

At the heart of the energy transition

**NFD
2023**

**CONSOLIDATED
NON-FINANCIAL
DISCLOSURE**

LETTER TO STAKEHOLDERS

Dear Stakeholders, I would like to take the opportunity provided by this space to share with you an update on our approach to sustainability and our performance in this regard in 2023.

As operators in the energy sector, we are well aware and feel directly responsible for our involvement in the epochal change that humanity is currently facing to transform its existing energy paradigms. Indeed, the main goal is to mitigate the impacts on the environment and climate, and to safeguard the needs and well-being of future generations.

In the path towards decarbonisation, the gas sector plays an crucial role, both in guaranteeing the security and flexibility of the national energy system, and in its integration with renewable energy sources. Over the years, in its role as a distributor, 2i Rete Gas has increasingly put Environmental, Social and Governance (ESG) objectives at the very centre of its actions and strategy. This is done by combining continuous efforts to guarantee users the best levels of service quality, safety and efficiency with the commitment to contribute to the path towards a more sustainable future.

In addition to the constant alignment with the most recognised international standards and the improvement of sustainability ratings, over the last year the Group's efforts – and consequently also its tangible results – have focused on the issues of decarbonisation, innovation and efficiency.

As regards the reduction of the carbon footprint, with the support of state-of-the-art technologies we further intensified our fugitive emission detection and leak repair campaigns, resulting in a 35% reduction in network emission factors compared to the 2021 baseline, reaching the target set for 2025 two years early.

In recognition of the credibility of our commitments and goals to reduce methane emissions into the atmosphere, the Oil & Gas Methane Partnership (OGMP), which the Company has voluntarily joined since 2022, awarded 2i Rete Gas the Gold Standard, the highest recognition provided for by the OGMP 2.0 Framework.

Moreover, well aware that the distributor's support for decarbonisation goes hand in hand with enabling the end-use of carriers with a low environmental impact, the Group has continued, on the one hand, in its

commitment to facilitate biomethane connections, also driven by the more favourable regulatory framework and, on the other hand, to develop various initiatives aimed at facilitating the distribution of hydrogen mixtures in increasing percentages.

As regards innovation in the development of a smart and flexible network capable of managing renewable energy sources as dynamically as possible, in 2023 2i Rete Gas gave a further substantial boost to investments in the digitalisation of the its plants. This was primarily achieved through the implementation of an advanced IoT platform and the constant application of advanced analytics tools, enabling the effective use of the large amount of data and information collected daily. All with clear positive effects in terms of better process control, higher quality and safety standards, as well as enhanced operational efficiency.

In addition, we continue to strive to reduce all of our Group's energy consumption, whether related to technological systems, corporate offices or the car fleet, for which we have launched a major electrification plan.

The effectiveness of our multidisciplinary approach to the energy transition is also confirmed

by the eligibility to receive funding from ARERA, the Regulatory Authority for Energy Networks and the Environment, for all four experimental projects aimed at the innovative use of networks, presented by 2i Rete Gas. The projects focus precisely on maximising the use of green gases, limiting emissions into the atmosphere, and reducing the energy consumed in plants.

Indeed, we strongly believe that the path towards the challenging decarbonisation targets that have been set depends directly on a wide range of initiatives, with a view to technological neutrality. This, together with the reliance on the complementary and coordinated contribution of the various components of the energy sector, in particular those responsible for distributing energy to end consumers. Only based on this approach can effective solutions that take into account the specific characteristics of the different areas – for example in terms of climate, housing and available renewable sources – be implemented, maximising the value of existing infrastructure, optimising the use of the necessary resources, exploiting the synergies between the different energy carriers, and ensuring the environmental



and social sustainability of this important path.

Last but not least, we know that our contribution to achieving increasingly more ambitious results is made possible only thanks to the daily commitment of our people, who are actively engaged in the future challenges lying ahead of us, as well as key participants in a widespread and conscious culture of sustainability.

Our heartfelt gratitude therefore goes to each of them, as well as to all of our stakeholders who continue to support us in the path undertaken.

Francesco Forleo
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 2023 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 to **Italian Legislative Decree no. 254 of 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 the “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

carried out, considering at the same time the results of the most recent materiality analysis carried out in the meantime.

In the year just ended, 2i Rete Gas continued the process to align the **Recommendations of the Task Force on Climate-related Financial Disclosures** (hereinafter referred to as “TCFD”) with 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 NFD **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 2023. These are: Cilento Reti Gas S.r.l. and 2i Rete Dati S.r.l..

The NFD is published annually. Since no significant transactions took place during 2023, additional explanatory notes are not deemed necessary.

The following indicators refer to the reporting year from **1 January to 31 December 2023**; in order to ensure comparability, the data and information for financial years 2021 and 2022 have also been reported as required by the GRI. In this respect, it is pointed out that in 2022 it was

necessary to recalculate information provided 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 2023, following on from the activities undertaken in previous years, the Group continued to develop its process focused on further integrating sustainability with its corporate strategy and business operations.

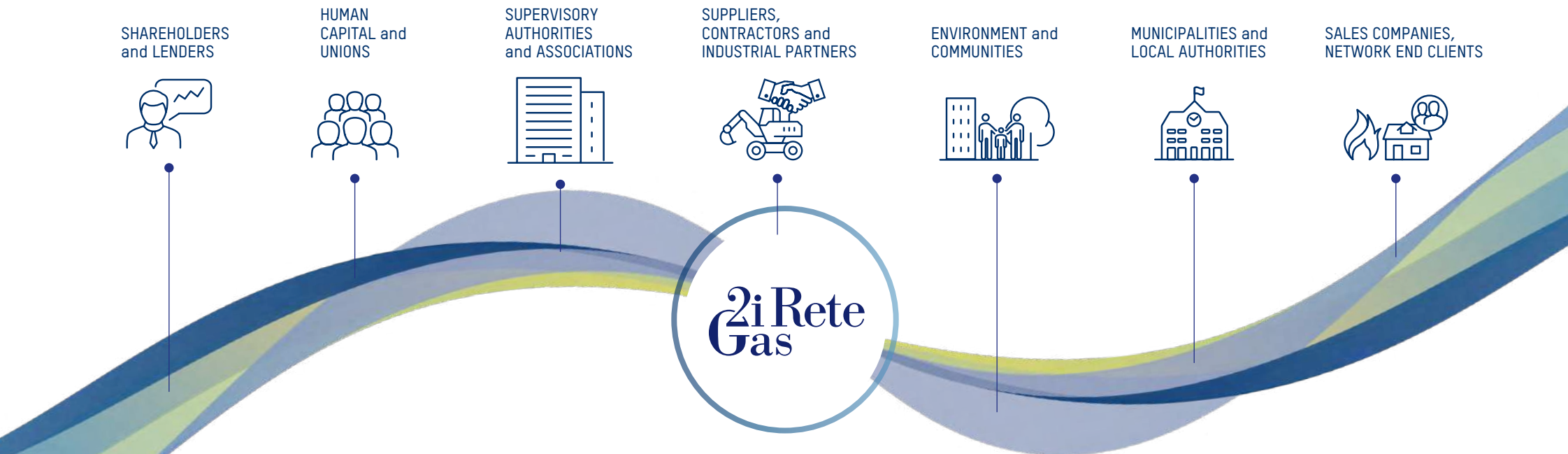
As part of this process, the **stakeholder mapping** was confirmed, and an update to the **materiality analysis** was carried out, in accordance with the GRI Standards 2021. Regarding stakeholders, both inter-

nal and external categories — already identified in 2020 as parties towards which the Group has responsibilities and/or that can have an impact on its performance, whose interests and expectations are therefore con-

sidered when making corporate decision — were confirmed. As a result, in addition to the initiatives underpinning the materiality analysis, in 2023 2i Rete Gas continued to pursue its interaction practices, which has al-

ready been aimed, for some time, at employees as part of the assessment of work-related stress (see “Engagement”), as well as at clients as part of the customer satisfaction analysis (see “Satisfaction”).

Key stakeholders for the Group



THE FUTURE OF MATERIALITY

In addition, 2i Rete Gas has also begun an initial assessment of the risks and opportunities associated with the topics considered material in view of the double materiality obligations to which the Group will be subjected, starting next year, in compliance with the requirements of the Corporate Sustainability Reporting Directive (CSRD). To this end, in fact, the ESG Working Group was also asked to assess, qualitatively and according to the two dimensions

concerning the **magnitude of the possible financial effects** and their **probability of occurrence**, a list of risks and opportunities, identified and clustered following a benchmark analysis, in relation to the topics considered material. It should be noted that this exercise, which is currently still underway, did not impact the definition of materiality for the purposes of this NFD and was therefore not subject to assurance by the independent auditors.

The update of the materiality analysis focused on the assessment of the topics based on the identification of the most significant related **impacts** – positive and negative, current and potential – that the Group generates or may generate in the future, in light of the operational and systemic risks or opportunities to which it may be exposed. As detailed in the table below, this analysis included the following activities:

- context analysis, identification of the main positive or negative, current or potential impacts;

- assessment by the ESG Working Group;
- definition of material topics according to the impact analyses;
- assessment of the same by stakeholders;
- prioritisation of material topics.

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 a benchmark analysis regarding the main positive or negative impacts identified by Peers.

The findings of these activities resulted in:

- on the one hand, confirmation of the 2 **prerequisites** – namely the topics considered as indispensable, already as of 2019, for ensuring responsible business management – and of the **cross-sector material topic**, considered as of 2021 as necessary for monitoring ESG aspects. The prerequisites confirmed were **“Listening to stakeholders”** and **“Creating sustainable economic value”** which, together with the **“Integration of ESG factors in corporate governance”** cross-sector material topic, were not subject to further significance assessments.
- on the other hand, the integration of the **“Digital development”** topic within **“Reliability and efficiency of plants”**, renaming the topic to **“Reliability, efficiency and digitalisation of plants and processes”** (as the former is considered a functional condition to ensure the reliability of plants and processes, minimising the related impacts and risks and allowing for eventual business development opportunities to be taken advantage of);

- finally, the **“Compliance with laws and regulations”** and **“Business ethics and anti-corruption”** topics, which until last year had not been assessed as they were considered prerequisites, have been reincluded in the analysis process, allowing for greater emphasis to be placed on the disclosure obligations that will be required as of next year under the Corporate Sustainability Reporting Directive (CSRD).

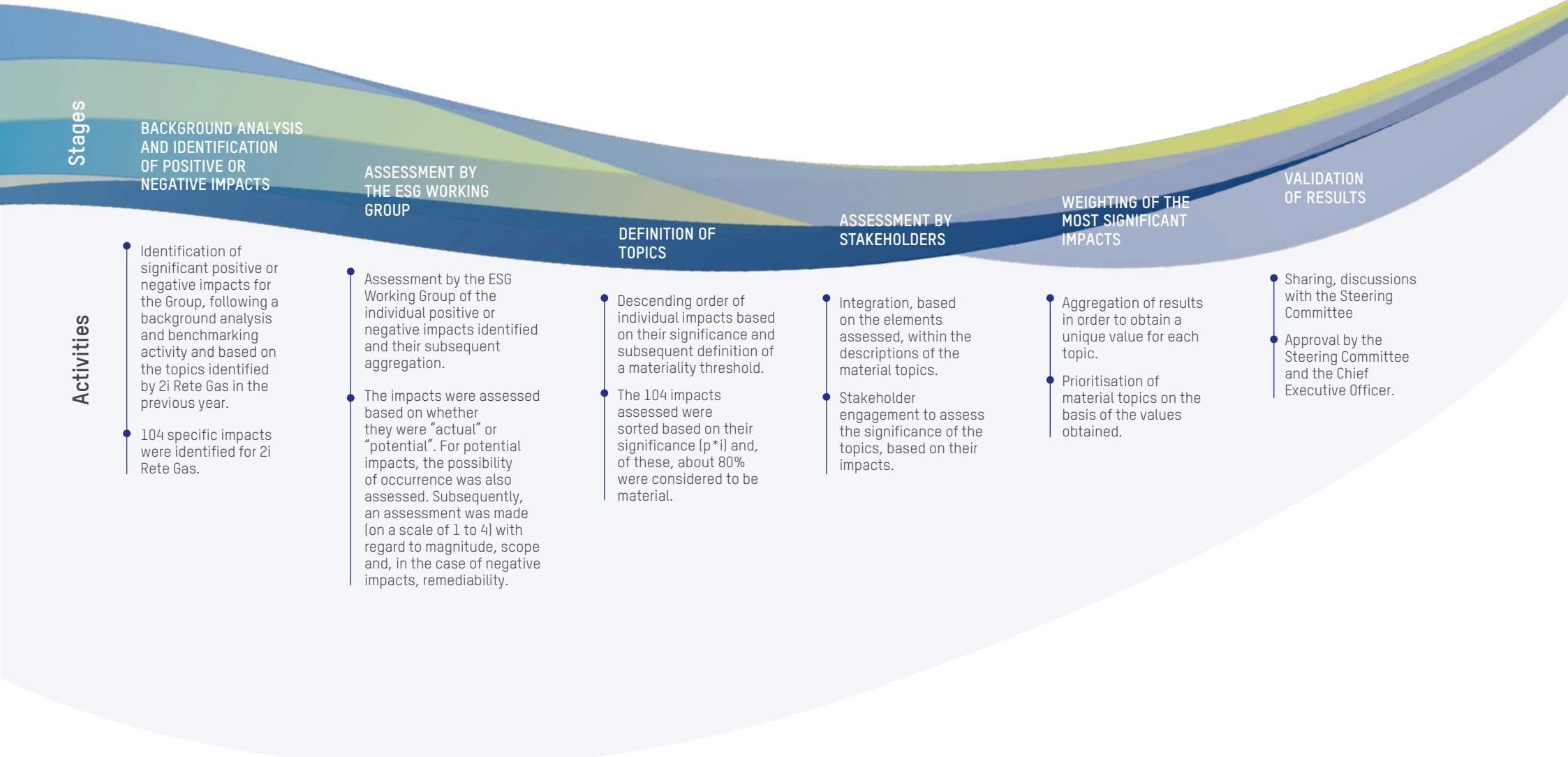
In order to validate the elements analysed and assessed by the ESG Working Group in relation to the material topics that emerged from the background analysis, a questionnaire was prepared, addressed both to 2i Rete Gas S.p.A.'s Board of Directors and to a representative sample of stakeholders, consisting of a panel of employees, some suppliers and some sales companies. The results of the individual evaluations were then aggregated and weighted to obtain a unique value for each topic.

The results were presented to the Steering Committee for discussion, application of adjustments where deemed necessary to better reflect the current state of the Group's

priorities, prioritisation, and subsequent validation by the CEO.

In light of this process, which showed results **virtually in line** with previous years, 13 material topics were therefore confirmed, two of which previously reported as prerequisites.

Process for the definition of materiality



Stages

BACKGROUND ANALYSIS AND IDENTIFICATION OF POSITIVE OR NEGATIVE IMPACTS

ASSESSMENT BY THE ESG WORKING GROUP

DEFINITION OF TOPICS

ASSESSMENT BY STAKEHOLDERS

WEIGHTING OF THE MOST SIGNIFICANT IMPACTS

VALIDATION OF RESULTS

Activities

- Identification of significant positive or negative impacts for the Group, following a background analysis and benchmarking activity and based on the topics identified by 2i Rete Gas in the previous year.
- 104 specific impacts were identified for 2i Rete Gas.

- Assessment by the ESG Working Group of the individual positive or negative impacts identified and their subsequent aggregation.
- The impacts were assessed based on whether they were “actual” or “potential”. For potential impacts, the possibility of occurrence was also assessed. Subsequently, an assessment was made (on a scale of 1 to 4) with regard to magnitude, scope and, in the case of negative impacts, remediability.

- Descending order of individual impacts based on their significance and subsequent definition of a materiality threshold.
- The 104 impacts assessed were sorted based on their significance (p*i) and, of these, about 80% were considered to be material.

- Integration, based on the elements assessed, within the descriptions of the material topics.
- Stakeholder engagement to assess the significance of the topics, based on their impacts.

- Aggregation of results in order to obtain a unique value for each topic.
- Prioritisation of material topics on the basis of the values obtained.

- Sharing, discussions with the Steering Committee
- Approval by the Steering Committee and the Chief Executive Officer.

The material topics and their respective descriptions based on positive or negative impacts, resulting from the process described above, are presented below:

Impact Description

CLUSTER	TOPIC	DESCRIPTION
PEOPLE	Management, development and engagement of human capital	Impacts on employees, on their satisfaction levels and on internal transfer of know-how as a result of the possible lack of adequate development and training plans, poor staff management practices and a cultural resistance to change. In addition, employee dissatisfaction and loss of staff could lead to a deterioration in the Group's performance and corporate appeal. On the contrary, the implementation of appropriate strategies and specific training plans, in line with both internal know-how needs and employee expectations, could improve business productivity.
PEOPLE	Safeguarding occupational health and safety	Impacts on employees due to the possible lack of adequate safeguards aimed at protecting their health and safety in the workplace. In addition, the possible increase in work-related injuries suffered by employees could generate an increase in costs, a decrease in productivity, as well as reputational damage. On the contrary, proper management of the topic could reduce the costs associated with the occurrence of such injuries.
PEOPLE	Diversity, inclusion and welfare	Impacts on people in terms of gender and generational disparity due to potential cultural barriers and resistance, unfair working conditions and welfare plans perceived as ineffective. In addition, the eventual challenges related to the implementation of programmes able to guarantee inclusion and fairness of professional treatment and remuneration to all employees could generate a loss of corporate appeal to the outside world, an increase in disputes related to this topic and lower worker productivity. On the contrary, investments aimed at creating a positive working environment attentive to different needs, the provision of welfare programmes and remote-working agreements could increase business efficiency, while also impacting the psycho-physical well-being of employees.
ASSETS	Reliability, efficiency and digitalisation of plants and processes	Impacts on the environment and on people's health due to the lack of network innovation, with possible inefficiencies in identifying gas leaks in a timely manner. In addition, the eventual lack of an adequate planning of interventions and technological investments and the ineffective management of networks could cause reductions in the Group's profitability and competitiveness, leading to interruptions in business continuity and operational inefficiencies. In fact, it is also important to note that an increase in costs related to the adaptation of infrastructure to weather events caused by climate change is also possible. On the contrary, the adoption of digital technologies and the implementation of investments, also aimed at securing networks, could reduce the associated operating costs and improve the service offered.
ASSETS	Privacy and data security	Social impacts attributable to the possible compromise of the quality of the service provided due to the occurrence of cyber threats and the eventual circulation of sensitive information. In addition, the possible inadequacy of IT and OT (operational technology) systems, as well as an eventual lack of attention to cyber security aspects, could lead to economic damage due to the risk of incurring fines and penalties. On the contrary, careful management of the Company's data and information could generate reputational benefits.
ENVIRONMENT	Energy transition	Impacts on the environment and on society due to the lack of structured initiatives to ensure a sustainable development of the gas infrastructure in the medium to long term. In addition, possible developments in the legislative/regulatory framework on incentives aimed at energy efficiency interventions could result in operational risks with potential economic losses related to discouraging the use of gas in favour of other renewable energy sources. On the contrary, investments aimed at contributing to the energy transition through efficiency enhancements and/or partnerships could increase the Company's corporate appeal, offer new capital and/or business opportunities.
ENVIRONMENT	Optimisation of energy resources and environmental protection	Impacts on the environment due to the generation of greenhouse gases and the possible lack of a commitment to make consumption more efficient and decarbonise the supply chain. In addition, the generation of environmental impacts, including emissions, and the failure to achieve reduction targets could result in reputational and economic damage for the Company, related to the increase in costs to adapt its plants and internal processes required by an eventual tightening of specific legislation. On the contrary, greater attention to these topics could generate economic benefits attributable to technological improvements and an efficient use of resources, as well as the creation of new access to the capital market.

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>> continued

CLUSTER	TOPIC	DESCRIPTION
ENVIRONMENT	Biodiversity	Impacts on habitats, biodiversity and natural capital due to a lack of safeguards focused on limiting the negative effects that the Company's infrastructures could generate on ecosystems. In addition, changes and/or tightening of regulations on biodiversity protection and the lengthening of the time required to obtain permits for the construction of infrastructures could increase costs. On the contrary, the adoption of specific safeguards relating to biodiversity could generate an improvement in the Company's reputation.
STAKEHOLDERS	Relations with Institutions and Authorities and contribution to the development of the region	Impacts on stakeholders due to possible delays in the implementation of infrastructure projects in the regions where the Company operates due to a worsening of relations with local communities. On the contrary, the implementation of projects with positive impacts on the community could provide access to national and international funds, as well as increase brand awareness.
STAKEHOLDERS	Relations with clients	Impacts on the Company's clients, thanks to the dissemination of sustainable practices in their behaviours and consumption styles. In addition, the eventual reduction in client satisfaction levels and possible errors and/or omissions in communication with them could generate economic and reputational damage for the Company, with a potential loss of clients. On the contrary, investments in tools able to promptly respond to the Company's needs and improve the brand perception could increase loyalty, with positive effects on business performance.
STAKEHOLDERS	Responsible supply chain management	Impacts on the health and safety of people and the environment attributable to an eventual lack of safeguards on the Company's part to monitor its suppliers' compliance with applicable regulations. In addition, collaboration with suppliers that do not adopt responsible environmental and social practices could generate reputational impacts for the Company. On the contrary, prudent management of these aspects and greater attention to relations with its suppliers could reduce operating costs, strengthen the Company's image and attract new investors.
PREREQUISITES	Business ethics and anti-corruption	Impacts on stakeholder trust due to possible episodes of corruption and/or a lack of/incorrect application of ethical principles while conducting business. In addition, possible episodes of corruption and/or unethical conduct could generate reputational and economic damage for the Company, while a correct management of the same could result in an improvement in the Company's image and its stakeholder relations.
PREREQUISITES	Compliance with laws and regulations	Impacts on the community or the environment due to the eventual lack of adequate reporting mechanisms or effective governance on compliance with laws and regulations. In addition, the possible violation of current and future regulations, internal regulations and applicable reference standards could increase the costs related to fines and penalties, also affecting the Company's reputation and that of its management.
STAKEHOLDERS	Transparent, clear and thorough disclosure	Impacts on stakeholders due to ineffective communication of the Company's financial and sustainability performance and its corporate strategies and policies. In addition, the eventual sharing of unclear and/or incomplete disclosures (financial and non-financial) and communications could generate an increase in costs due to non-compliance with current regulations and reputational damage to the Company, due to negative or downgrades in ratings. On the contrary, correct and clear communication vis-à-vis its stakeholders could generate benefits for the Company in terms of reputation and attractiveness for investors.

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

The ESG Working Group collected data related thereto, provided

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

Finally, the economic data contained

in the NFD were taken from the Group Consolidated Financial Statements.

The Board of Directors of 2i Rete Gas S.p.A. approved this document on 22 March 2024. 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 email address is available for any clarification

regarding the NFD and/or the information contained therein:



sostenibilita@2iretegas.it

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

5.3 billion

m³ of gas transported

72 thousand

km of network managed

4.9 million

Redelivery points

2,177

Employees



HIGHLIGHTS, HISTORY AND CORPORATE STRUCTURE

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

Specifically, the Group is currently active at a national level, operating in 18 Italian regions and 140 ATEMs (i.e., the smallest regional areas covered by a single gas distribution network operator). Within these, at the end of 2023, thanks to the contribution of 2,177

employees, the Company has come to serve a total of 2,226 Municipalities and approximately 72 thousand km of network through which it has distributed 5.3 billion cubic metres of gas on behalf of 301 sales companies to approximately 4.9 million end clients, ranking as the second national player in the sector.

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

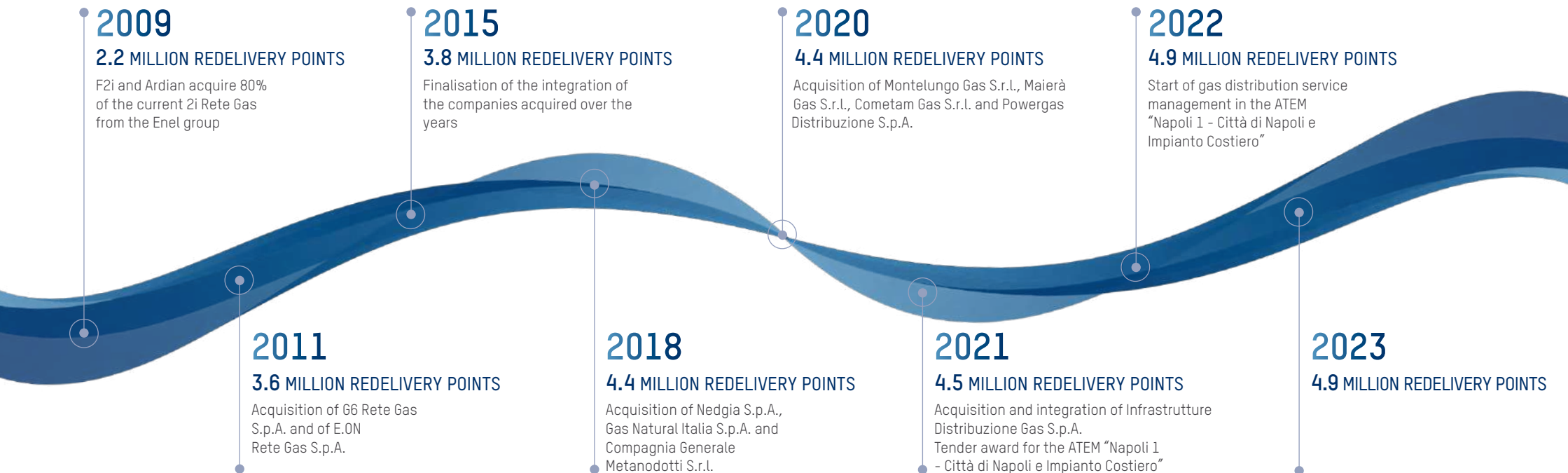
methane pipelines developed across the Italian territory, and thanks to a major path of expansion including through acquisitions, started in the early 2000s, which anticipated the expected effects of calls for tender. Therefore, 2i Rete Gas (which has been operating as an independent distributor since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

rently a Group relying on highly skilled in-house resources, and stands out for its ability to welcome and interpret the new challenges facing the sector.

Some of the key transactions completed by the Company since 2009 include: the acquisition and integration of the Enel Group's distribution network in 2009; the acquisition of the Italian distribution networks of the E.ON German

group and the GDF Suez French group in 2011, which were integrated in 2012 and 2013 respectively; the subsequent acquisitions of the Italian distribution network of the Gas Natural Fenosa group (Nedgia S.p.A.), integrated in 2019, and of the Italian distribution network of Edison S.p.A., part 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 2023, 2i Rete Gas S.p.A. therefore holds a 100% interest in **2i Rete Dati S.r.l.**, with a Sole Director at the top, a 60% interest in **Cilento Reti Gas S.r.l.** and a 60% interest in **2i Servizi Energetici S.r.l.**, both managed by a Board of Directors with Directors representing their shareholders.

The Parent Company also carries out management and coordination activities both vis-à-vis 2i Rete Dati S.r.l. and Cilento Reti Gas S.r.l..

2i Rete Dati operates in the telecommunications sector and, more specifically, it installs and manages the preparatory infrastructure for remote reading and remote management of data from smart gas meters and other types of smart devices.

Cilento Reti Gas is a project company, the remaining 40% of which is held by Bonatti S.p.A. as construction partner, operating under a public concession for the design and construction of the network and the management of the natural gas distribution service in the Bussento, Lambro and Mingardo areas and in the Gelbison and Cervati, Alento and Monte Stella areas, 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

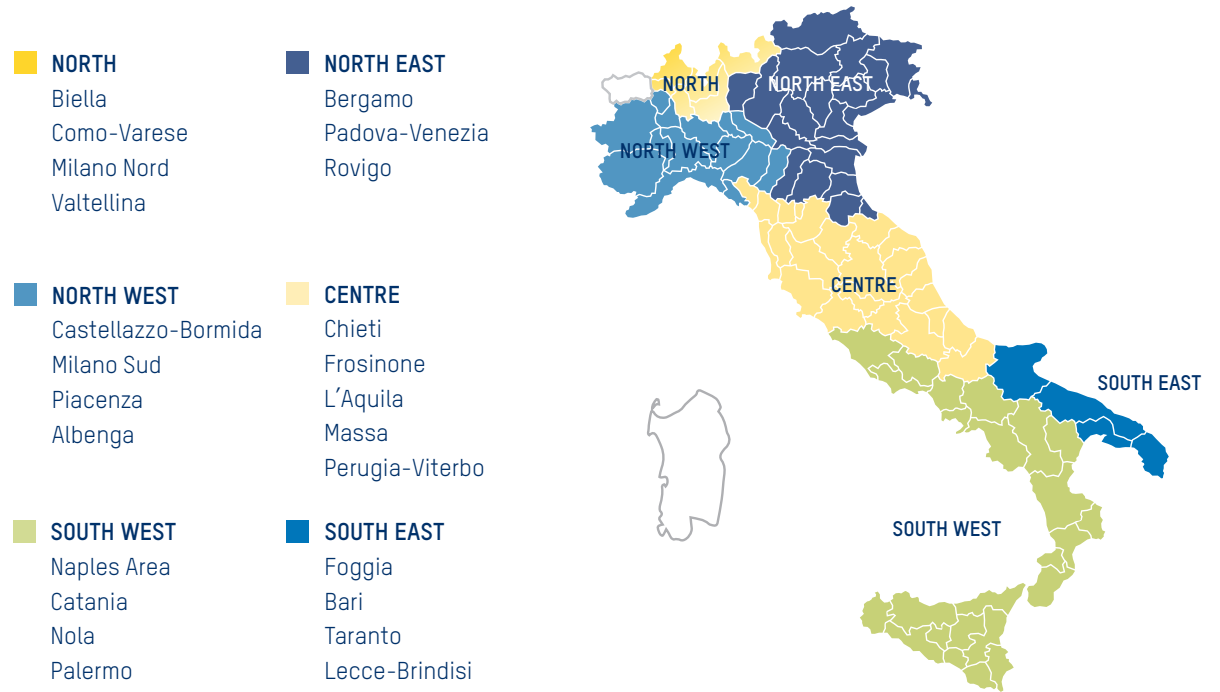
activities and operations management;

- five branch offices dedicated to staff activities in Verona, Frosinone, Acquaviva delle Fonti (BA), Selvazzano Dentro (PD) and Naples;
- six Departments that coordinate 23 Local Areas and the Naples Area,

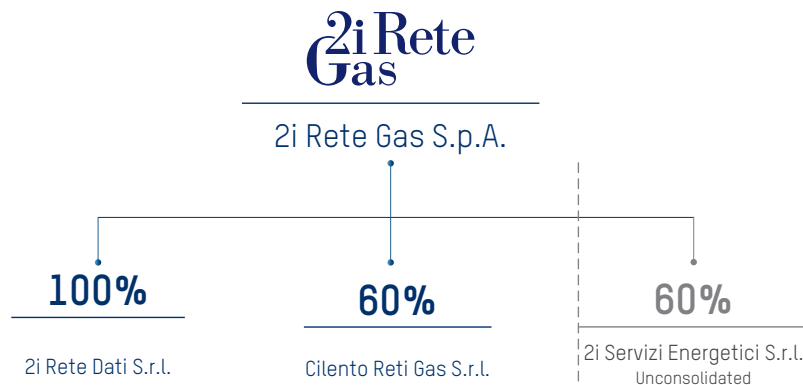
which, in turn, manage their territory of competence.

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

Territorial Departments



The Group as at 31/12/2023



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

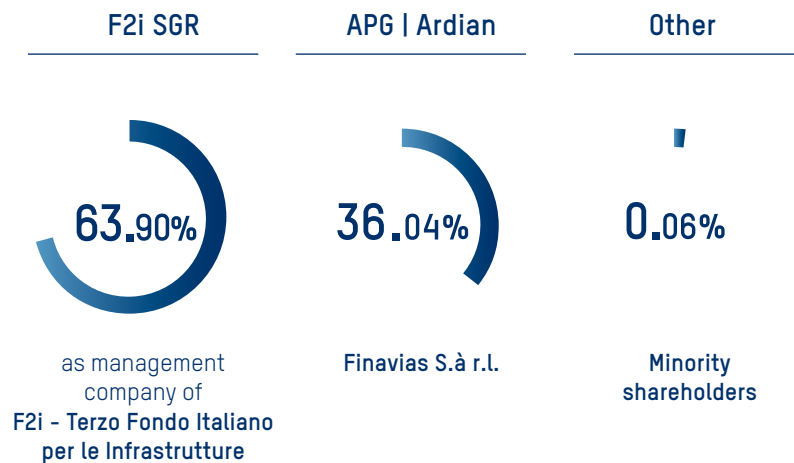
2i Rete Gas S.p.A. is a joint-stock company whose share capital is allocated as follows:

- **F2i SGR S.p.A.**, the largest independent asset management company at a national level, with approximately € 8.2 billion in assets under management, engaging in the collection and management of funds for investment in infrastructures, **acting as the management company of "F2i - Terzo Fondo per le Infrastrutture"**. It is 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 sector globally with assets under management totalling approximately € 573 billion. It is the **second main shareholder, with a 22.42% equity interest (through a 62.20% interest held by Finavias S.à r.l., which directly holds 36.04% of 2i Rete Gas S.p.A.'s share capital);**

- **Ardian**, an independent international investment company that manages investments of approximately € 90 billion in the infrastructure sector across Europe, North America and Asia. It is 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**

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



Rete Gas S.p.A. share capital, as mentioned above).

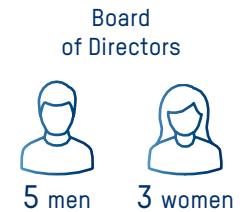
GOVERNANCE STRUCTURE, DELEGATION SYSTEM AND BODIES

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:

- the **Shareholders' Meeting**
- the **Board of Directors**
- the **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, of whom 5 are men and 3 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 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, or indicated by the sponsors of the infrastructure funds managed by them.

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 and management, 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 experience in the sector, their professional expertise, their standing and ability to communicate with institutions and stakeholders and, where deemed appropriate, also through the use of headhunting firms. The aspects verified on a preliminary basis by the Shareholders' compliance functions include the existence and permanence of the requirements of good reputation, 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 and ESG policies of each Shareholder. In the selection process, gender diversity is also taken into account.

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 Stefano Gatti, a 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 with respect to the Company's positioning, organisation and results, as well as with respect to its competitors and, specifically, to peers in the energy infrastructure sector. This is also accomplished by delegation to a restricted panel of directors representing both the controlling shareholder F2i SGR S.p.A. and the shareholder Finavias S.à r.l., as well as by involving leading consulting firms that are experts in the sector.

The Board of Directors holds ordinary meetings at least once a month during each financial year, with the planning of activities ensuring the participation of all 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 documen-

tation 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.

Since 2023, **the Chief Executive Officer** has been Francesco Forleo, **senior manager of the Parent Company**, who has a consolidated 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 goals set out in 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 goals, 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.

The Board of Directors also participated in the latest update of the materiality analysis of 2i Rete Gas, assessing the significance of the impacts associated with the most relevant social, environmental and governance-related topics for the Group (see "Process for the definition of topic areas and materiality").

As part of the ESG (environmental, social and governance) performance assessment by the Board of Directors, it is important to underline the active participation of

the Company in the assessment process conducted by the "Global ESG Benchmark for Real Assets" (GRESB). This commitment has led to a steady improvement in performance over the years. In fact, 2022 had already marked considerable progress, with the Company reaching a score of 92 out of 100, while, despite the change in some assessment parameters not accounted for in previous editions, 2023 closed with an adjusted score of 93.

2i Rete Gas also recorded a further improvement in the rating issued by Sustainalytics, with a "risk rating" that, while it stood at 33.4 points in 2021 and 25.2 points in 2022, reached 22.6 points in 2023, confirming the positive trend of recognition of the Company's efforts in this area.

2i Rete Gas is currently ranked 15th out of 96 companies in the ranking of companies in the "Gas utilities" cluster, a sign of the continued commitment made during the year.

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 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.

INITIATIVES RELATED TO THE SUSTAINABILITY PLAN



In relation to the primary goal set out in the Plan to **develop external stakeholder engagement activities**, in 2023, in addition to carrying out the update of the materiality analysis based on a participatory approach (see "Process for the definition of topic areas and materiality"), the Company also increased **the number of meetings with shareholders, rating agencies and third**

parties, on ESG topics and performance. During the year, the Company participated in refresher sessions as well as training and alignment meetings with shareholders on the progress of corporate activities related to ESG issues, with a specific focus on the prospects for the implementation of the EU Corporate Sustainability Reporting Directive (CSRD) and the draft Corporate

Sustainability Due Diligence Directive (CSDD). Moreover, as part of the meetings with rating agencies and of the activities aimed at renewing its Euro Medium Term Notes (EMTN) bond issuance programme (see "Transparent, clear and thorough disclosure"), the Company outlines its ESG path and organisation to both rating agencies and investors.

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 is a woman) 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 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 Chair; the Chair 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 31/12/2023

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
resigned on 27/04/2023

Francesco Forleo - 1970

Chief Executive Officer and Senior Manager
in office since 27/04/2023
confirmed by the Shareholders' Meeting of 27/04/2023

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
confirmed by the Shareholders' Meeting of 27/04/2023

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

Giovanna Conca - 1958

Chair

Marco Giuliani - 1959

Standing Auditor

Giovanni Cappa - 1959

Standing Auditor

Walter Bonardi - 1946

Alternate Auditor

Ercole Fano - 1986

Alternate Auditor

RESPONSIBLE BUSINESS MANAGEMENT

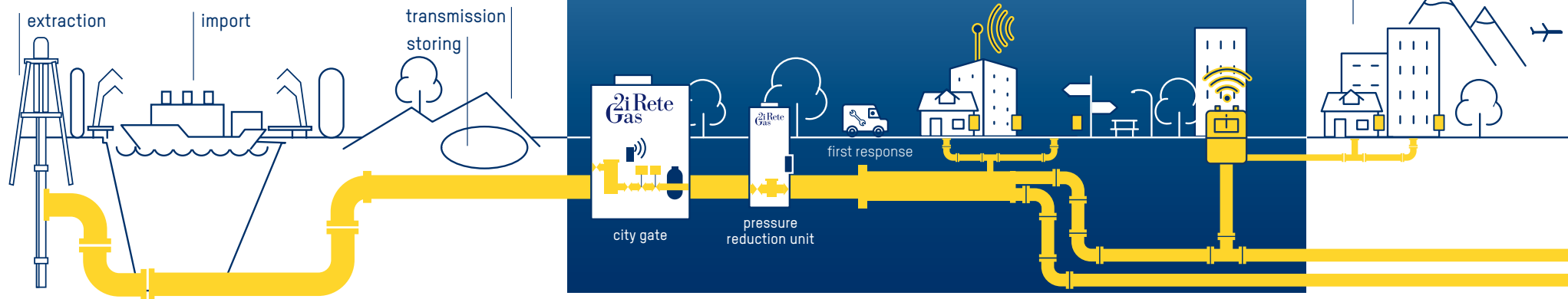
The Group operates in the natural gas supply chain and mainly carries out its business in compliance with the regulations issued by the Regulatory Authority for Energy, Networks and Environment (ARERA), which sets out the terms and procedures for accessing infrastructure and providing the service, as 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 integrated system of infrastructures – consisting of city gates, pressure reduction units, dis-

tribution networks, 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 lie at the foundation of 2i Rete Gas' identity 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 set out in 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, through its staff, it concretely implements inside and outside the organisation, therefore also towards the stakeholders with whom 2i Rete Gas 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 its 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 2023 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. The main stages of this process involved the assumption of specific commitments, together with the definition and periodic updating of a number of closely interconnected monitoring tools: the **Framework**, the **Policy** and the **Sustainability Plan**.

FRAMEWORK

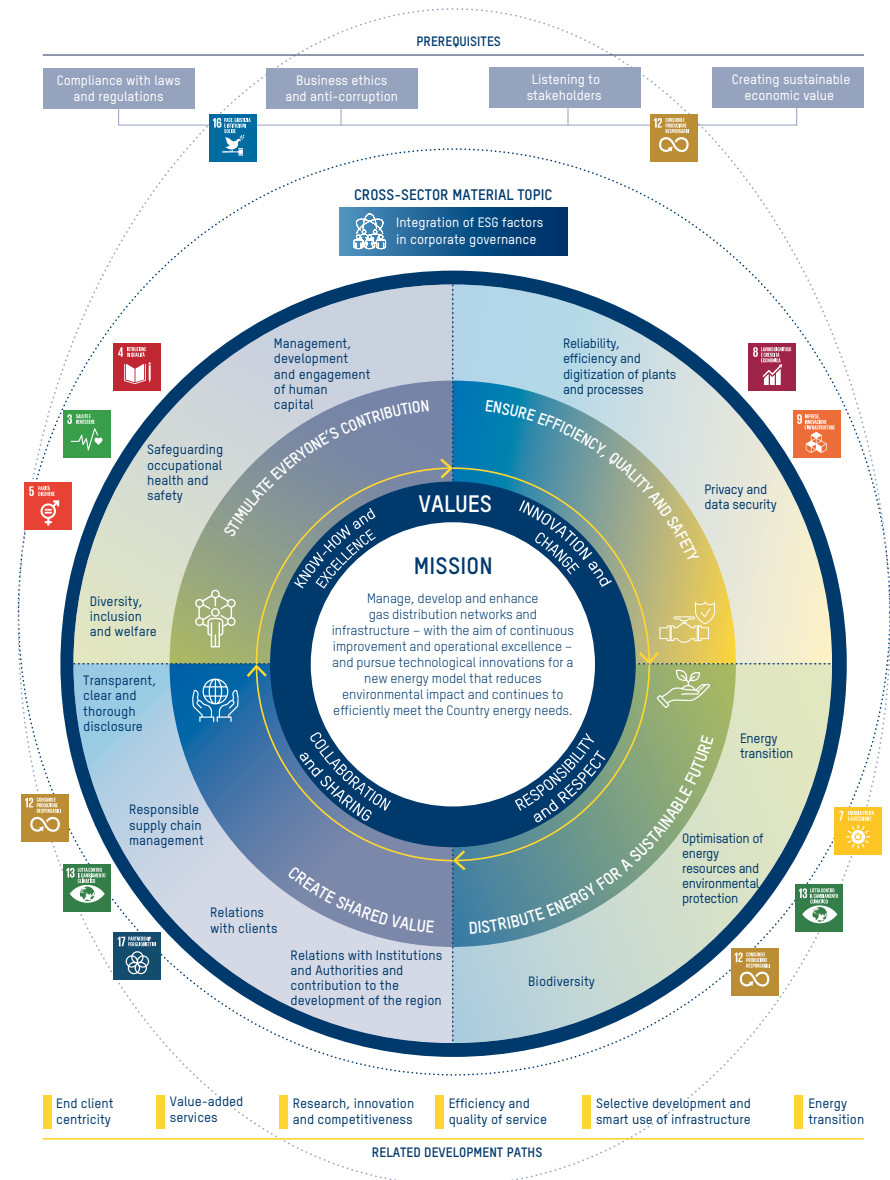
Consistent with the Mission, corporate values, material topics and reference SDGs, the Sustainability Framework:

- 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 multi-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 anal-**

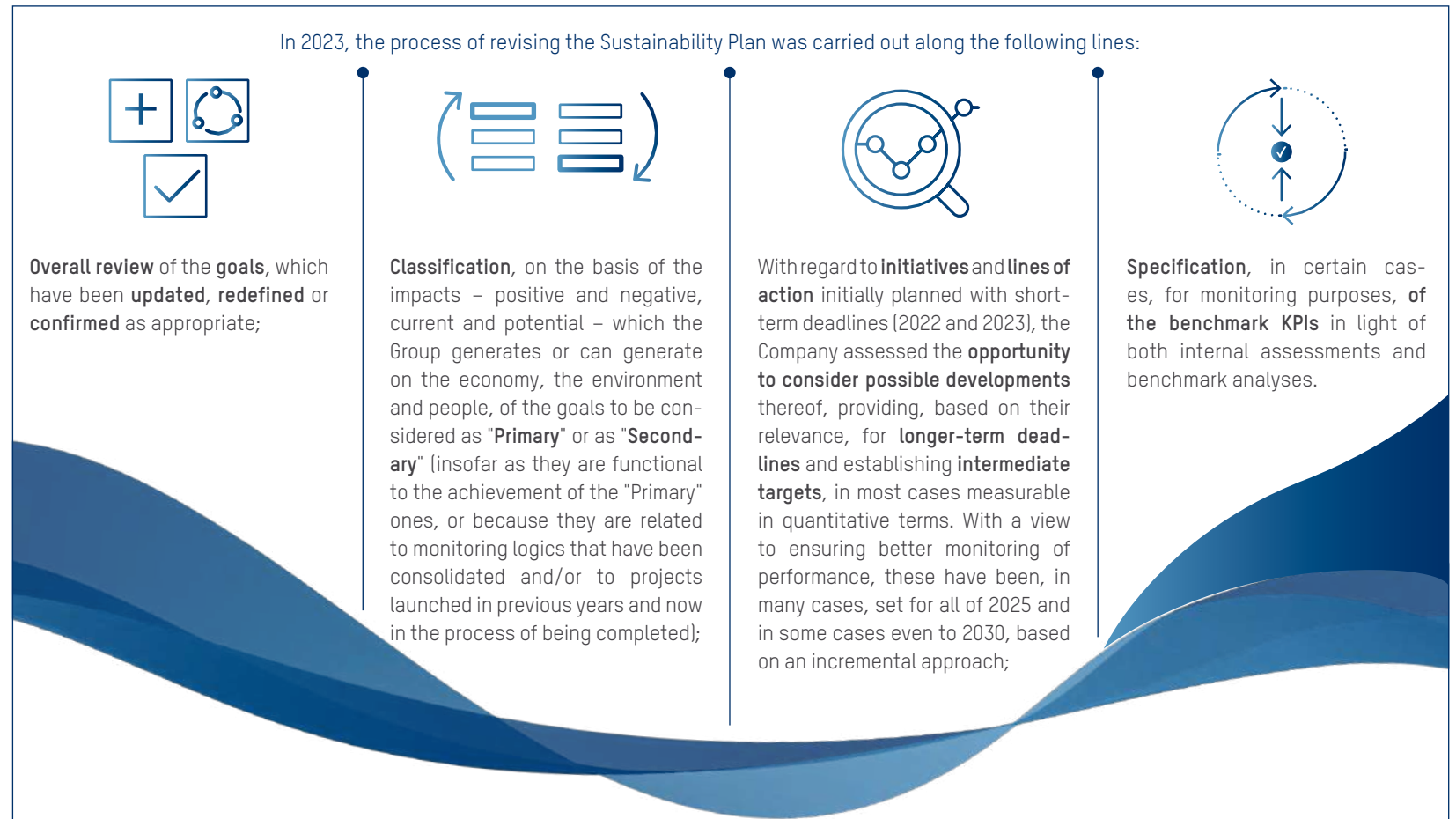
ysis has been updated and the periodic monitoring of the goals and projects included therein, which are consolidated as of 31 December of the previous year and disclosed in the NFD, has been completed. This task entails weighting as well as reviewing performance in relation to the results achieved as bench-

marked 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. The first edition of the Sustainability Plan for the 2020-2023 four-year period was formally approved by the Board of Directors of 2i Rete Gas S.p.A. in March 2020. The Plan was subsequently reviewed in 2021, 2022 and 2023.



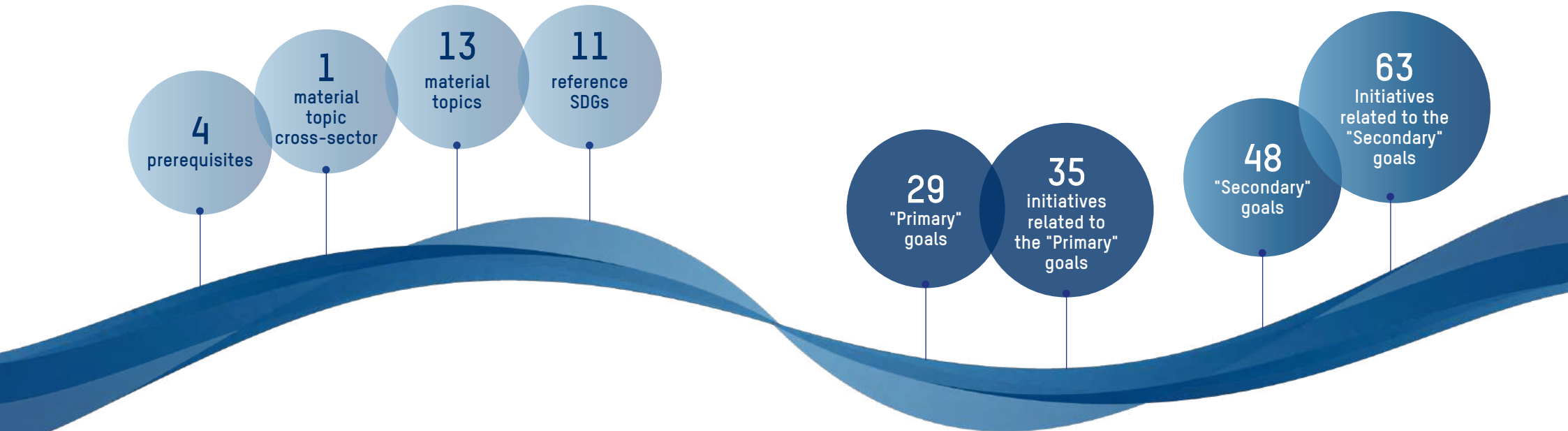
The structure of the revised Plan, formally approved by the Board of Directors of 2i Rete Gas S.p.A. in April 2023, is based on **4 prerequisites**, **1 cross-sector material topic**, **13 material topics**, and **11 reference SDGs**.

It provides for **29 "Primary" goals** to be achieved through the implementation of **35 concrete initiatives** (lines of action and projects), with **33 targets** set for 2023, **32 targets** for 2024, **28 targets** for 2025, **4 medium-term targets** and, finally, **6 long-term targets**.

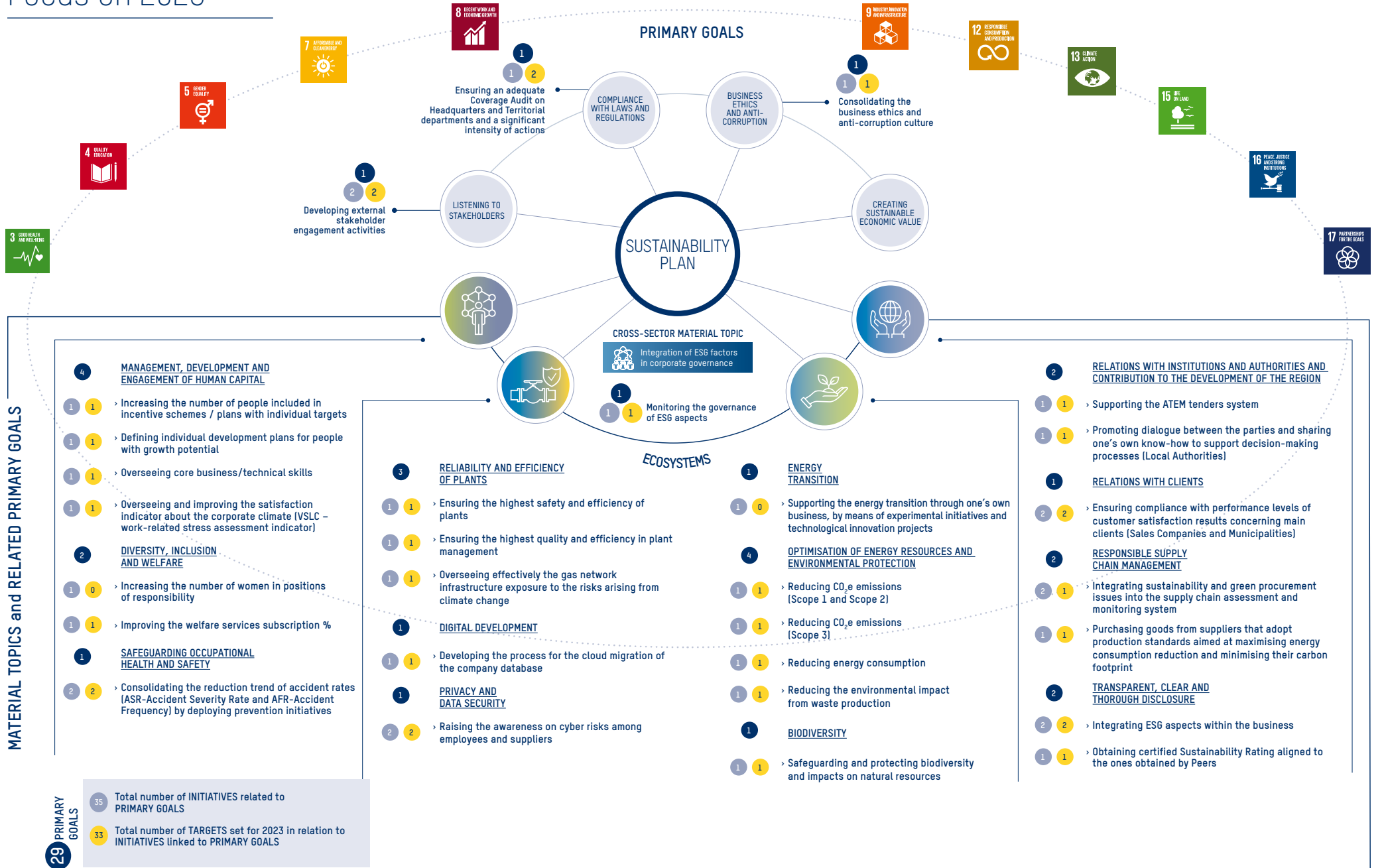
It also provides for **48 "Secondary" goals** to be achieved through the implementation of **63 concrete initiatives** (lines of action and projects), with **59 targets** set for 2023, **56 targets** for 2024, **47 targets** for 2025, **5 medium-term targets** and, finally, **5 long-term targets**.

Structure of the Plan as revised in 2023

In order to promote awareness of the goals and targets that it has set and the impacts expected from achieving them, 2i Rete Gas disseminated a summary of the 2023 Sustainability Plan Review to its employees through its corporate Intranet, also making it available to external stakeholders by publishing it on the Parent Company website.

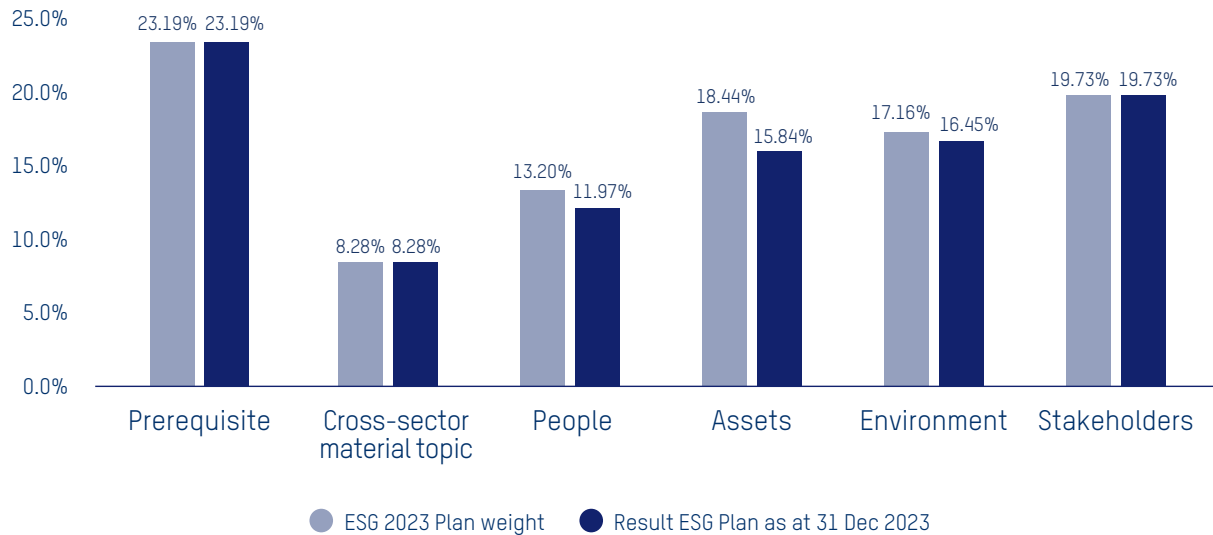



Focus on 2023



From a performance viewpoint, as at 31 December 2023 the overall progress of the Plan over the four-year period stood at **51.8%**, while **95.5%** of initiatives relating to 2023 were completed.

Completion rates of targets achieved compared to targets set in the Plan as at 31 December 2023



 This "Report" features **insight boxes** concerning initiatives that, consistently with the "Primary" goals set out in the Plan, were implemented during the year, achieving the targets set for 2023.

SUSTAINABILITY GOVERNANCE

In order to identify and manage the organisation's impacts on the economy, people and the environment, transferring the sustainability commitments undertaken and annually updated to the entire corporate organisation, and therefore to ensure the maintenance of the provisions defined in the Policy and to achieve the goals set out in the Plan, 2i Rete Gas has identified several figures responsible for overseeing the Sustainability Plan, in terms of implementation and monitoring, based on 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.

In addition, in 2023, in order to strengthen the Company's commit-

ment to sustainability, the organisational structure for the supervision and coordination of ESG initiatives was updated. In particular:

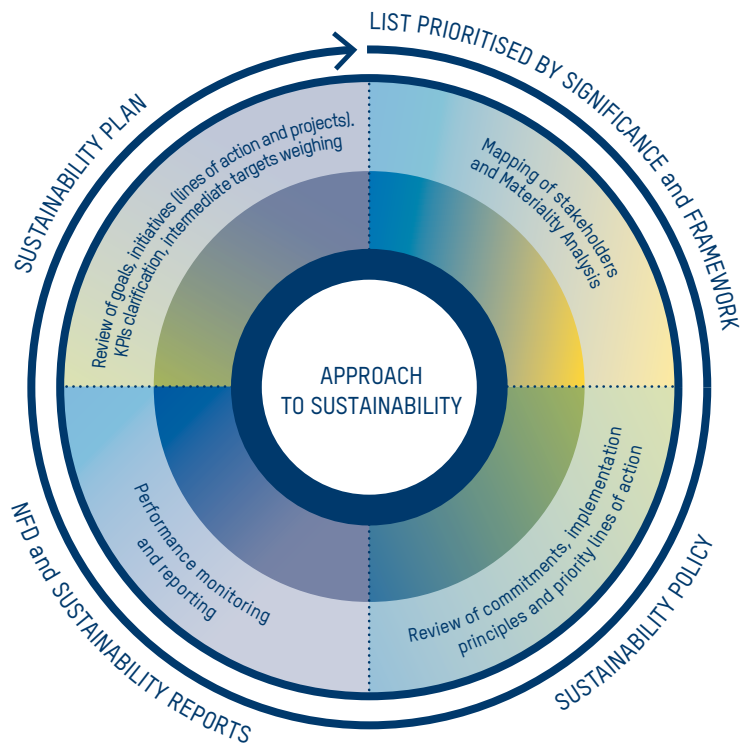
- within the Administration and Integrated Reporting function, the **Sustainability Office** was established and assigned the responsibility of: directing the activities of the ESG Working Group; ensuring the dissemination of decisions and the monitoring of their implementation; supervising issues relating to compliance with international standards and emerging regulations on sustainability; assessing the risks associated with the failure to implement best practices and with the implementation of business plans, including through specific reporting; pursuing the improvement of the Group's positioning in sector indices and the improvement of communication flows on the matter towards internal and external stakeholders, periodically reporting to the ESG Steering Committee on the activities falling under its responsibility;
- the **ESG Steering Committee** – entrusted with overseeing the integration of material topics into the Company's strategy and operations, playing an active role in

the transition to a more sustainable economy and ensuring the achievement of the goals resolved by the Board of Directors on the matter – has been integrated with the head of the Procurement and Services function;

- the **ESG Working Group** was confirmed both in terms of its compo-

sition, as well as with regard to the prerogatives and responsibilities attributed internally to each member, maintaining the function of identifying sustainability initiatives to be submitted for approval by the ESG Steering Committee, also relying on the collaboration of all the heads of corporate functions.

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 relying on 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, in order 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. It was then updated in 2022, 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 promote awareness of the Group's 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 "Commitments and tools" section.



The **Business Ethics and Anti-Corruption 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, fairness and the prevention of bribery and corruption. First issued in March 2021 following the formal approval by the Board of Directors of 2i Rete Gas S.p.A., it 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 Business Ethics and Anti-Corruption Policy was also raised by delivering ad-hoc training

(see "Business ethics and anti-corruption") aimed at part of the corporate population.

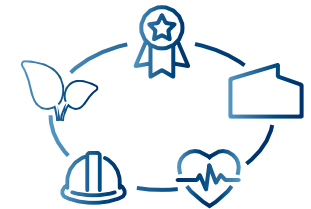
2i Rete Gas has therefore developed a governance structure aimed at promoting ethical behaviour within the organisation, prohibiting all forms of corruption. This governance structure is called upon to provide a reasonable guarantee of the correctness of the conduct described above, through the adoption of appropriate supervisory and control mechanisms. Specifically, as better detailed in the document in question, different levels of control are provided for:

- first-level controls, carried out by line management and aimed at ensuring the proper conduct of operations in compliance with ethical principles and with the internal and

external anti-corruption regulatory framework;

- second-level controls, implemented by the business functions responsible for governance and for the monitoring of activities, and consisting in overseeing business operations, in full compliance with the provisions of the Company's strategies and policies;
- third-level controls, adopted by the Internal Audit function and aimed at verifying the completeness, functionality and adequacy of the internal control systems in accordance with a risk-based plan, periodically reporting to the Board of Directors on the activities carried out, the results achieved and the level of control gradually implemented within the Company.

In addition, each corporate function provides the Supervisory Body with a four-monthly report, in which they illustrate the main activities carried out in the reference period with regard to internal supervision measures and controls performed in compliance with the Organisation and Management Model, as well as any concerns raised in respect of events that may have occurred as part of potentially relevant corporate activities as per Italian Legislative Decree 231/2001 (See "Concerns and reporting").



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, respecting the environment, protecting the health and safety of all stakeholders and ensuring that the value of assets is maintained over time, 2i Rete Gas S.p.A. has long since adopted and maintains a **Quality, Health, Safety**

INITIATIVES RELATED TO THE SUSTAINABILITY PLAN



In relation to the primary goal set out in the Plan to **oversee the governance of ESG-related aspects** through the **identification, drafting and issuance of additional policies and procedures following the assessment of gaps that may have emerged as part of the assessments carried out by ESG Rating Agencies**, in 2023 the Business Ethics and Anti-Corruption Policy was updated to in-

corporate the adoption of new safeguards aimed at governing the Company's activities according to ethical principles, thus avoiding any potential event of corruption. In particular, the Policy has been updated to incorporate the updating of the existing regulations in the Code of Ethics concerning relations with entities, the implementation of the "Continuous Audit" model in Internal Audit

activities, the introduction of the so-called "Vendor Rating" process, the implementation of the application software for reporting all activities with the Public Administration, the adoption of new corporate policies and procedures on cyber security, including the new "Incident Response Plan" procedure, concerning potential cyber security incidents.

and Environment Integrated Management System, 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. In 2023, the Quality Management System was also integrated according to the requirements of the UNI ISO 55001:2015 "Asset Management" standard with reference to tangible assets. It reflects the principles stated in the **Integrated Quality, Workplace Health and Safety, Environment and Asset Management Policy**, which sets out the relevant issues with respect to the four standards to which it refers. The Integrated Management System Policy is fully consistent with the contents of the Group Sustainability Policy, on which it is based.

During 2023, audits were carried out by the Certification 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.

At the end of 2023, a Certification Institute was entrusted with certifying the Company's Asset Management System according to the ISO 55001:2015 international standard with respect to the "Operation and maintenance of tangible reduction and metering systems (city gates and bio-city gates) and intermediate and final pressure reduction units belonging to natural gas and other combustible gas distribution networks". The first step of the assessment and certification process was completed on 6 December 2023, when the Company obtained the authorisation to organise the final certification audit, which is expected to take place in early 2024.

2i Rete Dati S.r.l. has also adopted an Integrated Management System for Quality, Workplace Health and Safety and the Environment, implemented in compliance with the UNI EN ISO 9001:2015, UNI EN ISO 14001:2015 and UNI ISO 45001:2018 reference standards. The IMS adopts the principles set out in the **Integrated Quality, Workplace Health and Safety and Environment Policy** adopted by the Company in June 2023 and which, drawn up consistently with the contents of the Group's

Sustainability Policy on which it is based, sets out the material topics with respect to the three standards to which it refers.

In July 2023, the Certification Institute certified 2i Rete Dati S.r.l.'s Integrated Management System for Quality, Workplace Health and Safety and the Environment to be compliant with the UNI ISO EN 9001-2015, UNI ISO 45001:2018 and UNI EN ISO 14001-2015 reference standards for the following activities: "Design and implementation of LP-WAN networks (installation of concentrators and antennas for telecommunication and data communication, remote reading, remote management of smart meters and other types of similar smart devices). Operation and maintenance of LP-WAN networks and commercial management of the service", with reference to IAF ACCREDIA sectors 31, 28 and 35 (communications, construction and other services). 2i Rete Dati therefore holds the necessary certificates required to participate in public tenders, valid for three years (i.e. until 4 July 2026).

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 regulations on sustainability; competition law; anti-money laundering regulations; the whistleblowing legislation set out in Italian Legislative Decree no. 24/2023 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 the Environment (ARERA).

Moreover, the corporate 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 ESG 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 AND INTEGRATED REPORTING	<p>The Administration and Integrated Reporting Function of the Administration, Finance, Control and Sustainability 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. In addition, through the Sustainability Office, it also oversees compliance with international standards and regulations on sustainability (see "Sustainability Governance").</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
<p>INDUSTRIAL RELATIONS</p>	<p>The Industrial Relations function of the Human Resources Department has the task of ensuring the correct interpretation of labour legislation, in conjunction with 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, Control and Sustainability Department, tax-related matters. This function is also tasked with ensuring the Company's 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>
<p>PROCUREMENT AND SERVICES</p>	<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 36/2023 as amended – with regard to the special sector segment – as well as Regulations governing below-threshold contracts pursuant to Article 14(2) of Italian Legislative Decree 36/2023 applicable to works, services and supplies referring to the activities as under Article 146 of Italian Legislative Decree 36/2023 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 Articles 94, 95, 96, 97 and 98 of Italian Legislative Decree 36/2023 (general requirements), Anti-mafia regulations and Italian Legislative Decree 231/2001 as amended.</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. To ensure the fulfilment of applicable tax obligations, both for the Parent Company and for its subsidiaries, the management and fulfilment of tax responsibilities are entrusted to the 2i Rete Gas S.p.A.'s Admin-

istration and Integrated Reporting function, in close collaboration with leading Italian tax firms. The operational directives adopted in tax matters aim to ensure the correct calculation of direct and indirect taxes and related obligations, clearly outlining the related processes, actions and responsibilities for the efficient and effective calculation of taxes reported in the annual Financial Report and in all tax returns concerning direct and indirect taxes.

The Group's tax strategy, reviewed each year at the same time as the Group budget, is examined and approved by the Head of Administration, Finance, Control and Sustainability and by the Chief Executive Officer, taking into account the principle of prudence, strict compliance with the relevant regulations and the sustainable development of the organisation.



Operational directives 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 corporate Intranet and are available to all employees.

The most significant tax-related aspects are promptly disclosed to shareholders and to the public, through the timely dissemination of the Group's Consolidated Financial Report, as well as through timely in-

formation, in the appropriate forums, to the directors and corporate functions impacted.

Following specific 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 produces an information report on administrative matters, with a special focus on those related to tax compliance.

According to a key principle of its tax strategy, the Group relies on tax breaks granted only when an actual business action or operational need 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 introduced 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 231/2001. 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, as well as the Supervisory Body's review tasks.

Again in 2023, 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**, the **Organisation, Management and Control Model** pursuant to Italian Legislative Decree no. 231/2001, the **Code of Ethics**, the **Sustainability Policy**, the **Business Ethics and Anti-Corruption Policy** and the **Integrated Quality, Workplace Health and Safety, Environment and Asset Management Policy**, 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 delivering refresher courses and/or training on anti-corruption regulations and policies and on responsibility as provided for by 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 20 December 2023). 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.

INITIATIVES RELATED TO THE SUSTAINABILITY PLAN

 In relation to the primary goal set out in the Plan to **ensure an adequate Coverage Audit on Headquarters functions and Local Areas and a significant intensity of actions** through the **three-year audit planning (rolling) based on Risk Analysis and the findings that emerged during the audit**, the performance of **auditing activities through audit and follow-up projects** and, finally, the **development of Continuous Monitoring activities to ensure legislative and regulatory compliance**, during 2023 the Company completed all the necessary activities that make it possible to achieve as at 31 December all the targets set for the year under review.

INITIATIVES RELATED TO THE SUSTAINABILITY PLAN

 In relation to the primary goal set out in the Plan aimed at **consolidating a Business Ethics and anti-corruption culture** through the **integration of ESG-related safeguards in the Organisation, Management and Control Model pursuant to Italian Legislative Decree 231**, with the updating of the Model in both the General and Special Parts:

- the entry into force of new regulatory cases applicable to the Company's liability has been implemented (e.g. regarding public selection procedures for the acquisition of contracts);
- processes and safeguards developed in the ESG sphere were introduced, also relevant in relation to the possible impact and possible prevention of the administrative liability of the Company pursuant to Italian Legislative Decree no. 231/01.

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 consultants) 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 2023 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 also involved the staff of local offices, as well as headquarters staff.

Finally, between 2021 and 2022, in addition to training on Business Ethics and Anti-Corruption 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, Control and Sustainability 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.

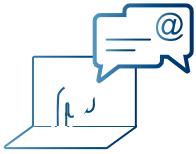
According to the Model, therefore, the activities identified as involving a higher risk of corruption include both those involving relations with public institutions and bodies (e.g. granting authorities, public authorities responsible for managing methane supply project funding, public authorities owning 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 Model and by the Code of Ethics, the Parent Company and its subsidiaries provide stakeholders, including their own employees, with **specific communication tools** (including

appropriate certified email accounts) that enable them to 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 has also promptly arranged for its Model to comply with the rules on whistleblowing, implementing specific communication channels (including phone and email, always available) and updating the relevant corporate policies on the matter, also adopting specific 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.



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	Whistleblowing
2i Rete Gas S.p.A.	Odv231@2iretegas.it	2iReteGas.CodiceEtico@2iretegas.it	WB.2irg@2iretegas.it
Cilento Reti Gas S.r.l.	CilentoRetiGas.Odv231@2iretegas.it	CilentoRetiGas.CodiceEtico@2iretegas.it	WB.cilento@2iretegas.it
2i Rete Dati S.r.l.	Odv231@2iretegas.it	2iReteGas.CodiceEtico@2iretegas.it	WB.dati@2iretegas.it

During 2023, as in previous years, no anonymous reports were received, while only one non-anonymous report was received, relating to road surface restoration works – and therefore not relevant for the purposes of the Company's liability under Legislative Decree 231 – that was forwarded so that it would be managed by the competent offices.

With respect to the quarterly reports sent by each corporate function to the Supervisory Body (see "Policies and certifications"), the latter reviews the individual documents, asks for clarifications and additions as appropriate 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 carries 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 in 2023 is relevant for the purposes of any administrative liability of the Compa-

ny under Italian Legislative Decree 231/2001.

Finally, it is reported that, again in 2023, 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 procedures 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 2023, 11 disciplinary sanctions were inflicted (2 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 the policies for the compliance of corporate conduct with legal provisions, with the principles of corporate ethics and with the rules of conduct set out in the corporate Code of Ethics, also in 2023 efforts continued regarding the **update of the mapping of conflicts of interest**, either actual or even just potential, communicated by employees. Consistent with the procedure started in 2019 and 2021, the process is currently implemented within an IT platform that, in compliance with current privacy provisions, allows a complete report to be drafted and 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 and also implemented in a specific internal procedure. It is expected that the verification will be updated every two years, while allowing employees to report and/or update any new statements at any time.

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 individuals 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 individuals who have not committed crimes of such nature and extent as to affect the Company's trustworthiness 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 organisation'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 verify 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 its activities 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, in the event of deficiencies related to risk management, to draft appropriate preventive and corrective action plans to mitigate such risks.

Upon completing its tasks, the Internal Audit function 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 2024-2026 three-year audit plan:

- performing an intensive "audit coverage", whereby, with reference to the 2014-2026 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 logic 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** (as well as 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 plan-

ning 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 Consolidated 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 2023 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”).

The Group has analysed and identified the risks set out in the table on the next page, established and published policies in this regard, and implemented the management methods set out above. These risks and management methods apply non-selectively to all the activities carried out by the organisation and the aforementioned documents have been formally approved by the Board of Directors of the Parent Company.

Major risks regarding key topics

	ASSOCIATED RISKS	STAKEHOLDERS INVOLVED	RISK MANAGEMENT METHODS	MONITORING AND RELATED POLICIES
MANAGEMENT OF ENVIRONMENTAL TOPIC	Dispersion and inefficiency of the gas distribution network	Environment and communities	<p>Strengthened and extensive monitoring of the network using leak detection equipment</p> <p>Automatic and predictive regulation of network pressure</p> <p>Structured network integrity checks</p> <p>Odourisation level checks</p> <p>Scheduling network upgrade work</p>	Sustainability Policy - "Ensure efficiency, quality and safety"
	Non-optimal consumption	Environment and communities	<p>Implementation of energy saving projects concerning the gas used for preheating</p> <p>Upgrading car fleet with lower environmental impact vehicles</p> <p>Actions to improve energy efficiency of buildings</p>	Sustainability Policy - "Distribute energy for a more sustainable future"
	Enhancing odourisation management of low-usage networks	Environment and communities	<p>Extending projects for automatic adjustment of odourisation levels</p> <p>Network digitisation</p>	Sustainability Policy - "Ensure efficiency, quality and safety"
	Failure to manage the energy transition process	Environment and communities, Shareholders and lenders	<p>Verification of the compatibility of the current distribution infrastructure following the injection of a mixture of methane gas and hydrogen</p>	Sustainability Policy - "Distribute energy for a more sustainable future"
Public authorities and institutions, network end clients		<p>Pilot projects, approved by ARERA, for the optimisation of the management and innovative use of gas infrastructures</p> <p>Study of bidirectional networks to maximise biomethane injection</p>		
MANAGEMENT OF HUMAN RESOURCES	Failure to promote capacity building	People and the unions	<p>Individual performance assessment plan</p> <p>Training projects</p>	Sustainability Policy - "Stimulate everyone's contribution"
	Failure to provide adequate and timely technical training on distribution network management	People and the unions	Continuous refresher training endeavours, timely release of procedures	Sustainability Policy - "Stimulate everyone's contribution"

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ASSOCIATED RISKS	STAKEHOLDERS INVOLVED	RISK MANAGEMENT METHODS	MONITORING AND RELATED POLICIES
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	Sustainability Policy - "Stimulate everyone's contribution"
Respect for human rights	People and the unions	Model 231 and Code of Ethics, Charter of Values	Sustainability Policy - "Stimulate everyone's contribution"
Lack of or inadequate dialogue with People and the Unions	People and the unions	Communication and Management training Frequent meetings at company level with the Unions	Sustainability Policy - "Stimulate everyone's contribution"
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 231/2001, Code of Ethics Whistleblowing Policy
	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 FOR 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
	Municipalities and Local Authorities Community	Monitoring of responses within the set deadlines Reporting to licensing bodies	

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ASSOCIATED RISKS	STAKEHOLDERS INVOLVED	RISK MANAGEMENT METHODS	MONITORING AND RELATED POLICIES
Unsatisfactory quality of service	Sales companies and End clients	Performance monitoring, call centre, customer satisfaction survey, meetings with sales companies, conciliation protocol	Sustainability Policy - "Ensure efficiency, quality and safety" - "Create shared value"
Use of suppliers that do not meet the Group's minimum selection requirements	Suppliers and contractors	Register of suppliers, selection process, purchasing portal Code of Ethics	Business Ethics and Anti-Corruption Policy
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	Business Ethics and Anti-Corruption Policy
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	Business Ethics and Anti-Corruption Policy Sustainability Policy - "Ensure efficiency, quality and safety"
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	Business Ethics and Anti-Corruption Policy
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 regulatory compliance, including the appointment of the Data Protection Officer and the Data Processors, the establishment of the data processing register and the amendment of contractual clauses and policies Implementation of IT infrastructure security tools, with special reference to the security of data exchanged by the smart meter network	Business Ethics and Anti-Corruption Policy

TCFD

Progressive alignment with TCFD recommendations

In 2023, 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) with the aim of improving and increasing 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 2023, 2i Rete Gas continued the process, started in previous years, of progressive alignment 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 one's own investors, the most significant information on the 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

The Group's operating figures for the year (active redelivery points and kilometres of network managed) improved slightly compared with last year thanks to the organic growth of the business.

The volumes of gas transported were down on the previous year, both due to the uncertainty on international energy markets and energy saving policies, in line with the general trend for gas consumption in the country. From an economic point of view, the Consolidated Financial Report shows a marked increase in revenues and EBITDA, both thanks to the positive change in the scope of consolidation given by the ATEM "Napoli 1" concession, and as a result of the tariff adjustment, which during the year recognised – through Resolution 1/2023 – a remuneration linked to the residual value of smart meters whose replacement took place before the end of their useful life.

Financial expenses increased following the issuance of a Debenture Loan tranche amounting to € 550

million, aimed at obtaining the liquidity necessary to repay the Debenture Loan tranche maturing in 2024.

Therefore, net profit stood at € 182.1 million, while the net financial position, which changed during the year due to both business needs and the payment of a dividend amounting to € 111 million, increased by approximately € 67.4 million.

For 2i Rete Gas, 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 € 1,166.4 million

was generated during the year, Of this amount, 74% was distributed to the various stakeholders, while 26% was retained. Around 35% 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.

551
million €
EBITDA
AT THE END OF 2023

182.1
million €
NET PROFIT FOR THE YEAR
AT THE END OF 2023

1,360.7
million €
SHAREHOLDERS' EQUITY

Economic performance

MAIN ECONOMIC AND EQUITY INDICATORS OF THE GROUP

	2021*	2022	2023
REVENUE	1,076.8	1,052.1	1,152.6
EBITDA	527.8	505.7	551.0
EBIT	318.3	292.3	318.8
NET PROFIT	211.2	169.5	182.1
NET FINANCIAL POSITION	2,831.3	3,187.9	3,255.3
SHAREHOLDERS' EQUITY	1,147.7	1,300.3	1,360.7
NET INVESTED CAPITAL	3,969.9	4,486.7	4,616.0
TOTAL NET FIXED ASSETS	3,905.3	4,435.3	4,440.1

*Restated pro forma compared with 2021 figures.

Economic value directly generated and distributed in 2023

	million €	%
Operating revenue	1,127.3	
Other revenue	32.6	
Financial income and interest	6.5	
Economic value generated	1,166.4	
Economic value to suppliers (Operating costs reclassified)	406.5	34.9%
Economic value to employees	138.6	11.9%
Economic value to public administration entities	134.7	11.6%
Economic value to shareholders	111.0	9.5%
Economic value to lenders	72.3	6.2%
Economic value to the community	0.0	0% *
Economic value distributed	863.1	74.0%
Economic value retained	303.3	26.0%

* 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, stood at 22% and 27% respectively, also following the significant increase in 2023 as a result of the take-over of

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

EU TAXONOMY

One of the main initiatives of the European Union (EU) Action Plan on Sustainable Finance is the development of a unified system, at the European level, for the definition of economic activities that can be defined as sustainable. To achieve this goal and direct cash flows towards investments that can be considered environmentally sustainable, Regulation (EU) 2020/852 was adopted on 12 July 2020. The Regulation establishes the general framework for determining whether an economic activity can be considered environmentally sustainable and requires all companies subject to the obligation to disclose non-financial information to include information on their environmentally sustainable activities in their Non-Financial Disclosure (NFD).

In support of this, in June 2021, the European Commission adopted the Delegated Regulation (EU) 2021/2139, also known as the "Climate Delegated Act" and, in June 2023, the Delegated Regulation (EU) 2023/2485 and the Delegated Regulation (EU) 2023/2486. Such Regulations define the taxonomy-eligible sectors and economic activities, together with the technical criteria to assess their contribution to the six main objectives¹ which the

Commission has identified to address the challenges of climate change and drive its ecological transition towards climate neutrality by 2050.

In line with EU disclosure requirements, for 2023 companies must report the proportion of economic activities that are Taxonomy-Eligible and Taxonomy-Aligned² in terms of revenues, investments and costs, in relation to the two climate objectives: climate change mitigation and adaptation. For the other four environmental objectives, only eligibility is required.

For this reason, pursuant to Article 8 of Regulation (EU) 2020/852, 2i Rete Gas reports, according to the above-mentioned criteria, the values for revenues, investments and costs of all Group companies.

To determine taxonomy-aligned activities, 2i Rete Gas has implemented a structured process:

1. all the individual taxonomy-eligible activities were mapped, selecting those whose description was consistent with the activities carried out by 2i Rete Gas, also analysing the new activities introduced with respect to the Climate Change Mitigation and Climate Change Adaptation ob-

¹ The six objectives identified are: 1) Climate change mitigation; 2) Climate change adaptation; 3) Sustainable use and protection of water and marine resources; 4) Transition to a circular economy; 5) Pollution prevention and control; 6) Protection and restoration of biodiversity and ecosystems.

² Pursuant to Article 3 of Regulation (EU) 2020/852, the process of assessing an economic activity (known as "alignment" with the Taxonomy) requires the verification of the following points: 1) Determining whether the activity contributes substantially to the achievement of one or more environmental objectives defined by the Taxonomy; 2) Ensuring that the activity does not significantly harm any of the environmental objectives (DNSH principle); 3) Verifying whether the activity is carried out in compliance with the Social Minimum Safeguards; 4) Confirming that the activity complies with technical screening criteria that have been established by the Commission for each defined environmental objective.

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jectives, in addition to what had already been reported in previous years, as well as the activities defined for the remaining four environmental objectives;

2. for each taxonomy-eligible activity, the technical criteria and DNSH ("Do no significant harm") constraints have been assessed, ensuring that the same are met;
3. The relevant economic values for 2023 for revenues, CapEx and OpEx of taxonomy-eligible and taxonomy-aligned assets have been extrapolated.

These steps were carried out while also ensuring the verification of the Minimum Safeguards, consistent with the approaches provided for in the "Final Report on Minimum Safeguards" of the Platform on Sustainable Finance, published in October 2022, and the subsequent interpretations by the European Commission of 16 June 2023. No relevant findings emerged from this analysis.

THE CALCULATION OF KPIS

Data obtained are reported in this document using the standard reporting templates defined in Annex V of Delegated Regulation (EU) 2023/2486. These templates are an update to those set out in Annex II of Delegated Regulation (EU) 2021/2178, in the section on the "KPIs of non-financial undertakings in the context of the European Taxonomy".

In addition, it should be noted that during the year 2i Rete Gas carried out an in-depth analysis with respect to the types of activities included in the Delegated Acts, with the aim of expanding its scope and more comprehensively representing the investments made during 2023, also as regards to additional taxonomy activities not accounted for so far.

Turnover KPI

The proportion of turnover, defined in Article 8(2)(a) of Regulation (EU) 2020/852 as "Turnover KPI", is calculated as the portion of net revenues from products or services associated with Taxonomy-compliant economic activities (numerator), divided by the Group's consolidated revenues (denominator).

The denominator is calculated as the total revenues generated during 2023, excluding those deriving from Intangible Assets in accordance with the IFRIC 12 interpretation, allowing for a more direct comparability of the data with other companies not subject to the same interpretation.

Disclosure of nuclear and fossil gas related activities

NUCLEAR ENERGY RELATED ACTIVITIES

1. The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2. The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3. The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO

FOSSIL GAS RELATED ACTIVITIES

4. The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5. The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6. The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

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It should be noted that, during the year, 2i Rete Gas also carried out an in-depth methodological study with respect to the new results that emerged from sector studies regarding the technical feasibility of introducing hydrogen into existing infrastructures. In fact, adopting the technical guidelines currently taken into consideration by international bodies, it is estimated that the distribution of hydrogen, even in blends, can be done without the need for specific interventions in recently installed pipes, also thanks to the materials used. On the other hand, as far as older pipes are concerned, the current consensus is that they may require specific extraordinary maintenance and therefore have not been considered on a precautionary basis. With regard to the specific activity "4.14 Transmission and distribution networks of renewable and low-carbon gases", in order to calculate the proportion of revenues aligned with the requirements of the taxonomy, 2i Rete Gas has therefore decided to use, as an approximation, the aligned proportion of fixed assets constituting the RAB (Regulatory Asset Base) and the related revenues.

On the other hand, with regard to the activity "7.5 Installation, maintenance and repair of instruments and devices

for measuring, regulation and controlling the energy performance of buildings", in line with the provisions of the revised "Trans-European Networks for Energy"³ regulation, 2i Rete Gas has again confirmed that it considers its smart meters as instrumental to effectively integrate various low-carbon and renewable gas sources into the gas network in the near future.

Given the above, for 2023 the percentage of Taxonomy-aligned revenues amounts to 29.65%, of which 20.18% is attributable to activity 4.14, 9.45% to activity 7.5 and, for a marginal share of 0.02%, to activity 7.6 "Installation, maintenance and repair of renewable energy technologies", investigated during 2023.

CapEx KPI

CapEx incurred by 2iRG and related to eligible and environmentally sustainable economic activities includes costs recognised considering the value of the increase in property, plant and equipment and intangible assets, while the denominator of the associated KPI is equal to the increase in property, plant and equipment, intangible assets and right-of-use assets (IFRS 16).

It should be noted that the percentage of Taxonomy-aligned investments is 84.61%, of which 65.99% is attributable to activity 4.14 and 18.61% to activity 7.5.

OpEx KPI

With regard to 2i Rete Gas' 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.

These expenses mainly include the items in the Consolidated Financial Statements relating to costs for services and personnel costs. It should be noted that the percentage of Taxonomy-aligned investments stands at 54.6%, of which 36.20% is attributable to activity 4.14 and 18.36% to activity 7.5 and, for a marginal share close to 0%, to activity 7.6 "Installation, maintenance and repair of renewable energy technologies", investigated during 2023.

³https://energy.ec.europa.eu/topics/infrastructure/trans-european-networks-energy_en

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Proportion of turnover from products or services associated with Taxonomy-aligned economic activities - Disclosure covering year 2023

Financial year 2023	2023			Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")							Minimum safeguards (17)	Taxonomy-aligned (A.1.) or Taxonomy-eligible (A.2) proportion of turnover, year 2022 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
Economic Activities (1)	Code (a) (2)	Absolute turnover (3) million €	Proportion of turnover, year 2023 (4) %	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Pollution (8)	Circular economy (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Pollution (14)	Circular economy (15)	Biodiversity and ecosystems (16)					
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1 Environmentally sustainable activities (Taxonomy-aligned)																				
Transmission and distribution networks for renewable and low-carbon gases	CCM 4.14	159.73	20.18%	Yes	NOT/EL	NOT/EL	NOT/EL	NOT/EL	NOT/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	77.63%		
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	74.85	9.45%	Yes	NOT/EL	NOT/EL	NOT/EL	NOT/EL	NOT/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	9.72%	E	
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	0.16	0.02%	Yes	NOT/EL	NOT/EL	NOT/EL	NOT/EL	NOT/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	0.00%	E	
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		234.74	29.65%	29.65%	0.00%	0.00%	0.00%	0.00%	0.00%	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	87.34%		
of which enabling		75.01	9.47%	9.47%	0.00%	0.00%	0.00%	0.00%	0.00%	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	9.72%		
of which transitional		0.00	0.00%	0.00%						Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	0.00%		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																				
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%									1.04% (*)		
Total (A.1 + A.2)		234.74	29.65%	29.65%	0.00%	0.00%	0.00%	0.00%	0.00%									88.39% (*)		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Turnover of Taxonomy-non-eligible activities (B)		556.96	70.35%																	
Total (A + B)		791.70	100.00%																	

(*) The value reported also includes the portion relating to Taxonomy-eligible activities in 2022, not present in 2023.

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Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities - Disclosure covering year 2023

Financial year 2023	2023		Substantial contribution criteria							DNSH criteria ("Does Not Significantly Harm")							Taxonomy-aligned (A.1.) or Taxonomy-eligible (A.2) proportion of CapEx, year 2022 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
Economic Activities (1)	Code (a) (2)	Absolute CapEx (3) million €	Proportion of CapEx, year 2023 (4) %	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Pollution (8)	Circular economy (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Pollution (14)	Circular economy (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)			
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Transmission and distribution networks for renewable and low-carbon gases	CCM 4.14	249.97	65.99%	Yes	NOT/EL	NOT/EL	NOT/EL	NOT/EL	NOT/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	81.17%		
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	70.51	18.61%	Yes	NOT/EL	NOT/EL	NOT/EL	NOT/EL	NOT/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	13.60%	E	
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		320.47	84.61%	84.61%	0.00%	0.00%	0.00%	0.00%	0.00%	Yes	Yes	Yes	Yes	Yes	Yes	Yes	94.78%		
of which enabling		70.51	18.61%	18.61%	0.00%	0.00%	0.00%	0.00%	0.00%	Yes	Yes	Yes	Yes	Yes	Yes	Yes	13.60%		
of which transitional		0.00	0.00%	0.00%						Yes	Yes	Yes	Yes	Yes	Yes	Yes	0.00%		
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Data processing, hosting and related activities	CCM 8.1	1.77	0.47%	EL	NOT/EL	NOT/EL	NOT/EL	NOT/EL	NOT/EL								0.00%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		1.77	0.47%	0.47%	0.00%	0.00%	0.00%	0.00%	0.00%								1.04% (*)		
Total (A.1 + A.2)		322.25	85.07%	85.07%	0.00%	0.00%	0.00%	0.00%	0.00%								95.82% (*)		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities (B)		56.53	14.93%																
Total (A + B)		378.78	100.00%																

(*) The value reported also includes the portion relating to Taxonomy-eligible activities in 2022, not present in 2023.

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Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities - Disclosure covering year 2023

Financial year 2023	2023		Substantial contribution criteria							DNSH criteria ("Does Not Significantly Harm")							Minimum safeguards (17)	Taxonomy-aligned (A.1.) or Taxonomy-eligible (A.2) proportion of OpEx, year 2022 (18)	Category (enabling activity) (20)	Category (transitional activity) (21)
Economic Activities (1)	Code (a) (2)	Absolute OpEx (3) million €	Proportion of OpEx, year 2023 (4) %	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Pollution (8)	Circular economy (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Pollution (14)	Circular economy (15)	Biodiversity and ecosystems (16)					
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1 Environmentally sustainable activities (Taxonomy-aligned)																				
Transmission and distribution networks for renewable and low-carbon gases	CCM 4.14	10.65	36.20%	Yes	NOT/EL	NOT/EL	NOT/EL	NOT/EL	NOT/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	49.62%		
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	5.40	18.36%	Yes	NOT/EL	NOT/EL	NOT/EL	NOT/EL	NOT/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	21.85%	E	
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	0.00	0.00%	Yes	NOT/EL	NOT/EL	NOT/EL	NOT/EL	NOT/EL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	0.00%	E	
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		16.04	54.56%	54.56%	0.00%	0.00%	0.00%	0.00%	0.00%	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	71.46%		
of which enabling		5.40	18.36%	18.36%	0.00%	0.00%	0.00%	0.00%	0.00%	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	21.85%		
of which transitional		0.00	0.00%	0.00%						Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	0.00%		
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Data processing, hosting and related activities	CCM 8.1	4.09	13.90%	EL	NOT/EL	NOT/EL	NOT/EL	NOT/EL	NOT/EL									0%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		4.09	13.90%	13.90%	0.00%	0.00%	0.00%	0.00%	0.00%									11.27% (*)		
Total (A.1 + A.2)		20.13	68.46%	68.46%	0.00%	0.00%	0.00%	0.00%	0.00%									82.73% (*)		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
OpEx of Taxonomy-non-eligible activities (B)		9.28	31.54%																	
Total (A + B)		29.40	100.00%																	

(*) The value reported also includes the portion relating to Taxonomy-eligible activities in 2022, not present in 2023.

PEOPLE

Stimulate EVERYONE'S contribution



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.



SIZING

Today, 2i Rete Gas boasts long-standing expertise in new asset integration processes and, over the years, has developed a flexible organisational model, capable of taking advantage of synergies in terms of market presence, costs and efficiency. This, while maintaining a strong focus towards continuous innovation and evolution and recognising sustainability as the driver and one of the founding principles of its business strategy.

The Group considers People as a key strategic resource for its organisation and for tackling the

challenges that lie ahead, including those related to the energy transition. Therefore, it is committed to enhancing their unique characteristics and developing their skills and competences; facilitating the convergence of personal aspirations and motivations and the development of professional skills; acknowledging their merits; fostering a work-life balance; promoting cross-functional coordination; pooling best practices, including through periodic sharing, and taking full advantage of the tools and opportunities of a gradual and continued digitalisation effort.

At the end of 2023, the Group had 2,177 employees*.

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. For this reason, as part of a project to refresh and enhance professional skills that are crucial for the development of the business strategy, as well as in the context of generational change, 2i Rete Gas undertook an important **multi-year recruitment plan** that led, in 2023, to **101 new recruits**. Graduates account for 42% among

new hires, and they are on average 35 years old. The average age of the Company's workforce is 50.89 years. Over the past ten years (2014-2023), 862 people have been hired from the market, of which 345 were graduates (corresponding to 40.02% of hires).

In 2023, 146 people left the Group, of whom 1 due to transfer pursuant to Italian Ministerial Decree of 21 April 2011, 74 due to retirement, 52 due to voluntary resignation and 10 due to termination by mutual consent regarding people close to retirement. They included high school graduates (35.62%) and university graduates

(30.82%), with women accounting for 19.86% on total terminations. The average age of all employees terminated in the period was 52.58.

At 31 December 2023, permanent contracts accounted approximately for 99.36% of total contracts.

In 2023, preference was once again given to direct employment with the company; 86% of new employment contracts were permanent and 14% fixed-term. The decision to opt for permanent contracts was also consistent with the need to guarantee profiles requiring greater specialist and managerial experience in the sector.



2,177

CURRENT STAFF



2,163

PERMANENT CONTRACTS



2,093

FULL-TIME STAFF



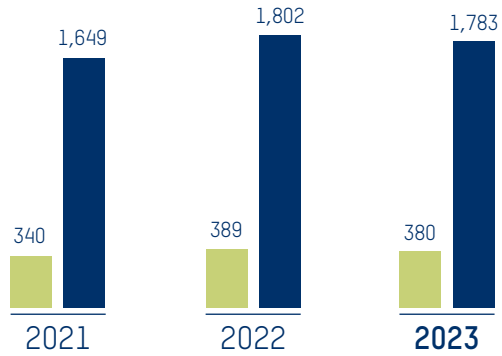
862

PEOPLE HIRED IN THE PAST 10 YEARS

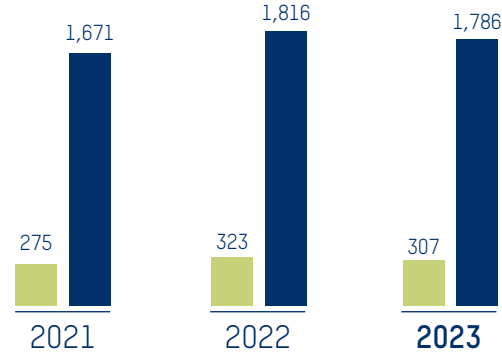
* headcounts

Type of contract

Permanent



Full-time



Fixed-term



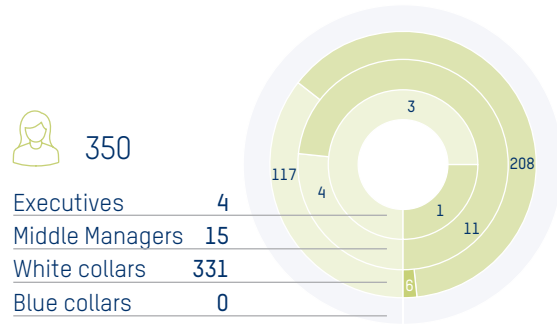
Part-time



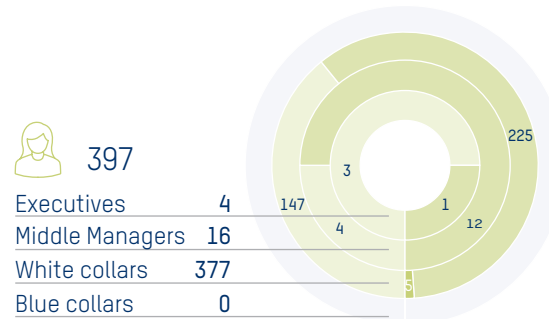
Note:
no details of employees with non-guaranteed hours are given as no types of contract classifiable as such exist within the Group.

Current staff

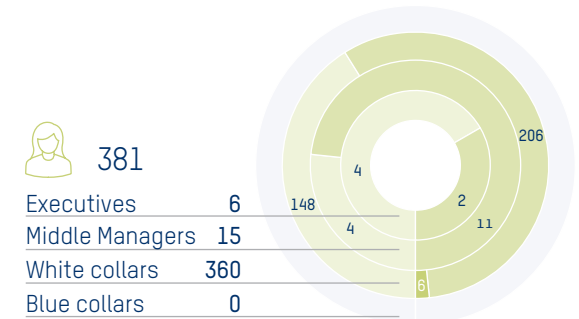
2021



2022

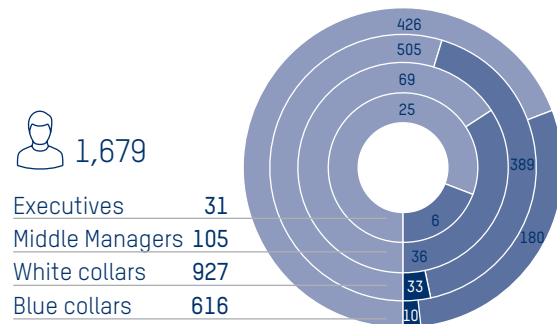


2023

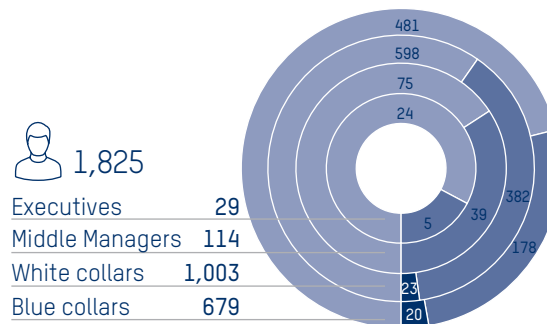


● < 30 years ● 30 - 50 years ● > 50 years

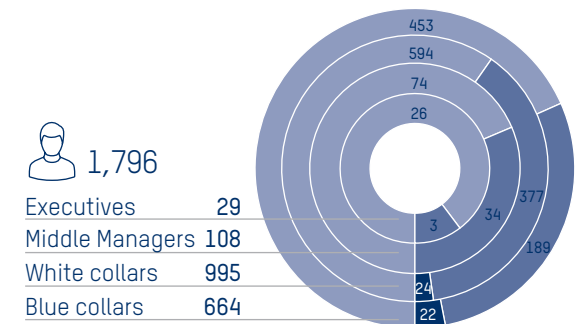
Total 2,029



Total 2,222



Total 2,177



● < 30 years ● 30 - 50 years ● > 50 years

Average age by gender

2021



45.62 50.83

Total: 48.23

2022



46.45 51.63

Total: 49.04

2023



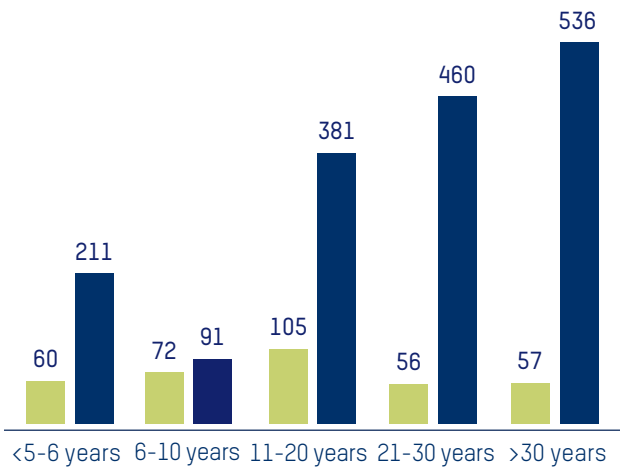
47.30 51.65

Total: 50.89

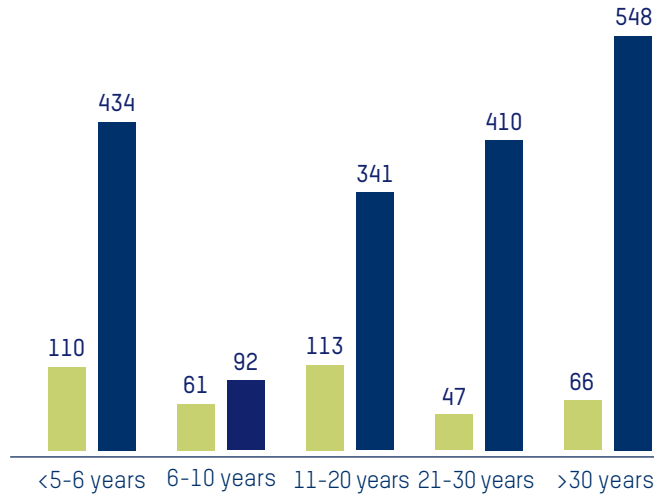
Employees by gender and seniority



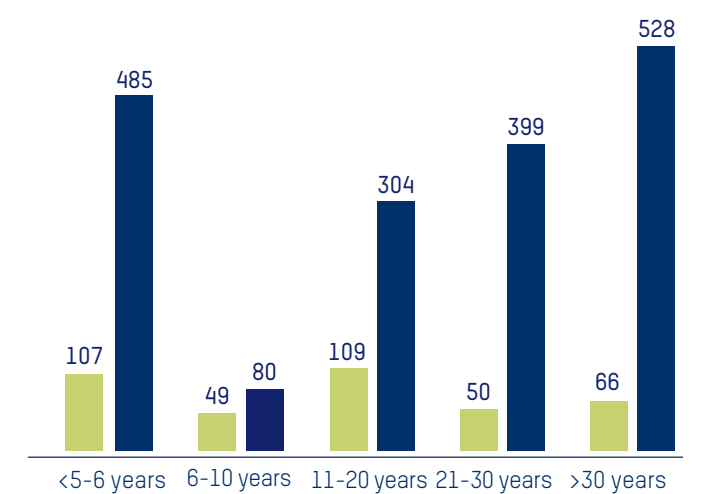
2021



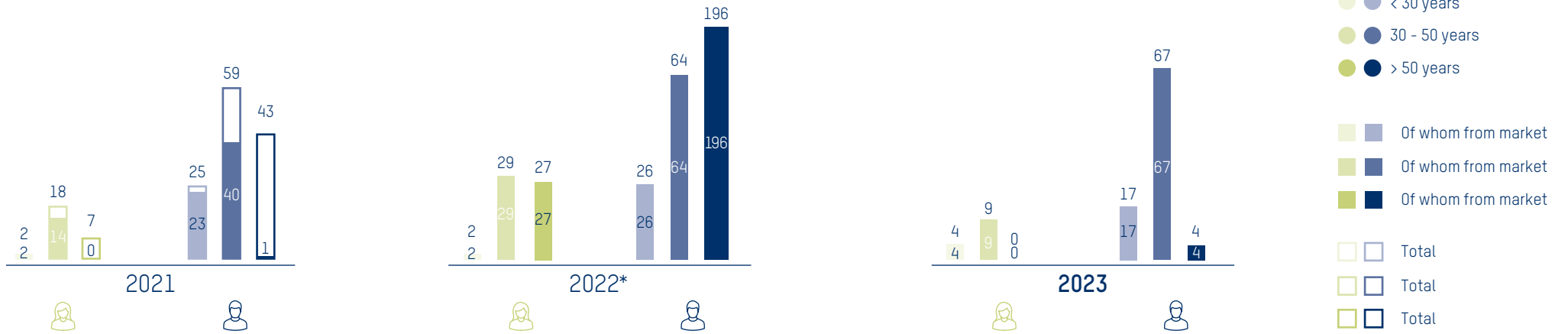
2022



2023

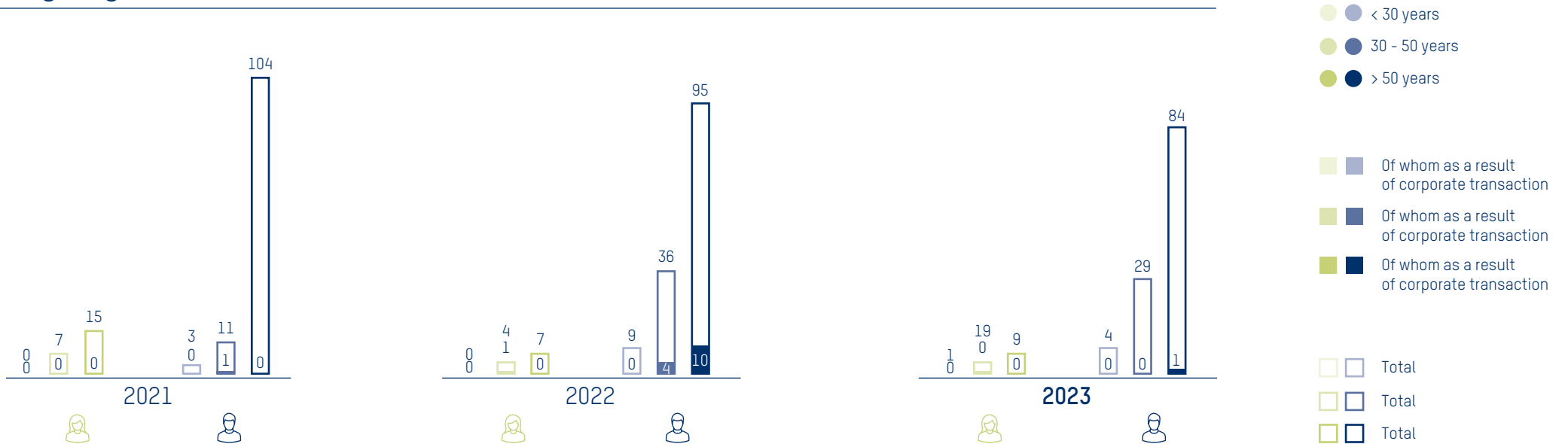


Incoming





* In 2022, the number of incoming staff takes into account the staff recruited as a result of the takeover of management of the ATEM "Napoli 1".

Outgoing





Incoming - outgoing turnover



2023

	< 30 years	30-50 years	> 50 years
	+66.67%	+4.11%	+0%
	-16.67%	-8.68%	-5.77%
	+36.96%	+11.11%	+0.35%
	-8.70%	-4.81%	-7.24%

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%

Total **INCOMING** turnover

+3.9% 2023

+15.5% 2022

+4.6% 2021

Total **OUTGOING** turnover

-6.9% 2023

-6.1% 2022

-6.7% 2021



women



men

Note: Regarding the percentage values relating to rates, the effects of extraordinary corporate transactions on both entries and terminations are excluded.

MANAGEMENT, DEVELOPMENT AND ENGAGEMENT OF HUMAN CAPITAL

2i Rete Gas promotes a corporate culture based on listening, respect and inclusion. It supports diversity empowerment and engagement based on open and constructive dialogue and feedback. It fosters the generation of ideas and encourages the contribution of innovative proposals. It conveys the value of sustainable behaviour and solutions and stimulates a sense of responsibility in each Resource, who thereby becomes an agent and protagonist of the organisation's continuous improvement endeavours and of its way of doing business.

The Group is committed to promoting the development of its people through cross-cutting paths to unlock their full potential and enhance their professional skills, empowering talent, fostering teamwork, knowledge exchange, the sharing of experiences, co-operation between different generations 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, geared towards 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 Quality, Workplace Health and Safety, Environment and Asset Management Policy), 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 the adoption 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 recruitment and selection 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.

Of the 101 resources hired in 2023 – the year in which the partnership with the Politecnico di Milano was confirmed for initiatives related to attracting young engineers and promoting Employer Branding – 99 were hired following the same number of external recruitment searches, completed during the year. The remaining 2 new hires result from the direct employment of resources already employed in the recent past.

2i Rete Gas continues to support **job posting** and **job rotation** activities, viewing them not only as tools to meet organisational needs, but also as effective methods to create opportunities for the exchange of skills and knowledge and opportunities for professional and role growth within the organisation.

In 2023, **52 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 **47% for searches relating to Headquarters** and **62% for those relating to local area units**.

In 2023, new positions were opened at the Headquarters to respond to the need to consolidate highly specialised skills in the technical, digitisation and innovation fields. The percentage of female staff hired from the market is 39%, an

improvement compared to the general Italian panorama of women graduates in STEM (Science, Technology, Engineering, Maths) disciplines. With regard to local open positions 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, which in any case remained consistent with recent statistics.

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** and 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.

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



In 2023, performance assessment involved the inclusion of more technical and operations staff. A total of 942 colleagues were included in the 2023 assessment plan, of whom 754 were office staff and 188 operations staff.

The office staff progressively involved (2017-2023) in the assessment process, within the consolidation scope, reached 70.02%, a figure that also includes the qualitative assessments made for the beneficiaries of the incentive schemes. With regard to technical and operations staff, the percentage of people involved in the same time frame is 48.49%.

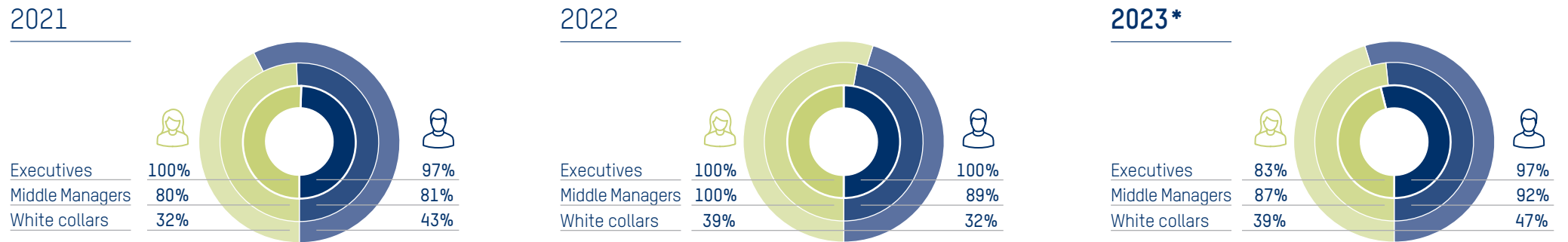


This is why, after completing and consolidating for the entire organisation a **Job Evaluation** project designed to make the performance assessment process more targeted and effective, 2i Rete Gas continued the **process to roll out its performance assessment process** with which it assesses the level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

The recruitment process



Employees that underwent an annual assessment



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 2023 data to 2021 data.

* In the calculation of Executives, the 2 newly hired Executives have been excluded from the calculation basis, as they will benefit from the incentive system and assessment in 2024.

INITIATIVES RELATED TO THE SUSTAINABILITY PLAN



In relation to the primary goal set out in the Sustainability Plan aimed at **increasing the number of people included in incentive schemes / plans with individual targets**, during 2023 the **percentage of Executives (D-0-8-7) included in the identified perimeter** reached 57%, recording a trend that was 5% higher than the target of >52% set for the year in question.



In addition, with regard to the primary goal set out in the Sustainability Plan aimed at **defining individual development plans for people with growth potential**, the **percentage of progressively formalised development plans for young graduates under the age of 40** (in line with the demonstrated potential) reached 38% as at 31 December 2023, recording a trend that was 13% higher than the target of ≥25% set for the year in question.

Training is a strategic element for the Group, which assumes a key role as a **growth driver** and **value generator**. Training is seen as an **integrated system** that includes **differentiated paths, advanced methodologies and innovative approaches**, aimed at enhancing the skills and attitudes of each employee. This approach makes use of a range of tools and content inspired by market best practices and the experience of those who are already part of the Company's workforce, aimed at ensuring the expansion of individual knowledge and the development of talent already present in the Company.

The multi-year training plan, revised annually where necessary, in 2023 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 professional 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.



The Company's workforce has been involved in a total of **over 70,000 hours of training**, through the provision of courses designed not only to fill existing skill gaps, but also and above all to promote innovation, collaboration and adaptability in the constantly evolving business context.

Greater attention has been paid to the management of feedback through the tools and methods adopted to assess **satisfaction** with and **effectiveness** of the training opportunities provided from time to time.

Personnel involved in training | including terminated personnel

1,786

as at 31.12.2021



2,264

as at 31.12.2022

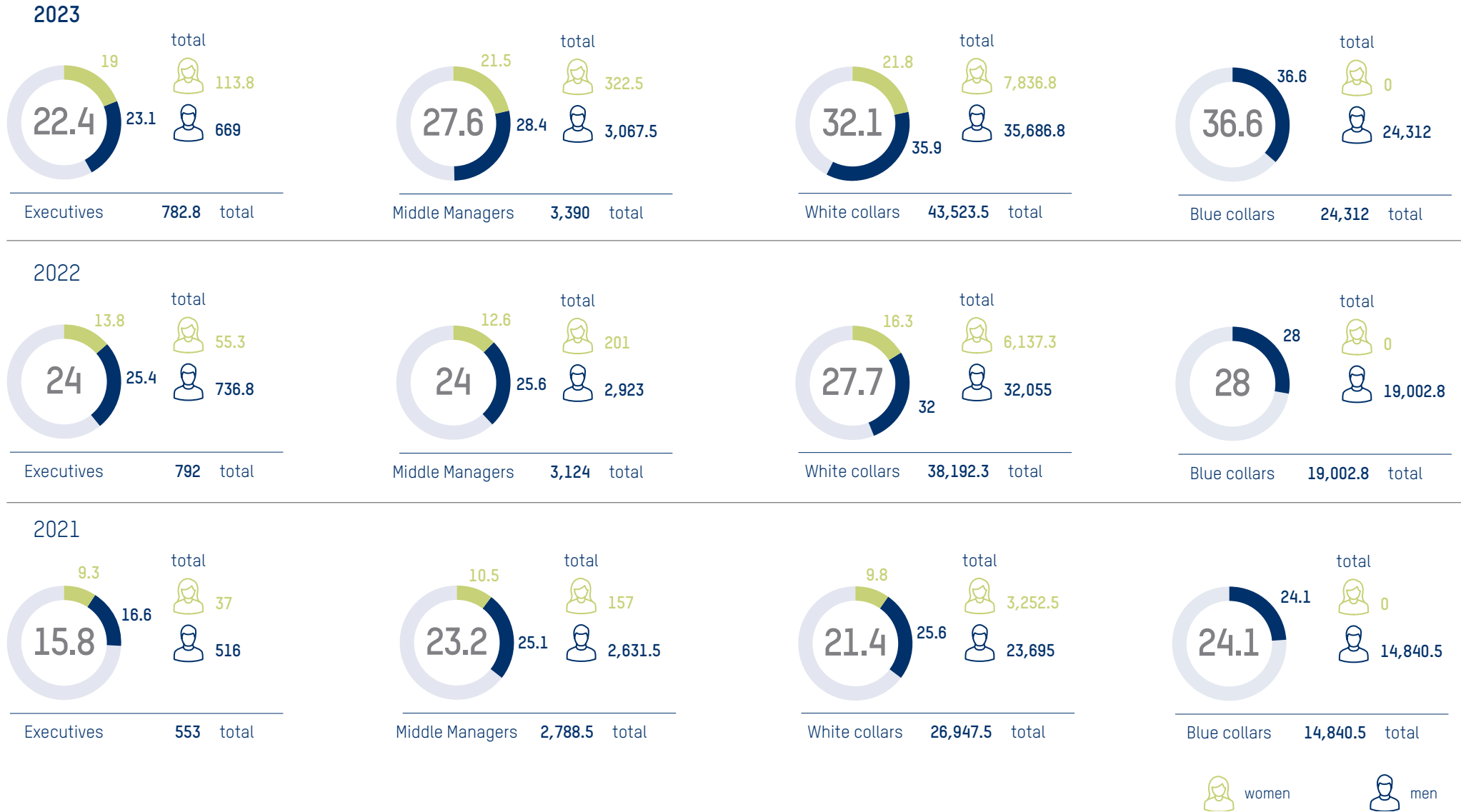


2,232

as at 31.12.2023

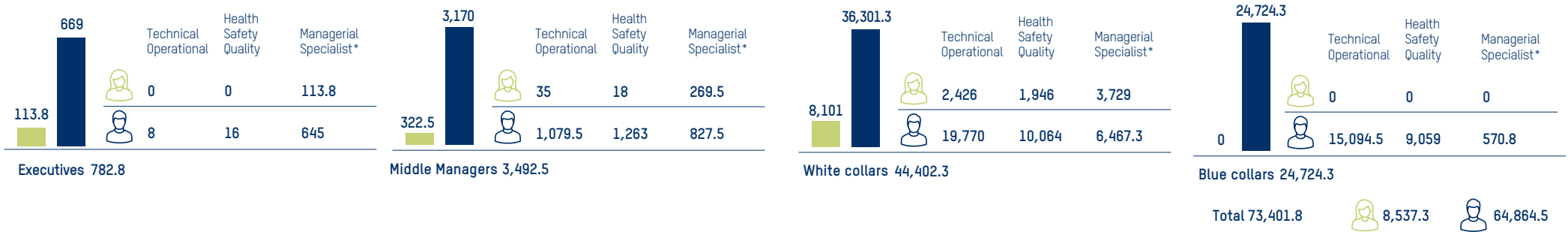


Average and total hours of training by professional category figures referring to headcount

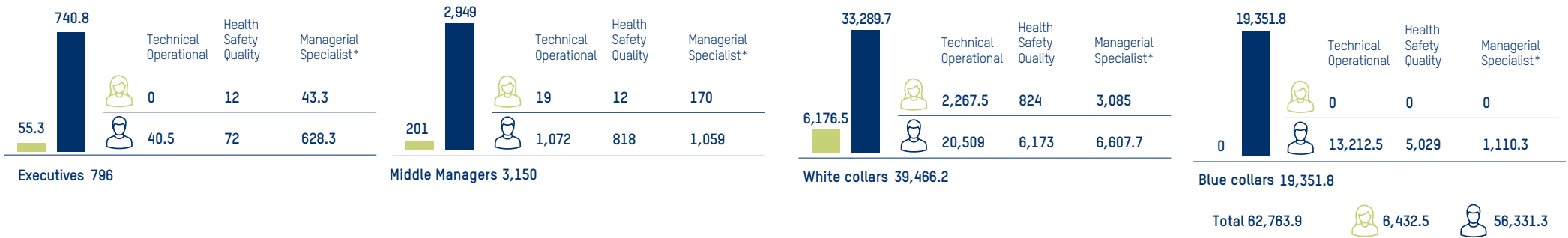


Total hours of training by gender and professional category

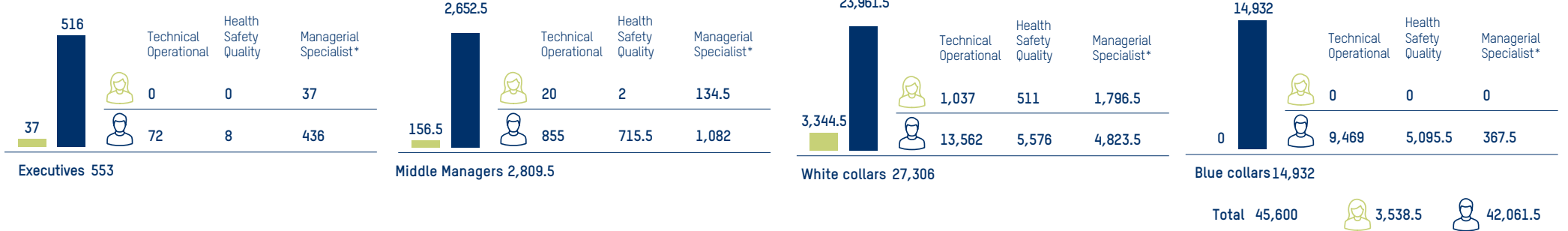
2023



2022**



2021

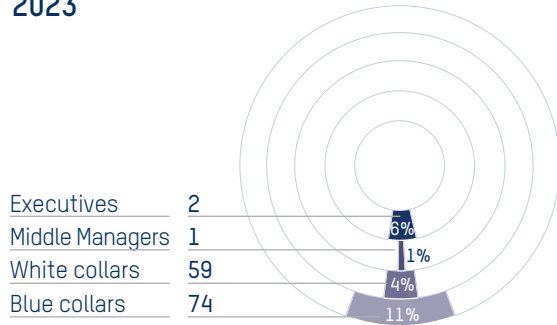


* In addition to managerial and specialist training, it includes language and IT training.

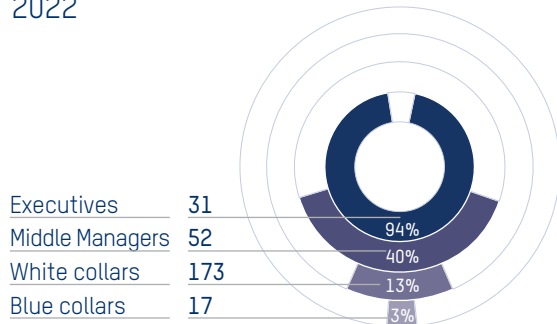
** In 2022 over 12,000 hours of training were specifically dedicated to ATEM "Napoli 1" personnel to ensure effective integration.

Employees trained on anti-corruption related issues - figures referring to headcount

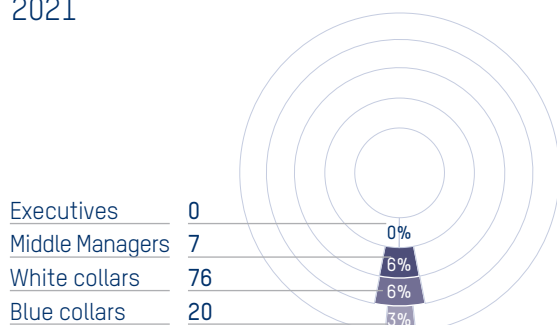
2023



2022



2021



In the **managerial** area, in continuity with the project aimed at the identification, training and development of people with growth potential, launched in 2022, and in line with the sustainability objectives, two **training courses for women** have been organised, aimed at:

- developing **women's empowerment**, through discussions and exchanges of experiences;
- recognising and promoting the **contribution that each woman can bring within the organisation**;
- creating alliances and supporting **networking between women** in the Company, also to promote awareness of the importance of creating a **relational network** within the organisation;
- consolidating skills such as **emotion management, communication, negotiation and conflict management**;
- sharing an **evolutionary leadership model** that integrates and enhances personal and gender qualities in the role.

Both courses included coaching sessions that fostered relationships and exchange between the participants.

Moreover, new editions of the **training course on soft skills** for high-potential junior figures have been organised. Like last year, the course focused on topics that can contribute to employee performance, such as time management and problem solving, but also on issues related to the development of relational skills and listening such as emotional intelligence, effective communication and management of cross-cutting complexities.



Regarding **technical-operational** training, multiple initiatives were carried out in 2023. Further to the activities promoted by the members of one of the internal groups known as **Network Time** – i.e. working 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 – practical training continued on **First response and the classification of dispersions**, with field exercises involving part of internal staff (about 300 people) as well as companies' staff (about 250 people). The first training cycle has been completed in some Departments and, in the remaining ones, the training will continue in early 2024.

With regard to training on **User Management**, the working group has prepared the latest review of the theoretical training module, with the goal of being able to deliver it to all corporate staff by 2024.

Approximately 200 qualified people were trained on the **UNI 11632 - UNI PDR 39:2018 standards**, out of approximately 1,100 qualified corporate employees. In addition to the training provided to update qualifications, approximately 70 employees were trained to obtain the various types of qualification foreseen by the **UNI 11632 - UNI PDR 39:2018 standards**.

In order to ensure a complete view of the assignment of works to contractors, including from an economic point of view, and thus improve the management and control

of works entrusted to third parties in the event of substantial changes to contracts, basic training was provided on **Technical Specifications and list of fees** to about 100 employees. In addition, to communicate the changes introduced, an update was also provided to about 400 employees already trained on the same topics.

As in previous years and with a constant focus on the quality of the service provided, training was organised in the area of **Operation and Maintenance**, offered to about 70 employees.

In relation to **Cathodic Protection**, during the year new training sessions were provided for levels 1-2-3, preparatory to taking exams for level changes, as well as several ISO updates to maintain certification.

An important training initiative was carried out on the **Reorganisation of metering at city gate** to update the staff concerned (about 100 people) on the contents of Resolution 512/2021/R/gas according to ARERA specifications. In addition, more than 150 employees participated in training sessions designed to share knowledge related to the rules of concession contracts.

Particular attention was paid to the training dedicated to about 160 employees relating to the manual

for the classification of technical activities and how to account for them.

In order to better disseminate the features introduced with SINAPSI, the new Front Office application (see "Reliability, efficiency and digitalisation of plants and processes"), training sessions were organised involving key users (referred to as tutors) and employees involved in the pilot areas.

Following the takeover of the management of the ATEM "Napoli 1" gas distribution service in December 2022, to facilitate the integration of the new staff into 2i Rete Gas operations, numerous training activities continued in 2023, for a total of about 12,000 hours of interventions specifically dedicated to the purpose.

In line with last year, with reference to **specialist training**, a specific "New Entry" training course continued to be provided to new hires. This programme includes a 12 hour session for white collars and an 8 hour session for blue collars which illustrates the organisation of activities in the Department and the specific characteristics of each function (Management Control, Relations with Local Authorities, Human Resources, Commercial Quality, Quality Safety and Environment, Plant Development and Network Planning and Monitoring), as well as operational coaching on site.

Between April and November, as part of the **Getting to know the company and learning more about our business** training project, 2i Rete Gas' new hires participated in a technical and operational tour, gaining an insight into the organisation and activities carried out by the specific Department, through the participation of the Head of Department and of his staff, as well as on-site visits to the plants.

Particular attention was also paid to training on **Sustainability** issues, with a focus on the involvement of all Managers who, through a 4-hour course structured in two modules, were able to extend their knowledge on aspects concerning the context in which they are operating from an ESG point of view, the main existing reporting standards, the processes and tools adopted, as well as the new features of the Corporate Sustainability Reporting Directive (CSRD).



In addition, a further focus on Sustainability issues was provided to 23 resources who, through a 4-hour course offering an overview focused

INITIATIVES RELATED TO THE SUSTAINABILITY PLAN



In relation to the primary goal set out in the Sustainability Plan aimed at **overseeing core business/technical skills by means of training initiatives addressed to technical staff and blue collars**, during 2023 the average number of annual hours provided per person was **36 hours**, recording a very positive result and well above the expected target of ≥ 25 hours per capita, set for the year in question.

in particular on the explanation of the mandatory reporting of Taxonomy-related KPIs, were able to extend their knowledge on certain aspects concerning the contribution of finance to the transition to a sustainable economic system and the main legislative changes introduced in June 2023.

The collaboration with the **Italian Gas Committee** (CIG) also continued through participation in various training opportunities, for a total of about 60 staff attending. Specifically:

- **CIG Forum: Commitment to the security of the national energy system**
- **CIG Forum: Technologies, innovation and perspectives of the gas system for a safe and sustainable energy transition.**

As in previous years, in 2023 all new hires completed the training pursuant to Italian Legislative Decree no. 231/2001, for a total of about 300 hours of training provided.

Starting in July, a training course was organised in collaboration with the Information Systems, involving all white-collar staff, on the new services related to the collaboration platforms used by the Company, with the aim of updating the skills necessary to effectively use these tools and maximise the productivity of the 2i Rete Gas team.

With regard to **language training**, group and individual English language courses continued in 2023, for a total of 643 hours provided to 35 employees.

With the aim of ensuring the preparation of new hires to safely carry out the planned work activities, training

courses on the associated risks were launched at the beginning of 2023:

- Low risk for office work
- High risk for office work, including outdoor activities
- High risk for operational work

A total of 207 resources were trained on these topics, for approximately 3,000 hours of training (including e-learning and classroom training).

As is the case every year, the following courses were defined and provided: First aid, fire prevention, road signs in the presence of road traffic. In addition, PES/PAV (expert person/informed person) training sessions were provided, as well as those relating to the theoretical in-presence course on Safe, Perceptive, Defensive, Eco Driving, with a Drive Check on the road.

A major training activity was carried out on environmental management issues involving 15 resources, as part of the qualification of internal auditors according to the UNI EN ISO 14001 standard: 2015, for a total of 480 hours.

In addition, another 12 resources participated in training on safety-related topics according to the UNI ISO 45001:2018 standard, for a total of 96 hours.

COMPENSATION SYSTEM

The Group pays attention to the implementation and updating of compensation policies consistent with business strategies, market trends and organisational structures, without ever losing sight of the possible developments of a modern Total Reward system, whose strategy also includes an **important package of corporate benefits**.

The objective of Total Reward corporate policies is to stimulate and direct work performance and ensure that **compensation systems are internally fair and competitive on the market**. The corporate approach in defining the compensation system is, in fact, 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**. In order to identify the best development opportunities, the model takes into account the relationship between the position held and the growth potential.

As in previous years, in 2023 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 the engagement of its People, their constant empowerment, growth and satisfaction are key objectives for continuing to ensure the effective running of the organisation and consolidating an increasingly responsible and aware vision of the contributions that everyone can make every day in a system of profitable and collaborative relationships.

In this context, the **corporate convention** entitled "The Netvolution" was held in October 2023, with the participation of the CEO and the Company's management. The event was aimed at sharing the Company's sustainability strategies, the evolution of the business, as well as a focus on the issue of energy transition and innovation. During the event, the results, objectives, projects, new strategies and upcoming goals that the Group has set itself in terms of diversification

of energy sources, decarbonisation, emission reduction, and new investment opportunities were presented. Particular attention was paid to the theme of Diversity and Inclusion, also thanks to the participation of authoritative professionals external to the Company. The Convention also saw the organisation of workshops on cross-cutting topics (sustainability, leadership, well-being, sense of social responsibility).

Again with a focus on promoting employee engagement, during 2023 the Company participated in two major **sporting events**:

- in April, 2i Rete Gas participated in the Milan Marathon with 6 teams that took part in the relay race, achieving excellent results. The proceeds were used to support the "A CASA CON CURA" project, a home care service for frail elderly people;
- in October, the 10th edition of the Pittarosso Pink Parade took place, a 5 km walk organised thanks to the collaboration with PittaRosso and the Veronesi Foundation which, with its "Pink is Good" project, is committed to supporting scientific research for the prevention of female cancers.

To help celebrate the **International Day for the Elimination of Violence against Women** on November 25, 2i Rete Gas joined the call in defence of women's rights. An important internal awareness and communication campaign was launched, which led to a participatory collection of photographic contributions that offered tangible proof of the organisation's commitment to this important and delicate social cause. The commitment of 2i Rete Gas and its People to promote inclusiveness and the protection of the dignity of every person will continue in the future.

Finally, in December, additional **get-togethers** were organised, such as the company party and family day. In almost all of 2i Rete Gas offices, get-togethers were organised with families and colleagues to celebrate the arrival of the holidays. A space was dedicated to children, who were engaged in environmental protection issues, while a show for children was held on this topic in Milan.

Although the Group is well-aware of the value of relationships and face-to-face work, remote working is a tool used to help support the work-life balance.

Following the introduction, on an experimental basis, of remote working arrangements, the use of communication and collaboration tools already implemented in previous years has been reinforced.

In 2023, a new edition of the survey on work-related stress risk assessment and climate analysis was launched. This initiative aims to monitor and update the satisfaction indicators about the corporate climate, evaluate the effectiveness of the actions implemented and identify new solutions capable of ensuring more sustainable working activities, in the constant commitment to the protection of workers' health and the continuous improvement of safety conditions.

The questionnaire was sent to all Company's employees, who received all the necessary information concerning the timing and methods to fill it out. The results will be shared in early 2024.

INITIATIVES RELATED TO THE SUSTAINABILITY PLAN

In relation to the primary goal set out in the Sustainability Plan aimed at constantly improving the satisfaction indicator about the corporate climate (VSLC - work-related stress assessment indicator), the results of the survey, concluded at the end of last year, show a year-over-year percentage improvement. In fact, the overall measurement of the perception by the entire workforce has gone from a negative perception value of 32.36 (2021 campaign data), to a value of 32.35 (2023 campaign data).

The staff has been constantly updated on regulatory, organisational and business issues through specific corporate communications.

DIVERSITY, INCLUSION AND WELFARE

For years now, 2i Rete Gas has been committed to enhancing diversity and promoting inclusion as essential components for business growth. The Group continues to strive to ensure 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.

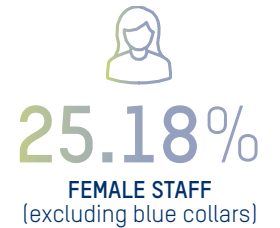
At 2i Rete Gas, in compliance with the Code of Ethics and the Sustainability Policy, the Group acts with absolute

and inviolable respect for the dignity 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, different tools and solutions that increasingly support inclusive approaches and the enhancement of diversity – understood as the unique contribution of each employee – have been implemented. Training courses on first response to help improve employees' skills have been developed. Moreover, close attention is paid to the phenomenon of generational change, facilitating

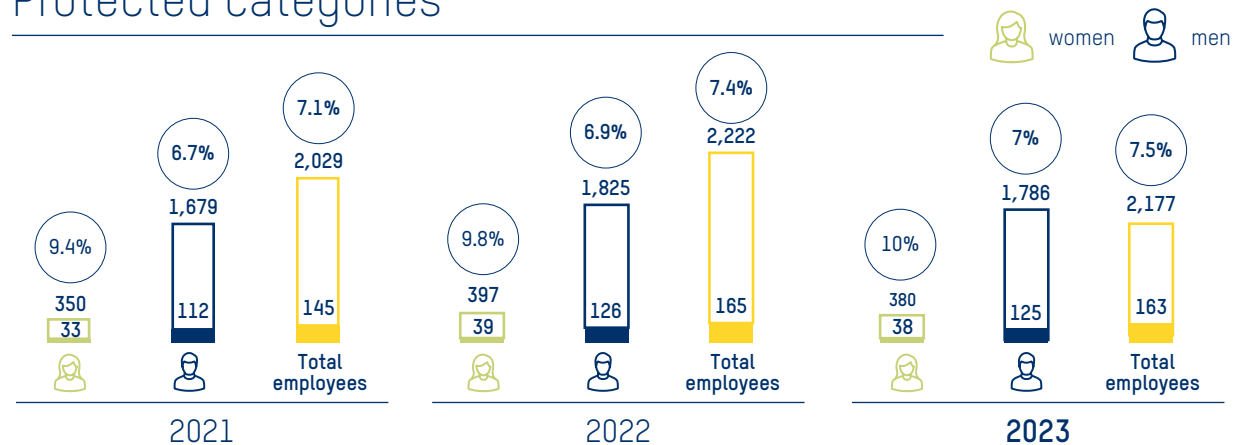
the migration of knowledge from more experienced staff to younger employees, through special training and information sessions. Finally, managerial paths aimed at enhancing the empowerment of women have been promoted.

The Group's female staff accounts for 25.18% of total employees (excluding blue collars).



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.

Protected categories



As at 31 December 2023, 2i Rete Gas employees belonging to protected categories totalled 163, including 125 men and 38 women.

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.

Over the past 10 years, the total number of women hired stands at 205 (23.78%) out of 862 hires. The presence of women in the last year is significant, especially in central staff functions (where they account for more than 43.02% 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.

At present, the percentage of women having more specialist skills, i.e. women with technical qualifications, has also proved to be growing in filling specialist positions. Indeed, recruitments completed during the

past 10 years include 131 women graduates (out of 345 total graduates hired), including in technical and engineering fields (37.9% of graduates hired). In 2023, this situation was even more evident as most recruitments resulted from the need to rely on technical and operational profiles. This phenomenon is also affected by the greater presence of men in technical/engineering roles.

Also in 2023, the Group confirmed its commitment to increasing the percentage of women in responsibility/coordination positions, along with salary improvement measures.

Currently, women holding leading, management and executive and/or coordination positions account for 13.8% (26 out of 189 profiles) of the total scope of reference.

As part of the 2023 Management Plan, with regard to the global number of planned merit-related interventions, 22% were dedicated to women based on merit, in line with the Company's ratio of female to male workforce.

In addition, during 2023 the number of women in management/coordination positions out of the total positions of responsibility in the Company reached 13.8%.

As regards the percentage that identifies the Gender Pay Gap, in 2023,

average total basic salaries saw a year-over-year improvement for the individual job categories of Executives, Middle Managers and White Collars.

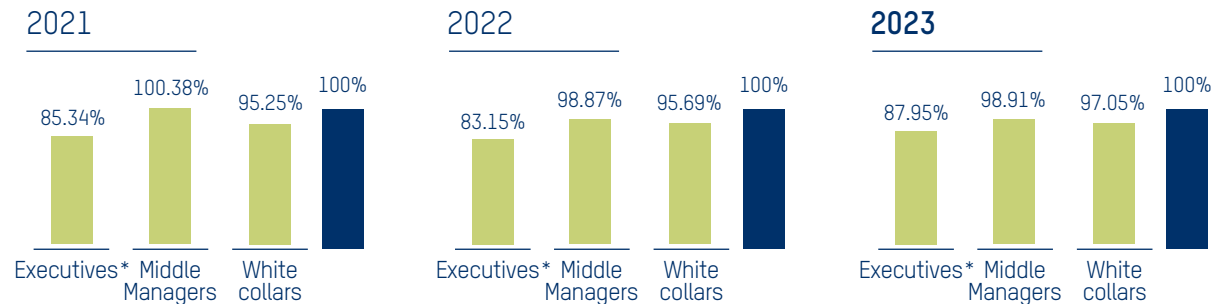
In 2023, there was an improvement in the ratio of female to male remuneration:

- for the Executives category, the ratio improved by 4.79%;
- for the Middle Managers category, the ratio improved by 0.04%;
- for the White Collars category, the ratio improved by 1.36%.

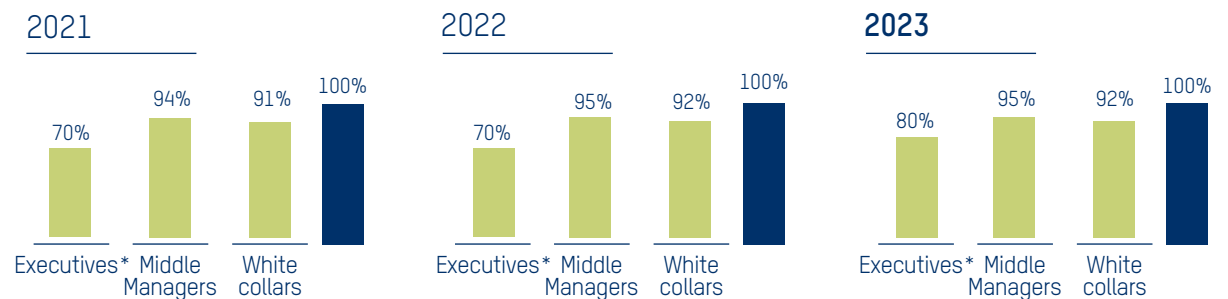
With regard to average remuneration, the Gender Pay Gap shows a positive trend compared to the past, with an improvement compared to 2022 for the Executives category.

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 the salary, instead of 80% as required by law, together with the ability to use Company benefit packages throughout the leave period.

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

	2021			2022			2023		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Number of employees that took parental leave	36	3	39	46	4	50	52	9	61
Number of employees that returned to work after parental leave ended	29	3	32	35	4	39	45	9	54
Number of employees that were still on parental leave during the year	7	-	7	11	-	11	7	-	7
Number of employees on parental leave in the previous year that returned to work in the reference period	5	-	5	7	-	7	12	-	12
Number of employees retained 12 months after returning to work following a period of parental leave	38	5	43	28	3	31	35	4	39
Return-to-work rate after parental leave	100%	100%	100%	100%	100%	100%	100%	100%	100%
Retention rate after parental leave	100%	100%	100%	97%	100%	97%	100%	100%	100%

In the return-to-work phase, 2i Rete Gas ensures favourable opportunities to its employees in order to facilitate the resumption of activities and work-life balance.

The return to work can also be facilitated by part-time contracts, which can be renewed annually, subject to Company's needs. In addition to ordinary maternity, paternity and

parental leave, in 2023 – thanks to second-level corporate bargaining – more flexible and more favourable arrangements have been adopted for the use of remote working in special cases: pregnancy (pink remote working) and new parenthood for the first 3 years of the child's life.

Additional days of remote working arrangements have also been granted

for caregivers and in cases of specific medical care pathways.

The Group is willing and determined to continue evaluating the possible introduction of **new flexible working arrangements**, with a special focus on people facing greater difficulties. This commitment is also confirmed by the extension of the **Solidarity Time Bank** (see "Relations with the Unions").

To consolidate its commitment to promoting and implementing **Diversity and Inclusion** best practices and, more specifically, to defining and implementing initiatives to support gender equality and women's empowerment, 2i Rete Gas has formally joined "**Valore D**", with effect from January 2023.

It 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 Italy. 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.

Membership has allowed 2i Rete Gas to activate channels of collaboration, training and exchange of good practices. The first training project was aimed at a female target of managers and team leaders, and saw great success (see "Development and Training").

Since 2018, 2i Rete Gas has implemented a **corporate welfare system** to meet the different needs of its employees.



In 2023, 2i Rete Gas' Welfare Plan was again expanded and renewed, with the aim of offering even more concrete and extensive benefits, including through the use of the service that allows 2i Rete Gas' staff to request the Company to sign agreements with new centres (medical, sports and wellness). With respect to 2022, a single package has been introduced that provides for both the **direct access to health and other services**, and the **reimbursement of education and transport expenses** (another change introduced in 2023), as well as **elderly and disabled family care expenses**.

As last year, with reference to any family needs, staff can access **forms of microcredit** that can support the family/individual financial budget.

The most popular services included payments to supplementary pension schemes, reimbursements of expenses for education, health and well-being, and shopping vouchers (also given the increase in the

overall tax exemption limit of fringe benefits for workers with dependent children).

INITIATIVES RELATED TO THE SUSTAINABILITY PLAN



In relation to the primary goal set out in the Sustainability Plan aimed at **Improving the welfare services subscription percentage through the progressive increase of beneficiaries over the years**, in 2023 a total of 438 subscriptions were recorded by employees who converted their performance bonus into welfare benefits.

In addition, considering those entitled, the subscription to the two 2i "Insieme a Te" welfare packages reached **79%** in the year under review, significantly exceeding the target value set in the Plan (40%).

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

2i Rete Gas continues to pursue and confirms the objective of promoting profitable and meaningful industrial relations at all levels through constant, transparent and concrete dialogue, ensuring the full involvement of its social partners. In fact, the Group promotes freedom of association and engagement in collective bargaining at all levels.

The organisation of trade union representatives in the Group is widespread throughout local areas.

As part of the dialogue with the unions, periodic meetings are held – at Works Councils (RSUs), Local Secretariats and National Secretariats level – according to the various levels of bargaining and/or dialogue, facilitating the management of issues relating to the National Collective Bargaining Agreement and the Industrial Relations Protocol.

In compliance with legal requirements, the Group gives advance notice and, where appropriate, discusses company plans and/or reorganisations with trade union representatives.

In this regard, the logistical reorganisations of staff employed at the Naples Area office and the Palermo Local Area office were shared with the unions. The reorganisations of some areas of the Central Department, which led to the definition of the new Perugia-Viterbo Area and, consequently, the revision of the remote availability perimeter of the Viterbo and Terni Areas and the technical-operational perimeter of the Grosseto Area, were also positively shared with the relevant trade union and territorial representatives.

In the first half of the year, meetings continued to be held with the respective regional and local trade unions on the progress of the Naples Area staff integration plan, also with reference to aspects concerning work organisation and the implementation of company-wide technical and logistical contract models. Also taking into account the entry of the Naples Area in the South-West Department, the Frosinone Local Area, while maintaining the same territorial perimeter, has been incorporated

into the Central Department. In view of this organisational change, the representation agreement was updated and supplemented, within the current Industrial Relations Protocol, by virtue of which the elections of the Works Councils (RSUs) and Workers' Safety Representatives (RLSs) for the Naples Area and Naples office staff were held.

Actions aimed at increasing the effectiveness of health and safety measures for the management of cases involving vulnerable individuals continued, in line with the protocols still in force.

With regard to agreements with the unions, on 27 March 2023 – following successful discussions with the unions – a memorandum extending remote working arrangements until 31 March 2024 was signed, in accordance with the previous provisions thereof governed under the agreement entered into on 27 January 2022.

A three-year agreement on the Performance Bonus was signed, which defined new amounts for the 2023-2025 three-year period

in relation to the achievement of specific targets. New technical indicators were also identified, implementing the Guidelines for the determination of the annual productivity pay amount (ARAP), as regulated by latest renewal of the Gas-Water collective bargaining agreement, dated 30 September 2022.

Furthermore, the possibility of converting 100% of the total amount of the bonus into welfare services or of allocating it to supplementary industry pension funds was confirmed. Moreover, an additional welfare credit of up to 15% of the amount converted into welfare services in case of a welfare services option was confirmed, in line with what has already been implemented in previous agreements.

The amendments by way of derogation from Article 51(3) of the Consolidated Income Tax Act (TUIR) were implemented. These amendments also proved useful for the purposes of corporate welfare, in particular in the context of the tax measures introduced by Article 40 of Italian Law Decree 48/2023, written

into Law 85 as published in the Official Gazette on 3 July 2023, on the subject of "Urgent measures for social inclusion and access to employment" (so-called Labour Decree). In this regard, for the 2023 tax period only, it was therefore decided that the value of goods sold and services provided by the employer exclusively to its employees with dependent children – including children born out of wedlock who are recognised, adopted or fostered – will not qualify as taxable income, without prejudice to a € 3,000.00 limit.

Moreover, with the agreement dated 17 March 2023, the *Fondo Nuove Competenze* (i.e., New Skills Fund) was activated in compliance with the provisions of Article 88 of Law Decree 34/2020, written into Law 77/2020, and of Interministerial Decree dated 22 September 2022. This Fund has been designed with the aim of implementing a training project on the basis of which personalised skill development paths can be launched consistent with workers' needs, with account being taken of innovation processes resulting from the digital and/or ecological transaction.

Trade union agreements were also signed with the National Secretariats

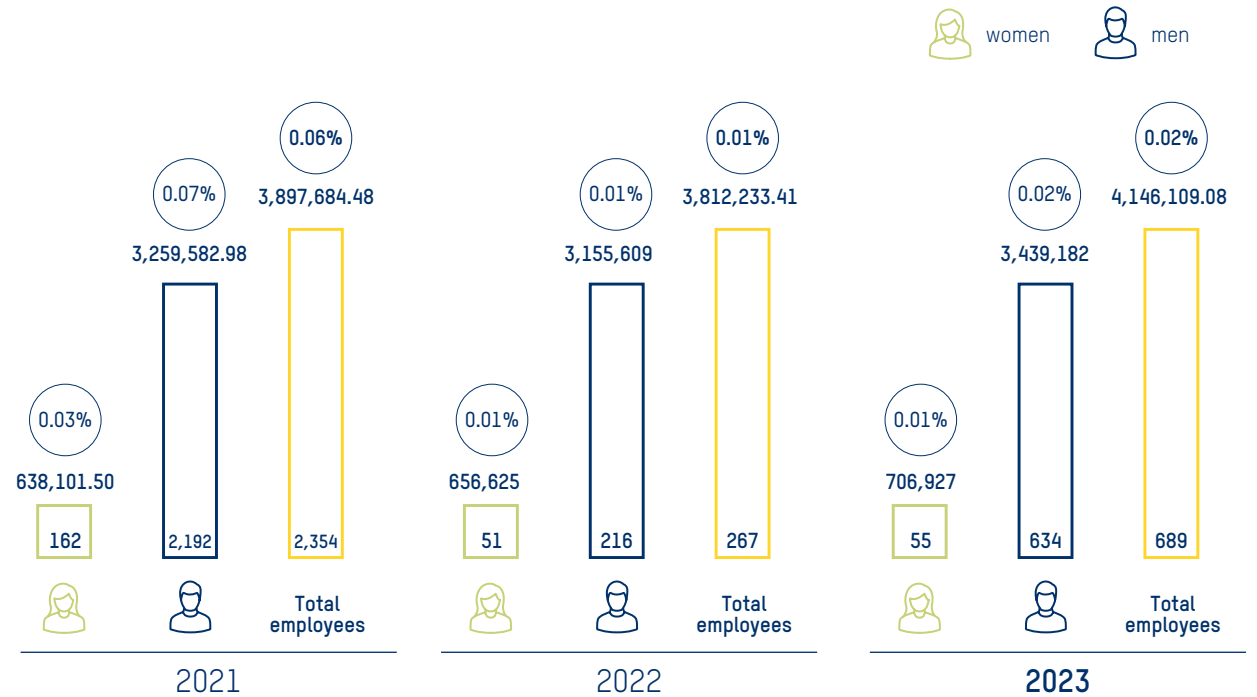
on funded training, taking into account the needs and suggestions made by the relevant departments.

In the second half of 2023, the most favourable supplementary agreement was defined for regulating the following contractual matters: flexible working hours for Departments and Areas, co-pay and per diem, as well as permits for medical visits. The current agreements governing the travel regime were also updated, and the agreement governing the Solidarity Time Bank has been extended (in favour of employees requiring assistance for their children and/or spouse and/or domestic partners and who, due to their particular health conditions, require prompt intervention and assistance with medical treatments).

The constant monitoring of the bilateral Observatory on Remote Working, provided for in corporate agreements at a national level, also continues.

100% of 2i Rete Gas staff is covered by national collective bargaining, respectively: for executives, the Industry Executives Collective Bargaining Agreement, while for middle managers, white collars and blue collars, the Gas and Water Collective Bargaining Agreement.

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.

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.

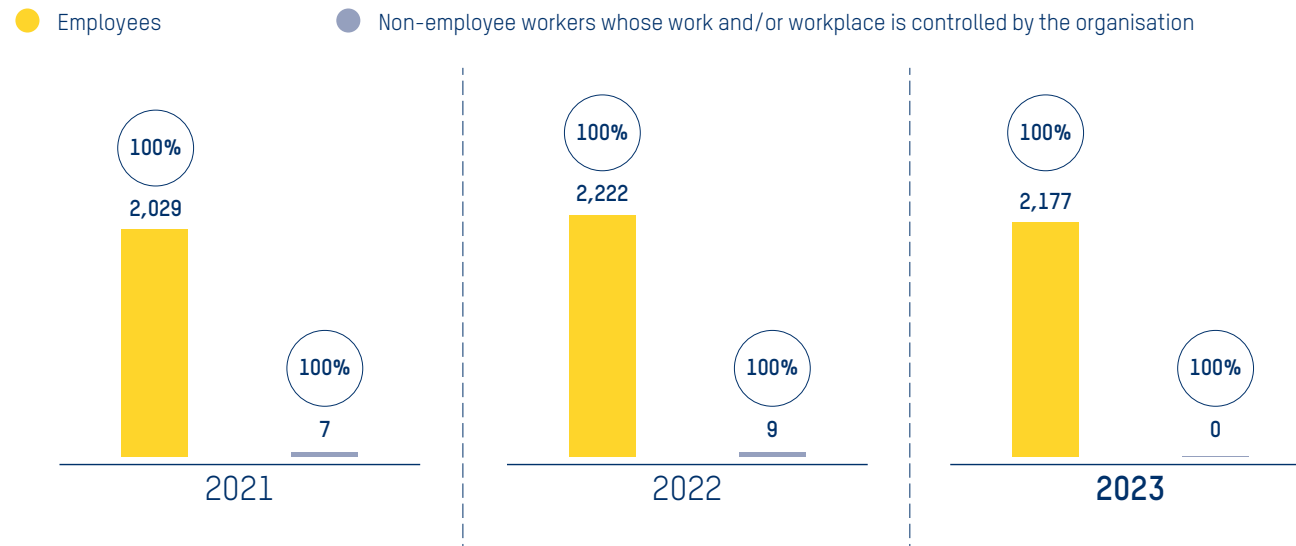
All Group companies ensure safety by deploying a specific organisational structure, within which the persons involved are vested with the powers granted according to proxies. Operationally, it is supported by the **Prevention and Protection Service (SPP)**, consisting of a Head of Prevention and Protection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

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

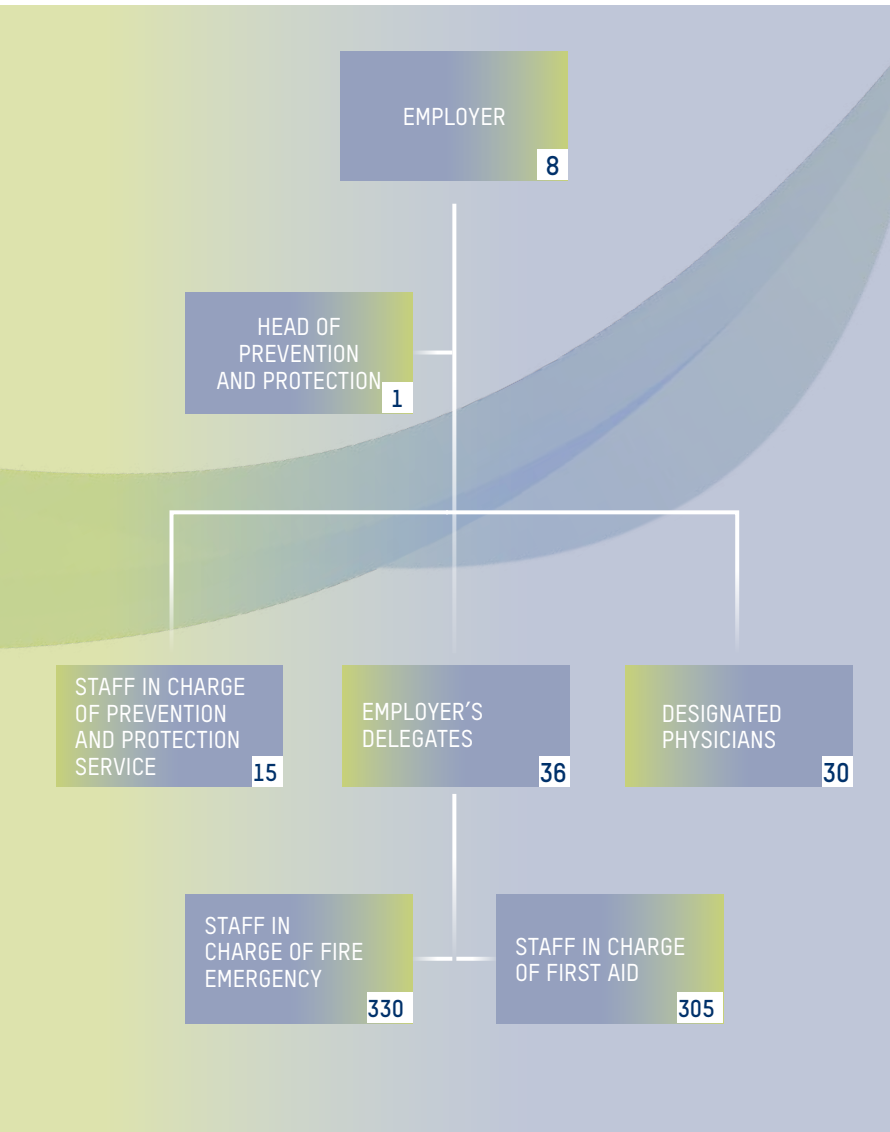


To this end, since 2014 2i Rete Gas has voluntarily adopted a **Health and Safety Management System (SGSL)** in accordance with the most widespread reference standards (OHSAS 18001:2007, now replaced by UNI ISO 45001:2018), which over the past few years have contributed to building a collective awareness 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 standards

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 Quality, Workplace Health and Safety, Environment and Asset Management Policy 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 corporate 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.

• Safety checks (aka VISORV)

Checks designed to ensure the appropriate discharge of activities conducted on staff employed by entities responsible for control. (Target for 2023: checks on 60% of the headcount as at 31 December of the year prior to the reference year);

• Safety checks while works are underway (aka RV)

Checks designed to ensure the correct execution of work activities 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 CSEs) 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, since 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"/> Operations staff <input type="checkbox"/> Officers <input type="checkbox"/> Staff in charge of emergency	<input type="checkbox"/> 1.1. 2iRG staff <input type="checkbox"/> 1.2. Companies <input type="checkbox"/> 1.3. Near miss	<input type="checkbox"/> 2.1. Trend <input type="checkbox"/> 2.2. Qualitative analysis	<input type="checkbox"/> Trend <input type="checkbox"/> Fitness assessments	<input type="checkbox"/> Outcome of checks <input type="checkbox"/> Critical issues and suggestions
5. Risk evaluation and risk assessment document (aka DVR)	6. Visits and inspections Supervisory Bodies	7. Emergencies and evacuation	8. Workers' safety representatives (aka RLS) and further information	
<input type="checkbox"/> DVR status <input type="checkbox"/> On-site inspections Physician <input type="checkbox"/> Assessment of specific risks <input type="checkbox"/> Improvement actions	<input type="checkbox"/> ASL (Local Health Service) inspections, Certification Body, ... <input type="checkbox"/> Critical issues identified <input type="checkbox"/> Corrective actions	<input type="checkbox"/> Emergency plans <input type="checkbox"/> Evacuation drills <input type="checkbox"/> Critical issues and corrective actions	<input type="checkbox"/> Engagement <input type="checkbox"/> ...	

These indicators, which were monitored in 2023 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 injuries, 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 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 applicable 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 Works Managers.

In 2023, 6,252 inspections were carried out (5,638 in 2022), totalling 6,786 reports (6,031 in 2022) by Safety Coordinators in the Execution Phase (aka CSEs). During the inspections, the focus was also on ensuring that the provisions designed to protect the health of workers were complied with on worksites. In addition, 4,764 (4,250 in 2022) in-progress inspections were carried out by Works Control Officers (aka ACOs), together with 451 (617 in 2022) technical tests.

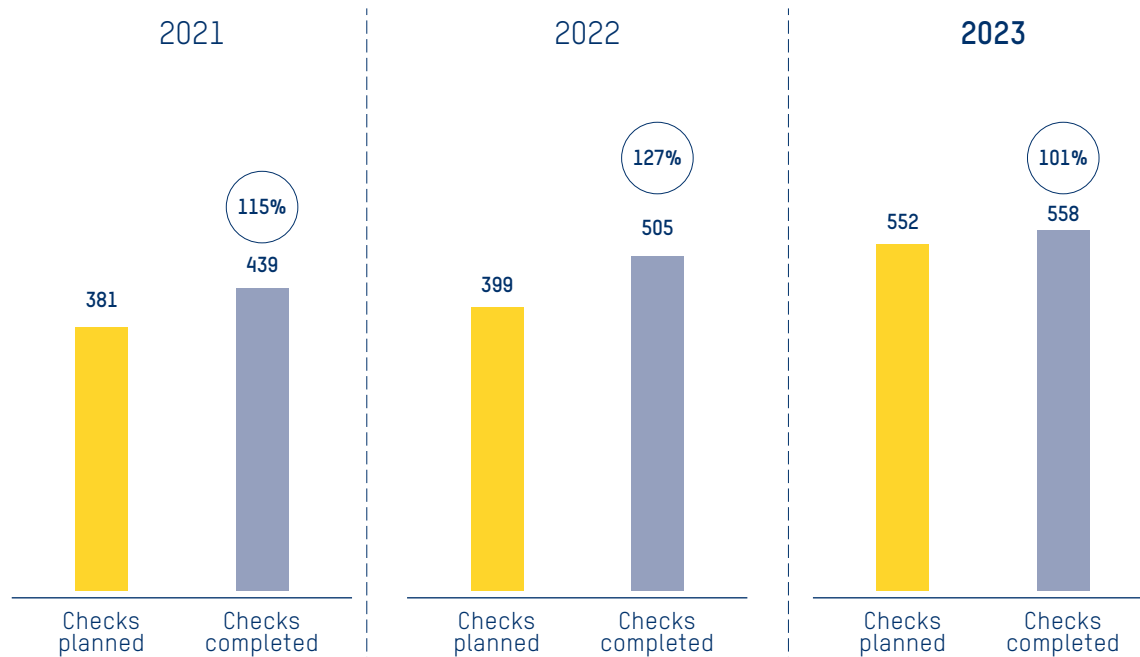
The constant monitoring and analysis of control findings fed into an ongoing dialogue with Works

Managers and Safety Coordinators in the Execution Phase (aka CSEs), 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 **injury record 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 9 (13 in 2022). 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.

Number of surveillance checks (aka VISORV)

% refers to checks completed vs. checks planned



In 2023, injuries involving the Group's people totalled 10 (as in 2022), resulting in 481 lost working days (207 in 2022). The significant increase recorded during the year is due to injuries that resulted in more than 60 lost working days (with the submission of multiple consecutive certificates).

The injury trend is monitored through the standard indicators calculated in accordance with the UNI 7249/2007 standard, namely:

- the Injury Frequency Rate (IFR), which indicates the frequency with which injuries have occurred;
- and the Accident Severity Rate (ASR), which indicates the severity of events in terms of lost working days due to the accident concerned.

2023 shows a year-on-year decrease in injury/accident rates compared to 2022: IFR 2.81 and ASR 0.12 (in 2022: IFR 3.08 and ASR 0.06). In

2023, as in previous years, there were no accidents with serious consequences 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.

To measure the effectiveness in achieving the objective of improving performance compared to the

past, the frequency and severity indices of the injuries/accidents that occurred 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 pandemic, the value is set by weighting the achievement of the IFR to 2023 with a target confirmed at 4.80 (such value

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 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).

Total number of work-related injuries suffered by employees

	2021			2022			2023		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Work-related injuries suffered by employees									
Total number of work-related injuries	-	14	14	1	9	10	1	9	10
In the workplace	-	10	10	1	9	10	1	8	9
Commuting incident*	-	4	4	-	-	-	-	1	1
Hours worked	542,633	2,844,721	3,387,353	537,902	2,704,902	3,242,804	579,433	2,975,405	3,554,839
Employee injury rates									
Rate of recordable work-related injuries	-	4.92	4.13	1.86	3.33	3.08	1.73	3.02	2.81
Rate of Severity of recordable work-related injuries**	-	0.17	0.14	0.03	0.07	0.06	0.21	0.10	0.12
Days lost due to employee injury	-	482	482	15	192	207	121	360	481

* 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.

INITIATIVES RELATED TO THE SUSTAINABILITY PLAN



In relation to better monitoring of the standard injury/accident rates provided for by sector regulations, the Group has voluntarily decided to maintain the levels of such rates on a three-year basis below the targets set for 2023, reaching the following values:

- **Injury Frequency Rate** of 2.11 vs. the 2023 target of ≤ 3 , set in the Sustainability Plan;
- **Accident Severity Rate** of 0.07 vs. the 2023 target of ≤ 0.15 , set in the Sustainability Plan.

These figures are, however, influenced by 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 the 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 2023, 1,301 medical examinations were carried out to confirm fitness for duty. At the end of the year, pending Health Surveillance activities were completed on all office and operations

staff. Additional extraordinary examinations were also carried out in order to support Employers in the management of resources, for a total of 301 examinations. Some of these required specialist examinations and targeted investigations 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 2022, no cases of recognised work-related ill health were identified in 2023. During the year, 7 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 for 2024, as well as established the absence of any cases of recognised work-related ill health for 2023. In addition, a scenario was proposed in which the improvement plans are aimed at in-depth analysis and consequent inclusion of risk weighting in the Risk Assessment Document, 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 workers in carrying out their work duties.



Still on the subject of health and prevention, in 2023 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, have been 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.

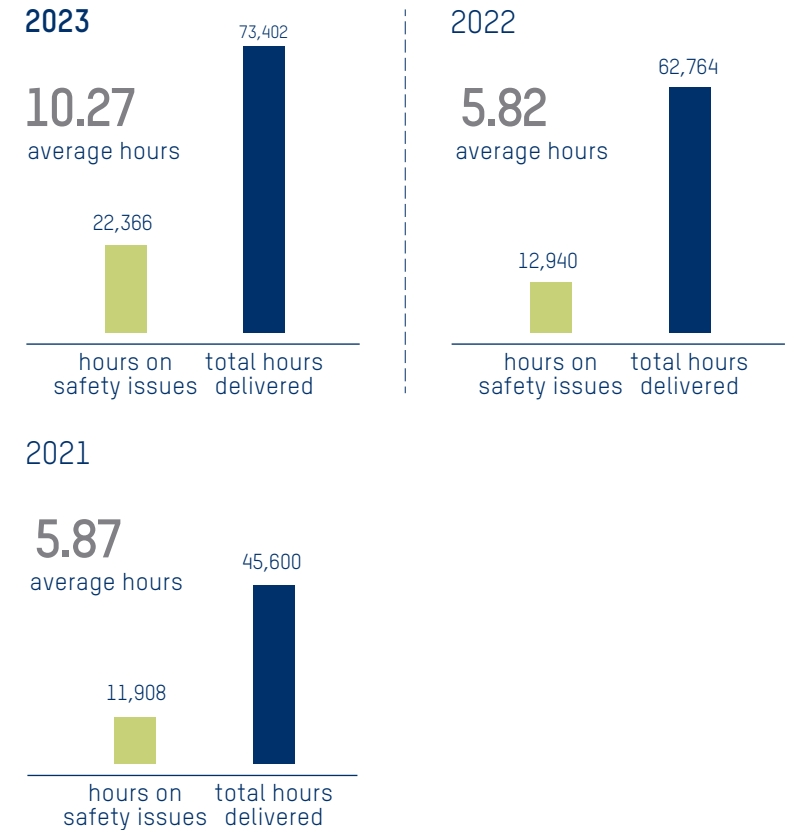
In 2023, neither Parent Company's staff nor staff of suppliers working under contracts with 2i Rete Gas S.p.A. were involved in accidents that resulted in:

- serious and permanent injury or death;
- the imposition of financial penalties or warnings.

Recordable injuries by type of accident

Recordable injuries by type of accident	2021			2022			2023		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Employees	-	14	14	1	9	10	1	9	10
Animal bite	-	1	1	-	1	1	-	1	1
Awkward efforts/movements	-	3	3	-	-	-	-	3	3
Sliding	-	2	2	1	4	5	-	2	2
Cutting	-	1	1	-	1	1	-	-	-
Car accident while travelling on duty	-	1	1	-	2	2	1	2	3
Impact - Crushing	-	2	2	-	1	1	-	-	-
Aggression	-	-	-	-	-	-	-	-	-
While travelling with company vehicle	-	4	4	-	-	-	-	1	1
Non-employee workers	-	-	-	-	-	-	-	-	-
No injury events occurred	-	-	-	-	-	-	-	-	-

Average hours of training/employee on safety issues



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 2023 the training plan addressing prevention and workers' safety ensured the oversight of issues connected with specific training to support the implementation of

the prevention rules introduced by the organisation and defined by the new regulatory scenarios. In particular, during 2023, specific training was provided to "Supervisors" responsible for

safety and for fire prevention and related surveillance activities.

ASSETS

Ensure efficiency, quality and SAFETY



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**.
- ensuring proper **monitoring of safety conditions and prompt response in potentially dangerous situations**.
- fostering technological innovation as a key enabler for enhancing the distribution and **metering** service.



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 mandatory 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

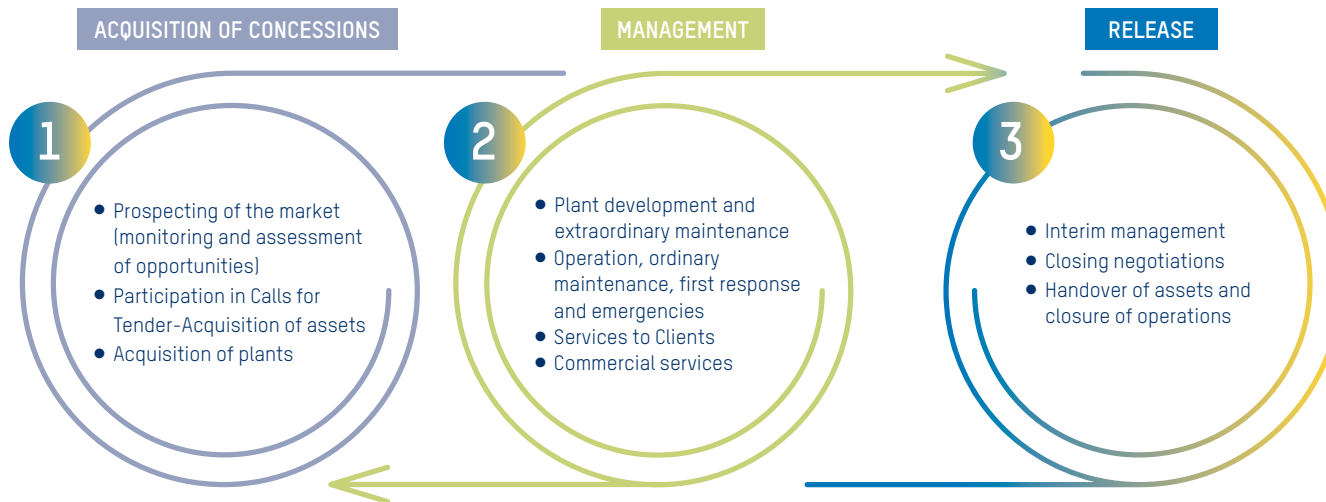
consists of the activities necessary to ensure the "Management and Operation of the Natural Gas Distribution Service" business process, which comprises three different time phases (primary process macro-flows):

• **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.

During 2023, the scope of the IMS was extended to the requirements set out in the reference standard UNI ISO 55001:2015 "Asset Management" and, in particular, to the processes for the operation and maintenance of tangible assets represented by "reduction and metering systems (city gates and bio-city gates) and intermediate and final pressure reduction units belonging to natural gas and other combustible gas distribution networks". The stages of certification of compliance with the standard are underway. (See "Reliability, efficiency and digitalisation of plants and processes").

RELIABILITY, EFFICIENCY AND DIGITALISATION OF PLANTS AND PROCESSES

Zi Rete Gas, for the benefit of the communities and areas served, is committed to maintaining high standards with respect to the service provided and to continuously enhancing the efficiency of the control and management of its assets and processes, including through the implementation of new technologies aimed at improving them and making their management more efficient.

Integrated Management System (IMS)

The Quality, Health, Safety and Environment IMS is maintained with the aim of **ensuring 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 in-

frastructure and surveillance of service providers and material suppliers.

The IMS of Zi Rete Gas monitors 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 indirectly, 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 UNI EN ISO 9001:2015, UNI EN ISO 14001:2015 and UNI ISO 45001:2018 standards, covers the primary process macro-flows pertaining to the acquisition of concessions, Service management and Release of facilities stages.

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 functions involved, verified, in terms of consistency with the IMS, by the Quality, Safety and Environment

function of the Operations Department (or QSE function), issued and finally stored in a specific section of the corporate Intranet, where they are available for viewing by the entire organisation.



During 2023, the Quality Management System was definitively consolidated in harmony with the requirements set out in the UNI ISO 55001:2015 "Asset Management" regulatory standard, applied to the processes for the operation and maintenance of city gates, bio-city gates, intermediate and final pressure reduction units, for the optimal management of the same with a view to ensuring their technological value.

In relation to the choice to extend the perimeter of the IMS:

- the CEO approved and required compliance with the review of the Integrated Management System Policy, with the aim of defining the requirements and objectives for the Asset management system;
- the QSE function undertook the integration and review of the documentary system, to ensure its compliance with the requirements set out by the UNI ISO 55001:2015 standard.

The documentation thus prepared was submitted for validation by the Certification Institute as part of a first certification stage (documentary compliance), which established that it was possible to proceed with the certification process.

The final stage is scheduled for early 2024. Upon its completion, the certificate of compliance with the standard will be issued.

The documents introduced or revised, of particular relevance for alignment with the Asset Management standard, in addition to the review of the Integrated Management System Policy, included:

OPERATING INSTRUCTION

The drafting of a **new system document** (Operating Instruction) which outlines the methods adopted to ensure the implementation of the **Strategic Asset Management Plan** and the definition and control of the periodic Intervention Plans designed to ensure the activities necessary to pursue the specific objectives relating to the scope of application of the Asset Management System implemented in compliance with the **UNI ISO 55001:2015** standard;

2024 TECHNICAL GUIDELINES

The introduction of a **new format** adopted by the Engineering function in the drafting of the **"2024 Technical Guidelines"** to harmonise the document as a **Strategic Asset Management Plan** for interventions related to the scope of the Assets included in the certification scheme (city gates, bio-city gates, intermediate and final pressure reduction units);

IMS MANUAL

The review of the **IMS Manual**, drawn up with the aim of describing the organisation and context within which the Group companies offer their service, as well as establishing the business process and the related environmental, health and safety aspects, within which the management systems intervene in the assessment of applicability of the requirements of the following reference standards:

- **UNI EN ISO 9001:2015** for the Quality Management System;
- **UNI EN ISO 14001:2015** for the Environment Management System;
- **UNI ISO 45001:2018** for the Health and Safety Management System;
- **UNI ISO 55001:2015** for the Asset Management System.

Based on this approach, with reference to the defined business process, the aim is to:

- **identify and analyse the internal and external factors (positive and negative) deemed relevant for achieving the strategic objectives** and which influence the organisation's ability to obtain the results expected from the Management Systems adopted;
- **determine the interested parties that can have significant influence on the organisation's ability to continuously provide the service in compliance with implicit, explicit and binding requirements;**
- **demonstrate the ability to provide the gas distribution service on a regular, continuous and safe basis**, in order to increase the satisfaction of clients and users, in compliance with implicit, explicit and binding requirements;
- **guarantee compliance with regulations and ensure full compliance with current legislation** regarding the environment and occupational health and safety (OHS);
- **develop the necessary business process analysis**, defining the criterion of **effectiveness** in terms of **measuring continuous improvement and managing risks and opportunities;**
- **develop the awareness** of all stakeholders.

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 2023, 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 Quality, Workplace Health and Safety, Environment and Asset Management Policy** is derived, and to the initiatives and KPIs set by the broader **Sustainability Plan**. This harmonisation process, which was submitted to the IMS Certification Institute for its perusal and approval, resulted in a total of **17 (QSE) indicators** being calculated, subsequently integrated by **6 specific Asset Management indicators** on which monitoring was conducted during the year. These indicators are distributed across the four reference regulatory standards

(Quality – 7 KPIs, Health and Safety – 5 KPIs, Environment – 5 KPIs, and Asset Management – 6 KPIs) which the IMS is required to comply with, as illustrated in the “Breakdown of IMS/QSE indicators – 2023” chart.

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

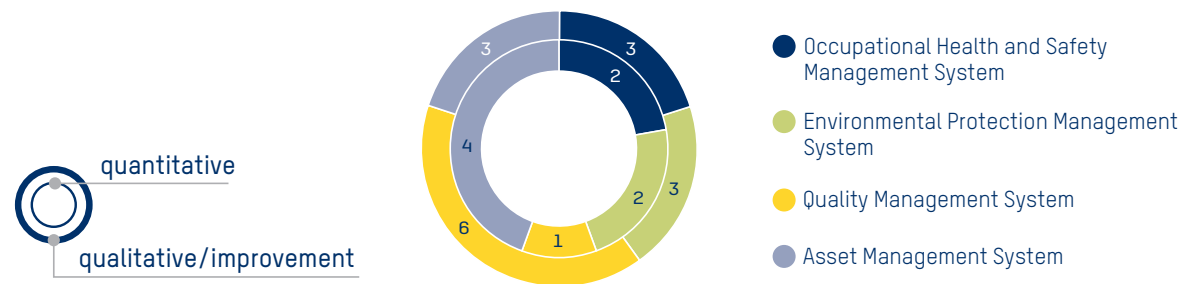
establish the IMS compliance with the requirements of the organisation and with those laid down by certification standards. The purpose of Internal Audits, conducted by staff holding specific qualifications in line with each of the reference regulatory frameworks, is to perform checks on the design, operation and maintenance of plants and supervision of works (whether managed internally or outsourced), in relation to the infrastructure and technological buildings managed by Territorial 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 main-

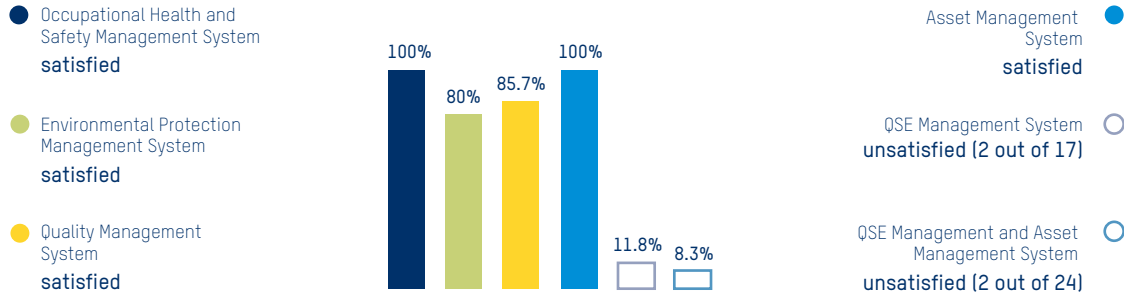
tenance processes (e.g.: Operations, Network Commercial Services, Engineering, Human Resources, Procurement and Services). This allows a significant sampling to be made on corporate processes falling within the scope of the IMS. Any findings, where non-compliance issues have emerged, are managed and 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 will also be evaluated for the purposes of Top Management Review, resulting in Risk Analysis reassessment and confirmation or revision of the related processes, as appropriate.

In 2023, based on targets set, all **12 indicators** relating to quality improvements were monitored and 10 of them were achieved. In addition, all **5 indicators** relating to **quantitative improvements** were monitored and **achieved**. As shown in the “Results of IMS/QSE indicators – 2023” graph, the percentage of completion of the action plan in relation to the Quality area stood at 85.7% (as in 2022), that pertaining to the Health and Safety area at 100% (as in 2022) and, finally, that pertaining to the Environment area at 80% (100% in 2022). The indicators identified for Asset Management have all been achieved.

Breakdown of IMS/QSE indicators – 2023



Results of IMS/QSE indicators – 2023



Internal Audits will, of course, also be the subject of a planning effort in 2024, pursuing similar targets.

In addition to the Internal Audit process, IMS tasks also include **scheduled audits covering control processes 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 (VISORVs)**, 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 of the QSE function developed and tested a specific app which, when used for VISORVs (surveillance visits), 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, in 2023 was made available also to all Local Area Managers (Employer's Delegates) and their collabora-

tors, significantly facilitating and streamlining the activity of recording, storing and subsequently managing the findings;

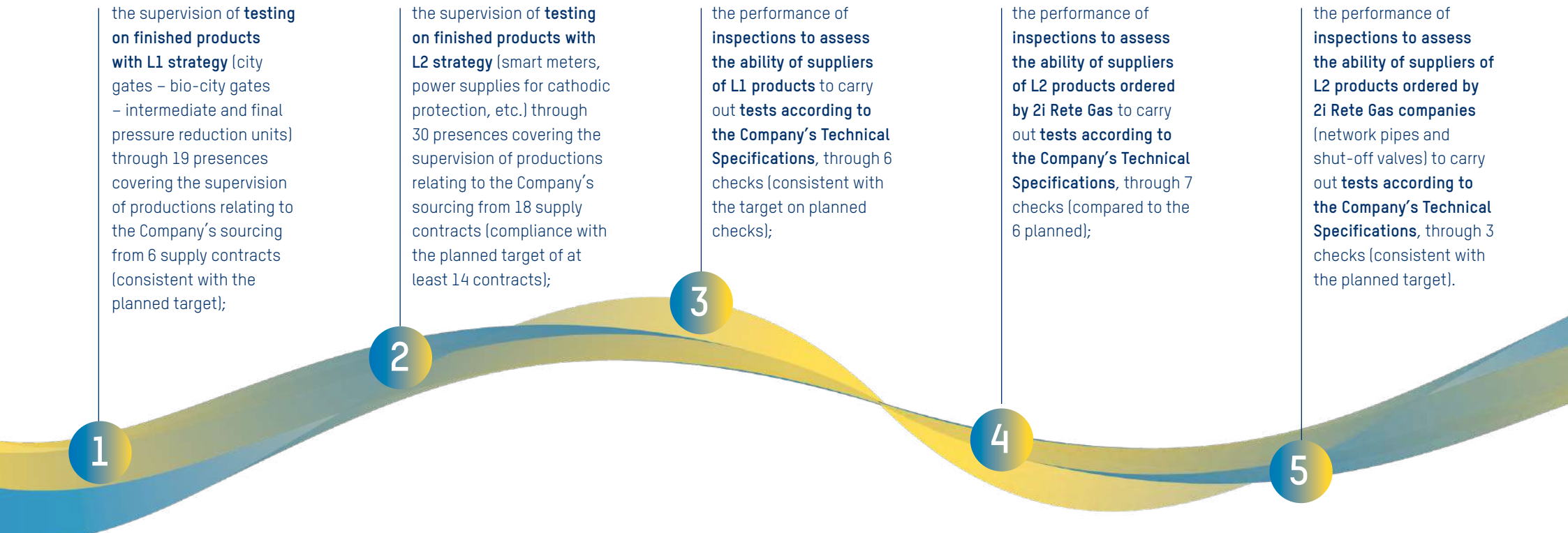
- **inspections designed to check appropriate performance of material testing operations** carried out by suppliers before the main products that will be used in the construction of gas distribution plants are sent to the warehouses, the purpose being to ensure compliance with the company technical specifications 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 function, ensured that supervision of material testing was maintained also in 2023, 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 228 in 2023, in line with 229 in 2022.

Overall, in line with the objectives set at the beginning of the year, 100% of the reports received from suppliers were monitored, carrying out checks (documentary or in person) on the test results and certifications presented, without causing delays in the delivery of supplies to the area.

As part of the activities carried out, the QSE function also ensured:



the supervision of **testing on finished products with L1 strategy** (city gates – bio-city gates – intermediate and final pressure reduction units) through 19 presences covering the supervision of productions relating to the Company's sourcing from 6 supply contracts (consistent with the planned target);

the supervision of **testing on finished products with L2 strategy** (smart meters, power supplies for cathodic protection, etc.) through 30 presences covering the supervision of productions relating to the Company's sourcing from 18 supply contracts (compliance with the planned target of at least 14 contracts);

the performance of **inspections to assess the ability of suppliers of L1 products** to carry out **tests according to the Company's Technical Specifications**, through 6 checks (consistent with the target on planned checks);

the performance of **inspections to assess the ability of suppliers of L2 products ordered by 2i Rete Gas** to carry out **tests according to the Company's Technical Specifications**, through 7 checks (compared to the 6 planned);

the performance of **inspections to assess the ability of suppliers of L2 products ordered by 2i Rete Gas companies** (network pipes and shut-off valves) to carry out **tests according to the Company's Technical Specifications**, through 3 checks (consistent with the planned target).

This activity made it possible to gather, in the appropriate form and consistent with the relevant standards, the documentation certifying product conformity and testing. The reliability of the certified tests was also verified through sampling-based audits of the documentation provided by the suppliers regarding strategic products (pipelines, meters, pressure reduction units, valves and various components), based on the knowledge and availability of procedures, equipment

and instruments kept under metrological control. The same activity will also be ensured for 2024;

- **sampling-based audits of the methods used to handle and record service safety and continuity events** (first response service, gas emergencies and incidents, gas odorisation and network leakage) and of **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 (RQDG), which covers the different regulatory periods. Auditing is carried out by the QSE function, 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 2023 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 2023, the Group ensured that audits on commercial quality performance were carried out on a sample of 8 provinces managed (in compliance with the estab-

lished annual planning) and that audits on safety and continuity events were carried out on a sample of 16 plants managed (compared to the 15 planned at the beginning of the year). 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 discussed 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 objective for 2024 consisted in the planning of audits on the Security and Continuity of the service to be carried out on 12 plants (among which 4 prevalent in the ARERA incentive mechanism) and 8 provinces for Commercial Quality (among which 4 identified among those that in 2023 were used as a "pilot" for management using the new "SINAPSI" commercial portal, which will be progressively made available to 2i Rete Gas' Sales Companies).

Operating in compliance with the rules defined by ARERA (TUDG) and aiming

to achieve high performance levels to ensure the best performance with respect to the services provided to network end clients, every year 2i Rete Gas communicates to the Authority the data on the parameters relating to the Commercial Quality obligations referring to the previous year.

INITIATIVES RELATED TO THE SUSTAINABILITY PLAN



In relation to the primary goal set out in the Plan aimed at **ensuring the highest quality and efficiency of plants, the index of technical and commercial quality of service** was monitored during 2023, meaning that the percentage of services provided exceeding the standard timeframes set by ARERA was measured.

In 2023, the indicator recorded a performance in line, achieving a value of 0.09.

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 (TUDG). For these activities, every year the Authority is informed of the data relating to the safety and continuity

INITIATIVES RELATED TO THE SUSTAINABILITY PLAN



In relation to the primary goal set out in the Plan aimed at **ensuring the highest safety and efficiency of plants**, in 2023 the Company monitored the **indicator about the percentage of emergency interventions with arrival time to the solicited place lower than the ARERA standard**.

The final figure for 2023 records a performance of 99.6%, an improvement compared to the standard imposed by ARERA.

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 odorisation 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 2023, the control of the network to be subjected to inspection was planned. The final data as at 31 December show that checks were performed on 64% of the low-pressure network and on 78% of the high- and medium-pressure network.

In addition, with regard to the state of corrosion of the steel pipelines, which account for approximately 76% of the network operated, it should be noted that the Group constantly monitors the parameters of the cathodic protection systems and conducts campaigns to monitor characteristic points in order to continuously assess the state of the network. The system is fully remote-metered and field survey campaign are periodically carried out at sensitive points.

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 (CIG), the organisation is required to activate processes defined by the organisation itself in the event of incidents involving fuel gas distributed through networks. In 2023, no events were recorded that could be classified, in accordance with CIG guidelines, as "gas incidents" with responsibility attributed to the Group. Moreover, there were no such events attributable to third parties.

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 a new technology, which in 2023 was adopted in an increasingly large number of municipalities in order to increase the amount of information gained from inspection campaigns, also with the aim of improving performance in quantifying fugitive methane emissions.

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 always pays close attention to 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.

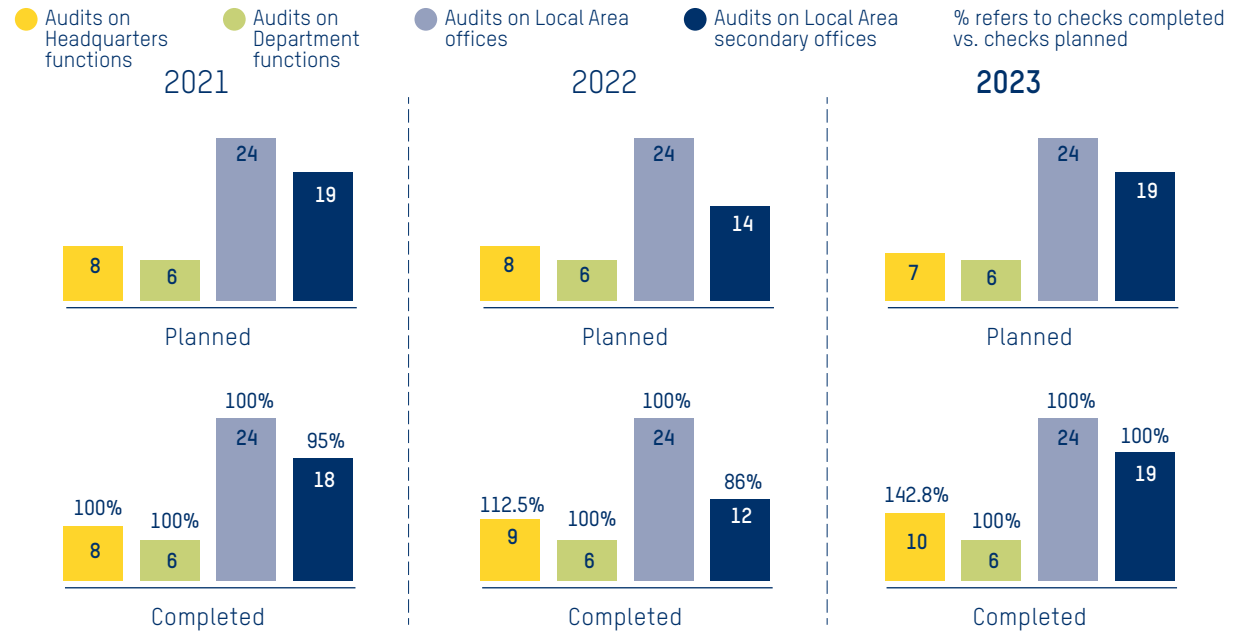
On the other hand, as regards the management of new technologies in compliance with the regulatory obligations established by ARERA, installation, commissioning and management of smart meters continued in accordance with the set investment plan (see "Smart meter"), as did installation and commissioning of devices to measure and record pressure values in the low-pressure network.

INITIATIVES RELATED TO THE SUSTAINABILITY PLAN

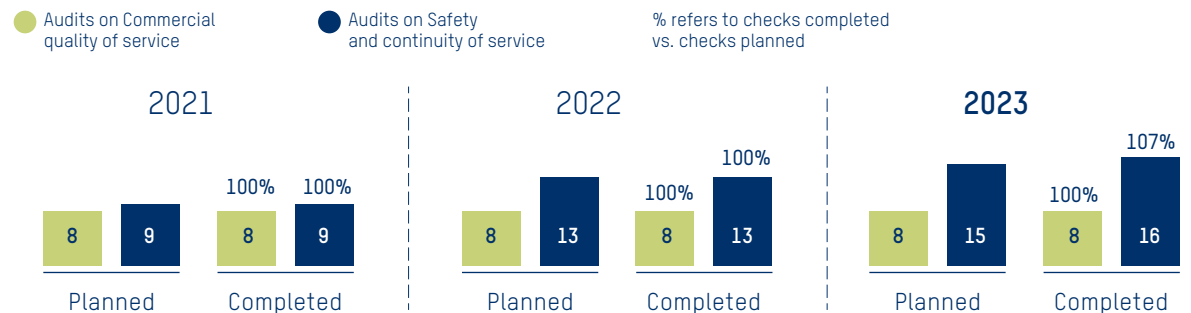
In relation to the primary goal set out in the Plan aimed at overseeing effectively the gas network infrastructure exposure to the risks arising from climate change by monitoring the gas network infrastructure exposure to the risks arising from hydro-geological instability and identifying the related risk index, in 2023 a specific IT tool was developed to enable the automatic updating of the index. At the same time, the new updated indices were made available.

During 2023, 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.

Initially, the first applications of these technologies were implemented in the field of **Smart Metering**, with the aim of supporting analyses on the reliability of smart gas meters and their communication with central systems, and in the field of **Asset Management**, to support a more effective evaluation of intervention and modernisation needs with reference to the networks and plants managed.

Design efforts thus focused on performing increasingly sophisticated analyses on smart gas meters. In addition to being key in ensuring an ever greater and more widespread awareness of performance and of critical issues, these analyses have allowed

for more effective assessments and decision-making processes in terms of operations or management. In addition, they have supported the identification and better definition of intervention priorities, with a view to maximising the reachability and communication rate of the meters and to effectively dealing with any anomalies found.

To facilitate the adoption of new communication technologies and to adapt to improvements in equipment, the analyses were subsequently integrated with the aid of advanced algorithms to leverage the wealth of information related to the readings collected and variations in consumption, so as to optimise the effectiveness of the various reliability assessments of the devices and, consequently, to identify and better plan possible on-site maintenance interventions. Through the correlation of the various information sources available to the Company, the algorithms developed with regard to consumption measured by smart meters have thus made it possible to more effectively support the central specialist functions and the local units in operations, with a focus on

maximising compliance with regulatory obligations relating to metering processes.

In general, the application of Advanced Analytics in the world of the Internet of Things (IoT) has had, and continues to have, a significant positive impact, drawing on the considerable amount of information collected not only from smart meters, but also from sensors and devices installed on plants. The application of correlation and analysis algorithms enables the identification and in-depth analysis of phenomena and behaviours associated with the devices themselves, as well as with the related plants subject to monitoring, allowing to prioritise on-site intervention, or to identify actions to be implemented on the central control and monitoring systems.

During 2023, digital development initiatives in the Advanced Analytics realm therefore focused, in particular, on the world of sensors managed by the new IoT platform. This was accomplished through the study and analysis of the possible correlations between the information collected on site and the information on the

assets managed, with the end goal of effectively supporting the organisation in monitoring the network operation. The study conducted on available information made it possible to identify the use cases for which to implement algorithms to support an easier and more efficient

analysis of the alarms triggered by on-site sensors. This, in turn, made it possible to distinguish the conditions that actually require urgent interventions, from those which can be part of cycles that can be planned more efficiently, in compliance with safety standards.

INITIATIVES RELATED TO THE SUSTAINABILITY PLAN



Also on the subject of digital development and in relation to the primary goal set out in the Plan aimed at **developing the process for the migration of the Company's application map to the cloud**, the gradual migration of applications and data to the cloud began in 2023, carried out in conjunction with the project to upgrade the billing system to SAP S/4. The first services have been deployed and the infrastructure to host the billing system has been configured, temporarily integrated with the remaining part of the application map still residing in the current Data Centres. The subsequent migration of most services, applications and databases is expected to be completed next year.

SMART METER

In 2023, 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 2023, **installed smart meters totalled 4.86 million**, accounting for **94% of the Parent Company's total meters** (93% in 2022). The activity was carried out in compliance with the requirements established by ARERA resolutions.

4.86 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 radio frequency signals from

smart meters to be collected using a **point-to-multipoint technology**. As at 31 December 2023, the concentrators installed by the Group for the collection of data

from smart gas meters were **5,639**. Furthermore, in response to the drive to find market opportunities in the areas in which 2i Rete Dati's connectivity infrastructure is being

developed, in 2023 a further **22** concentrators were activated for the collection of meter data serving the integrated water cycle, managed by third-party companies.

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

5,661
CONCENTRATORS INSTALLED

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



PRIVACY AND DATA SECURITY

In a context that confirms the increase and growing sophistication of cyber threats, with data showing a growing number of attacks suffered by companies, during the year 2i Rete Gas continued its efforts to strengthen the defences and security measures of its IT infrastructures, both centralised and decentralised. The main objective was twofold: to improve compliance with mandatory regulations for the security of corporate networks and information systems, and to increase the level of maturity of processes and technologies to face the new challenges in the cybersecurity realm.

The advancement of technologies and the strong digital drive are generating new business opportunities for various economic operators but, at the same time, an increase

in number of cyber attacks has been recorded throughout the national and international territory. This attention is further confirmed by the evolution of the regulatory framework in the Cyber Security field, witnessed in recent years both in Italy and in Europe. The organisational structure of 2i Rete Gas tasked with overseeing the Company's Security & Network thus continues with the Cyber Security Advisory programme which, relying on support of specialised partners, implements an appropriate Governance on technological and organisational safeguards that allow the identification, mitigation and strengthening of countermeasures for more resilient security risk management.

With the aim of raising the attention of the Company's employees on cyber attacks, Security Risk Management initiatives have continued. These in-

volve anti-phishing campaigns and targeted tests aimed at all employees to evaluate their maturity in the Cyber Security area, as well as the provision of additional and specific training in the field of security awareness to all employees, to help raise awareness of the risks of information loss and infrastructure vulnerability, should their credentials for access to Company services be illicitly stolen.

To further combat Social Engineering attacks, which are increasingly frequent, the Company has implemented an additional level of protection through the adoption of a technological solution capable of filtering and reducing the potential receipt of malicious emails (BEC – Business Email Compromise). In view of the strategic role played by the user in protecting against cyber attacks, the Company has strength-


ened the user verification process in the event of requests for support in password reset operations and the second authentication factor for access to corporate resources. Moreover, measures for the monitoring of the transfer of corporate information have been strengthened based on the corresponding confidentiality level.

The Company has completed an assessment on its digital Identity and Access Management model, paying particular attention to the management of privileged users. Due to their intrinsic nature, these users have superior privileges that allow them to modify and manage the Company's IT perimeter. The analyses carried out are therefore preparatory to the identification and adoption of a centralised PAM (Privileged Access Management) tool for the management of these users in 2024. The increasingly frequent collaboration with third parties to carry out operational activities has highlighted the need to guarantee a level of security in line with the standards adopted by 2i Rete Gas. In this regard, the Company has developed a model for evaluating the security measures adopted by these third parties, with the goal of assessing their degree of maturity.

As part of the activities aimed at detecting unauthorised access to the company's IT perimeter, the tools supporting the Security Operation Centre (SOC) have been enhanced through the integration of additional monitoring sources within the Security Information & Event Management (SIEM) platform. This enhancement makes it possible to increase event correlation activities and to proactively identify potential cyber intrusions.

The Cyber Security Advisory programme provides for the recurring performance of Vulnerability Assessment and Penetration Test sessions by third parties. The goal is to identify and direct the key mitigation and remediation actions that the Company should adopt, in light of the vulnerabilities highlighted during these sessions as a result of evolving systems and the sophistication of cyber risks, which make certain application or infrastructural components increasingly unsuitable for use. Overall, the **measures implemented in the Cyber Security realm** have made it possible to **effectively counter attempted cyber attacks**, preventing **data breaches, data leaks** and, in general, **any form of data theft or loss**.

INITIATIVES RELATED TO THE SUSTAINABILITY PLAN

 In relation to the primary goal set out in the Plan aimed at **raising the awareness on cyber risks among employees and service providers** through **social engineering awareness-raising campaigns**, with resilience tests aimed at employees and activities to involve service providers, during 2023 **6 awareness-raising campaigns** were implemented, targeting the entire **corporate population through controlled phishing attacks**. On the other hand, with regard to service providers, the rationale that allowed potentially affected providers to be divided into groups was identified. Activities to assess the providers' knowledge and awareness of cyber risk issues are planned for the coming years.

ENVIRONMENT Distribute energy for a more SUSTAINABLE future



COMMITMENT

Zi 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.




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 result in gas playing a key role as the ideal carrier to structurally accompany the development of 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 scenarios, natural gas use programmability and safety, as well as its reduced environmental impact (as it is particulate-free and low-carbon), its flexibility of use and its full integration with the electricity generated from renewable sources, including as regards the storage and accumulation of energy obtained from such sources (through “power-to-gas” solutions).

Based on these beliefs, the Group launched initiatives on several fronts with the intention of providing its own contribution to **guaranteeing a sustainable evolution 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 solutions designed to inject renewable gas into distribution networks to the maximum extent possible.

INITIATIVES RELATED TO THE SUSTAINABILITY PLAN

 In relation to the primary goal set out in the Plan aimed at **supporting the energy transition through its own business**, based on the **implementation of experimental initiatives/projects on decarbonisation and technological innovation**, 2i Rete Gas presented 4 projects of an experimental nature aimed at the energy transition and at decarbonisation in the areas identified by Resolution 404/2022/R/gas for the optimisation of the management and innovative use of gas infrastructures. The projects have been approved and admitted to financing by the Regulatory Authority for Energy, Networks and the Environment (ARERA) and will be developed over the next three years.

The Regulator recognises the Company's efforts to promote, based on an innovative logic and also thanks to digital development, initiatives to ensure the sustainable evolution of the managed infrastructure, allowing distribution assets to be used in a transition scenario that provides for the delivery of renewable gases, ensuring flexibility to Italy's energy system.

As regards the **methods and tools to be adopted to ensure optimised network management**, ARERA accepted the project proposal for the reduction of fugitive emissions through the automatic and predictive regulation of network pressure.

As far as the **innovative uses of existing infrastructures are concerned**, both projects presented were accepted. The first consists in the creation of a bidirectional network to maximise the injection of biomethane into the gas network. The second, instead, concerns the verification of the compatibility of the current natural gas distribution infrastructure following the injection of a methane-hydrogen gas mixture.

With regard to **innovation interventions on regulated infrastructures of the natural gas supply chain aimed at increasing energy efficiency**, the proposal for the use of energy from renewable sources to increase the efficiency of gas preheating energy systems was accepted.

2i Rete Gas has also obtained the **Gold Standard**, the highest recognition provided for by the **OGMP 2.0 Framework** of the **Oil & Gas Methane Partnership**, which the Company has voluntarily joined since 2022. This result rewards the Company's continued effort to reduce methane emis-

sions, which targets a 30% decrease by 2025 compared to 2021, and certifies the accuracy and granularity of the related implementation plan, as well as of reporting. In fact, over the last three years, 2i Rete Gas has intensified its actions focused on containing methane emissions from

the network, carrying out extensive leak detection and repair campaigns with the support of cutting-edge technologies. In addition to allowing for a more effective identification and a more timely repair of leaks, the results of this activity also facilitated the acquisition of a series of infor-

mation which led to the definition of a more accurate method for measuring emissions, assessing the actual performance of the assets managed and defining long-term CO₂ equivalent reduction targets based on actual data.

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 polluting 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 implementation 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 part-

ner 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 1,216 municipalities.

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 2023, with a total of 28 sales companies participating. Furthermore, for the municipalities that have recently been supplied with methane (20 in total), a travelling communication campaign on the offers and the advantages of methane was developed, which in 2023 involved the first two municipalities, while the introduc-

tion of methane is still underway in one of them.

During the year, a “door-to-door” survey was carried out in the municipality where methanisation is in progress, in order to ascertain the energy source currently used by the users supplied and to find out their consequent/possible interest in switching to methane gas, if available.

Moreover, in one municipality, a meeting with the citizens was organised, in agreement with the reference Territorial Area and the Administration, on the occasion of the launch of the promotion on connections, while in 9 municipalities a communication initiative was carried out focused on ongoing sales initiatives.

Finally, offers to end clients are also promoted by installation firms operating in the areas for the deployment of new connections. In 2023, the Group relied on the support of 76 installation firms. In addition, 4 briefings on the commercial model

were organised. They were chiefly intended for firms that qualified during 2023.

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 advocacy towards all relevant stakeholders, aimed at **illustrating the reasons that make gas a key resource for tackling the energy transition process that the Country sets out to undertake**, in terms of complemen-

tarity and synergy between the various energy sectors, thus enhancing overall resilience and efficiency.

Moreover, the Company is strongly involved in national (CIG) and international (Marcogaz) technical standardisation working groups, including those on methane emissions and the use of innovative gases (Biomethane, Hydrogen and Synthetic Methane).

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, limiting the technical feasibility of the intervention. In such situations, in order to make the operation sustainable and avoid technically burdensome and expensive solutions, the possibility of feeding excess gas into the trans-

mission network (reverse flow) has been identified by relying on ad hoc plant-engineering solutions (bidirectional city gates).

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.

Both of these points have been incorporated in the project approved by ARERA within the framework of Resolution 404/2022/R/gas and will be integrated into a plant managed by the Company where a biomethane injection system is already operational.

As far as expressions of interest in connections are concerned, starting in 2020 and throughout 2023, the Group continued to develop relations with biomethane producers interested in considering cost estimates

for connection to the methane gas distribution network. With respect to the **248 expressions of interest received since the launch of ARE-RA regulations** on the subject, the Parent Company conducted a technical feasibility analysis and then prepared **67 quotations, 12 of which were accepted.**

With respect to the 12 proposals accepted, in 2023 2i Rete Gas **completed the connection to its distribution network of an additional biomethane production plant** owned by a third-party company, with the concurrent start of injection of the biomethane produced. The plant joins the other 3 production plants already connected to the 2i Rete Gas network through the same number of city gates, allowing, when fully operational, the injection of an expected produced volume of biomethane equal to the annual needs of around 12 thousand households.

The initiatives mentioned above confirm our commitment to the development of a smart and flexible network, able to manage renewable 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 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.

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 parallel with the finalisation of a regulatory framework, **is actively contributing to the necessary experimentation.**

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

In this regard, the Parent Company, within the framework of Resolution 404/2022/R/gas, in 2023 received approval for a specific experimental 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”).

2i Servizi Energetici S.r.l. primarily carries out energy diagnoses and feasibility studies aimed at evaluating the energy consumption of sites and improving 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.

Since 2019 to date, **69 diagnoses / interim proposals** (i.e. preliminary proposals with assessments by the PAs on the possible interventions to be implemented) have been made, as well as **29 final energy efficiency proposals** in Project Financing, submitted to the Municipalities, which are broken down as follows:

- 26 proposals for public lighting systems;

- 2 for building efficiency improvement;
- 1 for public lighting systems + building efficiency improvement.

In 2023, the trend as regards both the final energy efficiency proposals pursuant to Italian Legislative Decree 36/2023 and the diagnoses / interim proposals, was in line with previous years.

	2021	2022	2023
No. of final proposals submitted	6	5	5
No. of diagnoses made	20	20	16

Finally, it should be noted that 2i Servizi Energetici is currently the concessionaire for the management and energy requalification of public lighting systems in 3 Municipalities, with the appointment of a promoter in another 5 Municipalities.

OPTIMISATION OF ENERGY RESOURCES AND ENVIRONMENTAL PROTECTION

Ti 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 (mainly the consumption of gas for preheating in decompression systems and of 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 generated 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.

Energy consumption

In 2023, the total amount of energy consumed to ensure the operation of the corporate vehicle fleet increased by 1%. The increase in energy consumed is due to a slight increase in the distance travelled, from 29.4 to 29.7 million km.

As was the case in previous years, Ti 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 2023, this indicator stood at 2.623 MJ/km and was mostly unchanged compared to 2022 (2.614 MJ/km).

Direct consumption

Direct energy consumption within the organisation broken down by energy source

	Measurement unit	2021	2022	2023
TOTAL VEHICLE FLEET CONSUMPTION	GJ	77,449	76,909	77,929
PETROL	t	62	124	197
DIESEL	t	1,504	1,395	1,304
METHANE	t	241	267	301
LPG	t	0	0	0

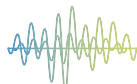
Conversion Factor – Source: UK Government GHG Conversion Factors for Company Reporting 2023.

MONITORED INDICATORS

(data referring to the perimeter for the entire year 2023)



energy consumption



noise emissions



waste production



atmospheric emissions

In 2023, the **amount of energy consumed to ensure the operation of the technological systems at city gates** (gas preheating in the decompression process) **decreased by 10%**, as a result of the reduction in the volumes of gas passing through the city gates and the improved efficiency of the preheating process, thanks to the reduction in the regulation temperature adopted in over 400 city gates. Unit energy performance improved as specific consumption (the ratio

between gas consumed for the operation of the decompression systems and gas passing through these systems) decreased from 0.00101 Sm³ consumed / Sm³ transited (2022) to 0.00095 Sm³ consumed / Sm³ transited (2023).

As was the case in previous years, also in 2023 the reporting of the volumes of gas transited through the systems was further segmented, separating internal consumption pertaining only to city gates in which

the preheating equipment is in operation. As a result of this new segmentation, the consumed gas / transited gas ratio stood at 0.00123, showing an increase in the region 2%.

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 2023 stood at 152,874 Sm³, showing a decrease of 13% over 2022.

In 2023, the **total amount of electricity purchased from the grid** (excluding the 266,856 kWh that were self-generated) **is equal to 13,071,610 kWh, 1% higher** than the 2022 figure. This figure includes **consumption for the operation of buildings and technological systems**. The increase is due to the change in the perimeter of plants managed by 2i Rete Gas S.p.A. in 2023, with the inclusion of consumption relating to the ATEM "Napoli 1" for the entire year.

In keeping with 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 0.565 GJ per km of steel network (in 2022: 0.549 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 2023 was 0.0104 [toe/m²], 5% lower than the 2022 figure.

The aforementioned reductions in energy consumption are attributable to various factors, mainly the milder winter temperatures and the effects throughout the year of the **internal awareness-raising campaign on good practices for energy efficiency in offices**.

As regards the **energy efficiency interventions** carried out in 2023:

- the set point for regulating the gas outlet temperature from decompression cabins in PLC city gates has been reduced (approximately 422 systems), thus reducing the heat requirement for gas preheating;
- the number of electric cars available to employees was increased by 15 units. The effects of this intervention will be evaluated in 2024, as the cars were introduced at the end of the year;

Direct consumption

Direct gas consumption within the organisation

	Measurement unit	2021	2022	2023	
TOTAL ENERGY CONSUMPTION FOR TECHNOLOGICAL SYSTEMS AND BUILDINGS	GJ	226,670	203,196	181,709	
CONSUMED ENERGY (methane gas)	Sm ³	214,349	176,522	152,874	Heating of Buildings (Offices and Warehouses)
	Sm ³	6,347,988	5,706,216	5,107,799	Heat production for city gates

Conversion Factor - Source: ENEA.

Indirect consumption

Indirect energy consumption within the organisation

	Measurement unit	2021	2022	2023	
TOTAL INDIRECT ENERGY CONSUMPTION	GJ	45,709	47,603	48,018	
ELECTRICITY	KWh	12,481,924	12,944,769	491,752	FROM NON-RENEWABLE SOURCES
	KWh	10,222,850	10,365,583	0	Technological systems
	KWh	2,252,460	2,573,788	491,752	Buildings
	KWh	6,614	5,398	0	Charging stations for electric cars
	KWh	215,098	278,329	12,846,714	FROM RENEWABLE SOURCES
	KWh	0	0	10,668,035	Technological systems
	KWh	215,098	278,329	266,856	Buildings Self-generation
	KWh	0	0	1,904,835	Buildings Taken from the grid
	KWh	0	0	6,988	Charging stations for electric cars

Conversion Factor – Source: UK Government GHG Conversion Factors for Company Reporting 2023.

Initiatives to reduce energy consumption

REDUCTION OF ENERGY CONSUMPTION	Reference initiative	Measurement unit	2021	2022	2023*
NATURAL GAS	Gas heat pumps for preheating	Sm ³	0	9,379	9,379
NATURAL GAS	PLC city gates	Sm ³	41,694	91,867	96,604
NATURAL GAS	Increasing energy efficiency of buildings	Sm ³	1,767	5,015	5,015
ELECTRICITY	Increasing energy efficiency of buildings	KWh	91,732	120,292	120,292
NATURAL GAS	Reduction of gas pre-heating set point	Sm ³	0	0	104,324

Conversion Factor – Source: UK Government GHG Conversion Factors for Company Reporting 2023.

* Cumulative value from the date reporting on intervention started (2020). Additional savings from further interventions in 2023 will be reported in 2024.

- at different times of the year, two seasonal (summer and winter) Handbooks were distributed to employees. They contain hints and tips to be followed with regard to 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.

2i Rete Gas S.p.A. possesses two photovoltaic plants at its offices in Acquaviva delle Fonti (BA) and Perugia, the second of which became operational in June 2021. In 2023, total electricity generation amounted to 422,944 kWh, of which 266,856 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.

INITIATIVES RELATED TO THE SUSTAINABILITY PLAN



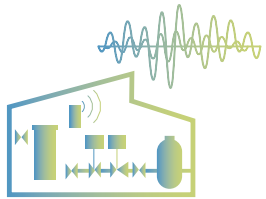
In relation to the goal set out in the Plan aimed at **reducing energy consumption**, 2i Rete Gas has drafted a combined action plan which, based on long-term targets, pursues the goal of reducing energy consumption by 18% by 2030. The Plan provides for containing the quantity of energy consumed, in particular:

- by the corporate vehicle fleet, increasing the number of electric cars in the fleet;
- for the operation of the preheating systems at city gates, improving the regulation of the process and the efficiency of generating the necessary thermal energy;
- in the Company's offices, through energy efficiency interventions and awareness-raising initiatives on energy saving.

The monitoring and implementation of the initiatives related to this Plan and focused on interventions aimed at increasing efficiency and improving plant technology, confirmed the achievement during the year of the target set for 2023: - 4% compared to the 2021 baseline.

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 to be considered above the 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 2023, there were no complaints from the community or possible stakeholders about noise emissions from the network infrastructure.

Waste

Once their service life cycle ends, the products and materials used in the Group core business processes are treated as special waste, in accordance with the provisions of mandatory regulations.

At the various offices located throughout the country, the waste generated as part of these processes is managed in temporary deposits by company staff who have been specifically designated, instructed and trained for this purpose. The waste is subsequently delivered to the final treatment plant by the contracted and authorised transporter, in compliance with the quantitative and time limits established by the law in relation to the management of temporary storage.

To verify compliance with waste management corporate procedures adopted at a local level, system audits are conducted both at the headquarters and at local offices.

As stated in the introduction, with regard to waste management, special attention is paid to waste collec-

tion, transport and treatment methods, ensuring that priority is given to recovery purposes, reducing waste transfer to landfills to a minimum and thus minimising the 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.

A key document is the Corporate Environmental Analysis, in which all the inputs and outputs relating to the individual corporate operational pro-

cesses for which the production and consequent management of waste become relevant and integral parts are analysed.



Traceability of the quantities of waste generated internally is monitored at the Headquarters level and compared with monthly data retrieved from the treatment platform of the external supplier, whose activities are periodically audited to ensure regulatory and contractual compliance. The analysis of quan-

ties by type of waste generated 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.

In this regard, the Group is implementing targeted actions aimed at reducing the environmental impact generated by the use of hazardous chemicals (destined to become hazardous waste) by replacing them, where possible and carrying out specific market surveys, with similar non-hazardous chemicals (destined to become non-hazardous waste).

Total waste generated

	2021	2022	2023
	t	t	t
HAZARDOUS WASTE	1.67	2.65	2.03
NON-HAZARDOUS WASTE	902.85	581.84	677.23

Waste diverted from disposal

	2021			2022			2023		
	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									
RECYCLING (R1, R3, R4, R5)	1.21	-	1.21	2.15	-	2.15	2.02	-	2.02
NON-HAZARDOUS WASTE									
RECYCLING (R1, R3, R4, R5)	775.86	-	775.86	482.63	-	482.63	576.68	-	576.68

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.



committed to monitoring the proper management of special waste generated 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.

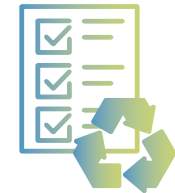
The monitoring of waste generated by suppliers is focused on the most potentially impactful business area and, as such, on gas network construction and maintenance operations.

Waste directed to disposal

	2021		2022		2023	
	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	0.46	-	0.50	-	0.003	-
LANDFILLING	0.40	-	0.50	-	0.003	-
OTHER DISPOSAL OPERATIONS (D9)	0.06	-	-	-	-	-
NON-HAZARDOUS WASTE	126.98	-	99.21	-	100.563	-
LANDFILLING	126.98	-	99.21	-	100.563	-
OTHER DISPOSAL OPERATIONS	-	-	-	-	-	-
TOTAL WASTE	127.45	-	99.71	-	100.563	-


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.

All performance indicators on the management of waste generated by the organisation are monitored, updated and possibly reviewed on an annual basis. 2i Rete Gas is also



Controls take place at worksites where the main waste consists of waste materials from excavation operations, which are supervised on a daily basis by the Operational Control Officers (ACOs) 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.

INITIATIVES RELATED TO THE SUSTAINABILITY PLAN


 The tracking, monitoring and control of the quantities of waste generated have allowed 2i Rete Gas to reach very high performance levels over the years. In 2023, the management results once again confirmed the full achievement of the targets set to increase the quantities of waste intended for recovery, as illustrated below.

INITIATIVE	2023 TARGET	2023 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. (*) N.B. In addition to being, by its nature, equivalent to urban waste, special hazardous waste generated accounts for a total quantity that is not significant from the point of view of an environmental impact risk, as it is lower than the significance threshold set at 1% (total hazardous waste / total waste generated).	Maintaining the value of special hazardous waste between 82% +/- 1% $\frac{\text{t. (hazardous waste sent for recovery)}}{\text{t. (total hazardous waste)}}$ [improvement on 2020 baseline]	99.8%
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% $\frac{\text{t (waste accepted and sent for recovery)}}{\text{t. (total waste sent to the supplier)}}$ [improvement on 2020 baseline].	85%

These targets contribute to the pursuit of the primary goal of the Sustainability Plan aimed at **reducing the environmental impact from waste production** which envisages reducing

to zero the quantities of non-hazardous waste intended for destruction by 2030. In this regard, starting from 2023, 2i Rete Gas will monitor a new indicator called Total Recovery In-

dex, which represents the ratio of total waste generated sent for recovery to total waste generated by 2i Rete Gas. The monitoring of the indicator underlies the maximisation of the

quantities of waste generated by the organisation sent for recovery which, for the year under review, reached 99.999% compared to the target of 99.998% set in the Plan.

Atmospheric emissions

As regards the overall quantities of CO₂ emitted and arising from the Group's energy consumption, 2023 ended with a decrease of 21% compared to the previous year, due to a decline in both direct emissions (Scope 1: -7% compared to 2022) and indirect emissions (Scope 2: -96% compared to 2022).

A review of each energy carrier over which 2i Rete Gas has direct control showed that:

- emissions attributable to the operation of the corporate vehicle fleet stood at approximately 5,267 tons of CO₂e, a slight decrease compared to the 2022 figure. During 2023, 29.7 million kilometres were travelled

and the average emissions per km travelled stood at 177 gCO₂, 2% lower than the value of 181 gCO₂ recorded in the previous year.



- as regards the CO₂ generated by the consumption of methane gas used in technological systems, the figure is down by 10% compared to 2022. Emissions from combustion (10,246 tons) in relation to the gas transited in the city gates where preheating is active amounted to 2.46 gCO₂/Sm³ (2.486 gCO₂/Sm³ in 2022).



of leaking networks in terms of incivness in identifying dispersions, prompt 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, allowed the Parent Company to further refine the method of measuring network emissions and to define a consequent plan to reduce its fugitive emissions in the medium to long term.

During 2023, this effort was validated and certified for 2i Rete Gas S.p.A., which obtained the **Gold Standard** within the OGMP 2.0 Framework of the Oil & Gas Methane Partnership (see "Energy transition").

In this perspective, the calculation model for the quantification of methane atmospheric emissions was consolidated, also on the basis of data measured on site, consistent with the participation in the OGMP 2.0 Framework and related reporting requirements.

As regards fugitive methane emissions from the distribution plants managed, since 2021 2i Rete Gas has undertaken activities aimed at defining a method to quantify such emissions based on experimental data collected on site. Moreover, the Company has intensified actions aimed at containing them, launching research campaigns supported by the most advanced investigation technologies. The experience and results of these survey campaigns not only allowed for a more effective monitoring

Direct CO₂ emissions - (Scope 1)

Energy direct emissions within the organisation, broken down by energy source

	2021	2022	2023
	t CO ₂ e	t CO ₂ e	t CO ₂ e
TOTAL ENERGY DIRECT EMISSIONS	18,300	17,010	15,820
FROM NON-RENEWABLE SOURCES (OFFICES AND TECHNOLOGICAL SYSTEMS)	12,967	11,683	10,553
<i>Heating of buildings (offices and warehouses)</i>	424	351	307
<i>Heat production for city gates</i>	12,544	11,333	10,246
FROM NON-RENEWABLE SOURCES (VEHICLE FLEET)	5,333	5,327	5,267
<i>Petrol</i>	185	366	563
<i>Diesel</i>	4,536	4,284	3,932
<i>Methane</i>	612	677	771
<i>LPG</i>	0	0	0

Conversion Factor – Source: UK Government GHG Conversion Factors for Company Reporting 2023.

The continuous refinement of the calculation model based on emission coefficients obtained from on-site measurements has therefore returned an emission intensity of **159.6 kgCH₄/km** for 2023, calculated and reportable according to the aforementioned OGMP 2.0 Framework. Compared to the 2021 intensity of 246.9 kgCH₄/km, for the calculation basis of which bibliographic emission factors had however been taken into consideration, this was found to be approximately 35% lower, **allowing for the goal set for 2025 to be achieved 2 years early.**

Taking the average emission factor for 2023 as a reference, calculated based on the number of plants in the network managed for the same period, 2i Rete Gas therefore measured its total emissions from network leakage in tCO₂e, which amounted to **321,763 tCO₂e**, a value that represents approximately **95%** of 2i Rete Gas's total Scope 1 emissions.

Direct fugitive gas and CO₂ emissions - (Scope 1)

Direct emissions from leakage within the organisation

	Measurement unit	2021	2022	2023
EMISSION FACTOR	kgCH ₄ /km	246.9	189.8	159.6
TOTAL EMISSIONS	t CO₂e	483,015	373,158	321,763**

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

** it should be noted that the 2023 figure is a marked improvement, despite including the management of the ATEM "Napoli 1" for the entire year, on which emission factors were used with a precautionary approach and which alone accounts for 33,150 tCO₂e

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 337,583 tCO₂e of Scope 1 emissions in 2023. 2i Rete Gas is committed to further studying and disclosing its emissions, inclusive of fugitive emissions, also for subsequent reporting and always taking into consideration any changes in the perimeter of the assets managed.

The indirect CO₂ emissions shown in the table were calculated using the market-based methodology as, starting from 2023, 2i Rete Gas began purchasing electricity generated from renewable sources certified by Guarantees of Origin (GO). Only a residual amount of energy from non-renewable sources is reported, which will no longer be present as of the end of 2023. The current supply contract ensures GO-certified electricity until the end of 2025. The purchase of green electricity allowed 2i Rete Gas to avoid indirect emissions worth 3,886 tCO₂e.

Indirect CO₂ emissions - (Scope 2)

Energy indirect emissions within the organisation, broken down by energy source

	Measurement unit	2021	2022	2023
TOTAL ENERGY INDIRECT EMISSIONS	t CO₂e	3,288	3,372	225*
ELECTRICITY		3,288	3,372	225*
<i>from non-renewable sources</i>		3,288	3,372	225*
Buildings		595	672	225*
Technological systems		2,693	2,700	0
<i>from renewable sources</i>		0	0	0

Conversion Factor – Source: (AIB Document "European Residual Mixes 2022")

* The amount of energy measured in 2023 according to the location-based methodology is 4,036 tCO₂e.

The following table summarises the reduction in emissions obtained following the energy efficiency initiatives already mentioned in this document.

GHG emission reduction

	Measurement unit	2021	2022	2023
GAS HEAT PUMPS FOR PREHEATING	tCO ₂ e	0	19	19
PLC CITY GATES	tCO ₂ e	82	182	194
INCREASING ENERGY EFFICIENCY OF BUILDINGS	tCO ₂ e	28	41	41
REDUCTION OF GAS PREHEATING SET POINT	tCO ₂ e	0	0	209
INCREASE IN THE NUMBER OF ELECTRIC CARS	tCO ₂ e	0	0	0
DISSEMINATION OF CONDUCT GUIDELINES FOR ENERGY EFFICIENCY IN OFFICES	tCO ₂ e	0	0	14
PURCHASE OF GO-CERTIFIED GREEN ELECTRICITY	tCO ₂ e	0	0	3,886

The efficiency improvement activities described are part of a multi-year action plan that 2i Rete Gas has put in place in order to reduce energy consumption by 18% and CO₂ emissions deriving from the energy consumption of technological systems, buildings and transport (therefore net of those from fugitive methane emissions) by 34% by 2030, compared to the baseline year. In addition to the measures mentioned above, the plan also includes:

- the further efficiency improvements in buildings with greater use of electricity from self-generated renewable sources and LED lamps;
- the partial electrification of the preheating process through the use of electric heat pumps, powered by energy generated from renewable sources (from the grid and, where possible, self-generated).

INITIATIVES RELATED TO THE SUSTAINABILITY PLAN



In relation to the goal set out in the Plan aimed at **reducing CO₂e emissions**, 2i Rete Gas has adopted a progressive reduction plan which, with long-term targets, pursues the goal of reducing CO₂e emissions by 50% by 2030.

The monitoring of the actions defined in this plan, focused on reducing emissions deriving from technological systems, buildings and network leaks, confirmed that the target set for 2023 (-25% compared to the 2021 baseline), has been exceeded during the year, reaching a value of -33%.

SCOPE 3

Other indirect GHG emissions

During 2023, 2i Rete Gas continued the analysis and reporting of the categories currently considered to be the most significant within Scope 3 in its upstream value chain. For these specific categories, in line with previous reporting, a calculation methodology was developed which also took into consideration the guidelines of the GHG protocol (Greenhouse Gas Protocol).

EMPLOYEE EMISSIONS

As regards the Scope 3 category relating to the mobility of employees, two distinct paths were followed: one concerning business travel and the other for commuting.

As regards business travel, the calculation methodology used the information taken from Company data, which was associated with the relevant expense items. To ensure greater accuracy, emissions from airline travel were calculated in collaboration with the agency responsible for managing employee travel for all of 2023. As regards emissions deriving from train travel, however, since no precise data was available from the agency responsible for the January-April period, they were estimated using the information collected internally. Finally, as regards commuting, the calculation methodology was based on the distance travelled by employees, the frequency of travel (also considering remote working) and their habits identified during the year through the

survey relating to the home-work travel plan project for 2023 (PSCL 2023).

The data thus obtained showed a total value of 1,877.70 tons of CO₂e.

SUPPLY CHAIN EMISSIONS

As regards Scope 3 emissions related to the purchases made by 2i Rete Gas during the year, the analysis process involved several stages. The approach adopted was the so-called "spend-based method" through which it was possible to obtain the total value of CO₂e emissions starting from the total value of purchases made during 2023. The analysis was based firstly on the total purchases broken down by supplier and, secondly, by the type of purchase 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 CO₂e emission factors were associated, using EEIO (Environmentally-Extended Input Output data) tables.

The sum of the expense items (expressed in million €) multiplied by the specific relative emission coefficients (expressed in tCO₂e/million €) showed a Scope 3 value for this category equal to 115,713.56 tCO₂e in 2023.

It should be noted that this item, also following the increase in purchases during 2023 (+5.66% vs. 2022), was

up 1.85%, causing the intensity per single € purchased to decrease by 3.61%.


Below is a summary table of the emissions attributable to 2i Rete Gas' activities with the details of the Scope 3 emissions analysed.

Emissions in 2023

(Scope 1 + Scope 2 + Scope 3)

	2022	2023
EMISSIONS	t CO ₂ e	t CO ₂ e
SCOPE 1	390,168.39	337,583.00
SCOPE 2	3,372.11	225.00
SCOPE 3 (staff)	1,879.90	1,877.70
• BUSINESS TRAVEL BY	131.53	166.28
- Car	51.62	15.84
- Ship	6.55	0.24
- Plane	63.17	135.31
- Train	10.19	14.89
• COMMUTING	1,748.37	1,711.42
SCOPE 3 (suppliers)	113,613.43	115,713.56
Scope 1 + Scope 2	393,540.50	337,808.00
TOTAL Scope 1 + Scope 2 + Scope 3	509,033.83	445,399.26

INITIATIVES RELATED TO THE SUSTAINABILITY PLAN


 In relation to the goal set out in the Plan aimed at **reducing Scope 3 CO₂e emissions**, starting from the analytical calculation of suppliers' carbon footprint and the modelling of the operational approach for the progressive reduction, 2i Rete Gas first took steps to identify the cluster of suppliers with high ESG risk, targeted in the first sustainability performance assessment campaign carried out through Ecovadis, proceeding with the analysis of the most critical suppliers from the point of view of CO₂ emissions. These were requested to implement a corrective action plan based on the areas of improvement recommended by the Ecovadis portal for each supplier involved.

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 city gates** (for measuring preheating process efficiency).

For 2023, a result of 0.00123 (Stm³ gas consumed / Stm³ gas transited) was recorded, which is slightly higher than the target value, set at 0.00122 (Stm³ gas consumed / Stm³ gas transited). The reasons for not achieving the target mainly concern the decrease in volumes transited through the city gates equipped with preheating, which corresponds to a decrease in performance, together with a lower percentage of Russian gas (which requires a lower quantity of preheating energy) in the national energy mix (January–November data from the Ministry of the Environment and Energy Security), which decreased from 20% to approximately 5% of national imports.

- > 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 measuring cathodic protection process efficiency). As mentioned earlier (see "Energy consumption"), starting in 2019 the reporting of energy consumption relating to cathodic protection systems has been further

segmented, focusing on plants with higher specific consumption. The target set in the Sustainability Plan for 2023 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). During 2023, a 1.3% reduction in specific consumption was recorded on focus plants. The set target was therefore not achieved. This efficiency 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. The failure to achieve the target refers to an average value which, if read for each individual system, verifies the effectiveness of the interventions on some of the systems under focus, while in the case of others the situation has not positively assimilated the initiatives, thus not allowing the target to be achieved. For these specific situations, steps have already been taken to plan upgrade and renovation interventions.

- Accurate monitoring of natural gas for heating buildings (offices and warehouses).** During 2023, 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 various 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, considering the entire surface area occupied by offices and related and related appurtenances, including warehouses and storage facilities. The value calculated in 2023 stands at 10.4 [toe/m²(x1000)], down 5% compared to the value calculated in 2022. The decrease is mainly due to the climatic conditions that characterised 2023, the decommissioning of the Tradate office and the greater sensitivity demonstrated by staff to energy saving issues.

BIODIVERSITY

In order to monitor and reduce the impacts of its operations on the surrounding environment, 2i Rete Gas is committed to preserving and protecting the areas in which it operates.

2i Rete Gas believes that, in carrying out its activities, the organisation has no significant impacts on biodiversity. However, from a holistic perspective, it is committed to monitoring the relevant information connected to the issue.

In this regard, in fact, 2i Rete Gas has expanded the scope of the analysis conducted in 2022 on properties owned or leased across the Italian territory and adjacent to Natura 2000¹ network areas, also including its network infrastructure. The superimposition of the network infrastructure map with that of the protected areas made it possible to determine that, out of a total of approximately 72 thousand km of network, 2.5% (equal to approximately 1,800 km of network) and 405 assets (such as city

gates and pressure reduction units, equal to 2.2% of the total) are located within protected areas.

It should be noted that, when laying new pipelines and installing assets serving decompression systems, the Group adopts a specific procedure aimed at ensuring compliance with Natura 2000 requirements and, if requested, carries out Environmental Impact Assessments (EIAs) before beginning the work. However, as regards the subsequent management of the network, 2i Rete Gas undertakes to implement all the necessary precautions in the event that the municipal or regional authorities identify and communicate possible risks inherent to the issue.

For the sake of completeness, 2i Rete Gas also re-performed the survey to assess the proximity of the properties, owned or leased by the Company in Italy, to the Natura2000 protected areas. It should be noted that no properties are located within protected areas and that only 11.72%

of these are less than one kilometre from the perimeters of interest. Moreover, the study carried out in continuity with last year relating to biodiversity-related physical and reputational risks associated with properties, conducted using the Biodiversity Risk Filter (BRF)² tool, confirmed a medium-low risk, also given the management-administrative nature of the activities carried out within the properties taken into consideration (i.e. offices and warehouses).

2i Rete Gas undertakes to constantly monitor this data and to implement specific mitigation measures should situations arise that endanger the protection of biodiversity.



INITIATIVES RELATED TO THE SUSTAINABILITY PLAN



In relation to the primary goal set out in the Plan aimed at **safe-guarding biodiversity and containing impacts on natural resources**, in 2023 2i Rete Gas completed the mapping of gas network infrastructure in areas of environmental value (e.g. protected areas or areas subject to restrictions) and proceeded to digitise it, enabling the real-time identification of existing interferences so as to ensure better control not only of current impacts, but also of potential ones, in the case of future extensions of the network. During the year, the Company also proceeded with the adoption of a document included in the Integrated Management System (IMS) aimed at ensuring full compliance, at all levels of the organisation, with the protection measures provided for, from time to time, by the applicable legislation in force to avoid causing damage to animal and plant species, in relation to interventions in areas identified as sensitive.

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

Create **SHARED** value



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, 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**.



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 2023, 2i Rete Gas participated – directly and/or through its sector association (Proxigas) – in all the consultation procedures started by ARERA

during the year and with more or less direct impacts on the regulation of natural gas distribution service and infrastructure (10 consultations took place during the year, in addition to 1 initiated at the end of the previous year and completed in 2023).

In addition, until April 2022 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.

2i Rete Gas S.p.A. takes part, through the sector association to which it belongs, in technical and regula-

tory 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 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.

Through Proxigas, 2i Rete Gas participates in the activities of the **Italian Gas Committee (CIG)**, the national technical association dealing with regulations applicable to the fuel gas sector, giving voice to its own managers, as representatives of the as-

sociation, 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 disasters such as those of L'Aquila and

Amatrice, and making a contribution in terms of discussions concerning updates on specific issues.

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:

- **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 2023, the Group maintained a constant dialogue with the public administrations in whose municipalities it operates the methane gas distribution service under

concession agreements, running around 480 meetings, which also addressed 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, 2i Rete Gas continued to rely on the 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 con-

ditions, which help to gauge the sustainability of the various initiatives. As a result, investment decisions made also during 2023 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.

- **Sustainable planning of efforts geared towards extending and increasing the use of gas as an energy carrier**, focusing on develop-

ment 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 a 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 2023 2i Rete Gas operators and Contractors conducted field interviews with clients requesting methane gas first connection/disconnection in the municipalities managed by 2i Rete Gas.

Out of a total of 39,395 interventions for the first connection to the network, 11,186 interviews were collected, in addition to 5,895 interviews with those who terminated their supply to switch to another source (out of the total of 94,662 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, in particular for domestic hot water. The main motivation for this choice is convenience. The main source, instead, to which those who terminate their supply switch is solar/photovoltaic, mainly for domestic hot water and heating, and electricity for the kitchen.

Furthermore, a comparison of these findings with the results of a Customer Satisfaction survey carried out in 2023 on a sample of 2,007 respondents from among those who requested supply connection between July and December 2022, shows that LPG, followed by 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 (Italian national office for statistics) data on the energy sources used by Italians.

Following on from the analyses, a communication strategy was drawn up for 2023 aimed at prioritising local areas in which the most polluting energy sources are most widespread (LPG and Diesel in par-

INITIATIVES RELATED TO THE SUSTAINABILITY PLAN



In relation to the primary goal set out in the Plan aimed at **promoting dialogue between the parties and sharing one's own know-how to support decision-making processes**, in 2023 the "Meeting Local Authorities" project continued. The review of activities carried out against the target confirms the completion of the programme of meetings with the Administrations and the achievement of the target set at 67% of the scope of Administrations for which 2i Rete Gas operated under concession contracts in the 2021-2023 three-year period.

ticular). The areas on which to focus initiatives to increase the use of gas infrastructure, where the presence of these energy carriers is higher than the national/regional average, were identified firstly at regional and then at provincial level. In devising the plan of this initiative, resources were allocated to support the implementation of communication activities and to obtain the input from local installers/construction firms, the purpose being to provide further momentum to the initiative and/or promote a methane-oriented culture.

- **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.

- **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 pass on the value of the contract to the local community, initiating – as much as possible – a virtuous cycle of local material procurement.
- **Interaction with satellite 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 is geared towards increasing levels of technical and commercial quality and, at the same time, pursues a constant and progressive reduction of operating costs that can be 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.**

INITIATIVES RELATED TO THE SUSTAINABILITY PLAN



In relation to the primary goal set out in the Plan aimed at **supporting the ATEM tender system through incremental participation in ATEM tenders, maximising discounting on commercial performances in compliance with the administrative authorities' indications,** during 2023 2i Rete Gas participated in 100% of the tenders announced and expiring in the year. At the same time, it monitored the trend and developments, in relation to the ARERA dashboard, of the situation regarding the 40 ATEMs published out of a total of 172.

RELATIONS WITH CLIENTS Dialogue

2i 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 the 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.

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 2023, amounted to approximately € 66 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 2023, approximately **481 meetings** held by 2i Rete Gas S.p.A. with **456 Public Administrations** were mapped, as

part of the processes 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 Administrations. In addition, 207 meetings were held by 2i Servizi Energetici with 87 Public Administrations.

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 local areas 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 2023, **325 reports pursuant to Article 4 of Ministerial Decree 226/11 "Plant Conditions"** and **175 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 **953 reports submitted.**

As at 31 December 2023 and at a consolidated level, payback value reports shared with the Public Administration totalled 853.

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 / disruption of the internal 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 2023, 2i Rete Gas commercial call centre received **313,472 calls** (278,677 in 2022) of which **289,462** were managed (265,878 in 2022). The service standard requires compliance with a minimum monthly percentage of calls handled set at 92%: in 2023, the overall percentage was higher, standing at **93%**.

The goal for 2024 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 2023, 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 procedures for activating 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 docu-**

ments 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

In 2023, 2i Rete Gas once again organised the customary annual conference for discussion and sharing with the representatives of sales companies operating on the Group Companies' gas distribution networks. After the last 3 editions of the event were held in webinar format due to the pandemic, the conference eventually returned to be held in presence. The topics covered during the 2 meetings held on 29 November 9 in Milan and on 5 December in Rome were: "Corporate developments and energy transition"; "Commercial initiatives in municipalities recently supplied with methane"; "SINAPSI: The new AtoA portal that the Parent Company plans to make available to Sales Companies"; "Resolution 269/2022/R/gas" and "Remote management".

The meetings were attended by **81 sales companies** and their **161 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 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, in line with the previous year, as well as work required to replace faulty smart meters and complaints related to the execution of the work.

In 2023, the Group received and handled **5,063 written requests** (4,832 in 2022), of which:

- 3,427 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;
- 1,147 qualified as miscellaneous;
- 489 were submitted through the Consumer Helpdesk (aka Sportello

del Consumatore) and 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.

In 2023, 538 conciliation procedures were handled (463 in 2022) – 515 as technical support (indirect conciliation, 437 in 2022) and 23 as a party to the conciliation (direct conciliation, 26 in 2022) – showing an increase compared to the previous year, in line with the overall data processed by ARERA (updated to 2022), which highlighted in recent years a greater reliance on the conciliation procedure as a means of settling disputes between end clients and electricity and gas operators.

Finally, 1,581 requests for technical data that can be acquired by reading the meter (so-called M01), (1,193 in 2022) and 9,420 requests for other technical data (so-called M02), (6,991 in 2022) 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 2023 on the 2022 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 administrations 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. 2,193, on two different areas:

- a specific questionnaire, introduced for the first time in the survey carried out last year, was addressed to 500 municipalities visited during 2022 as part of the “Meetings Project”, obtaining feedback from 22 representatives of the Local Entities involved;
- a second questionnaire was addressed to the remaining 1,693 municipalities, receiving feedback from 139 Mayors/Municipal Secretaries and 222 Technicians.

In particular, the satisfaction of municipalities and local entities is shown by the data summarised below.

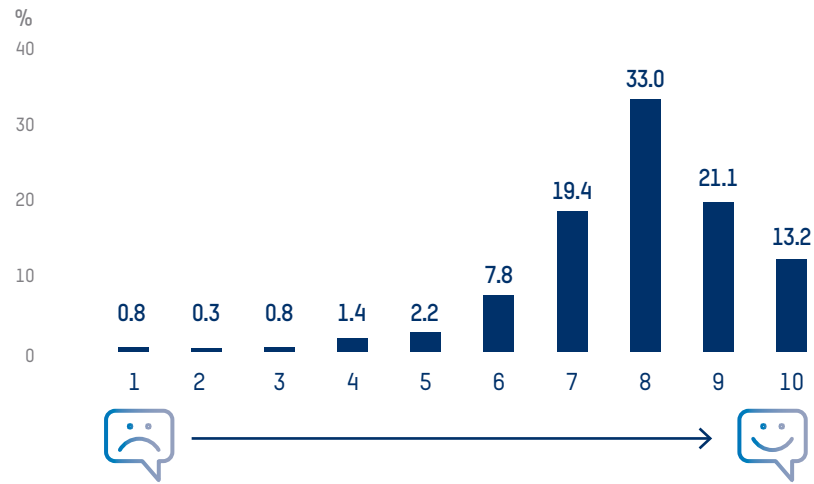
MAIN FEEDBACK RECEIVED FROM QUALITY-RELATED SURVEY

- > **Partnership and availability:** availability, competence and efficiency (clarity of contact persons, streamlined procedures, constant proactivity, flexibility, immediate and direct contact, friendly and ongoing relationships, problem solving);
- > **Reliability and timeliness:** excellent management of both planned and urgent works; capable, qualified, extremely attentive, efficient, prompt/punctual, conscientious and professional industry operator; excellent knowledge of the local areas.

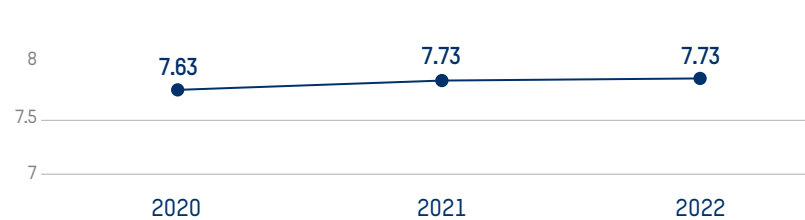
MAIN FEEDBACK RECEIVED FROM QUANTITY-RELATED SURVEY

- > **Widespread approval and appreciation for the new communication initiative:** the content of the visit, both in terms of the information provided and of the availability and ability of the contact person to provide the feedback requested by the Entity. The Entities 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;
- > **Kindness and courtesy of the company contact person:** professionalism, expertise, ability to interpret needs to know, great availability and flexibility in managing emergency situations;
- > **Clarity and timeliness:** perception of the contact person as a genuine support;
- > **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;
- > **Growing satisfaction** with technical aspects related to plant development and maintenance.

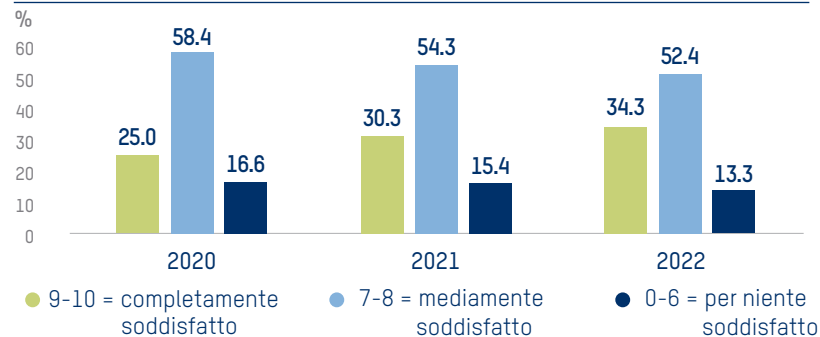
Overall, how satisfied are you with 2i Rete Gas? - Municipalities



Overall average annual satisfaction - Municipalities



Ranges of satisfaction in 2020-2021-2022 - 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 (295 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% 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

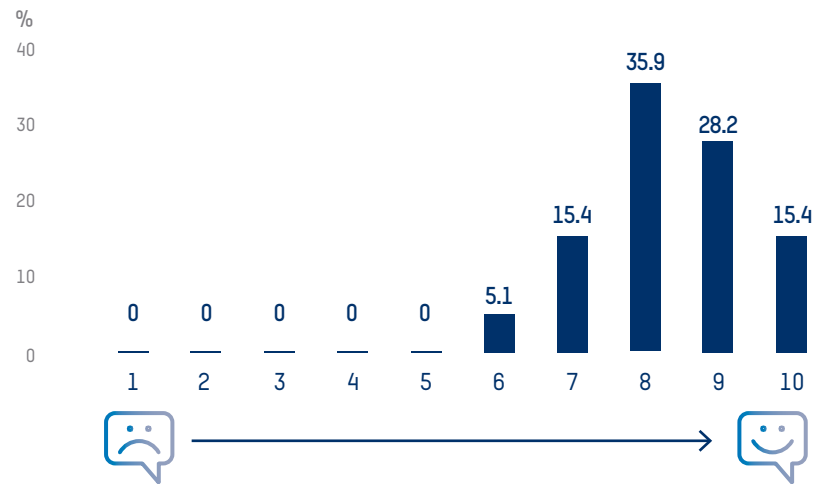
Among Top Clients, a **very high overall satisfaction** was confirmed. The satisfaction expressed by virtually all respondents was based on specific relational and operational aspects, which in many cases are typical of the management approach adopted by 2i Rete Gas as compared to other industry operators:

- **Partnerships:** representatives of the Network Commercial Services function who generate an equal and friendly dialogue, are constantly opened to dialogue and discussion, "highly available" (even after hours or on weekends), open-minded, transparent, capable of solving

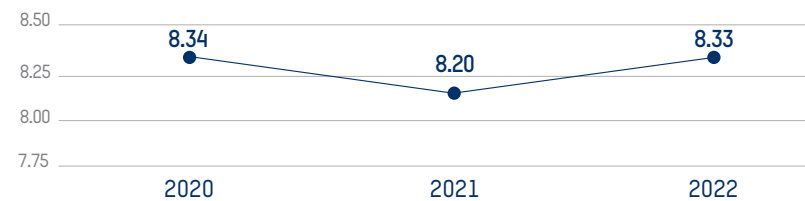
problems, both current and emergency ones such as the usual "mediation" work and "co-understanding" process in the face of ever-changing and increasingly stringent regulations";

- **Proactivity:** readiness to note possible needs and propose solutions, integrating and supporting "regulatory" practices to ensure fluidity and greater process efficiency; periodic meetings, increased number of readings taken, streamlined communication management;
- **Reliability:** transparency, efficiency and a high level of expertise.

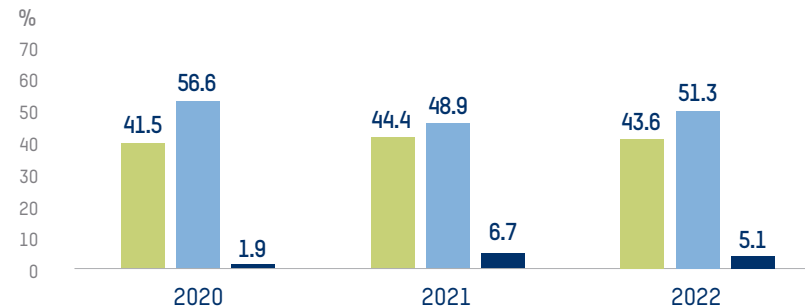
Overall, how satisfied are you with 2i Rete Gas? - Sales companies



Overall average annual satisfaction - Sales companies



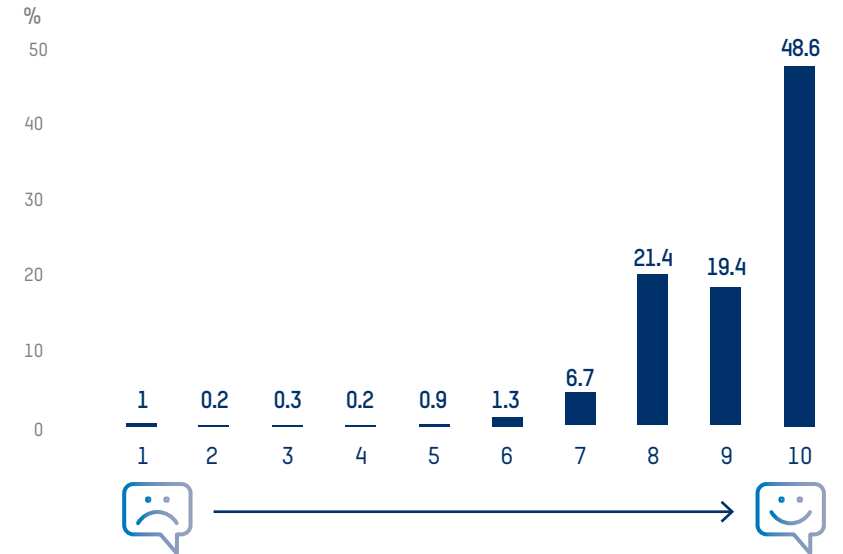
Ranges of satisfaction in 2020-2021-2022 - Sales companies



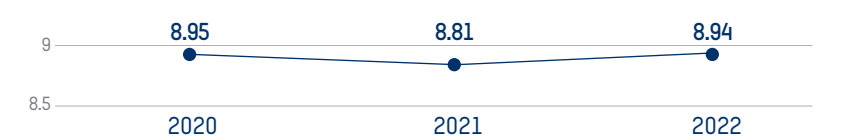
As regards **network end clients'** satisfaction with the first response service, provided in compliance with regulatory obligations on the safety and continuity of the gas distribution service, in 2023 the survey was conducted on a total sample of 2,592 citizens who had reached out to the first response service (2,492 of the Parent Company and 10 of 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.

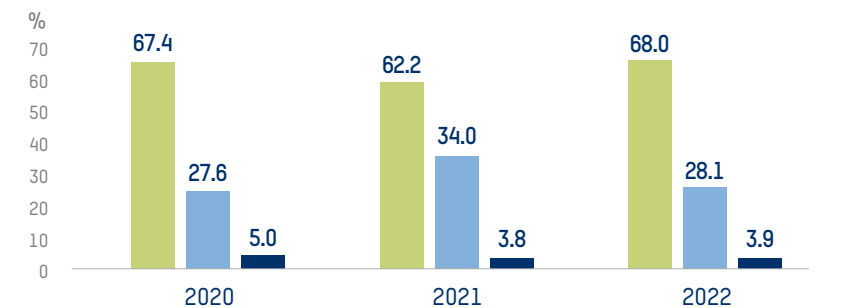
Overall, how satisfied are you with 2i Rete Gas S.p.A.? - Network end clients




Overall average annual satisfaction - Network end clients



Ranges of satisfaction in 2020-2021-2022 - Network end clients



INITIATIVES RELATED TO THE SUSTAINABILITY PLAN


 In relation to the primary goal set out in the Plan aimed at **ensuring**, through process efficiency and improved communication to main clients, **compliance with performance levels of customer satisfaction results**, what emerged from the survey completed in 2023 concerning 2022 confirms the achievement of the targets set both with regard to Municipalities, as well as Sales Companies. In fact, in detail:

- the overall average annual satisfaction of Municipalities was 7.89, compared to maintaining a value of 7.5 +/- 2% (target value);
- the average annual satisfaction of Sales Companies was 8.54, compared to maintaining a value of 8.2 +/- 2% (target value).

RESPONSIBLE SUPPLY CHAIN MANAGEMENT

2i 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, to the benefit of the needs of the various stakeholders, as well as of the expectations of the people working within the Group.

2i Rete Gas believes that the social, ethical and environmental aspects of its services are closely linked to the practices of its business partners. The Company is therefore committed to ensuring that its supply chain complies with the corporate Code of Ethics which, among the general principles, includes respect for the human rights of its workers. All stakeholders involved, including suppliers, must adhere to these principles. For the same reasons, starting from the evaluation phase of potential suppliers, 2i Rete Gas requires

them to comply with the contents of the corporate Code of Ethics and to respect the principles stated therein, through the signing of the qualification regulations. In addition, during the conclusion of the contract, 2i Rete Gas requires suppliers included in the Register of Qualified Suppliers to adopt conduct in line with the general principles of the corporate Code of Ethics, which is specifically referred to in the contract itself.

To increasingly raise suppliers' awareness with regard to the importance of managing social and environmental issues in carrying out their business activities, in 2023 2i Rete Gas also relied on a commercial partner to provide support and training on ESG-related topics through dedicated communication channels and online courses delivered via the Green Procurement platform, which was adopted during the year by 2i Rete Gas to assess the sustainability performance of its suppliers.

In order to further strengthen the inclusion of social issues in the management of its supply chain, the staff

of the Parent Company's Procurement function also expanded their knowledge of sustainable procurement best practices during the year. This was achieved through participation in training courses provided by Third Parties (Introduction to sustainability and sustainable procurement issues; The sustainable procurement process – Ecolabels, LCA and Carbon Footprint) as well as participation in courses accessible through the Academy section of the adopted Green Procurement platform.

Given the high number of industrial partners, suppliers and contractors involved in the supply chain and in order to manage and mitigate possible risks, 2i 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, 2i Rete Gas engaged 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, with respect to suppliers qualified for high-risk activities relating to ESG issues, in 2023 it further developed interactions aimed at increasing the number of certified commercial partners (ISO 9001, ISO 14001 and ISO 45001), making it mandatory for core business suppliers with a high level of criticality to possess the ISO 9001 certification. As at December 2023, **100% of suppliers were in possession of the ISO 9001 certification, 84.66% of the ISO 14001 certification and 85.71% of the ISO 45001 certification.**



SUPPLIERS, CONTRACTORS and INDUSTRIAL PARTNERS

817

Total qualified suppliers in 2023

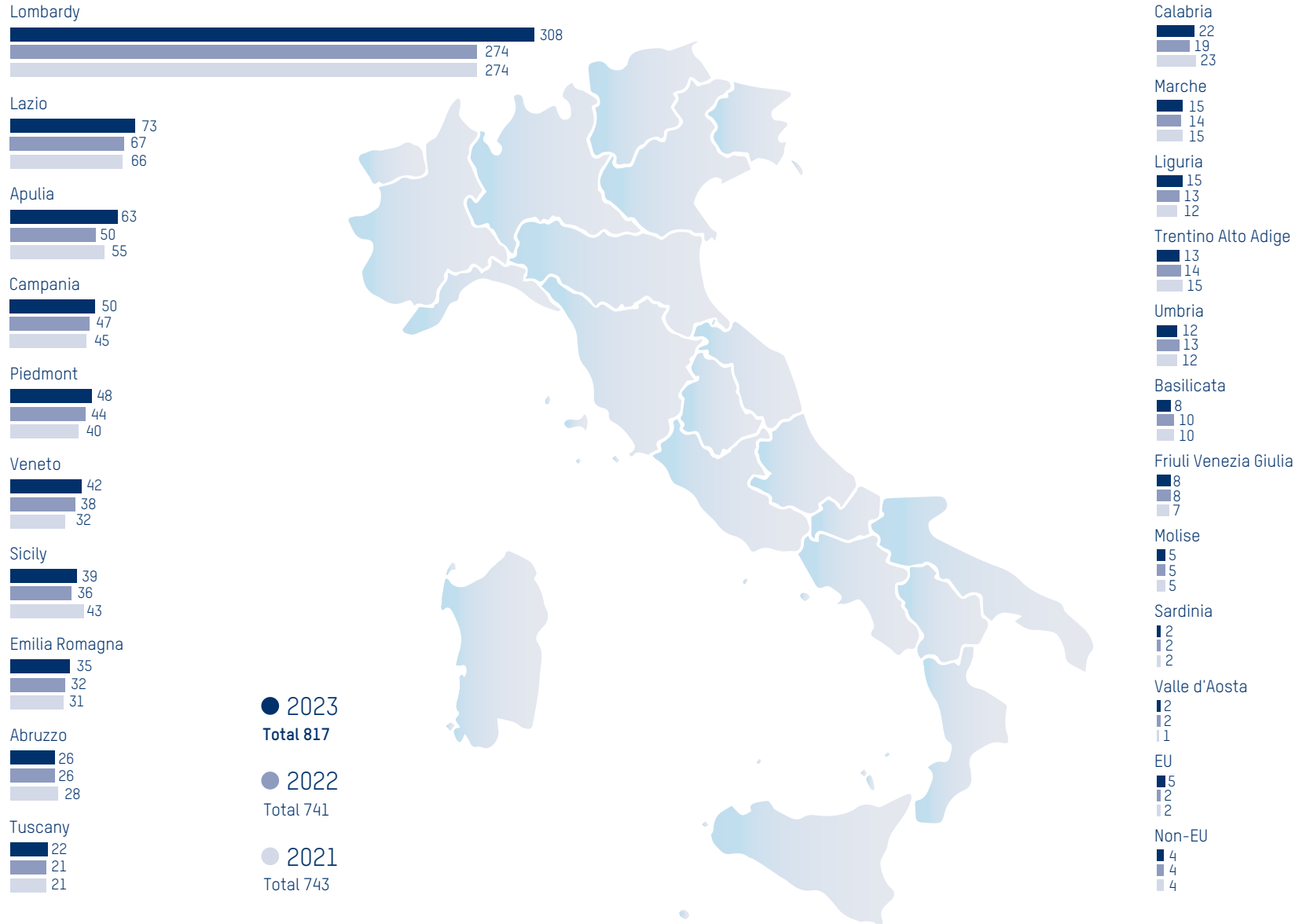
741

Total qualified suppliers in 2022

743

Total qualified suppliers in 2021

Qualified suppliers by geographical area



Qualification requirements and selection process

Suppliers taking 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 Administrations, 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.

2i Rete Gas monitors compliance and subsequent maintenance of the most sensitive requirements by its supply chain, using automated systems capable of extracting and analysing administrative documents and certifications, as well as of reporting any non-compliance detected through appropriate alert systems.

The possession of the evidence requested from potential suppliers by 2i Rete Gas as part of the qualification process is closely tracked through the use of the e-procurement portal, which is used as the repository for such information.

Moreover, again through the e-procurement portal, 2i Rete Gas automatically monitors the validity of the documents shared by suppliers during the qualification phase, (DURC – i.e. certificate of contributions compliance –, Chamber of Commerce certificate, financial statements, criminal record certificate, certificate issued by the revenue agency, white list, ISO 9001, ISO 14001, ISO 45001 and SA 8000), informing them of their approaching expiry and requesting that they be updated.

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 the commission of offences.

INITIATIVES RELATED TO THE SUSTAINABILITY PLAN



In relation to the goal of **integrating sustainability and green procurement issues into the supply chain assessment and monitoring system**, during the year and as envisaged to achieve the target set for 2023, 2i Rete Gas, relying on EcoVadis, first proceeded to define the ethical and environmental aspects to be implemented in the Green Procurement platform, adopted to more accurately and objectively monitor the performance and sustainability impacts of its commercial partners.

The EcoVadis Scorecard is structured according to 4 topic areas, namely Environment, Labour Practices and Human Rights, Ethics, and Sustainable Procurement, which incorporate 21 sustainability criteria.

In particular, with regard to Labour Practices and Human Rights, the main criteria considered by EcoVadis concern the following aspects:

- occupational health and safety;
- working conditions;
- social dialogue;
- career management and training;
- child labour, forced labour and trafficking in human beings;

- diversity, equity and inclusion;
- human rights of external stakeholders.

At the end of the assessment, a score is assigned for each topic area, which contributes to the definition of the overall score. In addition to the above-mentioned topics, a performance assessment on the level of CO₂ emissions management is also made available for all companies deemed sensitive from an emissions point of view, according to the criteria applied by EcoVadis.

Secondly, 2i Rete Gas has also provided the cluster of suppliers identified as having a high ESG risk information regarding the partnership launched with EcoVadis to conduct sustainability performance assessments of their supply chain, inviting them to register on the dedicated platform and actively participate in the evaluation process. In the first evaluation campaign launched through the EcoVadis portal, a result was obtained from 94 suppliers. These were evaluated and provided with Scorecards during the year, carrying out a modelling activity to improve the environmental performance of the most CO₂-sensitive suppliers.



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 2023, 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, Vendor Management processes, interactions with the adopted EcoVadis platform, as well as sourcing, electronic catalogue management and contract management processes. A section covering the procurement of distribution network materials is also available.

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 staff from the Procurement and Services, Engineering, Operations and Quality, Safe-

ty and Environment functions; in some cases, local contact persons may also join the team. The audit is aimed at checking key requirements regarding proof of adequate experience in the industry, technical expertise, business know-how, and operational capacity, understood as having suitable 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 2022-2023 two-year period comparison showed that, as at 31 December 2023, **86** new suppliers were qualified, of whom **30** in relation to core business activities. Of the latter, from an environmental standpoint, **16** hold ISO 14001 certification while, from a social standpoint, **12** hold ISO 45001 certification and **3** also SA8000 certification.



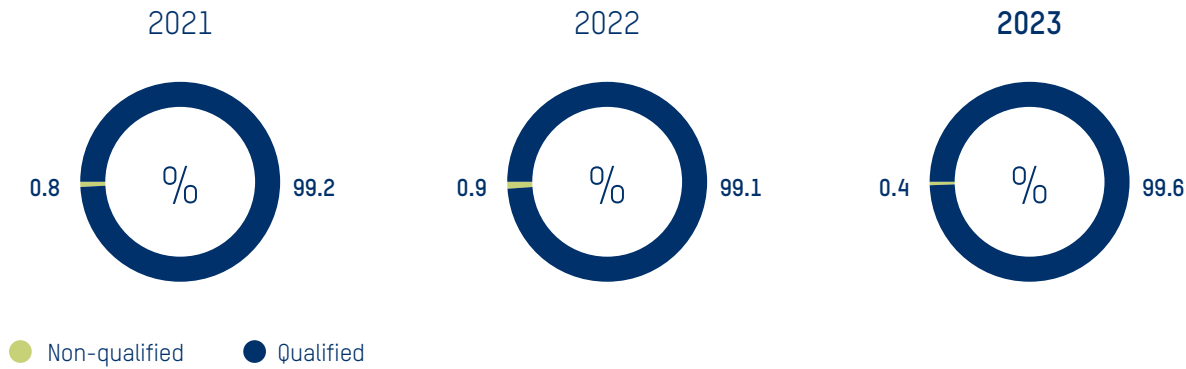
2i Rete Gas monitors the possession of the requirements related to ISO certifications by qualified suppliers, according to the provisions of the qualification regulations and the specific sector regulations, requesting any alternative procedures if possessed and adopted by the supplier, and urging non-compliant suppliers to undertake the required certification process.

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.

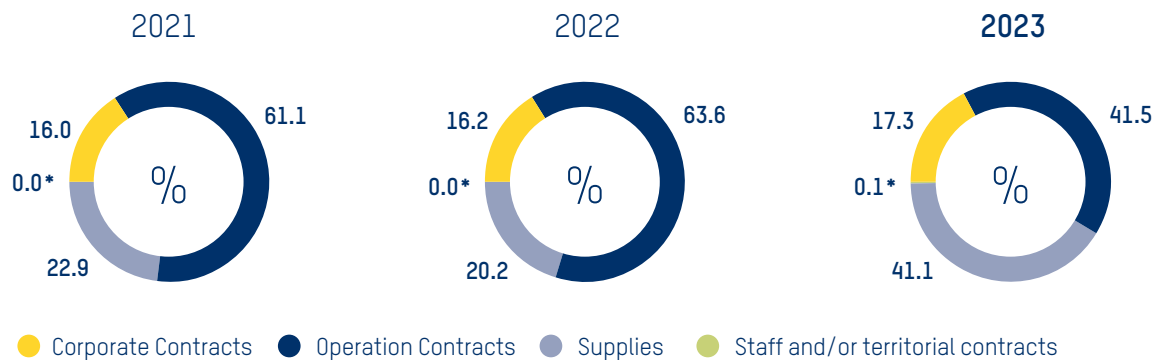
In 2023, the percentage value of procurement allocated to suppliers included in the Register of Suppliers, equal to **99.64%**, was in line with the **last three-year average**.

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 the e-procurement portal that also ensures assessment and selection of potential suppliers to whom contracts and orders are awarded.

99.64% of the value of contracts concluded at a central level during 2023 (99.08% in 2022) was entrusted to suppliers who underwent a formal qualification process through this portal.

As at 31 December 2023, the Group had **817 qualified suppliers** (741 in 2022) included in its Register of Suppliers, corresponding to a total of **1,222 qualifications in one or more Product Categories** based on the Qualification System as described above (1,084 in 2022). The growing trend reflects a constant and effective management of the scouting activity and of the product register,

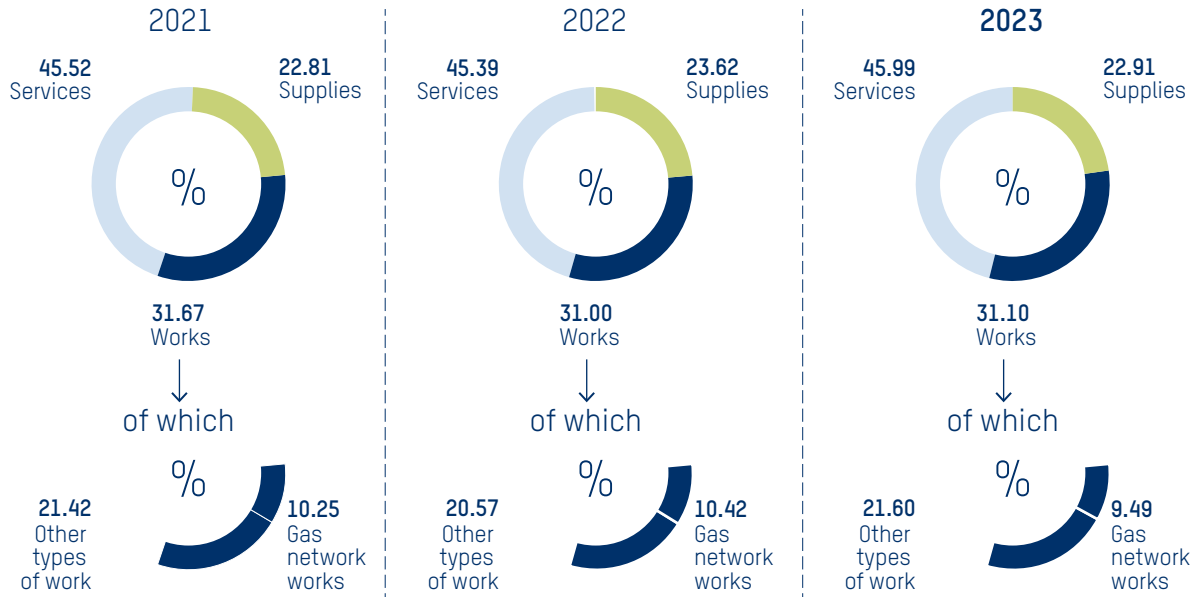
which is regularly updated on the basis of business needs.

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 81% 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.

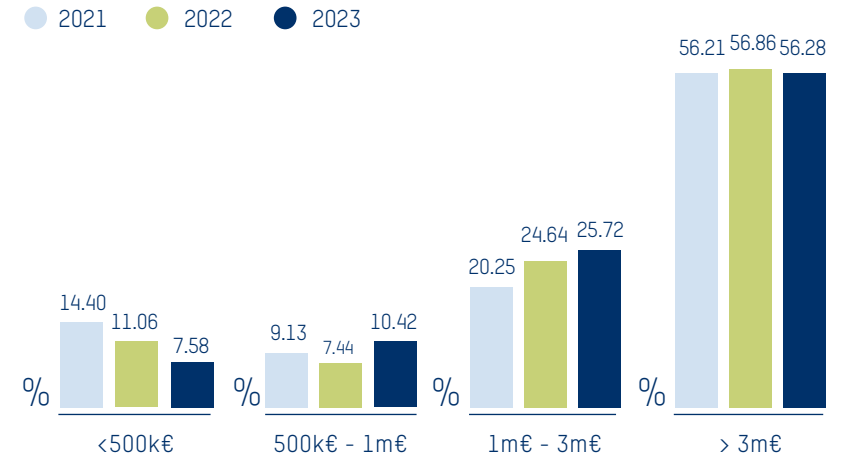
The Group strives to guarantee its suppliers not only a **fair remuneration**, but also **substantial compliance with the payment terms** agreed upon, which in 2023 was at **60 days in 78.03% of cases** (77.35% in 2022).

Regarding the impact on satellite businesses and communities, the Group, while being attentive to the use of local suppliers, has no formal evidence of such impact.

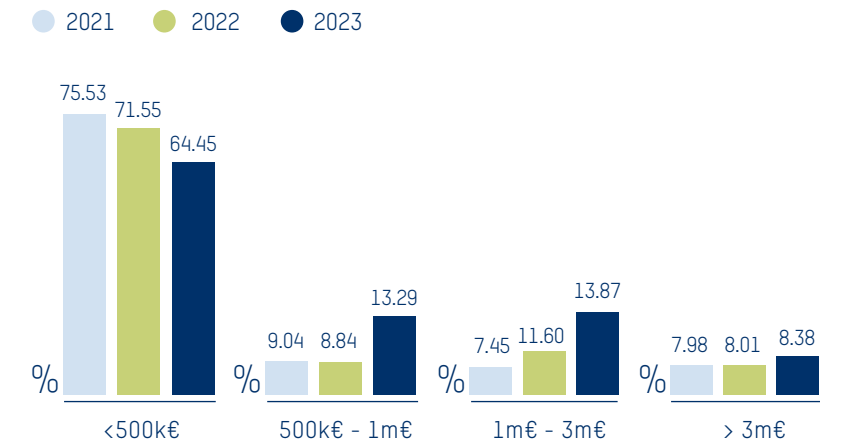
Number of qualifications by type



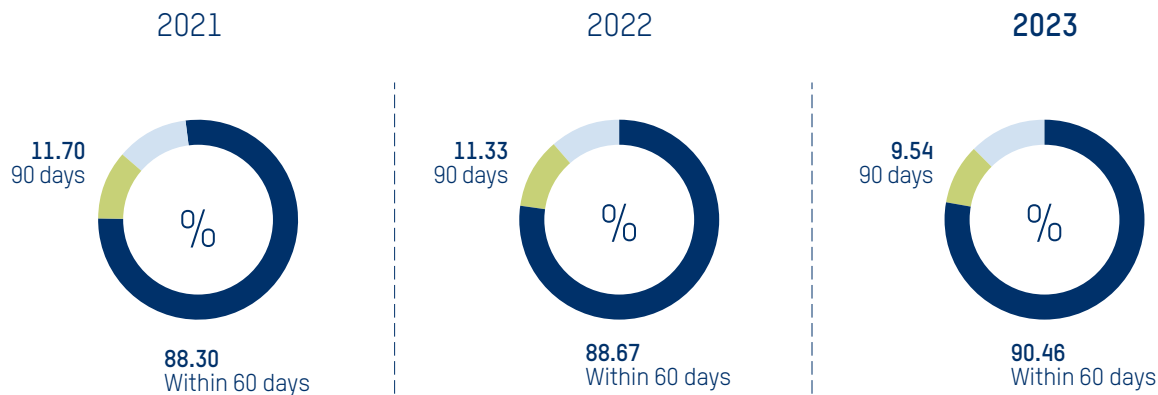
Value of contracts signed by amount



Number of contracts signed by amount



Payment terms for contracts signed during the year



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 2023 the Group sourced 98.9% of its supplies from local suppliers and the remaining 1.1% 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 in the subsequent contract phase.

Zi Rete Gas believes that managing the supply chain based on ethics, transparency and the creation of mutual 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 Quality, Workplace Health and Safety, Environment and Asset Management Policy – 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



With regard to the goal set out in the Plan aimed at **purchasing goods from suppliers that adopt production standards aimed at maximising energy consumption reduction and minimising their carbon footprint**, in 2023 Zi Rete Gas took steps to define the sustainability criteria to be applied in the tenders provided for in the commissioning plan. Minimum environmental requirements have been included in tenders involving an award criterion based on the economically advantageous bid.

TRANSPARENT, CLEAR AND THOROUGH DISCLOSURE

The Group believes that transparency towards the market and investors is an essential value to be protected.

Zi 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, as last updated in May 2023**, the Parent Company is an issuer of bonds admitted to listing on the regulated market managed by the Irish Stock Exchange, Zi 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 Transparency 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. Zi 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 Zi 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).

INITIATIVES RELATED TO THE SUSTAINABILITY PLAN



In relation to the primary goal set out in the Plan aimed at **integrating ESG aspects within the business**, during 2023 two different lines of action were implemented.

As regards the first line of action, relating to the **engagement of the members of the Board of Directors on ESG topics and sustainability performance** (see "Governance structure, delegation system and bodies"), during 2023 the Company achieved 100% of the relevant target set out in the Sustainability Plan. In fact, overall the Board of Directors discussed – between matters of a deliberative nature and information provided by the CEO – 16 topics of relevance in terms of ESG and "energy transition".

Specifically, the Board of Directors, which in carrying out its duties and making the relevant decisions attaches extreme importance to issues related to the development and strengthening of relations with the communities in which the Company's business is carried out, the prevention of pollution, climate change and the prevention of unfair practices and potentially integral to the commission of crimes, during the year shared and discussed:

- the progress of gas distribution network connections to biomethane production plants owned by agricultural

companies and waste treatment companies, activities of strategic importance for the Company with a view to the flexible use of the network for renewable gas injection;

- the results of the processes of reporting to the GRESB and of those aimed at the issue of ESG unsolicited ratings, which highlighted the improved scores compared to the previous year of all the parameters analysed (See "Governance structure, delegation system and bodies");
- the approval of the Consolidated Non-Financial Disclosure pursuant to Italian Legislative Decree 254/2016 and the updating of the Company's Sustainability Policy and Business Ethics and Anti-Corruption Policy (See Policies and Certifications);
- the updating of the Company's Sustainability Plan (See "Approach to sustainability and integration of ESG factors – Plan);
- information on the economic support that the Company has provided to an important research institute dealing with economic and market issues and belonging to a large international network of research centres, for the development of a study aimed at exploring the regulation of public electricity distribution service awards and the development of evolutionary proposals in this regard, which also take into account medium/

long-term scenarios related to the energy transition and "sector coupling";

- the definition of specific ESG objectives in the framework of the allocation of Management MBOs;
- the updating of the Organisational Model with the introduction, in particular, of processes and safeguards developed by the Company in the ESG sphere, which are also relevant in relation to the possible impact and possible prevention of the administrative liability of the Company pursuant to Italian Legislative Decree 231/01 (See "Business ethics and anti-corruption – Tools"), as well as the updating of the Model and of the Code of Ethics to reflect the new legislation on whistleblowing (See "Business ethics and anti-corruption – Concerns and Reporting");
- the award to the Company of the Gold Standard for its commitment to reducing methane emissions (see "Energy transition");
- the updating of regulation and regulatory proposals, with reference not only to the gas distribution service, but also to consultation concerning proposals on the so-called "sector coupling", i.e. the possible convergence of concessions for electricity and gas distribution services;

continues >>

>> continued

- the Company's participation in the ARERA procedure (Resolution 404/2022/R/gas) and admission to the incentive mechanism for "pilot projects to optimise the management and innovative uses of infrastructure in the natural gas sector", of particular relevance to the Company's goals with a view to contributing to the energy transition and to the flexible and digitised use of infrastructure from a green perspective.

With regard to the second line of action and thus with reference to **joining Networks and/or associations**

focused on the promotion and development of ESG-related issues, in 2023 2i Rete Gas S.p.A. continued benchmarking and scouting activities aimed at analysing different opportunities, engaging in preliminary and preparatory discussions aimed at joining the United Nations Global Compact (UNGC).


The latter is a voluntary leadership platform for the development, implementation and dissemination of responsible practices. Launched in 2000, it has become the largest corporate sustainability initiative in the world,

with more than 20,000 companies and 3,800 non-business participants based in 167 countries and more than 60 local networks.

The application to join the UNGC was submitted in December 2023 and was accepted and formalised in January 2024.

For 2i Rete Gas S.p.A., becoming a participant in the UN Global Compact means committing to nurturing continuous progress with regard to the Ten Principles of the Global Compact on human rights, labour practices, environmental protection and the fight against corruption.

INITIATIVES RELATED TO THE SUSTAINABILITY PLAN

 In relation to the primary goal set out in the Plan aimed at **obtaining certified Sustainability Rating aligned to the ones obtained by Peers**, in 2023 2i Rete Gas S.p.A. contracted the rating company Sustainalytics to obtain an updated certified rating. Based on data shared in September 2023, in December of the same year Sustainalytics issued a risk rating of 22.6 points, in line with the best market peers, ranked as the 15th best score on a panel of 96 companies belonging to the "Gas Utilities" cluster.

GRI CONTENT INDEX

Statement of use 2i Rete Gas S.p.A. reported in accordance with the GRI Standards for the period 01/01/2023-31/12/2023
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	REQUIRE- MENT(S) OMITTED	OMISSION		GRI SECTOR STANDARD REF. NO.
				REASON FOR OMISSION	EXPLANATION	
GENERAL DISCLOSURES						
	2-1 Organisational Details	Group profile - Highlights, history and corporate structure (pages 10-11) Colophon (page 128)				
	2-2 Entities included in the organisation's sustainability reporting	Methodological note - Scope (page 3)				
	2-3 Reporting period, frequency and contact point	Methodological note (pages 3-8)				
	2-4 Restatement of information	Methodological note - Scope (page 3) The main changes in information compared to previous years have 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 8) Group profile - Governance - Governance structure, delegation system and bodies (pages 12-14) Limited assurance (pages 124-127)				
	2-6 Activities, value chain and other business relationships	Stakeholders - Responsible supply chain management (pages 109-115)				
	2-7 Employees	People - Management, development and engagement of human capital - Sizing (pages 44-49)				
	2-8 Workers who are not employees	People - Management, development and engagement of human capital - Sizing (page 44)				
	2-9 Governance structure and composition	Group profile - Governance (pages 12-15)				
	2-10 Nomination and selection of the highest governance body	Group profile - Governance - Governance structure, delegation systems and bodies (pages 12-14)				
	2-11 Chair of the highest governance body	Group profile - Governance - Governance structure, delegation systems and bodies (page 15)				
	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 4-8) Group profile - Governance - Governance structure, delegation system and bodies (pages 12-14) and Responsible business management - Sustainability governance (pages 21-22)				
	2-13 Delegation of responsibility for managing impacts	Group profile - Governance - Governance structure, delegation system and bodies (pages 12-14) and Responsible business management - Sustainability governance (pages 21-22)				
	2-14 Role of the highest governance body in sustainability reporting	Methodological framework - Process for the definition of topic areas and materiality (pages 4-8)				
	2-15 Conflicts of interest	Group profile - Governance - Governance structure, delegation system and bodies (pages 12-15) and Business ethics - Further actions (page 29)				
GRI 2 - GENERAL DISCLOSURES - 2021	2-16 Communication of critical concerns	Group profile - Business ethics and anti-corruption - Concerns and reporting (pages 28-29)				
	2-17 Collective knowledge of the highest governance body	Group profile - Governance - Governance structure, delegation systems and bodies (pages 12-14)				
	2-18 Evaluation of the performance of the highest governance body	Group profile - Governance - Governance structure, delegation systems and bodies (pages 12-14)				
	2-19 Remuneration policies	Group profile - Governance - Governance structure, delegation systems and bodies (pages 12-14)				
	2-20 Process to determine remuneration	Group profile - Governance - Governance structure, delegation systems and bodies (pages 12-14)				
	2-21 Annual total compensation ratio		All	Unavailable/ incomplete information	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 22-24)				
	2-23 Policy commitments	People (page 43) Assets (page 70) Environment (page 82) Stakeholders (page 100)				
	2-24 Embedding policy commitments	Group profile - Responsible business management (pages 16-24)				
	2-25 Processes to remediate negative impacts	Group profile - Risk management (pages 30-34)				
	2-26 Mechanisms for seeking advice and raising concerns	Methodological note (page 8) Group profile - Business ethics and anti-corruption - Concerns and reporting (page 28-29)				
	2-27 Compliance with laws and regulations	Group profile - Compliance with laws and regulations (pages 24-27)				
	2-28 Membership associations	People - Diversity, inclusion and welfare (pages 59-62) Environment - Energy transition (pages 83-87) Stakeholders - Transparent, clear and thorough disclosure (pages 115-117)				
	2-29 Approach to stakeholder engagement	Methodological note - Process for the definition of topic areas and materiality (pages 4-8)				
	2-30 Collective bargaining agreements	People - Relations with the unions (pages 62-63)				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	REQUIRE- MENT(S) OMITTED	OMISSION		GRI SECTOR STANDARD REF. NO.
				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 4-8)				
	3-2 List of material topics	Methodological note - Process for the definition of topic areas and materiality (pages 4-8)				
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 4-8) Group profile - Creating sustainable economic value (pages 36-37)				
GRI 201: ECONOMIC PERFORMANCE	201-1 Direct economic value generated and distributed	Group profile - Creating sustainable economic value (pages 36-37)				
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 (pages 7-8) Stakeholders - Responsible supply chain management (pages 109-115)				
GRI 204: PROCUREMENT PRACTICES	204-1 Proportion of spending on local suppliers	Stakeholders - Responsible supply chain management - Mapping of suppliers (pages 113-114)				
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 4-8) Group profile - Risk management (pages 30-34)				
GRI 205: ANTI-CORRUPTION	205-2 Communication and training about anti-corruption policies and procedures	Group profile - Responsible business management - Policies and certifications (pages 22-24) and Business ethics and anti-corruption (pages 27-29) People - Management, development and engagement of human capital - Development and training (pages 51-58) Stakeholders - Responsible supply chain management - Identification and mitigation of supply chain risks (page 115)				
	205-3 Confirmed incidents of corruption and actions taken	Group profile - Business ethics and anti-corruption (pages 27-29)				
TAX						
GRI 3 - MATERIAL TOPICS - 2021	3-3 Management of material topics	Group profile - Compliance with laws and regulations (pages 24-27)				
GRI 207: TAX	207-1 Approach to tax	Group profile - Compliance with laws and regulations (pages 24-27)				
	207-2 Tax governance, control, and risk management	Group profile - Compliance with laws and regulations (pages 24-27)				
	207-3 Stakeholder engagement and management of concerns related to tax	Group profile - Compliance with laws and regulations (pages 24-27)				
	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 (pages 7-8) Group profile - Risk management (pages 30-34) Environment - Optimisation of energy resources and environmental protection (pages 88-98)				
GRI 302: ENERGY	302-1 Energy consumption within the organisation	Environment - Optimisation of energy resources and environmental protection (pages 88-90)				
	302-4 Reduction of energy consumption	Environment - Optimisation of energy resources and environmental protection - Energy consumption (pages 88-90) - Monitoring indicators and KPIs (page 98)				

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 (pages 7-8) Environment - Biodiversity (page 99)				
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 99)				
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 (pages 7-8) Environment - Optimisation of energy resources and environmental protection (pages 88-98)				
GRI 305: EMISSIONS	305-1 Direct (Scope 1) GHG emissions	Environment - Optimisation of energy resources and environmental protection - Atmospheric emissions (pages 94-98)				
	305-2 Energy indirect (Scope 2) GHG emissions	Environment - Optimisation of energy resources and environmental protection - Atmospheric emissions (pages 94-98)				
	305-3 Other indirect (Scope 3) GHG emissions	Environment - Optimisation of energy resources and environmental protection - Atmospheric emissions (pages 94-98)				
	305-5 Reduction of GHG emissions	Environment - Optimisation of energy resources and environmental protection - Atmospheric emissions (pages 94-98)				
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 (pages 7-8) Environment - Optimisation of energy resources and environmental protection (pages 88-98)				
GRI 306: WASTE 2020	306-1 Waste generation and significant waste-related impacts	Environment - Optimisation of energy resources and environmental protection - Waste (pages 91-93)				
	306-2 Management of significant waste-related impacts	Environment - Optimisation of energy resources and environmental protection - Waste (pages 91-93)				
	306-3 Waste generated	Environment - Optimisation of energy resources and environmental protection - Waste (pages 91-93)				
	306-4 Waste diverted from disposal	Environment - Optimisation of energy resources and environmental protection - Waste (pages 91-93)				
	306-5 Waste directed to disposal	Environment - Optimisation of energy resources and environmental protection - Waste (pages 91-93)				
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 (pages 7-8) Group profile - Risk management (pages 30-34) Stakeholders - Responsible supply chain management (pages 109-116)				
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 111-113)				
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 (pages 7-8) Group profile - Risk management (pages 30-34) People - Management, development and engagement of human capital (pages 50-59)				
GRI 401: EMPLOYMENT	401-1 New employee hires and employee turnover	People - Sizing (pages 44-49)				
	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 58)				
	401-3 Parental leave	People - Diversity, inclusion and welfare (pages 59-62)				
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 (pages 7-8) Group profile - Risk management (pages 30-34) People - Safeguarding occupational health and safety (pages 64-69)				

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 403: OCCUPATIONAL HEALTH AND SAFETY	403-1 Occupational health and safety management system	People - Safeguarding occupational health and safety (pages 64-69)				
	403-2 Hazard identification, risk assessment, and incident investigation	People - Safeguarding occupational health and safety (pages 64-69)				
	403-3 Occupational health services	People - Safeguarding occupational health and safety (pages 64-69)				
	403-4 Worker participation, consultation, and communication on occupational health and safety	Group profile - Risk management (pages 30-34) People - Management, development and engagement of human capital - Engagement (pages 58-59) and Safeguarding occupational health and safety (pages 64-69)				
	403-5 Worker training on occupational health and safety	People - Management, development and engagement of human capital - Development and training (pages 51-58) and Safeguarding occupational health and safety (pages 64-69)				
	403-6 Promotion of worker health	People - Safeguarding occupational health and safety (pages 64-69)				
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	People - Safeguarding occupational health and safety (pages 64-69) Assets - Reliability, efficiency and digitalisation of plants and processes - Integrated Management System (pages 72-78) Stakeholders - Responsible supply chain management - Qualification requirements and selection process (pages 111-113) and Identification and mitigation of supply chain risks (page 115)				
	403-8 Workers covered by an occupational health and safety management system	People - Safeguarding occupational health and safety (pages 64-69)				
	403-9 Work-related injuries	People - Safeguarding occupational health and safety (pages 64-69)				
	403-10 Work-related ill health	People - Safeguarding occupational health and safety (pages 64-69)				
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 (pages 7-8) Group profile - Risk management (pages 30-34) People - Management, development and engagement of human capital - Development and training (pages 51-58) and Engagement (pages 58-59)				
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 51-58)				
	404-3 Percentage of employees receiving regular performance and career development reviews	People - Management, development and engagement of human capital - Development and training (pages 51-58)				
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 (pages 7-8) Group profile - Governance - Governance structure, delegation system and bodies (pages 12-14) People - Sizing (pages 44-49) and Diversity, inclusion and welfare (pages 59-62)				
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY	405-1 Diversity of governance bodies and employees	Group profile - Governance - Governance structure, delegation system and bodies (pages 12-14) People - Sizing (pages 44-49) and Diversity, inclusion and welfare (pages 59-62)				
	405-2 Ratio of basic salary and remuneration of women to men	People - Diversity, inclusion and welfare (pages 59-62)				
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 (pages 7-8) Group profile - Business ethics and anti-corruption (pages 27-29) People - Management, development and engagement of human capital - Recruitment (pages 50-51) and Diversity, inclusion and welfare (pages 59-62)				
GRI 406: NON-DISCRIMINATION	406-1 Incidents of discrimination and corrective actions taken	People - Diversity, inclusion and welfare (pages 59-62)				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	REQUIRE- MENT(S) OMITTED	OMISSION		GRI SECTOR STANDARD REF. NO.
				REASON FOR OMISSION	EXPLANATION	
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 (pages 7-8) Group profile - Risk management (pages 30-34) Environment - Energy transition (pages 83-87) Stakeholders - Relations with Institutions and Authorities and contribution to the development of the region (pages 101-103)				
GRI 413: LOCAL COMMUNITIES	413-1 Operations with local community engagement, impact assessments, and development programs	Environment - Energy transition (pages 83-87) Stakeholders - Relations with Institutions and Authorities and contribution to the development of the region (pages 101-103)				
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 (pages 7-8) Group profile - Risk management (pages 30-34) Stakeholders - Responsible supply chain management (pages 109-115)				
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 111-113)				
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 (pages 7-8) Group profile - Risk management (pages 30-34) People - Safeguarding occupational health and safety (pages 64-69) Assets - Reliability, efficiency and digitalisation of plants and processes - Integrated Management System (pages 72-78)				
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 64-69) Assets - Reliability, efficiency and digitalisation of plants and processes - Integrated Management System (pages 72-78)				
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	People - Safeguarding occupational health and safety (pages 64-69) Assets - Reliability, efficiency and digitalisation of plants and processes - Integrated Management System (pages 72-78)				
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 (pages 7-8) Group profile - Risk management (pages 30-34)				
GRI 418: CUSTOMER PRIVACY	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Assets - Privacy and data security (page 81)				
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 (pages 7-8) Assets - Reliability, efficiency and digitalisation of plants and processes - Digital development (pages 79-80)				
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 (pages 7-8) Stakeholders - Relations with clients (pages 104-109)				
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 7-8) Stakeholders - Transparent, clear and thorough disclosure (pages 115-117)				

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 2023, prepared in accordance with article 4 of the Decree and approved by the board of directors of 2i Rete Gas SpA on 22 March 2024 (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 updated up to 2021 (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 (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. In the period this engagement refers to our firm applied International Standard on Quality Control 1 (ISQC Italia 1) and, accordingly, maintained a comprehensive system of quality control including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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 2023 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, 5 April 2024

PricewaterhouseCoopers SpA

Signed by

Giulio Grandi
(Revisore Legale)

This report has been translated from the Italian original solely for the convenience of international readers.

2i Rete Gas S.p.A.

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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 2024

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