incentive to increase energy efficiency, implementation activities continued with regard to regulation of the preheating systems installed at city gates.

During 2022, as had been the case in the previous two years, there were no instances of non-compliance with regulations and/or self-regulatory codes regarding the health and safety impacts of products and services, attributable to established non-compliance ascribable to the organisation.

Number of internal system audits



Number of 569/19 (formerly 574/13) audits Safety and continuity and Commercial quality of service



DIGITAL DEVELOPMENT

The application of Advanced Analytics technologies is increasingly becoming more of a systematic and less experimental approach, with a view to constantly analysing data and information assets generated and acquired on a daily basis. The aim is to achieve better process monitoring, effective control of company assets, higher standards of quality and safety in plant management, together with greater operational efficiency.

The application of these technologies was initially driven in two main areas: the Internet of Things (IoT), with the aim of supporting analyses of the reliability of gas smart meters and the related issues of communication with central systems, and the Asset Management area, with the aim of allowing a more effective assessment of the needs for intervention and upgrading on managed networks and plants.

In particular, as far as gas smart meters are concerned, those installed over the last few years have in fact become indispensable, as they allow a greater and more widespread awareness of performance trends

and possible critical issues, thus facilitating operational or management assessments and decision-making processes.

With regard to Asset Management, further developments were implemented in 2022, extending the scope of the analyses to new communication technologies and developments of field equipment. This integrated both an increasing amount of information and new algorithms that leverage IT assets related to the readings acquired and consequent changes in consumption, in order to support the various device reliability analyses for identifying and prioritising possible maintenance intervention in the field. The algorithms developed in the area of consumption measured by smart meters, through the correlation of the various company information sources, will, among other things, enable more effective support for analyses preparatory to compliance with regulatory obligations.

Advanced analytics to boost safety and operational efficiency

An interesting application of Advanced Analytics being developed is the creation of an algorithm able to predict and explain the trend of calls to the Emergency Service in future periods, with the aim of optimising service management.



A further area of application was the quantification of fugitive emissions. During the year, an important project was in fact launched to establish, with an organic, solid and evidence-based

approach, the measurement, monitoring and definition of targets for the reduction of fugitive emissions from the infrastructures managed consistent with the OGMP 2.0 framework by using information on generic emission factors, detailed by type of emissive source and emission, with the sensitivity of results to changes in the sources used, and taking into consideration specific company data including, in particular, the values detected by network inspections, supplemented by ad hoc measurements, where necessary, as well as the type and characteristics of the components being inspected.

The project activities therefore involved (i) the reconstruction of an atmospheric emission baseline, taking

as a reference data from the literature or the backward extrapolation of current emission values on the basis of indicators taken as proxies and of the consistency and type of assets, and (ii) the definition of the potential for reducing atmospheric emissions, as well as possible actions aimed at containment (including assessing the introduction of new technologies) and their prioritisation, with a view to cost/benefit optimisation. The algorithms and framework implementation will provide effective support for the definition of an emission reduction target (value and time framework) and the drafting of the related implementation plan for its achievement and monitoring of the containment trend, in accordance with OGMP 2.0 requirements.

Advanced analytics for process monitoring

At the same time as the project to overhaul the Network Sole Front Office system, the review and development of the monitoring solution for business processes was launched to implement a framework based on the constant analysis of software logs. This was also based on the paradigms of observability in order to achieve control and monitoring of the execution of business processes, as well as the ability to promptly identify any phenomena and problems that could lead to disruption or slowdowns with an impact on service quality and on compliance with quality indicators.

The framework defined and in the process of being extended to further processes, through constant and direct access to software and system logs, provides greater troubleshooting capability and speed in the detection of software issues and, by making correlations between the different sources of information, updated with high frequency (nearly real-time), the automatic engagement of the teams in charge of solving the issues and problems found, thereby minimising impacts on operations.



Smart meter

In 2022, 2i Rete Gas continued **smart meter installation and activation** efforts. The meter replacement plan, together with the plan for the roll-out and operation of the infrastructure for the collection of consumption measurement data, proved once again to be a priority project for the Group, both in terms of innovative and technological content and of investment.

Smart meters also offer end clients greater awareness of their consumption due to a greater number of actual readings, which enables them to link consumption with their behaviours and, therefore, acquire greater control and contribute to the effective reduction of the CO₂ produced.

At the end of 2022, **installed smart meters were 4.42 million**, accounting for **94% of the Parent Company's total meters** (92% in 2021). The activity was carried out in compliance with the requirements established by ARERA resolutions.

4.42
 million
SMART METERS INSTALLED
 accounting for 94% of the Parent Company's total meters



Infrastructure for the collection of data from smart meters

In addition to the installation of meters using a **point-to-point technology** (where data are transmitted via a SIM card across the mobile network), the project envisages the use of a

concentrator-based data transmission infrastructure in major cities and in highly urbanised areas or areas where telephone network coverage is poor. Such an infrastructure will

allow signals from smart meters to be collected using a **point-to-multipoint technology**.

As at 31 December 2022, concentrators installed by the Group totalled **5,418**.

Smart meter that transfers data via mobile connection (point-to-point technology)

5,418
CONCENTRATORS INSTALLED

Concentrator that aggregates the radio signals of multiple counters (point-to-multipoint technology)



PRIVACY AND DATA SECURITY

In a scenario that confirms that cybercrime is growing and becoming more sophisticated, with data showing that an increasing number of companies have suffered attacks, some of which have been successful, in 2022 2i Rete Gas continued its programme of initiatives designed to strengthen the defence and protection of centralised and distributed IT infrastructures. This was done with the dual intent of improving compliance with compulsory corporate network and IT system security regulations and increasing the maturity of processes and technologies in order to deal with new cybersecurity threats.

With the aim of raising the corporate population's awareness of cyber attacks, a series of **Security Risk Management** initiatives were carried out, which included both a number of phishing campaigns and targeted tests aimed at all employees to

assess their level of cybersecurity maturity, and the provision of further specific **security awareness** training to raise awareness of the risk of information loss and infrastructure vulnerability if access credentials to corporate services are stolen.

In order to increase protection for access to corporate services, the scope of **Multi-Factor Authentication** was extended by standardising the dual authentication criteria for access to the main services from the various devices available to operations staff. To this end, and with the aim of preventing the loss and theft of strategic information, the **Data Classification** model was fully implemented with the refinement of the process for classifying and managing information. The **Data Loss Prevention** (DLP) solution, which involved the identification of the most appropriate security measures for each category of information exchanged and managed, was extended to the entire corporate population, and the relevant monitoring was implemented.

The **Security Operation Center** (SOC) has been equipped with a more powerful **Security Information & Event Management** (SIEM) platform, which, through the constant detection and processing of information acquired from the infrastructure protection devices using Security Analytics algorithms, is able to support surveillance, by intercepting potential attacks and allowing prompt intervention with further prevention and/or neutralisation actions. In this context, **Endpoint Security** levels applied to corporate IT productivity tools have been improved, by adopting new integrated monitoring and protection solutions that analyse the behaviour and functioning of the devices used, interacting with SIEM for more effective defence against risks of attacks from malware, crypto-lockers, etc.

Finally, the main mitigation and remediation actions identified for the vulnerabilities detected by the **Vulnerability Assessment and Penetration Test** sessions were completed

with the activation and improvement of tools for the interception and proactive blocking of external threats.

The analyses carried out and the assessments performed have therefore confirmed compliance with regulations (compliance assessment) and a good degree of cybersecurity maturity, highlighting the adequacy of the measures implemented to ensure compliance with the objectives and requirements of the NIS (Network and Information Systems) Directive.

Overall, the measures implemented in the area of cybersecurity made it possible to effectively counter attempted attacks, preventing data breaches, data leaks and in general any form of data theft or loss.

ENVIRONMENT



COMMITMENT

- 2i Rete Gas, while pursuing environmental protection and safeguard principles, is committed to **promoting and implementing initiatives to ensure a sustainable evolution of the gas infrastructure in the medium to long term**, the aim being to provide its support in establishing a new energy paradigm with reduced impact on the **environment**, by:

IMPLEMENTATION PRINCIPLES

- **promoting and implementing the transition process** based on endeavours launched in several areas, including **leveraging the gas infrastructure as a resource to support the integration of renewable sources and increase the efficiency of housing stock**, also by adopting a commercial development model that prioritises the use of gas to replace more polluting fuels, supporting gas advocacy initiatives, pursuing **advanced asset uses with a view to green objectives**, as well as expanding its scope of operations in support of decarbonisation by submitting **energy efficiency proposals**.
- **minimising the impact of its business operations on the surrounding environment** through various initiatives, including the systematic identification of environmental risks and the effects of climate change, ensuring an appropriate control, as well as the quantification to progressively reduce energy consumption and direct impacts such as, for example, waste, atmospheric CO₂ emissions and fugitive CH₄ emissions from the infrastructures managed.
- **protecting biodiversity**, assessing whether additional safeguards should be put in place over and above the protection already provided by legislation.

Distribute energy for a
SUSTAINABLE
future



4

ENERGY TRANSITION

2i Rete Gas believes that the establishment of a new energy paradigm for a sustainable future with reduced carbon dioxide emissions and the achievement of the objectives set by the European Union may result in gas playing a key role as the ideal fossil source to structurally ac-

company renewable sources, also increasing their flexibility of use while guaranteeing the security of the Country energy system.

Supporting this view is the extensive reach of the existing infrastructure, which is also primed to respond to other future challenges in new sce-

narios, **natural gas** use program- mability and safety, as well as its reduced environmental impact, as it is particulate-free and low-carbon, its flexibility of use and its full inte- gration with the electricity produced from renewable sources, including as regards the storage and accu- mulation of energy obtained from

such sources (through “power-to- gas” solutions). Based on these be- liefs, the Group launched initiatives on several fronts with the intention of providing its own contribution to **guaranteeing a sustainable evo- lution of gas infrastructure in the medium to long term**. To this end, it also entered into agreements with

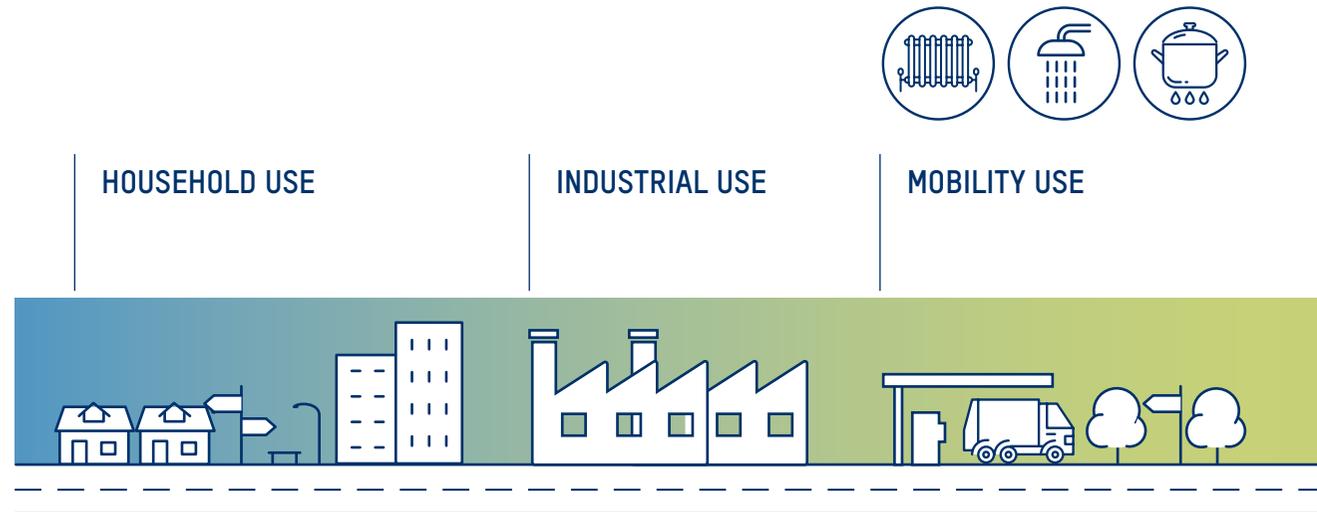
other major industry operators for field testing of technological solu- tions designed to inject renewable gas into distribution networks to the maximum extent possible. In this re- gard, 2i Rete Gas is conducting tests to establish up to what mixing per- centage **hydrogen** is compatible with the existing infrastructure.

Leveraging the gas infrastructure as a resource for transition

The consolidation of a commercial development model that prioritises **the use of gas to replace more pol- luting fuels** and the **support of gas advocacy initiatives** are some of the levers with which 2i Rete Gas seeks to provide its own contribution to **leveraging the gas infrastructure** as a resource to support the integration of renewable sources and increase **the efficiency of housing stock**.

COMMERCIAL DEVELOPMENT MODEL

2i Rete Gas, through the implementa- tion of a commercial business model, aims at acquiring and activating new redelivery points and, more generally, **spreading a methane gas culture** to promote its adoption in lieu of more polluting and less efficient carriers (e.g. diesel, LPG, coal and pellets).



To this end, advertising and direct marketing campaigns were launched, which included the distribution of information material, also with the cooperation of partner companies. Initiatives were also launched or extended to promote the use of methane gas in areas showing greater potential in terms of unserved users and higher presence of more polluting alternative sources (in particular, diesel and LPG), providing incentives for connection/activation requests through subsidies. These initiatives involved a total of 1,170 municipalities throughout Italy.

Offers are promoted using direct channels as the toll-free number of the commercial call center and a section of the website, and through sales companies with which periodic meetings are organised to illustrate promotions existing in different local areas. 4 events took place in 2022, with a total of 20 sales companies participating.

The launch of an advertising campaign was also decided, targeting 75 municipalities in Veneto and Piedmont with the highest use of polluting energy sources such as diesel and LPG, whose strategy involves purchasing web spaces.

In those municipalities soon to be subject to methanisation works, a "door-to-door" survey was carried out in 2022 to ascertain the energy source currently used by the person supplied and to find out their consequent or potential interest in switching to methane gas, if available.

Finally, offers to end clients are also promoted by installation firms operating in the areas for the deployment of new connections. In 2022, the Group relied on the support of 78 installation firms. In addition, 7 briefings on the commercial model were organised. They were chiefly intended for firms that qualified during 2022.



GAS ADVOCACY INITIATIVES

In an effort to disclose to the general public the **benefits accruing from natural gas**, particularly in terms of **reduced environmental impact** (reduction of CO₂ and other emissions of pollutants such as SO_x, NO_x, volatile compounds, fine dust), especially if compared with other fuels (e.g. LPG, diesel, pellets, wood, etc.) and, as such, for the purposes of energy transition and further in conjunction with and in addition to the initiatives mentioned above, the Group is engaged, also through Proxigas (see "Relations with Institutions and Authorities and contribution to the development of the region"), in continuous communication activity towards all stakeholders aimed to **illustrate the reasons that make gas a key resource for tackling the energy transition process that the Country sets out to undertake**, in terms of complementarity and synergy between the various energy sectors, thus enhancing overall resilience and efficiency.

Pursuit of advanced asset uses with a view to green objectives

Promoting and implementing initiatives to ensure a sustainable development of the gas infrastructure in the medium to long term also means **enabling distribution assets to be used in the future in a low-carbon scenario** that also includes the distribution of **renewable gas** and ensures flexibility in the energy system. Therefore, other levers with which 2i Rete Gas is working include the growing focus on **biomethane**, both in terms of dialogue with producers

and of starting to inject renewable gas into the networks, and the study of possible solutions to overcome technical limitations and encourage experimental initiatives for injecting **hydrogen and synthesis gas (power-to-gas)** into the networks. The aim is to explore how the gas infrastructure might evolve, leveraging its potential, also in order to consolidate solutions already available and to overcome possible technological, regulatory and operational constraints.





BIOMETHANE

Biomethane is a renewable source. It is obtained from anaerobic digestion of agricultural and agro-industrial by-products, as well as from organic waste, and can be used on site or supplied to the existing transmission and distribution networks. Its use makes it possible to meet decarbonisation objectives, promote a significant increase in national gas production and implement a real model of circular economy by integrating the agro-food and the environmental services industries with the energy chain.

However, since biomethane production plants have limited output modulation capacity, the network ability to absorb the gas being produced becomes critical.

Indeed, in case of connection to the distribution network, consumption volumes allowing its full absorption by the network may not be available under certain conditions (e.g. summer period), posing constraints on the technical feasibility of the operation. In such situations, in order to make the operation sustainable and avoid technically burdensome and expensive solutions, the pos-

sibility of feeding excess gas into the transmission network (reverse flow) has been identified by relying on ad hoc plant-engineering solutions (bidirectional city gates). To date, the plant-engineering technology has been developed, but no implementation of the solution has taken place, nor has the regulatory framework been regulated yet.

As far as expressions of interest in connections are concerned, starting in 2020 and throughout 2022, the Group continued to develop relations with biomethane producers interested in considering cost esti-

2i Rete Gas can act as a facilitator of a "system" approach by:

- starting experimentations aimed at testing technology (reverse flow) and process;
- facilitating the finalisation of the regulatory framework to define practices, constraints for operators and return on investment assumptions.

mates for connection to the methane gas distribution network. With respect to the **154 expressions of interest received since the launch of ARERA regulations** on the subject, the Parent Company conducted a technical feasibility analysis

and then prepared **39 quotations, 6 of which were accepted.**

The initiatives mentioned above confirm the commitment to the development of a smart and flexible network, able to manage renewa-

ble sources dynamically and help achieve the 2030 and 2050 European decarbonisation targets.

HYDROGEN AND POWER TO GAS

Gas distribution infrastructures constitute a tool to facilitate the energy system integration by feeding energy carriers produced using renewable or low-carbon sources into the network. In particular, Hydrogen, obtained through an electrolysis process, can be fed into the network, in combination with natural gas, or subsequently combined with CO₂, thus obtaining synthetic methane (power-to-gas). The production of hydrogen and/or synthesis gas can be an effective tool for the use of surplus energy from non-programmable renewable sources (e.g. wind and photovoltaic plants), overcoming the problem of storing surplus electricity when there is no demand. The gas thus produced (hydrogen and/or synthesis gas) can potentially be used in all sectors: domestic, electricity generation and transport. This avoids the costs of investing in new infrastructure for the transmission, distribution and storage of electricity, while continuing to make full use of functional and efficient

Initiatives related to the Sustainability Plan

With respect to the six proposals accepted, in 2022 2i Rete Gas **completed the connection to its distribution network of three biomethane production plants** owned by third-party companies, with the concurrent start of injection of the biomethane produced. The three production plants are connected to the 2i Rete Gas network through the same number of city gates, which allow, when fully operational, the injection of a volume of biomethane equal to the annual needs of around ten thousand households.

With this, the target set in the Plan for 2022 was reached and surpassed, in relation to the goal of **supporting the energy transition through its own business**, through dialogue with biomethane producers, made possible thanks to a dedicated service.

infrastructure such as that already in place for the transmission, distribution and storage of natural gas.

In this respect, several system-related benefits are identified:

- immediate use or storage of excess electricity production from non-programmable renewable sources;
- use of the gas transmission, storage and distribution infrastructure in a low-carbon scenario, exploiting its power supply capacity to cover winter consumption peaks, avoiding large electric infrastructure upgrading investments;
- load balancing of the power grid.

At the same time, hydrogen production and injection into the network and power-to-gas processes involve points of attention:

- technology success prospects:
 - economic viability (process yields, electricity prices);
 - competition with other storage systems (batteries, pumping);
 - competitor technologies for electrolysis and methanation with different levels of efficiency and maturity;

- effective integration with the gas network:
 - defining maximum limits for injecting hydrogen into natural gas transmission and distribution networks;
 - defining the role of the distributor.

2i Rete Gas, being aware that to date the possibility of injecting methane and hydrogen mixtures into the network in gradually increasing percentages is still at an experimental stage and that the industry development requires the implementation of pilot projects involving several players (e.g. electricity producers, gas distributors and transporters, technological partners), in conjunction with the finalisation of a regulatory framework, **is ready to provide its contribution by encouraging the necessary experimentation.**

In this regard, the Parent Company already took action in 2022 on two specific lines of investigation:

- **preparatory studies.** 2i Rete Gas has established partnerships with leading university institutions to carry out a series of studies on the injection of hydrogen into distribution networks. The results of the activities found no critical issues regarding the injection of percentages of hydrogen into the distribution networks as far as specific technical issues are concerned, such as the stratification of gas mixtures or their interaction with odouring substances;
- **experiments.** The Company has started activities to develop a pilot project for injecting methane/hydrogen mixtures into the distribution network in growing percentages. This was also done in collaboration with players in the supply chain (gas transport and hydrogen production operators) located in the relative local areas.

Energy efficiency

Again with a view to supporting the energy transition and by leveraging its relationship with some stakeholders (Municipalities, Sales Companies and Suppliers), 2i Rete Gas engages in the development of value-added services. To this end, it pursues **energy efficiency endeavours** designed for public entities (and eventually for the private sector, too), concerning buildings, heating and lighting systems, through the company 2i Servizi Energetici S.r.l. (see "Highlights, history and corporate structure").

To date, **final proposals for energy efficiency** through project financing have been presented in **24 Municipalities**: 2 final proposals for building efficiency, 20 proposals for public lighting systems and 1 including both building and public lighting efficiency. 2i Servizi Energetici S.r.l. carries

out studies on the feasibility and financial viability of possible interventions; it carries out engineering analysis, energy diagnoses, final and executive projects, aimed at assessing the current state of sites and the scope for development and optimisation of their energy performance, including by introducing new innovative technological solutions, where possible. In addition, the economic impact and financial viability of investments, as well as the potential direct generation of Energy Efficiency Certificates (aka TEE), are assessed through the preparation of ad hoc business plan models.

To date, **49 interim proposals** have been developed. In 2022, the trend for both final energy efficiency proposals and interim proposals was in line with 2021.

	2020	2021	2022
No. of final proposals submitted	5	6	5
No. of diagnoses made	3	20	20

OPTIMISATION OF ENERGY RESOURCES AND ENVIRONMENTAL PROTECTION

Zi Rete Gas monitors and evaluates the impact arising from the conduct of its business in order to identify significant factors, both direct and indirect, and to implement initiatives and projects in the pursuit of a responsible mitigation of such impact.

The main **direct impacts** that the organisation monitors are: greenhouse gas emissions into the atmosphere, noise emissions from plants and waste production. It also monitors energy consumption related to the

vehicle fleet and technological internal consumption (gas for preheating in decompression systems, electricity for cathodic protection systems). No indicators are given on water consumption as it is not relevant in the gas distribution process.

Indirect impacts, namely those produced by the activities entrusted to suppliers, are instead identified and governed by contractual obligations and provisions. The Group monitors indirect impacts by means of field inspections carried out by local

units. Finally, the Group monitors and controls its internal consumption in terms of primary energy used in buildings.

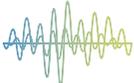
The Group's commitment to promoting the principles of environmental protection and safeguarding led it to pay special attention to aspects related to climate change, with a view to identifying any risks that could require the adoption of mitigation or adjustment measures and, at the same time, exploiting possible opportunities.

MONITORED INDICATORS

(data referring to the perimeter for the entire year 2022)



energy consumption



noise emissions



waste production



atmospheric emissions

Energy consumption

In 2022, the **total amount of energy consumed to ensure the operation of the company vehicle fleet** decreased by approximately **1%**. The decrease in energy consumption is due to an improvement in specific consumption, as the distance travelled remained almost unchanged at 29.4 million km.

As was the case in previous years, Zi Rete Gas weighted its performance by using an indicator that makes it possible to assess, based on the total value of consumption as benchmarked against kilometres travelled by the company vehicle fleet, the trend in consumption per kilometre. In 2022, this indicator stood at 2.614 MJ/km, thus improving by 1% compared to 2021 (2.633 MJ/km).

Direct consumption

Direct energy consumption within the organisation broken down by energy source

	Measurement unit	2020	2021	2022	
TOTAL VEHICLE FLEET CONSUMPTION	GJ	72,132	77,449	76,909	
PETROL	t	4	62	124	Vehicle fleet consumption
DIESEL	t	1,686	1,504	1,395	Vehicle fleet consumption
METHANE	t	2	241	267	Vehicle fleet consumption
LPG	t	0	0	0	Vehicle fleet consumption

Conversion Factor - Source: UK Government GHG Conversion Factors for Company Reporting 2022.

In 2022, the **amount of energy consumed to ensure the operation of the technological systems at the city gates** (gas preheating in the decompression process) **decreased by 10%**, due to a reduction in the volume of gas passing through the city gates. Energy performance increased as specific consumption (the ratio between gas consumed for the operation of the decompression systems and gas transiting through these systems) increased from 0.00100 Sm³ consumed / Sm³ transited (2021) to 0.00101 Sm³ consumed / Sm³ transited (2022).

The increase in specific consumption was driven by the combined effect of lower transited volumes and the different composition of Russian gas compared to gas from Northern Europe and Algeria.

As was the case in previous years, also in 2022 the reporting of the volumes of gas transited through the systems was further segmented, separating internal consumption pertaining only to the city gates in which the pre-heating equipment is in operation. As a result of this new segmentation, the

consumed energy / transited gas ratio stood at 0.00125, showing an increase in the region of 1%.

In keeping with the methodology adopted in previous years, 2i Rete Gas S.p.A. accurately measured **consumption of methane gas used for heating office and warehouse buildings**. Total consumption in 2022 stood at 176,522 Sm³, showing a decrease of approximately 18% over 2021.

In 2022, the **total amount of electricity purchased from the grid** (thus excluding the 278,329 kWh that were

self-generated) **was** 12.944.768 kWh, thus **about 4% higher** than in 2021. This figure includes **consumption for the operation of buildings and technological systems**. The increase is mainly due to the inclusion in the consumption calculation of that resulting from the takeover of management of the service in the ATEM "Napoli 1", as well as of consumption related to end users, including that of the Milan Headquarters, which alone accounts for 524,642 kWh, for which consumption data were not available in past years.

Upon following the consumption segmentation criteria already adopted in previous years, a report was prepared on energy consumption related to cathodic protection systems, separating **consumption of those plants where only one system is in place for city gates and cathodic protection**. The level of efficiency on the aforementioned consumption stood at 0.549 GJ per km of steel network (in 2021: 0.522 GJ/km of steel network).

With regard to the consumption and performance of buildings, consumption rates recorded in 2022 made it possible to evaluate the plant efficiency in toe/m² considering all the surface area occupied by offices and

relative appurtenances, including warehouses and storage facilities.

The indicator for buildings in use as at 31 December 2022 was 0.0109 [toe/m²]. Compared with 2021, this indicator also included the energy consumption data for the Milan Headquarters in the calculation for the first time. For an assessment on a like-for-like basis and covering those buildings over which 2i Rete Gas has direct control of energy consumption, the indicator decreased (-4.7%) compared with the previous year (0.0101 in 2022 vs. 0.0106 in 2021). With a view to further refining the analysis, again on a like-for-like basis, energy consumption in the last quarter of 2022 decreased by 15% compared with the same period of the previous year.

The aforementioned reductions in energy consumption are attributable to several factors that cannot be quantified separately, such as the milder winter temperatures in the last months of 2022, the measures introduced by the government to address end-of-year energy price increases, and the effects of the **internal awareness campaign on good practices for energy efficiency in offices**. In September, the latter was addressed to employees, with the publication on

Direct consumption

Direct energy consumption within the organisation

	Measurement unit	2020	2021	2022	
TOTAL ENERGY CONSUMPTION FOR TECHNOLOGICAL SYSTEMS AND BUILDINGS	GJ	217,160	226,670	203,196	
CONSUMED ENERGY (methane gas)	m ³	202,339	214,349	176,522	Heating of Buildings (Offices and Warehouses)
	m ³	6,084,656	6,347,988	5,706,216	Heat production for pre-heating purposes (city gates)

Conversion Factor - Source: ENEA.

the company Intranet of the “Winter 2022” edition of a Handbook intended to share hints and tips to be followed as regards seasonal climate control, room lighting and other simple actions that can lead to responsible conduct, in addition to being aimed at limiting waste and generating savings in terms of consumption.

In particular, with regard to energy efficiency measures, 3 gas heat pumps were installed at the beginning of the year at 2 city gates for a technical and economic feasibility pilot project to be extended to additional sites. The installation of these heat pumps has already led to an estimated overall reduction in specific energy consumption for preheating of 29% by 2022 compared with the 2021 figure for the two city gates. Consumption trend analyses are in progress to verify the effectiveness of the intervention over time and the size of the plants on which the best results can be achieved.

2i Rete Gas S.p.A. possesses two photovoltaic plants at its offices in Acquaviva delle Fonti (Bari) and Perugia, the second of which became operational in June 2021. In 2022, total electricity generation amounted to 442,061 kWh, of which 278,329 kWh were used either directly or through on-site exchange by the buildings as self-consumption, while the remainder was fed into the electricity grid.

Noise emissions

As in previous years, 2i Rete Gas monitors the emission values of its operating plants by deploying targeted measurement campaigns. The data collected make it possible to ensure conformity of emission values in compliance with the relevant acoustic zoning set for each individual plant. If values are exceeded or the community reports emission values that are considered to exceed thresholds, then measuring will be performed immediately and actions will be taken accordingly to bring emissions back in line with regulatory and acceptable standards.

In 2022, there were no complaints from the community or possible stakeholders about noise emissions from the network infrastructure.

In 2022, there were no significant reports of noise emissions from the network infrastructure from the community or possible stakeholders. However, in May a report received from an end client regarding noise emissions from a pressure reduction unit was handled, in line with company procedures, and a phonometric survey was carried out by a special-

Indirect consumption

Indirect energy consumption within the organisation

	Measurement unit	2020	2021	2022	
TOTAL INDIRECT ENERGY CONSUMPTION	GJ	44,362	45,709	47,603	
ELECTRICITY	KWh	12,322,610	12,481,924	12,944,769	<i>from non-renewable sources</i>
	KWh	2,223,000	2,259,074	2,579,186	Total technological systems
	KWh	10,099,610	10,222,850	10,365,583	Energy consumption of buildings
	KWh	0	215,098	278,329	<i>from renewable sources</i>

Conversion Factor - Source: UK Government GHG Conversion Factors for Company Reporting 2022.

Initiatives to reduce energy consumption

Reduction of energy consumption	Reference initiative	Measurement unit	2020	2021	2022*
NATURAL GAS	Gas heat pumps for preheating	Smc	-	0	9,379
NATURAL GAS	PLC city gates	Smc	-	41,694	91,867
NATURAL GAS	Increasing energy efficiency of buildings	Smc	-	1,767	5,015
ELECTRICITY	Increasing energy efficiency of buildings	KWh	-	91,732	120,292

Conversion Factor - Source: UK Government GHG Conversion Factors for Company Reporting 2022.

* Cumulative value from the date reporting on intervention started (2020). The additional savings expected in 2022 are due to interventions carried out in 2021. Additional savings from further interventions in 2022 will be reported in 2023.

ist company. The survey carried out found values below the municipal limits and also certified that the phonometric disturbances produced by the pressure reduction unit positioned close to the end client's home, both during the daytime and at night, did not generate disturbances to noise-sensitive receivers. However, following standard practice, it was decided to soundproof the pressure reduction unit by replacing the relative housing.

are treated as special waste, in accordance with the provisions of mandatory regulations. With regard to waste management, special attention is paid to waste collection, transport and treatment methods, ensuring that priority is given to recovery purposes, reducing waste transfer to landfill to a minimum and thus minimising negative impact on the environment.

Governance activities relating to the waste management and monitoring process are set out in IMS documents, where roles and responsibilities are identified at an organisation level regarding the direct management of internal waste, while responsibility for the allocation of the Waste Code (aka CER) and its characterisation is centralised, thus harmonising conduct in each production unit.

Traceability of the quantities of waste produced internally is monitored at the Headquarters level and compared with monthly data retrieved from the external supplier's treatment plat-

form. The analysis of quantities by type of waste produced is processed to evaluate, together with the Engineering and Procurement functions, the introduction of new products

and/or goods in order to further reduce the materials that at the end of their life cycle are destined to landfill.

Waste

Once their service life cycle ends, the products and materials used in the Group core business processes

Total waste generated

	2020	2021	2022
	t	t	t
HAZARDOUS WASTE	3.04	1.67	2.65
NON-HAZARDOUS WASTE	745.94	902.85	581.84

Waste diverted from disposal

	2020			2021			2022		
	On site	At an external site	Total	On site	At an external site	Total	On site	At an external site	Total
	t	t	t	t	t	t	t	t	t
HAZARDOUS WASTE	2.65	-	2.65	1.21	-	1.21	2.15	-	2.15
RECYCLING (R1, R3, R4, R5)	2.65		2.65	1.21		1.21	2.15		2.15
NON-HAZARDOUS WASTE	745.94	-	745.94	775.86	-	775.86	482.63	-	482.63
RECYCLING (R1, R3, R4, R5)	745.94		745.94	775.86		775.86	482.63		482.63

Waste directed to disposal

	2020		2021		2022	
	On site	At an external site	On site	At an external site	On site	At an external site
	t	t	t	t	t	t
HAZARDOUS WASTE	0.39	-	0.46	-	0.50	-
LANDFILLING	0.39		0.40		0.50	
OTHER DISPOSAL OPERATIONS (D9)			0.06			
NON-HAZARDOUS WASTE	-	-	126.98	-	99.21	-
LANDFILLING	0		126.98		99.21	
OTHER DISPOSAL OPERATIONS						
TOTAL WASTE	0.39	-	127.45	-	99.71	-

The Parent Company's decision to centralise the waste collection, recovery and disposal service with a single supplier makes it possible to monitor, on a monthly basis, data on the total quantity of waste treated and subjected to recovery operations with subsequent re-entry into the production cycle.



This allows 2i Rete Gas to know the final destination of the waste delivered to the platform, introduce patterns of selection of goods and services already at the supply chain level, and pursue the objective of increasing performance in terms of waste management and processing, with special emphasis being placed on more efficient use and recovery of waste itself, thereby increasing its life cycle.

Initiatives related to the Sustainability Plan

Tracking the quantities has enabled 2i Rete Gas to achieve challenging levels of efficiency over the years and, again in 2022, waste management results confirmed the achievement of the targets set in the Sustainability Plan regarding the goal of **increasing quantities of waste intended for recovery**, as shown below.

INITIATIVE	2022 TARGET	2022 RESULT
Maintaining the number of tons of special waste generated by the gas business, sent for treatment and accepted by the disposal plant with R13 storage pending any of the recovery operations numbered R1 to R11.	98% [maintaining the baseline]	100%
Containing the number of tons of hazardous special waste generated by the gas business, sent for treatment and accepted by the disposal plant with R13 storage pending any of the recovery operations numbered R1 to R12.	Maintaining the value of hazardous special waste between 82% +/- 1% t. (hazardous waste sent for recovery) / t. (total hazardous waste) [improvement on 2020 baseline]	81.3%
Containing quantities of waste that the disposal plant has accepted with R13 storage and that are not intended for disposal.	Maintaining quantities between 85% +/- 2%. t (waste accepted and sent for recovery) / t. (total waste sent to the supplier) [improvement on 2020 baseline].	83%

2i Rete Gas is also committed to monitoring the proper management of special waste produced by third-party companies during plant construction and maintenance operations, ensuring that lead-by-example processes are activated to encourage suppliers to behave in a virtuous manner with regard to recovery.

The monitoring of waste generated by suppliers is focused on the most potentially impactful business area and, as such, on gas network construction and maintenance operations.



Controls take place at worksites where the main waste consists of waste materials from excavation operations that are supervised on a daily basis by the Operational Control Officers (aka ACO) who, in addition to checking compliance of the activities carried out at the worksite, also ensure that waste management process is run appropriately by the supplier's staff.

Atmospheric emissions

As regards the total amount of CO₂ emitted and arising from Group energy consumption, 2022 showed a decrease of approximately 6% compared to 2021, due to a 7% reduction in direct emissions (Scope 1) and a 3% increase in indirect emissions (Scope 2). A review of each energy carrier over which 2i Rete Gas has direct control showed that:

- emissions due to the operation of the company vehicle fleet stood at approximately 5,327 tons of CO₂e, which is very similar to the figure for 2021. During 2022, 29.4 million kilometres were travelled, and the average emissions per km travelled stood at 181 gCO₂e, unchanged from the average value of 181 gCO₂e recorded in the previous year.

- CO₂ generated by the consumption of methane gas used in technological systems showed a decrease of approximately 10% compared to 2021 due to a lower amount of gas injected. Emissions from combustion (11,333 tons) in relation to the gas transited in the city gates where preheating is active amounted to 2.48 gCO₂/Smc (2.40 gCO₂/Smc in 2021).



Direct CO₂ emissions - (Scope 1)

Direct energy emissions within the organisation broken down by energy source

	2020	2021	2022
	t CO ₂ e	t CO ₂ e	t CO ₂ e
TOTAL ENERGY DIRECT EMISSIONS	17,642	18,300	17,010
FROM NON-RENEWABLE SOURCES	12,473	12,967	11,683
HEATING OF BUILDINGS (OFFICES AND WAREHOUSES)	401	424	351
HEAT PRODUCTION FOR CITY GATES	12,072	12,544	11,333
FROM VEHICLES OWNED BY THE COMPANY (FLEET)	5,168	5,333	5,327
PETROL	12	185	366
DIESEL	5,152	4,536	4,284
METHANE	5	612	677
LPG	0	0	0

Conversion Factor - Source: (ISPRA Report R360-2022 - Table A6.1).

Conversion Factor - Source: UK Government GHG Conversion Factors for Company Reporting, UNFCC 2022.

Initiatives related to the Sustainability Plan

For several years, 2i Rete Gas has taken steps to contain the impacts generated by its own vehicle fleet and has monitored the results carefully. Firstly, it identified and implemented **solutions to make the kilometres travelled more efficient**. Secondly, with a view to consolidating the trend of continuous optimisation of energy consumption per km travelled against the gradual decommissioning of older vehicles, it has completed the **renewal of its entire operating fleet with low-emission vehicles equipped with more advanced technologies** (environmental class \geq Euro 6). Lastly, considering that it has achieved a level of efficiency that is difficult to improve on further, it has set in the Plan a target to **offset the CO₂ emissions of the company's vehicle fleet through certified carbon offsetting initiatives**. During the year, 2i Rete Gas therefore proceeded to **search the market for partners and tools that can be used for voluntary offsetting of quantities of CO₂ equivalent to those generated by its own vehicle fleet**, as previously monitored and calculated for the year 2021 (baseline).

More specifically, the Parent Company, in collaboration with specialist companies, selected two international projects aimed at generating positive environmental and social impacts and, at the same time, at contributing to the achievement of certain SDGs. In more detail:

- the **Kariba REDD+ Project** is dedicated to the protection of approximately 785,000 hectares of a large forest located on the southern shores of Lake Kariba, near the border of Zimbabwe and Zambia. It is one of the first and largest REDD+ (Reducing Emissions from Deforestation and Forest Degradation) projects by size. In addition to protecting numerous vulnerable and endangered species, the project also aims to support programmes for the economic and social benefit of the local population;



- the **Sichuan Furong Coal Mine Methane Utilisation Project** regards the Furong coal mine located in the south of Sichuan Province in China. The project includes the installation of electric generators with a total capacity of 15 MW for combined heat and power generation. The main goal of the project is to capture and use methane from the coal mine for energy production. This will make it possible to displace electricity used from the power plant for on-site use. It is estimated that implementation of the project will allow an average annual volume of 15.6 million cubic metres of CH₄ to be burnt and de-

stroyed, which in the scenario in question would otherwise be released directly into the atmosphere. This will allow the project to reduce greenhouse gas emissions by 2,792,506 tCO₂e over 10 years.



With the purchase of the carbon credits generated by these two projects, 2i Rete Gas managed to meet the target set in the Plan for 2022. More specifically, between the end of 2022 and the start of 2023, 2i Rete Gas purchased carbon credits to offset 1,410 tCO₂e, corresponding to 30% of the CO₂ emitted in 2021 by its own vehicle fleet, as previously calculated.



continues >>

>> continued

For 2023, 2i Rete Gas aims to purchase carbon credits to offset 3,360 tCO₂e, equivalent to the remaining 70% of the CO₂ emitted in 2021 by its own vehicle fleet, again as previously calculated.

Certificate of Verified Carbon Unit (VCU) Retirement	Project Name	VCU Serial Number	Additional Certifications
Verra, in its capacity as administrator of the Verra Registry, does hereby certify that on 04 Jan 2023, 410 Verified Carbon Units (VCUs) were retired on behalf of: 2i Rete Gas	KARIBA REDD+ Project	13714-522762059-522762468-VCS-VCU-352-VER-ZW-14-902-01072014-31122014-1	CCB-Biodiversity Gold; CCB-Climate Gold
Verra, in its capacity as administrator of the Verra Registry, does hereby certify that on 27 Dec 2022, 1,000 Verified Carbon Units (VCUs) were retired on behalf of: 2i Rete Gas	Sichuan Furong Coal Mine Methane Utilization Project	13602-517041364 - 517042363-VCS-VCU 323-VER-CN-8-1446-01012015-31122015-0	

With regard to fugitive methane emissions from the managed distribution plants, in keeping with the target specifically set out in the Sustainability Plan, as early as 2021 2i Rete Gas started activities aimed at defining a method for quantifying emissions on the basis of experimental data collected in the field, with a view to disclosing these values in the 2022 edition of the NFD.

In this regard, it should be considered that, over the last three years, 2i Rete Gas has intensified its actions to limit CH₄ emissions from the network, by carrying out research campaigns supported by state-of-the-art survey technologies. The experience and results of these survey campaigns not

only allowed for a more effective monitoring of leaking networks in terms of incisiveness in identifying dispersions, speedy repair of the causes and consequently a reduction in the exposure time of leaks, but also made it possible to acquire a set of information that, in turn, resulted in a more refined method for measuring network emissions.

Therefore, by developing preparatory initiatives to reduce the environmental impacts resulting from fugitive methane emissions, in 2022 2i Rete Gas refined its previously developed quantification methodology and proceeded to report the values of fugitive emissions not on the basis of emission factors found in the international literature for the sector, as was done in 2020

and 2021 (e.g. Marcogaz "Technical Association of the European Gas Industry", EPA "U.S. Environmental Protection Agency"), but also on the basis of consolidated sets of information obtained with the data gathered from the experimentation of new

survey techniques, thereby obtaining results that are extremely representative of the actual performance of managed assets.

Therefore, the refinement of the calculation model based on emission coefficients obtained from field

measurements yielded an emission intensity of **189.8 kgCH₄/km** for 2022, calculated and reportable according to the OGMP 2.0 framework, which was approximately 23% lower overall compared with the 2020 intensity of **252.13 kgCH₄/km**, for the calculation

Gas infrastructure fugitive emissions and CO₂ equivalent - (Scope 1)

Direct emissions from leakage within the organisation

	Measurement unit	2020	2021	2022
EMISSION FACTOR	kgCH ₄ /km	252.13	246.91	189.81
TOTAL EMISSIONS	t CO ₂ e	472,209	483,015	373,158

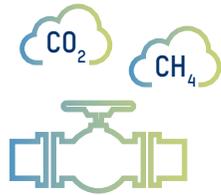
Conversion factor: 28 GWP-100 (Global Warming Potential over a 100-year horizon).

basis of which the above-mentioned emission factors were, however, taken into account.

Taking the average emission factor for 2022 as a reference, calculated based on the number of plants in the network managed for the same period, 2i Rete Gas therefore measured in tCO₂e its total emissions from network leakage, which were **373,158 tCO₂e**, a value that represents approximately **96%** of 2i Rete Gas's total Scope 1 emissions.

In 2022, as a result of the in-depth study on fugitive methane emissions from managed distribution impacts, carried out also with a view to ensuring increasingly timely reporting and a continuous improvement of the monitoring of the impacts of its direct emissions, 2i Rete Gas reported a total of 390,168 tCO₂e of Scope 1 emissions.

The significant increase over the previous reporting period is due substantially to this change in scope. 2i Rete Gas is committed to further studying and disclosing its emissions, inclusive of fugitive emissions, also for subsequent reporting.



Indirect CO₂ emissions - (Scope 2)

Indirect energy emissions within the organisation broken down by energy source

	Measurement unit	2020	2021	2022
TOTAL ENERGY INDIRECT EMISSIONS	t CO ₂ e	3,506	3,288	3,372
ELECTRICITY		3,506	3,288	3,372
<i>FROM NON-RENEWABLE SOURCES</i>		3,506	3,288	3,372
ENERGY CONSUMPTION OF BUILDINGS		632	595	672
TOTAL TECHNOLOGICAL SYSTEMS		2,873	2,693	2,700
<i>FROM RENEWABLE SOURCES</i>		0	0	0

Conversion Factor - Source: (ISPRA Report R363-2022 - Table 2.25
Emission factors of domestic electricity production and consumption (g CO₂/kWh)).

GHG emission reduction

	Measurement unit	2020	2021	2022
GAS HEAT PUMPS FOR PREHEATING	tCO ₂ e	0	0	19
PLC CITY GATES	t CO ₂ e	0	82	182
INCREASING ENERGY EFFICIENCY OF BUILDINGS	t CO ₂ e	0	28	41

Conversion Factor - Source: (ISPRA Report R360-2022 - Table A6.1 and R363-2022 - Table 2.25).

SCOPE 3

Other indirect GHG emissions

Lastly, in 2022, continuing the process of progressive alignment with the recommendations of the Task Force on Climate-Related Financial Disclosure (TCFD), 2i Rete Gas studied and broadened its methodology for calculating Scope 3 emissions, preparing the related reporting on the basis of a more structured process that also took into account the guidelines of the GHG Protocol (Greenhouse Gas Protocol).

EMPLOYEE EMISSIONS

The first type of emissions investigated regarded the mobility of employees, looking at two parallel activities: business trips and commuting.

The acquisition of information on business trip emissions was based on data held by the company and included mapping of the relevant expense items. In addition, in order to obtain a higher degree of accuracy, emissions related to air travel were calculated with the support of the travel agency that took care of the relevant management for employees throughout 2022. On the other hand, as concerns the estimate of emissions resulting from commuting, the calculation method was based on the acquisition of information on employees' commuting practices, the distance travelled and the frequency with which these journeys were made. In order to represent the emissions as accurately and fully as possible, attention was also paid, as a

variable, to the days when employees were not required to make this journey, on the basis of the 2i Rete Gas smart working agreement.

The data thus collected were merged into a single calculation file that, for 2022, estimated Scope 3 emissions for these categories at 1,879.90 tCO₂e.

	t CO ₂ e
Business trips by:	131.53
<i>Car</i>	51.62
<i>Ship</i>	6.55
<i>Plane</i>	63.17
<i>Train</i>	10.19
Commuting	1,748.37
TOTAL Scope 3	1,879.90

SUPPLY CHAIN EMISSIONS

Regarding this additional type of Scope 3 emissions, the analysis process involved several stages. First of all, the approach adopted this year was the "spend-based method" with which it was possible to obtain a total value for CO₂ emissions related to products and services purchased resulting from the total value of purchases during 2022. The analysis was in fact based firstly on the total purchases broken down by supplier and, secondly, by the type of pur-

chase made (supplies, services and works). The expense items thus obtained were categorised according to the corresponding Ateco (economic sector) codes with which, in turn, the specific CO₂ equivalent emission factors were associated, using EEIO (Environmentally-Extended Input Output data) tables.

Finally, the sum of the expense items (expressed in million €) multiplied by the emission coefficients (expressed in tCO₂e/million €) was calculated to obtain the value of the total emissions related to the purchases made in 2022.

The data collected showed a Scope 3 value for this category of 113,613.43 tCO₂e.

Below is a table summarising emissions attributable to the activities of 2i Rete Gas.

Emissions in 2022

(Scope 1 + Scope 2 + Scope 3)

EMISSIONS	t CO ₂ e	%
SCOPE 1 (*)	390,168.39	76.65%
SCOPE 2	3,372.11	0.66%
SCOPE 3 (employees)	1,879.90	0.37%
SCOPE 3 (suppliers)	113,613.43	22.32%
TOTAL	509,033.83	

(*) includes direct emissions from network leakage.

Monitoring indicators and KPIs

Each year, the IMS' Key Performance Indicators collected by the Headquarters are analysed and presented in the "Top Management Review" system document and brought to the attention of the Chief Executive Officer; in the same document, top management identifies and sets the objectives and relevant KPIs for the following year.

For 2022, in order to reduce the consumption of raw materials and natural resources, the following objectives have been defined:

- **Reduction of primary energy consumption for technological purposes.** The defined parameters are aimed at verifying the ability to optimise the energy necessary to ensure the preheating of gas in the decompression process and in the management of the cathodic protection process of the steel pipelines.

In order to determine the KPI, two indicators were developed:

- > the first refers to the **ratio between the amount of energy consumed in the reporting period and the volume of gas transited through the city gates** (for the measurement of preheating process efficiency).

The target for 2022 was to maintain the index at 0.00124 (Stm³ gas consumed/Stm³ gas transited): the result was 0.00125 (Stm³ gas consumed/Stm³ gas transited), slightly above the target. The reasons for the failure to reach the target are mainly a decrease in the volumes transited in the city gates equipped with preheating, which corresponds to a decrease in performance, together with a lower percentage of Russian gas (that has a different composition) in the national energy mix (Jan-Nov data from the Ministry of the Environment and

Energy Security – Energy Department – DGIS), which decreased from 40% to about 20%.

- > the second refers to the **ratio between the quantity of electricity consumed in the reporting period and the kilometres of steel network operated in the same year** (for the measurement of cathodic protection process efficiency).

As mentioned earlier (see "Energy consumption"), starting in 2019 the reporting of energy consumption relating to cathodic protection plants has been further segmented, focusing on plants with higher specific consumption. The target set in the Sustainability Plan for 2022 in order to achieve plant efficiency on the above plants/electrical systems with a view to normalising consumption considers a

reduction between 12% (maximum) and 4% (minimum). The results achieved in 2022 confirmed that the minimum target had been reached, with an efficiency gain of 4.5%. This efficiency gain was calculated on the basis of 44 cathodic protection systems installed on 1,832 km of steel pipeline, accounting for about 3.5% of the steel network managed.

- **Accurate monitoring of natural gas for heating buildings (offices and warehouses).**

During 2022, monitoring tasks relating to this type of direct energy consumption were maintained and further increased as mentioned earlier (see "Energy consumption"), improving the performance indicator in order to give a complete picture of energy efficiency in relation to the vari-

ous energy carriers used (natural gas, electricity). As a result, with regard to the operation of the buildings under direct management, the energy expressed in toe is measured on m² of surface area. The resulting ratio, which was taken as benchmark for 2022, was 10.7 [toe / m² (x1000)] taking into account all the area occupied by offices and related appurtenances, including warehouses and storage facilities. The target value calculated in 2022 stood at 10.9 [toe / m²(x1000)], showing an increase of approximately 2% over the previous year.

The increase is mainly due to the inclusion in the consumption calculation of that related to end users, including that of the Milan Headquarters, for which consumption data were not available in past years.

BIODIVERSITY

With the aim of identifying and minimising the impact of its activities on the surrounding environment, 2i Rete Gas is committed to preserving and protecting the local areas in which it operates.

The impacts that 2i Rete Gas could cause to biodiversity are first and foremost those that could be generated by the operation of its network infrastructure, which are assessed and authorised, from an environmental and safety point of view, by the competent municipal and regional authorities. In addition, the Group also carries out Environmental Impact As-

sessments (EIAs) where necessary to ensure respect for the environment and the protection of biodiversity.

In addition, 2i Rete Gas carried out an ad hoc analysis on the impacts that might be generated by management and administration activities. The first phase of the work involved investigating the geographical location of the company-owned or leased properties in Italy, with respect to protected areas defined by the Natura 2000¹ network, and then to assess the possible associated risks. The geographical coordinates of more than 100 properties were analysed by calculating the

distance between them and the perimeters of the nearest protected areas according to the Natura 2000 database. The results of these analyses confirmed that all 2i Rete Gas properties are located outside the protected areas identified and only 8.82% of the sites are less than one kilometre away from the perimeters considered.

Moreover, in order to have a greater degree of certainty with respect to the possible impacts that 2i Rete Gas might generate, regardless of the proximity or otherwise of its properties to Natura 2000 network areas, an analysis of physical and reputa-

tional risks was carried out using the Biodiversity Risk Filter (BRF)² tool, developed by WWF and by the organisation Climate & Company, which was presented in January 2023 at the World Economic Forum. The findings showed that on average the properties of 2i Rete Gas have an impact considered medium to low. This result is mainly because the activities carried out in the properties considered, being mostly offices and warehouses, do not generate any significant negative impact on biodiversity, although in some cases they are located adjacent to protected areas.



Given the importance of the issue, 2i Rete Gas nevertheless monitors this data and undertakes to initiate specific mitigation activities should situations of danger to the protection of biodiversity arise.

¹ The Natura 2000 network is considered one of the largest and most comprehensive networks of protected areas in the world, covering more than 25% of the land area of the European Union.

² WWF Biodiversity Risk Filter (2023). WWF Biodiversity Risk Filter Methodology Documentation, January 2023.

STAKEHOLDERS



COMMITMENT

In its relations with **stakeholders**, 2i Rete Gas strives to act as a competent, reliable and focused partner. A partner who places at the core of its management practices the pursuit of **operational excellence** and the **ability to pick up and carry through the challenges faced by the industry**, providing practical answers to specific needs as a way to contribute to the development of the local areas in which it operates, and is driven by a fully supportive spirit and an approach geared towards the creation of long-term shared value, by:

IMPLEMENTATION PRINCIPLES

- collaborating with public Institutions and Authorities, putting its know-how at their service through **participation in consultation procedures** aimed at addressing and outlining future governance strategies for the energy sector that will generate **increasingly effective and efficient impacts for the local communities**.
- **continuing to develop dialogue channels and tools**, as well as **listening initiatives** designed for its clients and monitoring their **satisfaction levels**.
- implementing activities that contribute to generating **positive impacts for the communities served by the network**, including pursuing **ever higher levels of technical and commercial quality** while, at the same time, seeking a **reduction in operating costs eligible for cut-back**, the underlying goal being to return value to the community through a **safe, uninterrupted, reliable and timely service**, as well as a **lower incidence of the distribution service cost reflected in the bill** according to industry regulations.
- managing the supply chain based on **ethics, transparency** and the **creation of mutual value**.

Create
SHARED
value



RELATIONS WITH INSTITUTIONS AND AUTHORITIES AND CONTRIBUTION TO THE DEVELOPMENT OF THE REGION

Consistently with the principles and conduct criteria enshrined in the Code of Ethics and by committing to transparency, fairness and traceability, the Group deals with Public Institutions, Authorities and Trade Associations, bringing its know-how at the service of the Community in order to provide the best possible service in the regions in which it operates.

Relations with regulatory bodies and supervisory authorities are managed through specific corporate functions and roles that deal with the management of communications with them, either directly or by coordinating with other departments that may be involved from time to time, depending on the issues.

The Regulatory Affairs function of the General Affairs Department ensures constant monitoring of regulatory and institutional issues, supporting the functions involved in interpret-

ing the relevant regulatory provisions and managing communications with the Institutions and Authorities concerned.

Depending on the subject dealt with, requests are monitored and addressed internally to the competent corporate functions, with which the corresponding responses are defined. With regard to regulatory bodies and supervisory authorities, risks and opportunities are managed through constant monitoring of the measures issued by them and participation in the processes of designing said measures, by means of preparatory consultation procedures.



In this regard, in 2022 2i Rete Gas took part in all the relevant consultation procedures started by ARERA during the year concerning the regulation of

natural gas distribution service and infrastructure, covering all related aspects (10 consultations took place during the year, in addition to those initiated at the end of the previous year and completed in 2022).

In addition, in 2022, until April, the Parent Company 2i Rete Gas S.p.A. has been a member of **Igas** (Association of gas companies headed by Confindustria), which then merged with **Anigas** in May, giving rise to a new association, **Proxigas**, of which 2i Rete Gas became a member. Membership in trade associations, besides protecting the interests of member companies, facilitates dialogue with institutions and discussion with other operators and consolidates the stakeholders' perception of 2i Rete Gas as an important point of reference in the sector.

In 2022, 2i Rete Gas S.p.A. took part, through the trade association to which it belongs, in technical and regulatory discussions with ARERA

and/or the competent Ministers, in order to communicate management and operational needs and difficulties in the implementation of guidelines and requirements.

Relations with trade associations are managed through specific corporate functions that coordinate and manage information flows and the risks and opportunities arising from them. In particular, relations with Proxigas (and previously with Igas) are managed by actively participating, through representatives, in Commissions, working groups, task forces and also in associative bodies for the definition of the positions represented towards Authorities, Institutions and stakeholders.

In 2022, 2i Rete Gas also took part, first through Igas and then through Proxigas, in the activities of the **Italian Gas Committee** (aka CIG), the national technical association dealing with regulations applicable to the fuel gas sector, giving voice to its

own managers, as representatives of the association, in Commissions and working groups, as well as in the bodies of the Committee. 2i Rete Gas S.p.A. also takes part, through its own representatives, in the energy-related activities carried out by the Assolombarda Energy Group.

Finally, 2i Rete Gas S.p.A. puts its operational know-how at the disposal and support of the Civil Protection Department. For several years now, the Parent Company has been represented on the "Enlarged Operational Committee", as one of those parties that, in special circumstances, depending on the nature of the disaster and at the discretion of the Head of the Civil Protection Department or as result of a proposal by the Operational Director for Emergency Coordination of the Department, may be invited to attend Committee meetings. Over the last few years, it has taken part in several Operational Committee meetings, contributing in terms of active support during natural dis-

asters such as those of L'Aquila and Amatrice, and making a contribution in terms of discussions concerning updates on specific issues.

In particular, during the year the Parent Company took part in the "Sisma dello Stretto 2022" exercise, designed to test the operational response of the National Civil Protection Service to a seismic event in a high-risk area. It took place from 4 to 6 November and involved a total of 56 municipalities, 37 of which in Calabria and 19 in Sicily. During the exercise, all components of the National Service had to cope with the multiple scenarios simulated in the context of a magnitude 6.0 earthquake with a consequent tsunami alert, issued via a system called "IT Alert", and a significant impact on homes and the population.

More specifically, 2i Rete Gas S.p.A. took an active part in the exercise in its capacity as the holder of the concession for the gas distribution service in the municipalities of Reggio Calabria, Motta San Giovanni, Roccavaldina and Monforte San Giorgio. In addition to implementing the activities envisaged from time to time by the planning and scenarios, the company also took part

in the Di.Coma.C. meetings organised in Reggio Calabria. At the request of the unit that coordinates Essential Services, it simulated the provision of preparatory resources for the implementation of specific interventions such as, for example, the analysis of possible damage to distribution systems, the search for leaks following reports of the smell of gas, and the reactivation of supply at sensitive locations such as health centres.

Aware of the role it plays in creating shared value for all Group's stakeholders, 2i Rete Gas strives to carry out its business by relying on continuous improvement methods and management efficiency and cost-effectiveness criteria, with an eye to generating positive impacts for the communities served. To this end, the lines of action identified and monitored by 2i Rete Gas S.p.A. with a view to increasing its focus on the development of the region and on the growth of the communities where it carries on its business include:

- **a conscious development of the network infrastructure across the region** which, relying on a constant dialogue with the public administrations, makes it possible

to identify expansion areas while taking account of the specific current and future needs of communities, identifying and assessing the actions to be taken in an analytical and timely way, consistent with local town-planning regulations. In 2022, the 2i Rete Gas Group maintained a constant dialogue with the public administration entities in whose municipalities it operates the methane gas distribution service under concession agreements, running around 650 meetings, addressing topics intended to improve service experience and efficiency as well as its extension for the benefit of the community. To this end, to make a preliminary assessment and gain greater insights into the impacts generated by its investments in response to the requests and needs arising also from the dialogue with the Municipalities, in 2022 it continued to rely on the previously developed investment "cost-benefit" evaluation model, which specifically considers not only the mere cost of the operation, but also a number of parameters such as the replacement of more polluting energy sources, minimisation of energy costs for

the community, different local and climatic conditions, which help to gauge the sustainability of the various initiatives. As a result, investment decisions made also during 2022 were weighed not only from a technical and financial point of view, but also from an environmental and social perspective, estimating the advantages or disadvantages generated by an investment and further considering its impact on social welfare, with a view to driving an increasingly transparent approach when it comes to sharing opportunities with Communities and local Authorities regarding the implementation of a possible initiative.

The year 2022 saw the continuation of 40 gas distribution network development initiatives launched in 2021, following analyses carried out by applying the aforementioned evaluation model and obtaining a result of full compliance with the established criteria. With a total investment of € 57.5 million, these initiatives, when they are completed and come into operation, will guarantee service access to approximately 15,600 new end clients of the network.

- **sustainable planning of efforts geared towards extending and increasing the use of gas as an energy carrier**, focusing on development in areas and regions where the natural gas proposition has a competitive edge over alternative carriers in terms of overall benefit accruing to end clients, both from an economical perspective as well as in terms of additional contribution to decarbonisation and air pollution reduction.

In the pursuit of an increasingly stronger focus on and attention to the impact on the community and the territory, and with a view to **supporting the energy transition through its own business by monitoring the nature of the carrier to be replaced by the new connections and the carrier chosen as an alternative to methane gas**, in 2022 2i Rete Gas operators and Contractors conducted field interviews with clients requesting first activation/deactivation of methane gas in the municipalities managed by 2i Rete Gas.

Out of a total of 43,522 interventions for the first connection to the network, 13,825 interviews were collected, in addition to 4,474 interviews with those who terminat-

ed their supply to switch to another source, out of the total of 95,920 termination interventions. An analysis of the interviews showed that, for users choosing methane gas, the main source previously used was LPG for all uses, followed by electricity and diesel.

Furthermore, a comparison of these findings with the results of a Customer Satisfaction survey carried out in 2022 on a sample of 1,981 respondents from among those who requested supply connection between July and December 2021, shows that LPG and diesel were confirmed as the energy sources that were replaced by methane gas for the various uses, although with a prevalence of diesel for heating.

Finally, further in-depth analyses and studies were carried out with information gathered on the basis of the latest available ISTAT data on the energy sources used by Italians.

Following on from the analyses, for 2022 and in areas with high potential, an advertising strategy was then drawn up aimed at prioritising local areas in which the

most polluting energy sources are most widespread (LPG and Diesel in particular). The areas on which to focus initiatives to increase the use of gas infrastructure, where the presence of LPG or Diesel is higher than the national/regional average, were identified firstly at regional and then at provincial level. In planning this initiative, resources were allocated to support the implementation of advertising activities.

- **reliance on technologies and business practices that minimise operation costs while encouraging the use of materials that have a longer life cycle and are supplied by an increasingly sustainable production chain**, reducing at the same time the generation of waste resulting from end-of-cycle disposal.

For several years now, 2i Rete Gas has been engaged in a project for the replacement of network sections classified as "old", opting for the rollout of polyethylene networks. Drivers pointing to the progressive need for replacement include the year of construction, the leaks detected along the network following periodic monitoring, and

the number of repair operations recorded during the year.

The decision to opt for polyethylene has proven successful over the years in terms of both guaranteed duration of the useful life of the assets and lower environmental impact resulting from the construction and installation processes as well as during operation.

It should be noted that the reduced complexity of construction and the use of low impact technologies, which make it possible to install underground pipes or allow existing underground pipes to be recovered (partial/total recovery or replacement) without resorting to open-air excavation (no dig), reduces turnaround time and construction site set-up efforts, limiting as a matter of fact impacts on the community (road conditions and public area closures).

Lastly, the management of polyethylene networks that are not subject to corrosion, such as steel networks, significantly reduces the energy consumption requirements of the cathodic protection processes applied to the entire

infrastructure, indirectly reducing the environmental impact generated by the Group in the operation of the plants under management. Furthermore, on the basis of experiments carried out to date and reported in the literature, polyethylene is more compatible with the transport of methane and hydrogen mixtures than steel.

- **identification of suppliers**, where permitted by current regulations and consistent with the Public Procurement Code, that **are geographically located as close as possible to the areas of deployment**, in order to promote giving back to the local community the contract value, initiating – as much as possible – a virtuous cycle of local material procurement.
- **interaction with industry-related businesses engaging in the installation of internal systems**, with specific reference to activities aimed at involving and training local installers (see "Commercial development model"), creating synergies that encourage system transformation while driving the development of the gas network infrastructure.

With this in mind, 2i Rete Gas **pursues** increasing levels of technical and commercial quality while, at the same time, **seeking a constant and progressive reduction in operating costs eligible for cut-back, the underlying goal being to return value to the community and to key stakeholders (e.g. Municipalities and local authorities; sales companies; network end clients)** both by ensuring a safe, uninterrupted, reliable and timely service and by achieving a **lower incidence of the distribution service cost reflected in the bill according to industry regulations**.

Indeed, the Group believes that this approach plays a key role in the creation of widespread value, while providing a **tangible contribution to improving the quality of life of the communities served**.

ATEM "NAPOLI 1"

A positive example of returning value to the community

Zi Rete Gas's taking over the management of the gas distribution service in the ATEM "Napoli 1 - Città di Napoli e Impianto Costiero" (see "Scope") represents the first **alternation between distributors in an important area**. This is the most complex and important handover of gas distribution plants in Italy to date. At the same time, it constitutes a concrete **example of a positive return of value to the community** through the fee bid in the tender, which is free from constraints of use and leads to an immediate reduction in the end clients' bills, estimated overall for the entire ATEM at about € 5.0 million per year.

The overall fee paid to the municipalities, which unlike the previous fee will be totally borne by the incoming operator, for the entire twelve-year contract award period will be on average around € 3.6 million per year, an amount paid by the new operator on the basis of the estimated management efficiencies.

In addition, a further € 10 million was paid to municipalities to support energy efficiency initiatives that will be implemented directly by the municipalities themselves.

The contract award involves new **investments of around € 240 million** to upgrade, maintain and expand the infrastructure over the next twelve years.

More specifically, the works included in the plan include:

- performing extraordinary maintenance on approximately 170 kilometres of network, as well as 6 first-stage pressure reduction stations, 233 final pressure reduction units and over 15,000 distribution lines;
- completing the digitisation of the network and plants, through the installation of state-of-the-art meters as well as remote monitoring and control systems for service equipment;
- developing the network by approximately 125 kilometres, to extend the service to citizens who are currently not served;
- pursuing a major plan to boost the energy efficiency of the distribution network as well as of the offices and vehicles the company will use to operate the concession.

RELATIONS WITH CLIENTS

Zi Rete Gas deals with different types of clients and monitors their level of satisfaction with a belief that the continuous improvement of services offered to them is based not only on solid expertise, but also on listening and dialogue.

The clients with which the Group interacts due to the nature of its business typically fall into three categories:



MUNICIPALITIES AND LOCAL AUTHORITIES

Under concession agreements/contracts for the operation of the gas distribution service.



SALES COMPANIES

In relation to the distribution service provided to the network user.



NETWORK END CLIENTS

For first response service concerning problems with the gas distribution service, for quotations in response to requests for new connections and/or modifications to existing plants, and for the maintenance and replacement of meters.

Dialogue

In addition to implementing the use of the dialogue channels required by the Regulator, 2i Rete Gas provides the different types of clients with which it interacts with **contact tools and opportunities to respond to their enquiries in an increasingly effective, comprehensive and responsible manner.**

RELATIONS WITH LOCAL AUTHORITIES

As part of the General Affairs Department, the Relations with Local Authorities function is in charge of all activities aimed at effectively supervising relations with the concession-granting authorities, in accordance with the provisions laid down in concession contracts, whose fees, for the year 2022, amounted to approximately € 62 million on a consolidated basis. Supervision takes place in compliance with applicable regulations, as well as the Organisation, Management and Control Model pursuant to Italian Legislative Decree 231/2001, the Code of Ethics and company procedures aimed at tracking and monitoring relations with Public Authorities.

In 2022, approximately **650 meetings** held by 2i Rete Gas S.p.A. with **558 Public Administration offices** were mapped as part of the processed and operating instructions developed on the basis of the principles set out in the Organisation, Management and Control Model pursuant to Italian Legislative Decree 231/2001 and applicable to the management of relations with Public Administration entities. In addition, 229 meetings were held by 2i Servizi Energetici with 102 Public Administration offices.

To this end, the function provides support to local and headquarters functions with regard to contract interpretation and to ensure that concession obligations are appropriately identified and fulfilled, by relying on regional representatives deployed across the Departments, who represent an effective link between the headquarters and the Departments in the relevant information flow and operational processes.

For the management of concessions, a specific application containing the main contract information is used, with particular reference to the degree

of ownership of the plants and their treatment upon natural expiry in terms of devolution, which is integrated with other applications of the 2i Rete Gas IT platform with the purpose to record concession-related information in an unambiguous and certified manner, especially in regard of the investment final accounting process.

The function also coordinates the Group internal activities, as it interacts with the Contracting Authority and the Local Authorities during the phase of plant payback value identification which is preparatory to call for tender announcements, in compliance with the provisions set forth in Italian Ministerial Decree 226/11 ("Regulations governing tender criteria and bid evaluation for the award of natural gas distribution services, in accordance with Article 46-bis of Italian Law Decree no. 159 dated 1 October 2007, written into law, as amended, by Law no. 222 dated 29 November 2007, published in the ordinary supplement of Official Journal no. 22 dated 27 January 2012").

In 2022, **141 reports pursuant to Article 4 of Ministerial Decree 226/11**

"Plant Conditions" and 129 reports pursuant to Article 5 of Ministerial Decree 226/11 "Plant payback value" were submitted. Combined with other complementary work (e.g. revisions, data integration, etc.), they make up a total of **561 reports submitted.**

As at 31 December 2022 and at a consolidated level, payback value reports shared with Public Administration totalled 852.

COMMERCIAL CALL CENTRE

The Group provides a call centre service free of charge, available on business days, through two toll-free numbers dedicated to network end clients.

This service, which supplements the provisions of current regulation, is a plus for network end clients and allows to request more information on:

- **commercial aspects**, with a toll-free number dedicated to service activation requests pursuant to ARERA Resolution 40/2014/R/gas, as amended and supplemented, commercial offers, reactivations of supply previously suspended due to First Response/leak of the in-

ternal system, last resort services, the portal for end clients and existing marketing campaigns;

- **smart meters**, with a toll-free number dedicated to requests for information and for setting a customised appointment for the replacement of the traditional meter with the smart meter, if it was not possible to make such a replacement during the scheduled intervention.

During 2022, 2i Rete Gas commercial call centre received **278,677 calls** (332,593 in 2021) of which **265,878** were managed (291,674 in 2021). The service contract requires a minimum monthly percentage of 92% of calls to be managed. In 2022, the overall performance was higher, standing at **95.40%**.

The goal for 2023 is to continue with the excellent level of service provided, maintaining rates above the contractually agreed service standard. In line with the efforts made in 2022, this goal will be pursued by ensuring a constant dialogue with and delivering extensive training to call centre operators.

PORTAL DEDICATED TO NETWORK END CLIENTS

An **Internet portal** has been operational since 2017, providing access to a reserved area and **dedicated to network end clients and delegated installers**, through which it is possible to submit the documentation relating to procedure for the activation of a new supply pursuant to ARERA Resolution no. 40/2014/R/gas, as amended and supplemented, as well as to check the progress of the procedures themselves.

In addition to the **dematerialisation of paper documents** with a consequent **reduction in environmental impacts** and the **time taken to send the documents** to and from end clients, this portal optimises the **speed of supply activation**.



MEETING WITH SALES COMPANIES

Again in 2022, 2i Rete Gas held, in webinar format, the customary annual meeting for discussion and sharing with the representatives of the sales companies operating on the the Group companies' gas distribution networks. Topics covered included: "ATEM Napoli 1: Start of management by 2i Rete Gas S.p.A."; "Resolution No. 269/2022/R/gas: the point of view of 2i Rete Gas"; "The Gas Bonus Reform: where are we?"; "Smart Meters and Remote Management", "The New 2i Rete Gas Portal".



The meeting was attended by **91 sales companies** and their **180 representatives**.

Complaint management

The Group manages complaints received from end clients according to ARERA rules and within the timeframe and procedures defined in its own internal procedures and guidelines.

The main issues for which requests for information and/or complaints were received from end clients concern the verification of the meter reading and the reconstruction of consumption, with particular reference to the replacement of traditional meters with smart meters as provided for by ARERA Resolution 631/2013/R/gas of 27 December 2013, albeit significantly fewer in number compared to the previous year, as well as work required to replace faulty smart meters and complaints related to the execution of works.

In 2022, the Group received and handled **4,832 written requests** (5,463 in 2021), of which:

- 3,445 qualified as complaints/requests for information subject to compliance with the general commercial quality standard set out in Article 50 of ARERA Resolution 569/2019/R/gas;

- 1,006 qualified as miscellaneous;
- 381 were submitted through the Consumer Helpdesk (aka Sportello del Consumatore) exclusively related to the gas bonus.

99.91%
percentage of complaints/
requests for information
subject to compliance with
ARERA general standard
handling

0.07%
complaints/requests for
information subject to
compliance with ARERA
general standard concerning
redelivery points

The regulations require that a minimum annual percentage of 95%, applicable to each type of cases, of requests must be answered within a maximum of 30 days.

The goal set for 2023 is to maintain the standards of the company in terms of handling written complaints and written requests for information, in line with the 2022 trend.

In 2022, **463 conciliation procedures** were handled (554 in 2021), 437 as technical support (indirect conciliation, 521 in 2021) and 26 as a party to the conciliation (direct conciliation, 33 in 2021), showing a decrease compared to the previous year, although the overall data processed by ARERA (updated to 1H2022) confirm the trend, already highlighted in recent years, of a greater reliance on the conciliation procedure as a means of settling disputes between end clients and electricity and gas operators.

Finally, 1,193 requests for technical data that can be acquired by reading the meter (also known as M01), (being 1,613 in 2021) and 6,991 requests for other technical data (also known as M02), (being 9,611 in 2021) were handled.

Satisfaction

With regard to the different types of customers it deals with, 2i Rete Gas S.p.A. has for some time now conducted an annual **customer satisfaction survey** which, as an **opportunity to listen and stimulate performance improvement**, is aimed at:

- measuring the perceived quality level of specific aspects of the service provided;
- using the results with a view to managing the satisfaction of customer expectations;
- drawing up and implementing specific action plans to maintain the recognised high levels of performance over time and ensuring optimal management of areas marked for improvement.

The most up-to-date edition of the customer satisfaction survey is that completed in 2022 on the 2021 reporting period.



Each year the Parent Company carries out a customer satisfaction survey

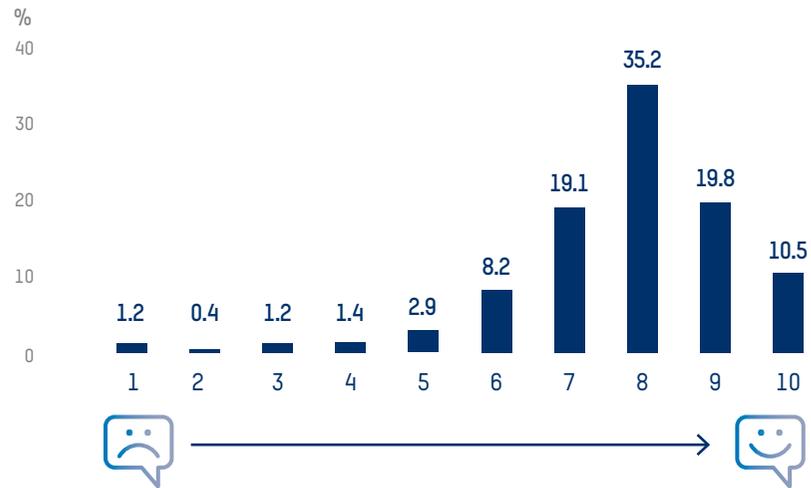
As concerns **Municipalities**, the analysis was carried out using a twofold survey methodology: qualitative, conducted on 10 public administration entities selected from among the most representative, and quantitative, carried out using CAWI (Computer Assisted Web Interviewing) and involving the entire remaining number of the municipalities managed by 2i Rete Gas at the time the questionnaires were distributed, i.e. 2,176, on two different areas:

- a specific questionnaire, introduced for the first time in the survey completed in 2022, was addressed to 484 municipalities visited during 2021 as part of the "Meetings Project", obtaining feedback from 51 representatives of the local authorities involved;
- a second questionnaire was addressed to the remaining 1,692 municipalities, receiving feedback from 179 Mayors/Municipal Secretaries and 307 Technicians.

In particular, the satisfaction of municipalities and local authorities is shown by the following summarised data.

<p>MAIN FEEDBACK RECEIVED FROM QUALITY-RELATED SURVEY</p>	<p>> Partnership and availability: availability and efficiency (constant proactivity, flexibility, immediate and direct contact, problem solving); equal standing and constant relationship</p> <p>> Reliability and timeliness: competent, capable, qualified, extremely focused, efficient, prompt/punctual, conscientious and professional industry operator, excellent knowledge of the local areas</p>
<p>MAIN FEEDBACK RECEIVED FROM QUANTITY-RELATED SURVEY</p>	<p>> Widespread approval and appreciation for the new communication initiative: the information content of the visit, both in terms of the information provided and the availability and ability of the contact person to provide the feedback requested by the Authority; the Authorities responding to the survey would like to continue with it: the visits proved to be very useful in conveying a personal relationship and a real interest in the users' needs</p> <p>> Kindness and courtesy of the company contact person: professionalism, expertise, ability to interpret needs to know</p> <p>> Clarity and timeliness: perception of the contact person as a genuine support</p> <p>> Safety and environmental protection: a very positive perception of 2i Rete Gas by Mayors in terms of safety and attention to environmental protection in the provision of the gas distribution service.</p>

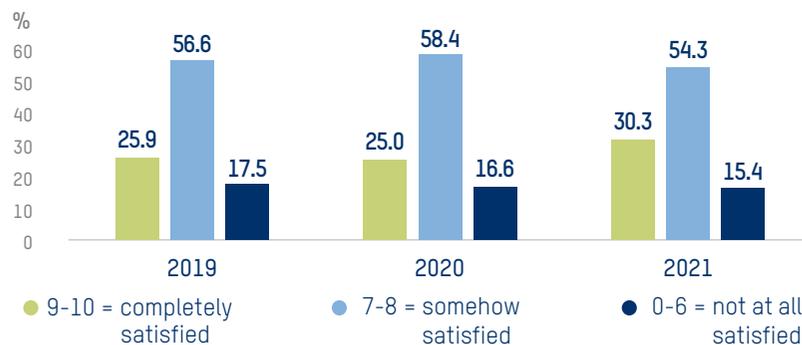
Overall, how satisfied are you with 2i Rete Gas? - Municipalities



Average annual overall satisfaction - Municipalities



Ranges of satisfaction in 2019-2020-2021 - Municipalities



With regard to **Sales Companies**, the analysis was also carried out using a twofold survey methodology: one, qualitative, aimed at gauging the perception of the efficiency of the service provided to Top Clients (5 companies active in the sale of methane gas, which supply 74% of

the active redelivery points managed by Group companies); the other, quantitative, aimed at the remaining traders (293 sales companies which supply a further 26% of the active redelivery points managed by Group companies), operating on the Group's distribution networks.

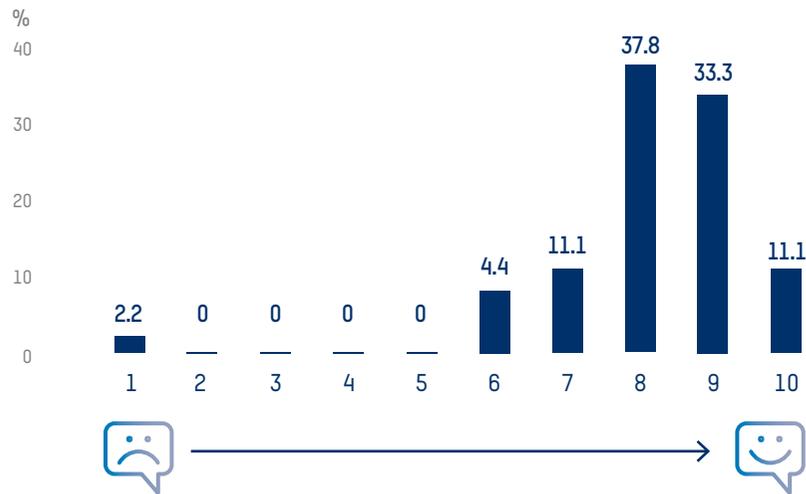
The results of the survey, which as a whole covered 83.4% of the redelivery points under management, reflect a **fully positive opinion** on 2i Rete Gas performance, which is based on operational and relational aspects.

MAIN ASPECTS REPORTED IN THE OVERALL SATISFACTION RATING FROM THE 5 TOP CLIENTS

Among Top Clients, a **very high overall satisfaction** was confirmed. The satisfaction expressed by virtually all respondents was based on specific relational and operational aspects, which in many cases are typical of the management approach adopted by 2i Rete Gas as compared to other industry operators:

- **Partnership:** representatives of the Network Commercial Services function perceived as "colleagues", constant openness to dialogue and discussion, "constant points of contact and encounter, openness to changes in established practices to meet the needs of sales companies, expertise on consumer dynamics, dynamism, in terms of activities and services that go beyond ARERA regulations, with the introduction of company initiatives and new practices that intercept needs and foresee possible future problems with the end client", flexibility and adaptation to the ever-changing regulatory context;
- **Proactivity:** strong focus on regulatory developments and sharing related impacts with sales companies, regular meetings, increased number of readings taken, streamlined communication management;
- **Reliability:** great expertise, utmost fairness and transparency.

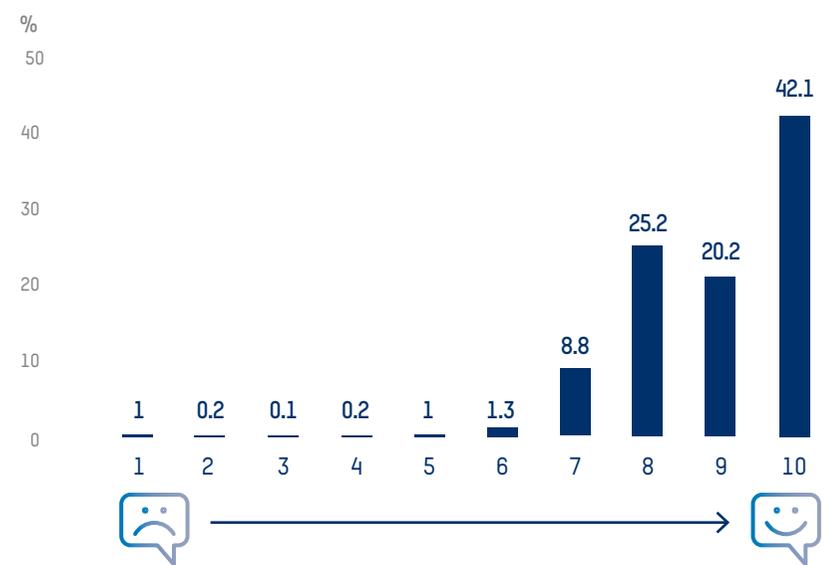
Overall, how satisfied are you with 2i Rete Gas? - Sales companies



As regards **network end clients'** satisfaction with the first response service, provided in compliance with regulatory obligations on the safety and continuity of the gas distribution service, in 2022 the survey was conducted on a total sample of 2,500 citizens who had reached out to the first response service (2,476 of the Parent Company and 24 of 2i Rete Gas S.r.l. and Cilento Reti Gas S.r.l.) and was carried out by means of CATI (Computer Aided Telephone Interviewing).

As in previous years, the service has proved to be particularly performing and therefore protective of the Group which, with a view to continuously improving its performance towards the network end clients, always seeks to progressively raise its standards as compared to those established by the Regulator.

Overall, how satisfied are you with 2i Rete Gas S.p.A.? - Network end clients



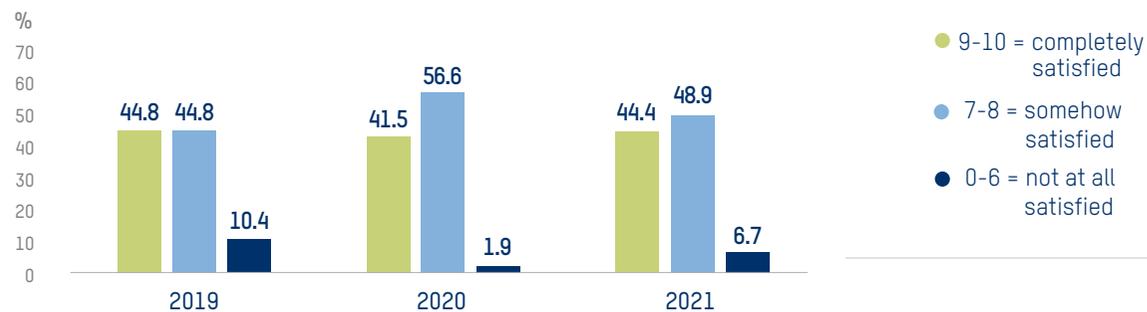
Average annual overall satisfaction - Sales companies



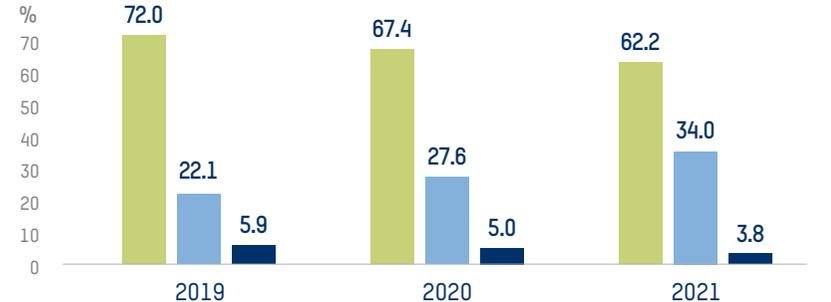
Overall average annual satisfaction - Network end clients



Ranges of satisfaction in 2019-2020-2021 - Sales companies



Overall average annual satisfaction - Network end clients

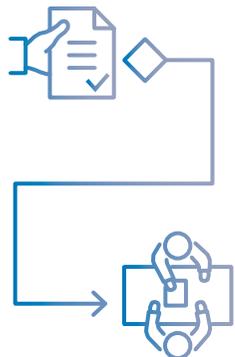


RESPONSIBLE SUPPLY CHAIN MANAGEMENT

Zi Rete Gas collaborates in a transparent and structured manner with many suppliers and contractors. A common feature of the different collaborations in place is to build long-lasting business relationships based on the constant search for high performance standards and mutual value creation.

Given the high number of industrial partners, suppliers and contractors involved in the supply chain and in order to manage and mitigate possible risks, Zi Rete Gas has developed well-defined procedures and tools to govern these interactions,

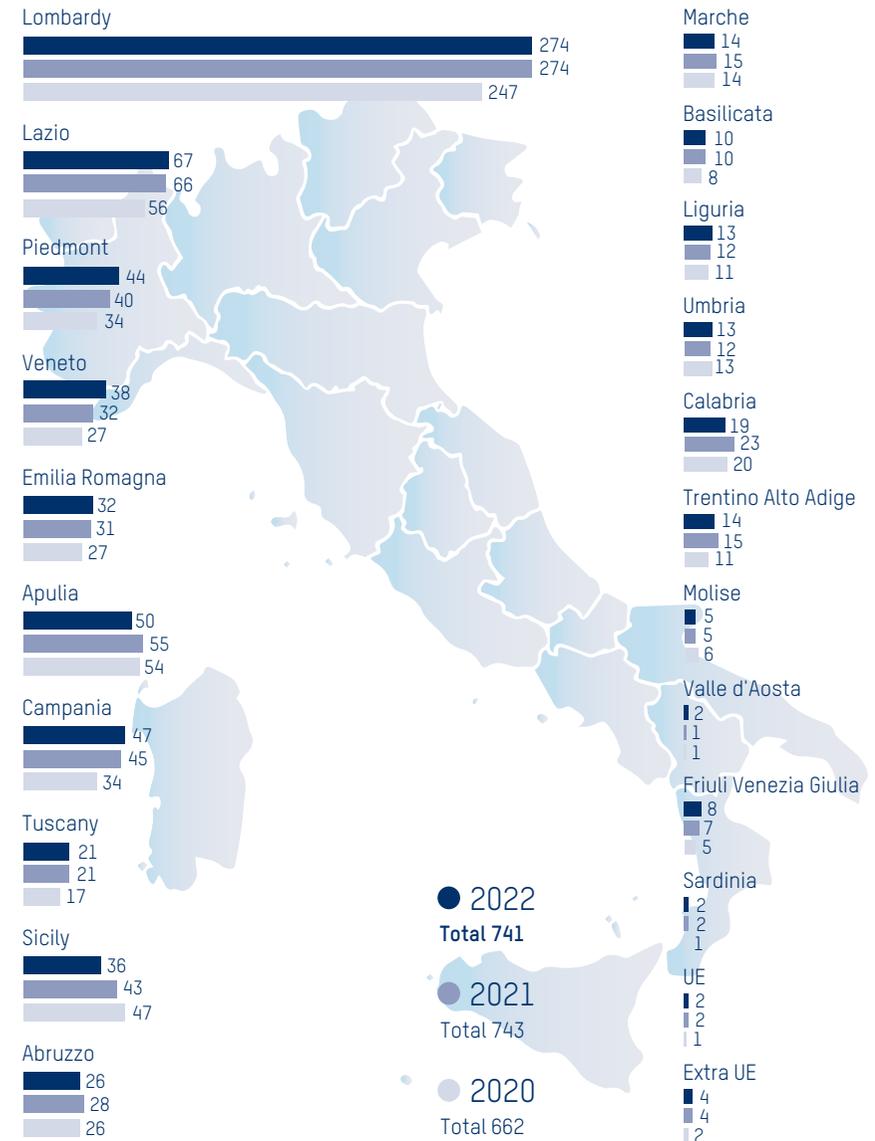
in full compliance with current regulation. Furthermore, in recent years and as part of its stakeholder engagement practices, Zi Rete Gas involved its suppliers in a series of initiatives aimed at implementing an increasingly sustainable and inclusive management of its supply chain (see "Qualification requirements and selection process"). In this regard, in 2022 it further developed interactions with suppliers qualified for high-risk activities concerning ESG issues in order to obtain any missing certifications (ISO 9001, ISO 14001 and ISO 45001). As at December 2022, 98.45% of the suppliers were in possession of ISO 9001, 84.97% of ISO 14001 and 84.46% of ISO 45001.



SUPPLIERS, CONTRACTORS and INDUSTRIAL PARTNERS



Qualified suppliers by geographical area



Qualification requirements and selection process

Suppliers who take part in the Group qualification process must prove that they meet and subsequently maintain **general requirements and comply with specific reputational aspects** pertaining to **environmental protection, social responsibility, Italian Legislative Decree 231/2001** as well as **protection of Human Rights**. They are in fact required to provide the following evidence:

- a statement regarding the corporate structure;
- statements certifying the absence of any conflicts of interest;
- the adoption of organisational and management models;
- whether or not a Supervisory Body is in place;
- statements on relations with Public Authorities, indicating the type of relations, the interest held and the holders thereof;
- the adoption of a Code of Ethics;
- a statement on Corporate Social Responsibility - SA 8000 certification;
- compliance with environment and occupational health and safety regulations - ISO 45001 and ISO 14001 certifications.

The Group relies on a number of tools such as databases, web and press reviews, to monitor the **ethical reliability of its suppliers** for the purpose of mitigating the risk of initiating or maintaining business relations with persons belonging to organisations involved in law infringements.

The **Qualification Regulations** govern the procedures for remaining in the Register of Suppliers. In the event that a supplier fails to meet any of the requirements, including those related to ethical issues pursuant to Italian Legislative Decree 231/2001, measures of various kinds will be adopted, such as suspension or cancellation from the Register of Suppliers and, where deemed necessary, termination of any contracts in place.

Again in 2022, the Parent Company published the **Call for Qualification**, which lists the product categories for which suppliers can take part in the qualification process. With the aim of ensuring maximum transparency and participation, each business operator may elect to participate at any time in the qualification process for one or more product categories of interest.

All applications are completed and handled through an **e-procurement portal**, which ensures transparency, fairness and equal treatment for all suppliers. In addition to qualification processes, other activities are managed through the portal, such as tenders and Vendor Management, sourcing, electronic catalogue management and contract management processes. A section covering the procurement of distribution network materials is also available. With regard to the Vendor Management process, and specifically the Vendor rating, a review of the parameters evaluated was carried out during the year together with an update of these, with the introduction of monitoring for indices of an economic-financial nature.

Product categories are classified according to three potential levels of criticality. The level of each category is defined by the Parent Company by having a cross-functional team conduct a preliminary analysis of the categories to assess the nature of the activity according to **criteria of quality, safety, environment, ethical rating and operations**.

With regard to activities rated as having a high risk potential, suppliers must undergo an **audit**. However, the Parent Company may, regardless of the level of criticality identified, decide to carry out an **on-site inspection visit**, which may also take place while activities are underway. The audit is carried out by a cross-functional team, consisting of resources from the Procurement and Services, Engineering, Operations and Quality, Safety and Environment functions. In some cases, local representatives may also join the team. It is aimed at checking key requirements regarding proof of adequate experience in the industry, technical expertise, business know-how, operational capacity in the sense of having adequate means and skilled labour.

Once the qualification process has been completed successfully, the business operator is listed in the specific **Register of Suppliers** and may take part in tenders and in the possibly subsequent contract award, subject to the technical and financial bid being assessed as compliant.

The 2021-2022 two-year period comparison showed that, as at 31 De-

ember 2022, 84 new suppliers were qualified, of whom 24 in relation to core business activities. Of the latter, from an environmental standpoint, 19 hold ISO 14001 certification while, from a social standpoint, 10 hold ISO 45001 certification and 1 also SA8000 certification.

With a view to driving greater organisational efficiency, the procurement process for Group-wide and Country-wide supplies and services has been centralised. All Group companies rely almost exclusively on qualified suppliers of goods and services; those excluded from the current qualification process are mostly linked to the lease of property or the purchase of Energy Efficiency Certificates.

In 2022, the percentage value of procurement allocated to suppliers included in the Register of Suppliers (99.08%) was in line with the last three-year average.

Initiatives related to the Sustainability Plan

In 2022, 2i Rete Gas carried out two initiatives aimed at developing the **supply chain evaluation and monitoring system**. Firstly, following the listening and engagement activity carried out in 2021 to map suppliers' perceptions of the Group's sustainability commitments and gauge their sensitivity to ESG topics, with a view to transparency and clarification, 100% of the suppliers and contractors qualified for at least one core business category were sent a document aimed at sharing more information on the business reality of 2i Rete Gas and an **update on the Group's journey towards consolidating the integration of sustainability in its business**, with particular reference to some issues considered important also by the companies in the sample surveyed in the previous year. Secondly, a structured request for information was prepared and sent to a representative sample of 40% of the companies qualified for at least one core business category, with a focus on suppliers with which agreements have been signed in the last three years, aimed at increasing knowledge of the actions they have taken to promote **responsible consumption and production** and measuring their sensitivity on this issue. The participation rate in the request for information was 95%.

Qualified and non-qualified suppliers

Percentage based on the value of contracts



Procurement and Staff Unit - Contracts broken down by value



* The analysis does not include contracts for the service and transport of methane gas by means of tankers, which are necessary for maintenance operations along the transport network

Mapping of suppliers

Relations between the Group and its suppliers require compliance with the **conduct principles and criteria set forth in the Code of Ethics** and with the **commitments and implementation principles set out in the Sustainability Policy**. They are constantly monitored by relying on databases and on the telematic platform that also ensures assessment and selection of potential suppliers to whom contracts and orders are awarded.

99.08% of the value of contracts concluded at central level during 2022 (99.19% in 2021) was entrusted to suppliers who underwent a formal qualification process through this platform.

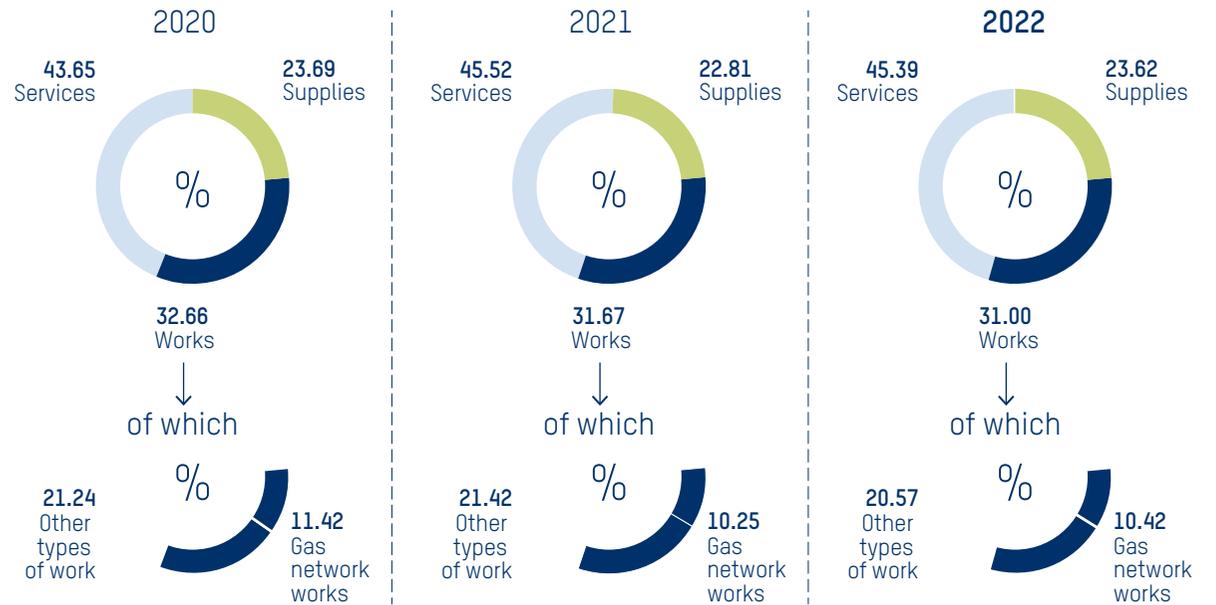
As of 31 December 2022, the Group had **741 qualified suppliers** (743 in 2021) in its Register of Suppliers, corresponding to a total of **1,084 qualifications in one or more Product Categories** based on the Qualification System as described above (1,083 in 2021). The steady trend reflects the maintenance of regular and effective management of the scouting activity and of the product register, which is regularly updated on the basis of business needs.

The product register is divided into categories relating to Works, Services and Supplies. Virtually all the tasks to be performed under the individual Works product categories pertain to the activity carried out as a gas distributor, while in the case of Supplies and Services the percentages are 80% and 39% respectively. The remaining portion can be attributed to Information Technology activities and to services delivered to corporate functions and support services for the management of company property.

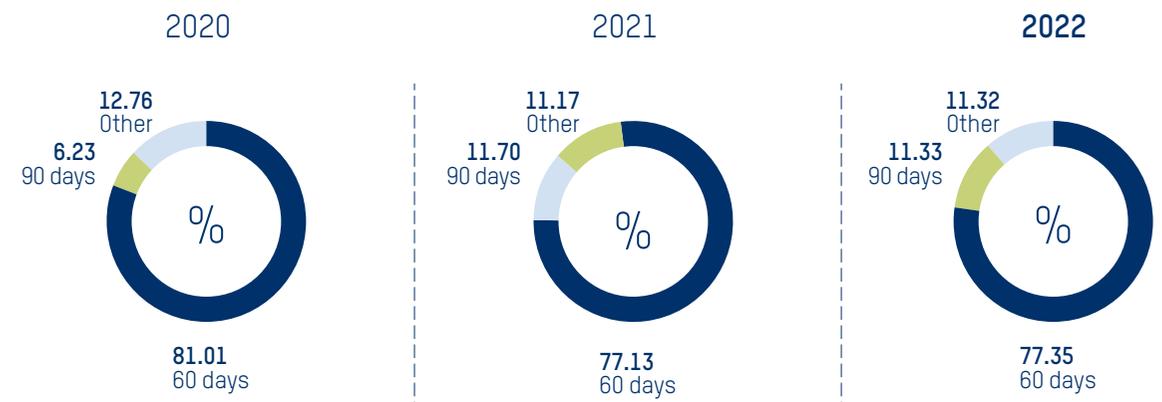
The Group strives to guarantee its suppliers not only a **fair remuneration**, but also **substantial compliance with the payment terms** agreed upon, which in 2022 was at **60 days in 77.35% of cases** (77.13% in 2021).

Regarding the impact on related industries and communities, the Group, while being attentive to the use of local suppliers, has no formal evidence of such impact.

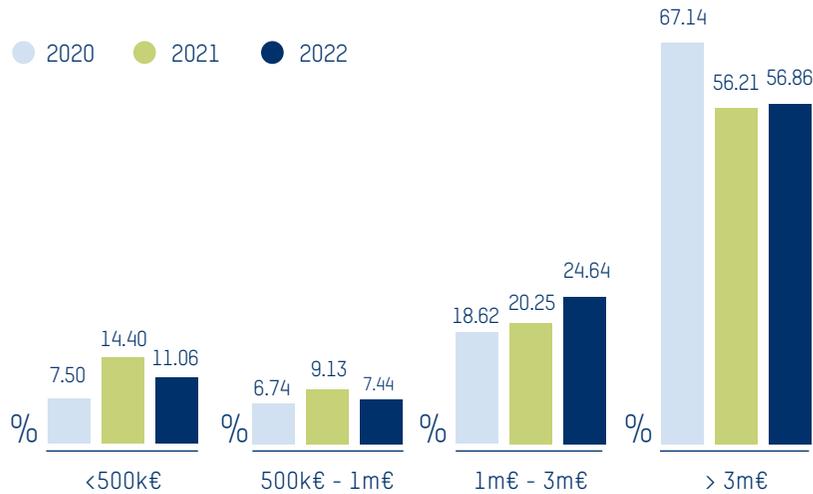
Number of qualifications by type



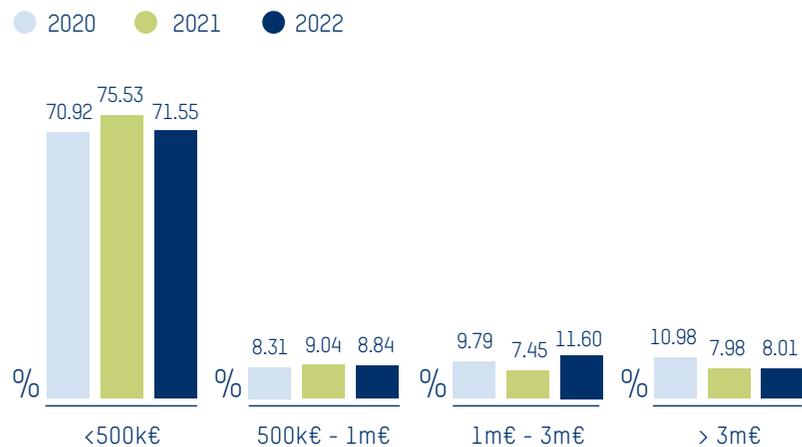
Payment terms for contracts signed during the year



Value of contracts signed by amount



Number of contracts signed by amount



Bearing in mind that the Group's operational presence does in fact cover the entire country, and as such the definition of "local" applies to all those suppliers based and operating in Italy, in 2022 the Group sourced 99.6% of its supplies from local suppliers and the remaining 0.4% from foreign suppliers.

Identification and mitigation of supply chain risks

Among the possible risks associated with supply chain management, special attention is paid to **corruption and bribery** and **protection of Human Rights**.

In order to mitigate the risks related to the above-mentioned issues as much as possible, each contract includes specific clauses on ethics and anti-corruption, in addition to the requirements already outlined regarding the qualification process.

The Group also adopts procedures and certifications that ensure compliance with environmental and social policies (ISO Certifications, Code of Ethics) and **likewise requires that all qualified suppliers comply with such principles, both during the qualification phase and when executing the related contract.**

Zi Rete Gas believes that managing the supply chain based on ethics, transparency and the creation of mu-

tual value, in addition to the mitigation of the above-mentioned risks, implies – in line with the principles set forth in the Sustainability Policy and reflected in the Integrated Policy for Quality, Health and Safety, and Environment – sharing those principles with suppliers, the purpose also being to stimulate a gradual improvement of collaboration and achieve high levels of performance in qualitative, social and environmental terms.

Initiatives related to the Sustainability Plan

As concerns the goal set out in the Plan of **purchasing goods from suppliers that adopt production standards to maximise the reduction of energy consumption and reduce their carbon footprint**, in 2022 Zi Rete Gas carried out a **market survey** aimed at acquiring **information on the emission values resulting from the production of gas pipes and meters**. The activity therefore involved holding meetings with the main suppliers of goods relat-

ed to the core business, in which a constructive discussion took place on the **responsible procurement standards** currently in force at national and EU level, as well as on the **green procurement practices** that they have already implemented and/or are in the process of implementing. Information was also gathered on emission values for individual products or measurement units of in order to be able to estimate the **baseline** for the year.

TRANSPARENT, CLEAR AND THOROUGH DISCLOSURE

The Group believes that transparency towards the market and investors is an essential value to be protected.

2i Rete Gas S.p.A. regularly updates the **Euro Medium Term Notes (EMTN) Programme**, by preparing the relevant base prospectus, which is submitted for approval to the Central Bank of Ireland. The Programme signifies a meaningful transparent attitude towards investors and provides a view of the Company business, while allowing the latter to diversify its sources of funding, benefiting from the opportunities afforded by the capital market through the issue of bonds.

Since within the framework of the **EMTN Programme** the Parent Company is an issuer of bonds admitted to listing on the regulated market managed by the Irish Stock Exchange, 2i Rete Gas S.p.A. has implemented governance measures to ensure compliance with the applicable requirements in terms of market abuse (lastly imposed by Regulation EU 596/2014) and, to the extent applicable, transparency. The Parent Company is subject to the supervision of the Central Bank of Ireland, which provides guidelines on transparency and disclosure required of market participants, as set out in the documents “Guidance on Trans-

parency Regulatory Framework” and “Guidance on Market Abuse Regulatory” published by the supervisory body itself, also interpreting statutory instruments 277 and 349 of the Department of Enterprise, Trade and Employment of Ireland applicable in this regard.

2i Rete Gas S.p.A. has therefore established a **Register of persons with access to inside information** and organised procedures for its maintenance and periodic updating, in compliance with the applicable detailed and secondary regulations and best practices (in particular Commission Implementing Regulation (EU) 347/2016).

In addition, the Company, has approved and updated, lastly in 2022, a **Procedure for the disclosing information to the general public**, the purpose also being to comply with the best national and international standards on market transparency. This procedure sets out the criteria adopted, actions and responsibilities for ensuring effective communication of corporate information to the public and relevant institutions in compliance with market transparency and regulations, with particular reference to the disclosure of inside information for which there is no legitimate interest in confidentiality, to the information contained in the Company’s

financial documents and to the methods of publication of the Consolidated Non-Financial Disclosure.

The Parent Company has also adopted a **Procedural Code on Internal Dealing**, which regulates the obligation to disclose any transactions carried out by or on behalf of those who exercise administrative, control or management functions within the Group, as well as by individuals closely related to them, concerning the bonds issued by 2i Rete Gas S.p.A. itself. The Code also regulates cases in which relevant individuals are not allowed to carry out transactions – or limitations apply to them in this respect – during certain periods of time (so-called black-out periods).

GRI CONTENT INDEX

Statement of use 2i Rete Gas S.p.A. reported in accordance with the GRI Standards for the period 01/01/2022-31/12/2022
GRI 1 used GRI 1 - Foundation - 2021
Applicable GRI Sector Standard(s) N/A - will await the publication of the sector-specific standard

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		GRI SECTOR STANDARD REF. NO.
			REQUIRE- MENT(S) OMITTED	REASON FOR OMISSION	
GENERAL DISCLOSURES					
	2-1 Organizational Details	Group profile - Highlights, history and corporate structure (pages 9-10); Colophon (page 119)			
	2-2 Entities included in the organization's sustainability reporting	Methodological note - Scope (page 3)			
	2-3 Reporting period, frequency and contact point	Methodological note (pages 3-7)			
	2-4 Restatement of information	Methodological note - Scope (page 3) The main changes in information compared to previous years have also been duly noted and commented on in the document			
	2-5 External assurance	Methodological note - Process for the definition of topic areas and materiality (page 7) Group profile - Governance - Governance structure, delegation system and bodies (pages 11-13) Limited assurance (pages 115-118)			
	2-6 Activities, value chain and other business relationships	Stakeholder - Responsible supply chain management (pages 103-107)			
	2-7 Employees	People - Management, development and engagement of human capital - Sizing (pages 40-45)			
	2-8 Workers who are not employees	People - Management, development and engagement of human capital - Sizing (page 41)			
	2-9 Governance structure and composition	Group profile - Governance (pages 11-14)			
	2-10 Nomination and selection of the highest governance body	Group profile - Governance - Governance structure, delegation systems and bodies (pages 11-13)			
	2-11 Chair of the highest governance body	Group profile - Governance - Governance structure, delegation systems and bodies (pages 11-14)			
	2-12 Role of the highest governance body in overseeing the management of impacts	Methodological note - Process for the definition of topic areas and materiality (pages 4-7) Group profile - Governance - Governance structure, delegation system and bodies (pages 11-13) and Responsible business management - Sustainability governance (pages 20-21)			
	2-13 Delegation of responsibility for managing impacts	Group profile - Governance - Governance structure, delegation system and bodies (pages 11-13) and Responsible business management - Sustainability governance (pages 20-21)			
	2-14 Role of the highest governance body in sustainability reporting	Methodological note - Process for the definition of topic areas and materiality (pages 4-7)			
	2-15 Conflicts of interest	Group profile - Governance - Governance structure, delegation system and bodies (pages 11-13) and Business ethics - Further actions (page 27)			
GRI 2 - GENERAL DISCLOSURES - 2021	2-16 Communication of critical concerns	Group profile - Business ethics and anti-corruption - Concerns and reporting (page 26)			
	2-17 Collective knowledge of the highest governance body	Group profile - Governance - Governance structure, delegation systems and bodies (pages 11-13)			
	2-18 Evaluation of the performance of the highest governance body	Group profile - Governance - Governance structure, delegation systems and bodies (pages 11-13)			
	2-19 Remuneration policies	Group profile - Governance - Governance structure, delegation systems and bodies (pages 11-13)			
	2-20 Process to determine remuneration	Group profile - Governance - Governance structure, delegation systems and bodies (pages 11-13)			
	2-21 Annual total compensation ratio		All	Confidentiality constraints	The Company, not having to fulfill any legal obligation, decided not to disclose the required information for the current year.
	2-22 Statement on sustainable development strategy	Letter to stakeholders (page 1) Group profile - Responsible business management - Policies and certifications (pages 21-22)			
	2-23 Policy commitments	People (page 39) Assets (page 65) Environment (page 75) Stakeholders (page 93)			
	2-24 Embedding policy commitments	Group profile - Responsible business management (pages 15-22)			
	2-25 Processes to remediate negative impacts	Group profile - Risk management (pages 27-32)			
2-26 Mechanisms for seeking advice and raising concerns	Methodological note (page 7) Group profile - Business ethics and anti-corruption - Concerns and reporting (page 26)				
2-27 Compliance with laws and regulations	Group profile - Compliance with laws and regulations (pages 22-25)				
2-28 Membership associations	People - Diversity, inclusion and welfare (pages 54-57) Stakeholders - Relations with Institutions and Authorities and Contribution to the development of the region (pages 94-97)				
2-29 Approach to stakeholder engagement	Methodological note - Process for the definition of topic areas and materiality (pages 4-7)				
2-30 Collective bargaining agreements	People - Relations with the unions (pages 57-58)				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIRE- MENT(S) OMITTED	REASON FOR OMISSION	EXPLANATION	
GRI DISCLOSURES						
GRI 3 - MATERIAL TOPICS - 2021	3-1 Process to determine material topics	Methodological note - Process for the definition of topic areas and materiality (pages 4-7)				
	3-2 List of material topics	Methodological note - Process for the definition of topic areas and materiality (pages 4-7)				
ECONOMIC PERFORMANCE						
GRI 3 - MATERIAL TOPICS - 2021	3-3 Management of material topics	Methodological note - Process for the definition of topic areas and materiality (pages 4-7) Group profile - Creating sustainable economic value (pages 33-34)				
GRI 201: ECONOMIC PERFORMANCE	201-1 Direct economic value generated and distributed	Group profile - Creating sustainable economic value (pages 33-34)				
PROCUREMENT PRACTICES						
GRI 3 - MATERIAL TOPICS - 2021	3-3 Management of material topics	Methodological note - Process for the definition of topic areas and materiality - Impact description (page 6) Stakeholders - Responsible supply chain management (pages 103-107)				
GRI 204: PROCUREMENT PRACTICES	204-1 Proportion of spending on local suppliers	Stakeholders - Responsible supply chain management - Mapping of suppliers (pages 106-107)				
ANTI-CORRUPTION						
GRI 3 - MATERIAL TOPICS - 2021	3-3 Management of material topics	Methodological note - Process for the definition of topic areas and materiality (pages 4-7) Group profile - Risk management (pages 27-32)				
GRI 205: ANTI-CORRUPTION	205-2 Communication and training about anti-corruption policies and procedures	Group profile - Responsible business management - Policies and certifications (pages 21-22) and Business ethics and anti-corruption (pages 25-27) People - Management, development and engagement of human capital - Development and training (pages 47-53) Stakeholders - Responsible supply chain management - Identification and mitigation of supply chain risks (page 107)				
	205-3 Confirmed incidents of corruption and actions taken	The Group - Business ethics and anti-corruption (pages 25-27), Concerns and reporting (pages 26-27)				
TAX						
GRI 3 - MATERIAL TOPICS - 2021	3-3 Management of material topics	The Group - Compliance with laws and regulations (pages 22-25)				
GRI 207: TAX	207-1 Approach to tax	The Group - Compliance with laws and regulations (pages 22-25)				
	207-2 Tax governance, control, and risk management	The Group - Compliance with laws and regulations (pages 22-25)				
	207-3 Stakeholder engagement and management of concerns related to tax	The Group - Compliance with laws and regulations (pages 22-25)				
	207-4 Country-by-country reporting			Not applicable	Single tax jurisdiction: Italy	
ENERGY						
GRI 3 - MATERIAL TOPICS - 2021	3-3 Management of material topics	Methodological note - Process for the definition of topic areas and materiality - Impact description (page 6) Group profile - Risk management (pages 27-32); Environment - Optimisation of energy resources and environmental protection (pages 81-92)				
GRI 302: ENERGY	302-1 Energy consumption within the organization	Environment - Optimisation of energy resources and environmental protection (pages 81-83)				
	302-4 Reduction of energy consumption	Environment - Optimisation of energy resources and environmental protection - Energy consumption (pages 81-83) Monitoring indicators and KPIs (page 91)				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	REQUIRE- MENT(S) OMITTED	OMISSION		GRI SECTOR STANDARD REF. NO.
				REASON FOR OMISSION	EXPLANATION	
BIODIVERSITY						
GRI 3 - MATERIAL TOPICS - 2021	3-3 Management of material topics	Methodological note - Process for the definition of topic areas and materiality - Impact description (page 6) Environment - Biodiversity (page 92)				
GRI 304: BIODIVERSITY	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Environment - Biodiversity (page 92)				
EMISSIONS						
GRI 3 - MATERIAL TOPICS - 2021	3-3 Management of material topics	Methodological note - Process for the definition of topic areas and materiality - Impact description (page 6) Assets - Digital development - Advanced analytics to boost safety and operational efficiency (page 72) Environment and environmental protection (pages 81-92)				
GRI 305: EMISSIONS	305-1 Direct (Scope 1) GHG emissions	Environment - Optimisation of energy resources and environmental protection - Atmospheric emissions (pages 86-90)				
	305-2 Energy indirect (Scope 2) GHG emissions	Environment - Optimisation of energy resources and environmental protection - Atmospheric emissions (pages 86-90)				
	305-3 Other indirect (Scope 3) GHG emissions	Environment - Optimisation of energy resources and environmental protection - Atmospheric emissions (pages 86-90)				
	305-5 Reduction of GHG emissions	Environment - Optimisation of energy resources and environmental protection - Atmospheric emissions (pages 86-90)				
WASTE						
GRI 3 - MATERIAL TOPICS - 2021	3-3 Management of material topics	Methodological note - Process for the definition of topic areas and materiality - Impact description (page 6) Environment - Optimisation of energy resources and environmental protection (pages 81-92)				
GRI 306: WASTE 2020	306-1 Waste generation and significant waste-related impacts	Environment - Optimisation of energy resources and environmental protection - Waste (pages 84-85)				
	306-2 Management of significant waste-related impacts	Environment - Optimisation of energy resources and environmental protection - Waste (pages 84-85)				
	306-3 Waste generated	Environment - Optimisation of energy resources and environmental protection - Waste (pages 84-85)				
	306-4 Waste diverted from disposal	Environment - Optimisation of energy resources and environmental protection - Waste (pages 84-85)				
	306-5 Waste directed to disposal	Environment - Optimisation of energy resources and environmental protection - Waste (pages 84-85)				
SUPPLIER ENVIRONMENTAL ASSESSMENT						
GRI 3 - MATERIAL TOPICS - 2021	3-3 Management of material topics	Methodological note - Process for the definition of topic areas and materiality - Impact description (page 6) Group profile - Risk management (pages 27-32) Stakeholders - Responsible supply chain management (pages 103-107)				
GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT	308-1 New suppliers that were screened using environmental criteria	Stakeholders - Responsible supply chain management - Qualification requirements and selection process (pages 104-105)				
EMPLOYMENT						
GRI 3 - MATERIAL TOPICS - 2021	3-3 Management of material topics	Methodological note - Process for the definition of topic areas and materiality - Impact description (page 6) Group profile - Risk management (pages 27-32) People - Management, development and engagement of human capital (pages 46-54)				
GRI 401: EMPLOYMENT	401-1 New employee hires and employee turnover	People - Sizing (pages 40-45)				
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	People - Management, development and engagement of human capital - Compensation system (page 53)				
	401-3 Parental leave	People - Diversity, inclusion and welfare (pages 54-57)				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	REQUIRE- MENT(S) OMITTED	OMISSION		GRI SECTOR STANDARD REF. NO.
				REASON FOR OMISSION	EXPLANATION	
OCCUPATIONAL HEALTH AND SAFETY						
GRI 3 - MATERIAL TOPICS - 2021	3-3 Management of material topics	Methodological note - Process for the definition of topic areas and materiality - Impact description (page 6) Group profile - Risk management (pages 27-32) People - Safeguarding occupational health and safety (pages 59-64)				
	403-1 Occupational health and safety management system	People - Safeguarding occupational health and safety (pages 59-64)				
	403-2 Hazard identification, risk assessment, and incident investigation	People - Safeguarding occupational health and safety (pages 59-64)				
	403-3 Occupational health services	People - Safeguarding occupational health and safety (pages 59-64)				
	403-4 Worker participation, consultation, and communication on occupational health and safety	Group profile - Risk management (pages 27-32) People - Management, development and engagement of human capital (pages 46-54) and Safeguarding occupational health and safety (pages 59-64)				
GRI 403: OCCUPATIONAL HEALTH AND SAFETY	403-5 Worker training on occupational health and safety	People - Management, development and engagement of human capital - Development and training (pages 47-53) and Safeguarding occupational health and safety (pages 59-64)				
	403-6 Promotion of worker health	People - Safeguarding occupational health and safety (pages 59-64)				
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	People - Safeguarding occupational health and safety (pages 59-64) Assets - Reliability and efficiency of plants (pages 66-71) Stakeholders - Responsible supply chain management - Qualification requirements and selection process (pages 104-105) and Identification and mitigation of supply chain risks (page 107)				
	403-8 Workers covered by an occupational health and safety management system	People - Safeguarding occupational health and safety (pages 59-64)				
	403-9 Work-related injuries	People - Safeguarding occupational health and safety (pages 59-64)				
	403-10 Work-related ill health	People - Safeguarding occupational health and safety (pages 59-64)				
TRAINING AND EDUCATION						
GRI 3 - MATERIAL TOPICS - 2021	3-3 Management of material topics	Methodological note - Process for the definition of topic areas and materiality - Impact description (page 6) Group profile - Risk management (pages 27-32) People - Management, development and engagement of human capital - Development and training (pages 47-53) and Engagement (pages 53-54)				
GRI 404: TRAINING AND EDUCATION	404-1 Average hours of training per year per employee	People - Management, development and engagement of human capital - Development and training (pages 47-53)				
	404-3 Percentage of employees receiving regular performance and career development reviews	People - Management, development and engagement of human capital - Development and training (pages 47-53)				
DIVERSITY AND EQUAL OPPORTUNITY						
GRI 3 - MATERIAL TOPICS - 2021	3-3 Management of material topics	Methodological note - Process for the definition of topic areas and materiality - Impact description (page 6) The Group - Governance - Governance structure, delegation system and bodies (pages 11-13) People - Sizing (pages 40-45) and Diversity, inclusion and welfare (pages 54-57)				
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY	405-1 Diversity of governance bodies and employees	The Group - Governance - Governance structure, delegation system and bodies (pages 11-13) People - Sizing (pages 40-45) and Diversity, inclusion and welfare (pages 54-57)				
	405-2 Ratio of basic salary and remuneration of women to men	People - Diversity, inclusion and welfare (pages 54-57)				
NON-DISCRIMINATION						
GRI 3 - MATERIAL TOPICS - 2021	3-3 Management of material topics	Methodological note - Process for the definition of topic areas and materiality - Impact description (page 6) The Group - Business ethics and anti-corruption (pages 25-27) People - Management, development and engagement of human capital - Recruitment (pages 46-47) and Diversity, inclusion and welfare (pages 54-57)				
GRI 406: NON-DISCRIMINATION	406-1 Incidents of discrimination and corrective actions taken	People - Diversity, inclusion and welfare (pages 54-57)				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		GRI SECTOR STANDARD REF. NO.
			REQUIRE- MENT(S) OMITTED	REASON FOR OMISSION	
LOCAL COMMUNITIES					
GRI 3 - MATERIAL TOPICS - 2021	3-3 Management of material topics	Methodological note - Process for the definition of topic areas and materiality - Impact description (page 6) Group profile - Risk management (pages 27-32) Environment - Energy transition (pages 76-80) Stakeholders - Relations with Institutions and Authorities and Contribution to the development of the region (pages 94-97)			
GRI 413: LOCAL COMMUNITIES	413-1 Operations with local community engagement, impact assessments and development programs	Environment - Energy transition (pages 76-80) Stakeholders - Relations with Institutions and Authorities and Contribution to the development of the region (pages 94-97)			
SUPPLIER SOCIAL ASSESSMENT					
GRI 3 - MATERIAL TOPICS - 2021	3-3 Management of material topics	Methodological note - Process for the definition of topic areas and materiality - Impact description (page 6) Group profile - Risk management (pages 27-32) Stakeholders - Responsible supply chain management (pages 103-107)			
GRI 414: SUPPLIER SOCIAL ASSESSMENT	414-1 New suppliers that were screened using social criteria	Stakeholders - Responsible supply chain management - Qualification requirements and selection process (pages 104-105)			
CUSTOMER HEALTH AND SAFETY					
GRI 3 - MATERIAL TOPICS - 2021	3-3 Management of material topics	Methodological note - Process for the definition of topic areas and materiality - Impact description (page 6) Group profile - Risk management (pages 27-32) People - Safeguarding occupational health and safety (pages 59-64) Assets - Reliability and efficiency of plants (pages 66-71)			
GRI 416: CUSTOMER HEALTH AND SAFETY	416-1 Assessment of the health and safety impacts of product and service categories	People - Safeguarding occupational health and safety (pages 59-64) Assets - Reliability and efficiency of plants (pages 66-71)			
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	People - Safeguarding occupational health and safety (pages 59-64) Assets - Reliability and efficiency of plants (pages 66-71)			
CUSTOMER PRIVACY					
GRI 3 - MATERIAL TOPICS - 2021	3-3 Management of material topics	Methodological note - Process for the definition of topic areas and materiality - Impact description (page 6) Group profile - Risk management (pages 27-32)			
GRI 418: CUSTOMER PRIVACY	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Assets - Privacy and data security (page 74)			
TOPICS NOT COVERED BY SPECIFIC GRI DISCLOSURES					
DIGITAL DEVELOPMENT					
GRI 3 - MATERIAL TOPICS - 2021	3-3 Management of material topics	Methodological note - Process for the definition of topic areas and materiality - Impact description (page 6) Assets - Digital development (pages 71-73)			
RELATIONS WITH CLIENTS					
GRI 3 - MATERIAL TOPICS - 2021	3-3 Management of material topics	Methodological note - Process for the definition of topic areas and materiality - Impact description (page 6) Stakeholders - Relations with clients (pages 97-102)			
TRANSPARENT, CLEAR AND THOROUGH DISCLOSURE					
GRI 3 - MATERIAL TOPICS - 2021	3-3 Management of material topics	Methodological note - Process for the definition of topic areas and materiality - Impact description (page 6) Stakeholders - Transparent, clear and thorough disclosure (page 108)			

LIMITED
ASSURANCE



Independent auditor's report on the consolidated non-financial disclosure

in accordance with article 3, paragraph 10, of Legislative Decree 254/2016 and article 5 of CONSOB Regulation 20267 adopted by resolution of January 2018

To the board of directors of 2i Rete Gas SpA

In accordance with article 3, paragraph 10, of the Legislative Decree 254/2016 (the Decree) and with article 5 of CONSOB Regulation 20267/2018, we have performed a limited assurance engagement on the Consolidated Non-Financial Disclosure of 2i Rete Gas SpA and its subsidiaries (2i Rete Gas group) as of and for the year ended 31 December 2022, prepared in accordance with article 4 of the Decree and approved by the board of directors of 2i Rete Gas SpA on 27 March 2023 (the NFD).

Our review does not extend to the information set out in paragraph "Taxonomy" of the NFD, required by article 8 of European Regulation 2020/852.

Responsibility of the directors and of the board of statutory auditors for the NFD

The directors are responsible for the preparation of the NFD in accordance with articles 3 and 4 of the Decree and with the Sustainability Reporting Standards, issued by Global Reporting Initiative in 2016 and updated up to 2022 (GRI Standards).

The directors are responsible, in accordance with the law, for the implementation of internal controls necessary to ensure that the NFD is free from material misstatement, whether due to fraud or unintentional errors.

The directors are responsible for identifying the content of the NFD, within the matters mentioned in article 3, paragraph 1, of the Decree, considering the activities and characteristics of the group and to the extent necessary to ensure the understanding of the group activities, its trends, its results and related impacts.

The directors are responsible for defining the business and organisational model of the group and, with reference to the matters identified and reported in the NFD, for the policies adopted by the group and for the identification and management of risks generated or faced by the group.

The board of statutory auditors is responsible for overseeing, in accordance with the law, the compliance with the Decree.

PricewaterhouseCoopers SpA

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Auditor's independence and quality control

We are independent in accordance with the principles of ethics and independence disclosed in the Code of Ethics for Professional Accountants published by the International Ethics Standards Board for Accountants, which are based on the fundamental principles of integrity, objectivity, competence and professional diligence, privacy and professional behaviour. Our audit firm adopts the International Standard on Quality Control 1 (ISQC Italy 1) and, accordingly, maintains an overall quality control system which includes processes and procedures for the compliance with ethical and professional standards and with applicable laws and regulations.

Auditor's responsibilities

We are responsible for expressing, on the basis of the work performed, a conclusion regarding the compliance of the NFD with the Decree and with the GRI Standards. We conducted our engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000 Revised), issued by the International Auditing and Assurance Standards Board (IAASB), for limited assurance engagements. The standard requires that we plan and perform procedures to obtain a limited assurance that the NFD does not contain material errors. The procedures performed in a limited assurance engagement are less in scope than those performed in a reasonable assurance engagement in accordance with ISAE 3000 Revised (reasonable assurance engagement) and, therefore, do not provide us with a sufficient level of assurance to become aware of all significant facts and circumstances that might be identified in a reasonable assurance engagement.

The procedures performed on the NFD are based on our professional judgement and consisted of interviews, primarily with company personnel responsible for the preparation of the NFD, in the analysis of documents, recalculations and other procedures aimed at obtaining evidence as appropriate.

In particular, we performed the following procedures:

1. analysis of the relevant matters reported in the NFD relating to the activities and characteristics of the group, in order to assess the reasonableness of the selection process used, in accordance with article 3 of the Decree, with the reporting standard adopted;
2. analysis and assessment of the criteria used to identify the consolidation area, to assess its compliance with the Decree;
3. comparison of the financial information reported in the NFD with the information reported in the group consolidated financial statements;
4. understanding of the following matters:
 - business and organisational model of the group, with reference to the management of the matters specified by article 3 of the Decree;
 - policies adopted by the group with reference to the matters specified by article 3 of the Decree, actual results and related key performance indicators;
 - main risks, generated or faced by the group, with reference to the matters specified in article 3 of the Decree.



With reference to such matters, we have carried out some validation procedures on the information presented in the NFD and other audit procedures as described under point 5 a) below;

5. understanding of the processes underlying the preparation, collection and management of the qualitative and quantitative material information included in the NFD. In particular, we have held interviews with management of 2i Rete Gas SpA and we have performed limited analysis and validation procedures, to gather information about the processes and procedures for the collection, consolidation, processing and submission of the non-financial information to the function responsible for the preparation of the NFD.

Moreover, for significant information, considering the activities and characteristics of the group:

- a) with reference to the qualitative information included in the NFD, and in particular for the business model, the policies adopted and the main risks, we carried out interviews and obtained supporting documentation to verify its consistency with available evidence;
- b) with reference to quantitative information, we performed analytical procedures and limited tests, to assess, on a sample basis, the proper consolidation of the information.

Conclusions

Based on the work performed, nothing has come to our attention that caused us to believe that the NFD of 2i Rete Gas group as of and for the year ended 31 December 2022 has not been prepared, in all material respects, in compliance with articles 3 and 4 of the Decree and with the GRI Standards, as described in the paragraph Methodological Framework of the NFD.

Our conclusions on the NFD of 2i Rete Gas group do not extend to the information set out in paragraph "Taxonomy" of the NFD, required by article 8 of European Regulation 2020/852.

Milan, 11 April 2023

PricewaterhouseCoopers SpA

Signed by

Giulio Grandi
(Revisore Legale)

This report has been translated from the Italian original solely for the convenience of international readers.

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2i ReteGas, in order to reduce the environmental impact caused by paper consumption, has produced this Report in digital format only.

Date

April 2023

www.2iretegas.it