



2i RETE GAS SUSTAINABILITY POLICY

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WHY ADOPT A SUSTAINABILITY POLICY

2i Rete Gas represents a national reference in the gas distribution sector. The Group has defined its own Sustainability Policy as a guidance document aimed at pursuing sustainability while ensuring a responsible business management.

As a result, this Sustainability Policy has been outlined in order to support the integration of sustainability topics into the corporate strategy and operations of 2i Rete Gas, as the Group intends to play an active role in the transition towards a more sustainable economy from an environmental, social and governance perspective.

The essence of the document is to strengthen and, at the same time, develop all those guiding values on which the Group own identity rests, raise awareness in respect of the commitments undertaken in the area of sustainability and set out the implementation principles that identify the priority lines of action to follow in order to pursue a balanced development in the medium and long term.

Furthermore, the Policy highlights, endorses and sets out the company belief that in order to create a sustainable long-lasting value, business growth must be combined with respect for the principles of legality, integrity, impartiality, and transparency, on the basis of an integrated strategy, applying at the same time continuous improvement practices as well as operation efficiency and cost-effectiveness criteria.

By relying on the most widely accepted standards of responsible business and aligning such standards with its own operating backdrop, 2i Rete Gas has identified the commitments and priority lines of action that will drive its contribution to achieving a more sustainable future.

COMMITMENTS

Stimulate everyone's contribution

2i Rete Gas is committed to putting **people** at the heart of its business, encouraging their respect, 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, supporting, responsibly and proudly, the improvement of the company performances.



Ensure efficiency, quality and safety

2i Rete Gas is committed to managing its **assets** through daily efforts aimed at guaranteeing the best service to its clients by achieving incremental standards of technical and commercial quality, while pursuing operation efficiency and cost-effectiveness



Distribute energy for a more sustainable future

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



Create shared value

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



The sustainable development commitments that 2i Rete Gas has set out and disclosed through this Policy are driven and underpinned by prerequisites, i.e. aspects considered to be essential, as well as by implementation principles that identify the priority areas of action to focus on and develop.

PREREQUISITES AND IMPLEMENTATION PRINCIPLES

PREREQUISITES

2i Rete Gas views the **creation of sustainable economic value** as a key enabler in ensuring business continuity in the long term, bearing in mind that such value is geared not only towards shareholders and bondholders but also towards generating positive impacts inside and outside the organisation and, therefore, for all stakeholders (such as employees, suppliers and contractors, concession-granting authorities, sales companies, network end clients).

In addition, to 2i Rete Gas corporate responsibility means managing activities in a way that is based on fairness and on the choice of considering **listening to stakeholders, compliance with laws and regulations, business ethics** and **anti-corruption** as essential aspects and, hence, as further foundations on which to build an integrated sustainability strategy.

The Group is committed to operating in compliance with the ethical principles of legality, integrity, impartiality and transparency in all its relations with stakeholders, **promoting full compliance with laws and regulations, rejecting all forms of active and passive corruption** while acting in accordance with the highest standards and best practices of good corporate governance.

By adopting (i) the Charter of Values, which represents a guide to the actual conduct that all employees, starting from top management, are required to follow, including in their relations with stakeholders; (ii) its own Organisation, Management, and Control Model pursuant to Italian Legislative Decree 231/2001; (iii) its own Code of Ethics, which sets out the ethical and conduct principles to which the Group and its employees and collaborators must be inspired and which they must comply with in carrying out their activities; (iv) the Policy on ethics in business, harmonising, summarising and describing the principles, paradigms and organisational and operational controls already put in place by the Group to promote a corporate culture based on honesty, integrity and fairness; and further by relying on internal controls and continuous internal and external training on regulations and best practices applicable to the industry, anti-corruption regulations and administrative accountability of legal persons relating to offences pursuant to Italian Legislative Decree 231/2001, the Group ensures compliance with the regulations applicable to the company business by its own employees, including in dealings with all the entities it engages with, whether directly or indirectly, including Public Administration and external suppliers. Supervision of the application of the Model is ensured by the Supervisory Body, to which all company departments periodically report their activities with a view to possible "231 Model impacts" based on specific company reporting procedures.

In addition, as required by the Code of Ethics, and consistent with amendments to the **whistleblowing** rules and regulation, the Group provides stakeholders, including its own employees, with specific communication arrangements through which they can directly report to the Supervisory Bodies of the individual companies any violations or alleged violations of the Code of Ethics and the Model. In this regard, the Group promptly arranged for its Model to comply with the rules on whistleblowing, establishing, among other things, sanctions against managers, directors and statutory auditors who infringe the privacy of the individuals' reporting or who take discriminatory or detrimental actions against such individuals because of their reports.

COMMITMENT IMPLEMENTATION PRINCIPLES



Stimulate everyone's contribution

2i Rete Gas is committed to putting **people** at the heart of its business, encouraging their respect, 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, supporting, responsibly and proudly, the improvement of the company performances.

This commitment is reflected in the promotion of **respect for personal and inalienable human rights** in the conduct of the company business and along the value chain in compliance with the requirements of local, national, and supranational regulations governing the protection of Human Rights and in line with the Declaration on Fundamental Principles and Rights at Work of the International Labour Organization (ILO) and the relevant applicable conventions. It is also reflected in the recognition of **equal opportunities** for all employees, rejecting all forms of discrimination – age, gender, sexual orientation, health, race, nationality, political opinions, and religious beliefs – with **diversity** being actually viewed as a source of value.

Based on these assumptions, 2i Rete Gas focus on its human capital extends to all employee recruitment, training, and development processes. The Group implements recruitment processes based on the utmost **transparency** and delivers training plans designed to **develop skills** consistent with business operations. In order to stimulate everyone's contribution, the Group promotes an approach that is both geared towards **exchanges** and instrumental in encouraging the **sharing of experiences** and **exchange of knowledge**.

It implements a **merit-related policy** based on the assessment of conducts, results, skills and commitment of resources.

It sets out to drive **engagement** based on listening, dialogue, and communication endeavours, with a view to encouraging **participation, empowerment** as well as

the spreading and maintenance of a constructive and inclusive corporate environment.

2i Rete Gas also recognises the need to **facilitate its employees' work-life balance** by identifying practicable solutions aimed at increasing flexibility while reducing conditions of vulnerability, including through a participatory approach.

Finally, the Group protects the **health and safety** of its employees and the employees of contractors, providing a healthy and safe working environment and promoting initiatives aimed at increasing awareness of risks and enabling better risk management, thus promoting the prevention and reduction of possible injuries and accidents.



Ensure efficiency, quality and safety

In the belief that the Group approach to sustainability is closely linked to the characteristics of its business and its commitment to ensuring a safe, continuous, reliable and timely service delivered with a view to going well beyond mere compliance with the standards required by regulations, 2i Rete Gas is committed to managing its **assets** through daily efforts aimed at **guaranteeing the best service to its clients** by achieving **incremental standards of technical and commercial quality**, while **pursuing operation efficiency and cost-effectiveness**.

In pursuing **ongoing improvement of the supervision on infrastructure and service performances**, the Group has identified the **digital development** of networks and processes as one of the main levers through which to increase the value and reduce the vulnerability of plants while meeting the growing expectations of its key stakeholders, according to distinct priority areas of action.

More specifically, regarding **safety and continuity**, the Group primary objective is to deliver a safe service for the communities that use it, and for this reason, it monitors performances that are capable of:

- **conducting preventive controls to ensure proper monitoring of safety conditions, preventing failures and leakages, and managing maintenance on a predictive basis;**
- **acting promptly in potentially dangerous situations.**

From a service **commercial quality** perspective, 2i Rete Gas monitors its performance through preventive controls designed to ensure full compliance with the regulations.

With reference to **metering** activities, technological innovation enables 2i Rete Gas to:

- provide sales companies with more timely data on consumption, **allowing invoicing to be more consistent with actual usage;**
- increase awareness of consumption among network end clients, **encouraging an assessment of the effects of energy efficiency initiatives.**



Distribute energy for a more sustainable future

In the belief that natural gas will play a key role in the transition to a more efficient and sustainable energy system and that the related distribution infrastructure will be able to respond to further future purposes in new scenarios, 2i Rete Gas is committed to promoting and implementing initiatives to ensure a sustainable evolution of the gas infrastructure in the medium to long term, as well as principles of **environmental protection** and safeguarding, the aim being to provide its support in establishing a new energy paradigm with reduced impact on the environment, according to two priority areas of action.

On the one hand, the Group sets out to act as a **promoter and implementing entity of the transition process** based on work streams started in several areas, such as:

- **promoting gas as a transitional resource towards a cleaner future** through a **commercial development model** that encourages the **replacement of more polluting fuels** and the **support of gas advocacy initiatives**, i.e. the empowerment of gas as an ideal fossil source to structurally underpin renewable sources, since it is particulate-free, low-carbon, programmable and efficient in its uses, considering certain industry trends that do not seem to value and imagine an evolutionary role for gas infrastructure in the medium/long term, including as a carrier of alternative forms of gas linked to renewable energies;
- pursuing **advanced asset uses with a view to green targets**, or the **growing commercial proposals with biomethane producers** and the **study of viable solutions to resolve technical limitations and encourage experimental initiatives for the introduction of synthetic gas** (power-to-gas);
- expanding its scope of operations in support of decarbonisation by submitting **energy efficiency proposals**, with the intention of supporting the Public Administration in making investments to reduce the energy consumption of buildings and plants for the benefit of the community.

On the other hand, 2i Rete Gas aims to **minimise the impact of its operations on the surrounding environment**. In the pursuit of continuous improvement of its management systems and constant compliance with international standards and best practices, the Group conducts its business in accordance with environmental laws and regulations, relying on some of the main guidelines on responsible environmental management through initiatives such as:

- monitoring of legislative developments in this area in view of the introduction of necessary management adjustments and the definition of improvement objectives and programmes;
- systematic identification of environmental risks, ensuring appropriate control through suitable and continuous monitoring measures, complete with periodic reporting, the purpose also being to reduce energy consumption and direct impacts such as, for instance, waste and atmospheric emissions, as well as protecting biodiversity;

- promotion of and raising awareness of employees and business partners in respect of a culture of environmental responsibility and conscious use of natural resources.



Create shared value

Being fully convinced of the sustainability of natural and innovative gases and being aware of the role it plays in the creation of shared value for all those who interact with the Group or are affected by the conduct of its business, in its relations with **stakeholders** 2i Rete Gas strives to act as a competent, reliable, and focused partner. A partner who places at the core of its management practices the pursuit of operational excellence and the ability to pick up and carry through the challenges faced by the industry, providing practical answers to specific needs as a way to contribute to the development of the local areas in which it operates, and is driven by a fully supportive spirit and an approach geared towards the creation of long-term shared value.

By adopting a conduct based on transparency, fairness, and traceability, 2i Rete Gas also aims to collaborate and make its know-how available to Public Institutions and Authorities by **participating in consultation procedures aimed at issuing measures and resolutions designed, in particular, to address and outline future governance strategies in the energy industry that will produce more effective and efficient impacts for the local community**. At the same time, the Group aims to develop initiatives in conjunction with Institutions and partners for the purpose of **carrying out activities that contribute to creating a positive impact on the communities served by the network**.

The Group intends to **continue developing dialogue channels and tools, as well as listening initiatives** designed for its customers (municipalities and local authorities; sales companies; network end clients), **constantly monitoring their satisfaction levels to improve them**.

A further action area is to be found in **supply chain management, based on ethics, transparency, and mutual value creation**. 2i Rete Gas therefore aims at selecting its suppliers based on their expertise, know-how, and ability to share its own principles, including by staging ad-hoc listening and dialogue sessions, the goal being to build long-lasting relationships geared towards common growth that will ensure a gradual improvement of collaboration and the achievement of high qualitative, social and environmental performance levels.

2i Rete Gas commitments to sustainable development do not end with the distribution of methane as are driven by a broader sense of responsibility that is reflected in the Group will to contribute to the achievement of some of the 17 Sustainable Development Goals (SDGs) outlined by the United Nations in 2015. Indeed, the Group has identified a number of Goals on which it is committed to act concretely and which represent a driver to guide its business model towards an inclusive, responsible and sustainable development.

UNITED NATIONS DEVELOPMENT GOALS

APPROVAL, APPLICATION AND DISSEMINATION

The first edition of the Sustainability Policy was issued in 2020 while the current and second edition was formally approved by the Board of Directors of 2i Rete Gas S.p.A. on 23 March 2022. The Policy is reviewed annually and, if appropriate, adjusted according to the results of the annual update of the materiality analysis and the approaches guiding the evolution of the Sustainability Framework on which it is based.

It applies to all the Group companies over which 2i Rete Gas 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 231/01 and other guidance documents adopted by the Group, in accordance with the provisions, procedures and operating instructions progressively issued to govern the activities of company departments.

2i Rete Gas strives to promoting awareness of the commitments it has undertaken in sustainability to pursue a balanced evolution in the medium and long term, disseminating the Sustainability Policy in its entirety to employees through its corporate intranet and making it available to interested external stakeholders by publishing it on the Parent Company website. At the same time, 2i Rete Gas will promote the knowledge and the sharing of this document also in respect of people and companies that – by virtue of their dealings with the Group companies – may influence compliance with some of the commitments set out therein.

IMPLEMENTATION, GOVERNANCE AND MONITORING

By providing an overview of the aspects that are relevant to 2i Rete Gas from an environmental, social and management perspective, the Sustainability Policy plays a key role with respect to the company will to implement the gradual **integration of ESG factors into the Group governance** of the Group. Indeed, it steers and reflects the commitments that the Group has defined with respect to the prerequisites and material topics, which are in turn set out in the Sustainability Plan as qualitative and quantitative goals to be achieved in the short, medium and long term by deploying concrete initiatives, which can be measured through specific KPIs and according to specific targets set beforehand. By structuring the projects defined in sustainability on a four-year basis, **the Sustainability Plan therefore qualifies as the programmatic document whereby 2i Rete Gas puts in place the commitments and**



implementation principles set out and established by this Policy and through which it aims to contribute, most notably, to the achievement of some SDGs recognised as relevant to the business and consistent with the Group strategic development path.

To transfer the corporate commitments to the entire company organisation, and therefore to ensure the maintenance of the provisions stated in the Sustainability Policy and achieve the goals set out in the Plan even if specifically dedicated resources are unavailable, 2i Rete Gas has adopted a **widespread model** of sustainability management considered to be functional. This model entails identifying several profiles tasked with supervising, in terms of implementation and monitoring, the Sustainability Plan according to different levels of responsibility: **Sponsor**; **Project** and **Process Owner**; **Data Provider**. The tasks assigned to the above-mentioned profiles, as a whole, complement those pertaining to the **Sustainability and Transparency Working Group** and to the **Steering Committee**, whose duties include, respectively:

- supporting Management in matters relating to sustainability by integrating it into the business processes and suggesting a progressive development of the initiatives, assisting Project and Process Owners in reaching the targets set out in the Plan;
- defining updates to the Sustainability Policy and Plan and ensuring the achievement of the goals formally approved by the Board of Directors.

Lastly, upon considering stakeholder engagement as fundamental, the Group undertakes to report annually on its social, environmental and economic performance, highlighting progress made in keeping commitments and achieving sustainability goals by relying on corporate reporting documents while monitoring compliance with this Policy and maintaining an active dialogue with stakeholders.