

Sustainability KPIs Report 2024

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INTRODUCTION

Objective of the document

In February 2025, Italgas Group published its Integrated Annual Report 2024, which includes both financial and non-financial information. The report includes the Directors' Report — which covers financial and non-financial disclosures, in accordance with Legislative Decree no. 125/2024 and in order to implement the Corporate Sustainability Reporting Directive 2022/2464/EU (CSRD) — as well as the Consolidated Financial Statements and the Separate Financial Statements of Italgas S.p.A.

To provide stakeholders with deeper insight into the Group's sustainability performance, Italgas has chosen to publish this additional report, which includes some sustainability indicators and information not previously included in the Integrated Annual Report 2024, or not included with the same level of granularity. In particular, in order to enhance transparency regarding additional sustainability indicators, this document provides a specific focus on ESG information regarding NOx emissions, water consumption, Lost-Time Injury Frequency Rate, training hours on digitization topics, sustainable supply chain, GHG Emissions Scope 1 (including a split between methane fugitive emissions and energy-consumption-based emissions), and related methodologies used to calculate the indicators.

Methodological Note

Reporting standards – General information

The following key performance indicators (KPIs) are provided, with their calculation and reporting methodologies grounded in leading international standards, as GRI – Global Reporting Initiative (hereinafter also “GRI Standards” or “GRI”) and GHG Protocol Corporate Accounting and Reporting Standard – Revised Edition released by Greenhouse Gas Protocol (hereinafter also “GHG Protocol”) and recognized ESG best practices:

- NOx emissions (Main reference standard: GRI 305-7)
- Water withdrawal, water discharge and water consumption (Main reference standard: GRI 303-3, GRI 303-4, GRI 303-5)
- Lost-Time Injury Frequency Rate (LTIFR)
- Training hours on digitization topics
- Supplier Screening
- Supplier Assessment and/or Development
- GHG Emissions Scope 1 (including a split between methane fugitive emissions and energy-consumption-based emissions)

Where a specific reference standard is not explicitly indicated, the calculation and reporting methodology has been defined by the Directors based on internal methodology on the basis of what is required by the main worldwide recognized sustainability questionnaires. The methodology applied is explicitly stated in the disclosure of the KPIs themselves reported below. In order to ensure the reliability of the information provided, the usage of estimates has been limited as much as possible. Where estimates are necessary, they are based on the best available information. Any significant estimations made for reporting specific data are clearly indicated in the description or in the notes to the table of each KPI.

Reporting scope and period

The scope of the information included in this Sustainability KPIs Report coincides with the consolidation perimeter of the Integrated Annual Report 2024. In particular, the data and information reported in this Report, refer to the performance of the Italgas Group including the following subsidiaries: Italgas SpA, Italgas Reti, Medea, Toscana Energia, Italgas Newco, Enaon, Enaon EDA, Nepta, Idrolatina, Idrosicilia, Acqua Campania, Laboratorio Acqua Campania, Geoside, Bludigit and Immogas and refers to the 2024 financial year from 1st January 2024 to 31st December 2024. Any different scope or limitation for specific KPIs is explicitly stated in the disclosure of the KPIs themselves. This Report is available on the website: <https://www.italgas.it/en/sustainability/reporting-hub/>

The Sustainability KPIs Report 2024 was subject to a limited assurance activities ("Limited assurance engagement") according to the criteria established in the ISAE 3000 Revised, carried out by the auditor Deloitte & Touche S.p.A.. The audit was carried out according to the procedures indicated in the "Independent Auditor's Report" at the end of this document. The acquisition of 2i Rete Gas has no effects on 2024 data; thus the content and data presented in the present document is not affected by such acquisition.

SUSTAINABILITY KPIs

NOx Emissions

Main reference standard: GRI 305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions.

NOx Emissions	Units	2024
Direct NOx emissions	metric tonnes	12.8
Data coverage	% Consolidated revenues	100%

CALCULATION METHODOLOGY

1. Fleet Emissions: NO_x emissions from the Group's vehicle fleet are calculated using a bottom-up approach, based on kilometers traveled (directly recorded in the specific monitoring and reporting system¹) and technology-specific emission factors. Vehicles are categorized according to:

- i. Fuel Type: Diesel, Petrol, Bi-fuel (Petrol + Methane)
- ii. Euro Emission Standard: Euro 4 through Euro 6 (distinct emission factor per standard)

For bi-fuel vehicles, a weighted average emission factor is applied, reflecting typical operating conditions across both fuel modes.

Formula: NO_x Fleet Emissions (g) = Σ (km traveled × emission factor per fuel and Euro category²)

2. Industrial Use of Natural Gas: Emissions associated with industrial use of natural gas (e.g., pre-heating at IPRMs and other facilities) are calculated by applying a dedicated NO_x emission factor to total gas volumes consumed (calculated from direct measurements).

Formula: NO_x Industrial Emissions (g) = Gas Consumption (TJ) × Industrial NO_x Emission Factor³ (g/TJ)

3. Civil Use of Natural Gas: For civil (non-industrial) use, such as HVAC systems in buildings, emissions are calculated by applying a separate emission factor in order to reflect domestic combustion conditions (total gas volumes consumed are calculated from direct measurements).

Formula: NO_x Civil Emissions (g) = Gas Consumption (TJ) × Civil NO_x Emission Factor³ (g/TJ)

Water Consumption

Main reference standard: GRI 303-3 Water withdrawal; GRI 303-4 Water discharge; GRI 303-5 Water consumption

¹ When data are not available from real measurements, estimated data from previous periods are used. For mixed use cars only km for operational use have been considered

² Emission factor by European Environmental Agency 2023 Table 3-17: Tier 2 exhaust emission factors for passenger cars, NFR 1.A.3.b.i.

³ Emission factor by European Environmental Agency 2023.

Water Consumption	Units	FY 2024
A. Water withdrawal (excluding saltwater ⁴)	Million m ³	0.07074
B. Water discharge (excluding saltwater)	Million m ³	0.07074
Total net fresh water consumption (A-B)	Million m ³	0.00
Data coverage	% Consolidated revenues	100%

The Group companies' environmental analyses, prepared in accordance with standard UNI EN ISO 14001, have indicated that the use of water resources is not a significant environmental aspect. Nevertheless, the HSEQ Policy provides for the safeguarding and rational use of resources, and therefore the Group remains committed to minimizing water consumption. Freshwater is withdrawn from the public aqueduct and used primarily for hygiene and sanitary purposes in changing rooms and offices, as well as for the fire-fighting system. As regards civil drains, most of the wastewater generated is of domestic origin and is discharged into the sewage system without prior treatment, in compliance with local regulations. The Group's production processes do not involve the use of water for industrial purposes, except for limited quantities used to top up gas preheating systems located within pressure reduction cabins connected to the high-pressure gas network, to vaporize Medea's LPG during its transition phase as it exits the storage tanks, and in some firefighting systems. These processes do not generate industrial wastewater.

CALCULATION METHODOLOGY

Water withdrawals are regularly monitored through monthly water meter readings⁵. When readings are unavailable, estimates are based on data from previous months. Since no water consumption occurs within the Group's activities, discharges are assumed to be equal to withdrawals.

Lost-Time Injury Frequency Rate (LTIFR)

The data presented in the table includes the lost-time injury frequency rate, with a specific split on employees and contractors.

⁴ "Saltwater" is not applicable for the Italgas Group.

⁵ When readings are unavailable, estimates are based on data from previous months.

LTIFR	FY 2024
Employees	1.56
Data coverage (as a percentage of employees, operations or revenues)	100%
Contractors ⁶	1.00
Data coverage (as a percentage of employees, operations or revenues)	100%

CALCULATION METHODOLOGY

A Lost-Time injury is considered to be any work-related injury that results in the company employee or third-party contractor employee not being able to return to work the next scheduled work day/shift. The LTIFR is the number of lost-time injuries per 1 million hours worked, calculated using this formula:

$$\text{LTIFR} = (\text{number of lost-time injuries}) / (\text{total hours worked in accounting period}) \times 1,000,000$$

Training hours on digitization topics

Training	Units	FY 2024
Training on digitization topics	hours	29,313

CALCULATION METHODOLOGY

The amount presented in the table includes the total sum of training hours provided in 2024 about topics that are linked to digitization.

Participation in training activities within the Group is tracked through various methods, including signing an attendance sheet, confirmation of presence by the instructor or automatic tracking for online training. For training provided by external organizations, certificates are issued directly by the providers and then shared with staff and archived.

Training on digitization topics includes training courses on the following areas:

- Educational and informational content, through various formats and digital platforms;
- AI-related training, focusing on artificial intelligence and its application in business processes;
- Digital products developed by the Digital Factory, Italgas' innovation hub
- New technologies and digital systems that support the digital transformation of operational and management processes.

⁶ Suppliers' workers operating at Italgas' Group assets and construction sites, including consolidated entities' sites.

Supplier Screening

Supplier Screening	Units	FY 2024
1.1 Total number of Tier-1 suppliers	#	2,350
1.2 Total number of significant suppliers in Tier-1	#	275
1.3 % of total spend on significant suppliers in Tier-1	%	80
1.4 Total number of significant suppliers in non Tier-1	#	74
1.5 Total number of significant suppliers (Tier-1 and non Tier-1)	#	349

Regarding these KPIs, data are collected differently depending on the companies. Three clusters can be identified:

- Italian companies – excluding water businesses⁷
- Italian water companies⁸
- Greek gas distribution companies⁹

CALCULATION METHODOLOGY

1.1 The total number of Tier-1 suppliers includes data from all three clusters mentioned above, each of which adopts specific methodologies and tools to monitor their suppliers. For Italian companies – excluding water businesses – the criterion used to define “Tier-1 suppliers” is based on ERP (SAP) data, specifically by extracting all suppliers with a record of “goods receipt in 2024”. Suppliers with goods receipt recorded through Purchase Order and leasing fee suppliers are included, excluding the following categories of suppliers:

1. Electricity supply
2. Gas supply
3. Water supply
4. Easement / right-of-way fees
5. Payments to Municipal Administrations under public agreements
6. Foreign suppliers
7. Low-value purchases paid in cash
8. Car washes or fuel purchases not payable via fuel card
9. Events / conventions
10. Passive leases

⁷ Italgas SpA, Italgas Reti, Medea, Toscana Energia, Italgas Newco, Geoside, Bludigit and Immogas; in addition to these, and only in relation to supplier KPIs, also Umbria Distribuzione and Metano Sant’Angelo are included.

⁸ Nepta, Idrolatina, Idrosicilia, Acqua Campania, Laboratorio Acqua Campania.

⁹ Enaon and Enaon EDA.

11. HR-related suppliers (welfare, training, etc.)

12. Professionals and consultants (those related to Administration, Finance and Control)

For Italian water companies, the criterion used to define “Tier-1 suppliers” is based on invoiced revenue in FY 2024. For Greek gas distribution companies, the criterion used to define “Tier-1 suppliers” on payment records in FY 2024.

1.2 Significant suppliers in Tier-1 are identified based on the following parameters, provided that at least one of the criteria is met. The fifth parameter is a discretionary assessment made by the Commodity Manager, drawing on their professional knowledge of the business.

#	PARAMETER	SIGNIFICANT
1	Merchandise group	“Strong” Complexity
2	Supplier Revenue as a Percentage of Total ITG Revenue	> 0,2 %
3	Number of active contracts	>= 6
4	Supplier Presence Across Multiple ITG Group Companies with Active Contracts	>= 4
5	Business	Commodity manager evaluation

1.3 % of total spend on significant suppliers in Tier-1 is calculated as total turnover of significant suppliers on total turnover of suppliers.

1.4 Total number of significant suppliers in non Tier-1: are Identified considering only indirect suppliers/subcontractors (with no direct turnover value with the Group). For those subcontractors related to subcontracted works, the criterion used to define “significant suppliers in non Tier-1” is based on subcontracted works that have a total value grather than 100,000 €. For those subcontractors related to goods, the criterion used to define “significant suppliers in non Tier-1” in based on the strategic importance of the supplied good for the Group. Data refers only to Italian companies – excluding water businesses, since Italian water companies and Greek gas distribution companies do not monitor subcontractors.

1.5 Total number of significant suppliers (Tier-1 and non Tier-1): Sum of 1.2 and 1.4, that is the total number of direct and indirect suppliers impacting the business in terms of: nature of the business, complexity, strategic relevance, high volumes, and technological impact.

Supplier Assessment and/or Development

Supplier Assessment	Units	FY 2024
1.1 Total number of suppliers assessed via desk assessments / on-site assessments	#	247
1.2 % of unique significant suppliers assessed	%	70.77
1.3 Number of suppliers assessed with substantial actual / potential negative impacts	#	247
1.4 % of suppliers with substantial actual / potential negative impacts with agreed corrective action/improvement plan	%	70.77
1.5 Number of suppliers with substantial actual / potential negative impacts that were terminated	#	4

1.1 Total number of suppliers assessed via desk assessments/on-site assessments:

Significant suppliers are required to complete the ESG questionnaire (CRIF-Synesgy) during the initial qualification process, at qualification renewal, and when participating in tenders. The ESG questionnaire is valid for two years and does not renew automatically. Suppliers exempt from the standard qualification process are not included in the assessment, as they are also exempt from completing the ESG questionnaire (see list of exemption cases below):

1. Public Administrations or Public Entities;
2. Professionals appointed by Public Administrations for testing or designated services;
3. State-recognized certification/accreditation bodies or entities;
4. Law Firms and Notary Offices, and related professionals (e.g., court-appointed technical consultants or professionals providing technical assistance before tax commissions);
5. Individuals (natural persons);
6. Individual Enterprises;
7. Companies issuing securities;
8. Companies producing and distributing public utility services under exclusive concession (e.g., Integrated Water Service);
9. Italgas Group companies;
10. Entities operating in areas regulated by law (e.g., suppliers involved in the "110% Superbonus" scheme);
11. Start-ups;
12. Innovative SMEs.

1.2 % of unique significant suppliers assessed: total number of significant suppliers assessed on total number of significant suppliers (Tier-1 and non Tier-1).

1.3 Number of suppliers assessed with substantial actual/potential negative impacts:
All Italgas Group suppliers are considered to have actual or potential negative impacts and are therefore subject to ESG assessment. This approach ensures that suppliers with the greatest potential influence on environmental, social, or governance (ESG) outcomes are effectively monitored and managed.

1.4 % of suppliers with substantial actual/potential negative impacts with agreed corrective action/improvement plan: number of suppliers assessed with substantial actual/potential negative impacts on total number of significant suppliers (Tier-1 and non Tier-1). At Italgas, each supplier identified as having substantial actual and/or potential negative impacts is monitored through the annual update of the ESG questionnaire (CRIF-Synesgy). The questionnaire consists of three sections: the ESG score, a sector benchmark that positions the supplier relative to its industry peers, and a Corrective Action Plan (CAP). By completing the CRIF-Synesgy Questionnaire, the supplier gains insight into both the overall and specific levels of sustainability within their organization through the CAP. The supplier is expected to adopt a responsible business approach by completing and updating the ESG questionnaire annually and actively engaging in the improvement initiatives outlined in the CAP. For more detailed information, please refer to the Italgas website: <https://www.italgas.it/en/partner/suppliers/vendor-rating/>

1.5 Number of suppliers with substantial actual/potential negative impacts that were terminated: number of suppliers with temporary suspensions due to contractual breaches and professional misconduct.

GHG emissions Scope 1

GHG emissions scope 1	Units	FY 2024
Fugitive emissions	tCO ₂ eq	100,800
Energy-consumption-based emissions	tCO ₂ eq	17,970
Total scope 1 emissions	tCO₂eq	118,770

CALCULATION METHODOLOGY

Emissions considered in the item "Fugitive emissions" include fugitive, venting, pneumatic and unburned emissions. More specifically, pneumatic and unburned emissions are zero. Fugitive emissions calculation is based on the implementation of advanced and innovative tools for

high-precision leak detection, such as Picarro's Cavity Ring-Down Spectroscopy system. "Energy-consumption-based emissions" include emissions from the Group's vehicle fleet (based on kilometers travelled as already described under paragraph "NOX Emissions") and emission from industrial and civil use of Natural gas (based on total gas volumes consumed as already described under paragraph "NOX Emissions"). For the calculation of those Scope 1 emissions, the latest available factors from ISPRA and DEFRA sources were used.

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT ON THE STATEMENT OF SPECIFIC SUSTAINABILITY INDICATORS

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

We carried out a limited assurance engagement of specific sustainability indicators (hereinafter also “KPIs”) included in the attached report of those indicators (hereinafter also “Sustainability KPIs Report” or “KPIs Report”) of Italgas S.p.A. (hereinafter the “Company”) and its subsidiaries (hereinafter also the “Group” or “Italgas Group”) as of December 31, 2024, prepared on a voluntary basis, in accordance with the criteria defined by the Directors and described in the paragraph “Methodological Note” of the KPIs Report itself.

Responsibility of the Directors

The Directors of Italgas S.p.A. are responsible for the reporting of the indicators, included in the KPIs Report, in accordance with the criteria defined by the Directors itself and described in the paragraph “Methodological Note” of the Report itself, and for the preparation of the KPIs Report. They are also responsible for such internal control as they determine is necessary to enable the preparation of the KPIs Report that is free from material misstatement, whether due to fraud or error.

Independence and quality management

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

Our firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibility

Our responsibility is to express our conclusion about the compliance of the indicators reported in the KPIs Report with the criteria defined by the Directors and described in the paragraph "Methodological Note" of the KPIs Report, based on the procedures performed.

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

The procedures performed on the information subject to limited assurance are based on our professional judgement and included inquiries, primarily with company personnel responsible for the preparation of information under limited assurance, analysis of documents, recalculations and other procedures aimed to obtain evidence as appropriate.

Specifically, we carried out the following procedures:

- o obtaining the KPIs Report, provided by the Company, which includes the reporting values of the KPIs subject to assurance as at December 31, 2024 and, for each of them, the description of the criteria used for reporting;
- o understanding and analysis of the criteria used for KPIs reporting, included in the paragraph "Methodological Note" of the KPIs Report;
- o where applicable, comparison between the data and information related to KPIs included in the KPIs Report and the respective data and information included in the Consolidated Sustainability Statements as at December 31, 2024, where reported;
- o analysis and understanding, through interviews, of the processes and procedures that support the collection, aggregation, elaboration and transmission of KPIs data reported in the KPIs Report;
- o carrying out meetings with the Company in order to obtain information and documentary evidence, on a sample basis, about the correct application of the procedures and calculation methods adopted for each of the KPIs reported in the KPIs Report, with respect to the criteria defined by the Directors.

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that information subject to limited assurance presented in the KPIs Report of the Italgas Group as of December 31, 2024 is not prepared, in all material respects, in accordance with the criteria defined by the Directors and reported in the paragraph “Methodological Note”.

DELOITTE & TOUCHE S.p.A.



Paola Mariateresa Rolli
Partner

Milan, Italy
August 1, 2025