ISS-CORPORATE

SECOND PARTY OPINION (SPO)

Sustainability Quality of the Issuer and Sustainable Finance Framework

Snam S.p.A.

9 April 2025

VERIFICATION PARAMETERS

Type(s) of instruments contemplated	▪ Green debt instruments[1]
Relevant standards	▪ Green Bond Principles, ICMA, June 2021 (with June 2022 Appendix 1) ▪ Green Loan Principles, LMA, February 2023 ▪ EU taxonomy Climate Delegated Act, Annex I, June 2023 ▪ Climate Transition Finance Handbook, ICMA, June 2023
Scope of verification	▪ Snam's Sustainable Finance Framework (as of April 8, 2025) ▪ Snam's eligibility criteria (as of April 8, 2025)
Lifecycle	▪ Pre-issuance verification
Validity	▪ Valid as long as the cited Framework remains unchanged

[1] Bonds, loans, project financings and/or any other financing instruments in various formats and currencies. ISS-Corporate's analysis is limited to bonds and loans.

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SCOPE OF WORK

Snam S.p.A. ("the Issuer," "the Company" or "Snam") commissioned ISS-Corporate to assist with its green debt instruments by assessing five core elements to determine the sustainability quality of the instruments:

1. Snam's Sustainable Finance Framework (as of April 8, 2025), benchmarked against the International Capital Market Association's (ICMA) Green Bond Principles (GBP) and Climate Transition Finance Handbook (CTFH), and the Loan Market Association's (LMA) Green Loan Principles (GLP).
2. The eligibility criteria — whether the project categories contribute positively to the United Nations Sustainable Development Goals (U.N. SDGs).
3. The alignment of the project categories with the EU taxonomy on a best-efforts basis[2] — whether the nominated project categories are aligned with the EU taxonomy technical screening criteria (including substantial contribution to climate change mitigation criteria and do no significant harm criteria) and minimum safeguards requirements as included in the EU taxonomy Climate Delegated Act (June 2023).[3]
4. The implementation of the Climate Transition Finance Handbook's recommendations based on the publicly available information.
5. The consistency of the green debt instruments with Snam's sustainability strategy, drawing on the key sustainability objectives and priorities defined by the Issuer.

[2] While the final delegated acts for mitigation and adaptation were published in June 2023, the technical screening criteria allow for discretion on the methodologies in determining alignment in certain cases. Therefore, at this stage, the alignment with the EU taxonomy has been evaluated on a "best-efforts basis."
[3] Commission Delegated Regulation (EU) 2023/2485 of 27 June 2023 amending Delegated Regulation (EU) 2021/2139.

Snam OVERVIEW

Snam SpA engages in the gas infrastructure and energy transition business. It operates through the following segments: Transportation, Storage, Regasification, Energy Transition, and Other. The Transportation segment refers to natural gas transportation and dispatching activities in Italy. The Storage segment provides the natural gas storage service in Italy. The Regasification segment focuses on providing liquefied natural gas regasification service. The Energy Transition segment is involved in the companies active in the energy business traceable to the legal entities of Renovit group and in the biogas or biomethane business traceable to the legal entities of the Bionenerys group. The Other segment includes sustainable mobility business. The company was founded on Oct. 30, 1941, and is headquartered in San Donato Milanese, Italy.

ESG risks associated with the Issuer's industry

Snam is classified in the gas and electricity network operators industry, as per ISS ESG's sector classification. Key sustainability issues faced by companies[4] in this industry are worker safety and accident prevention, promotion of a sustainable energy system, environmentally safe operation of plants and infrastructure, accessibility and reliability of energy supply, and protection of human rights and community outreach.

This report focuses on the sustainability credentials of the issuance. Part V of this report assesses the consistency between the issuance and the Issuer's overall sustainability strategy.

[4] Please note that this is not a company-specific assessment but rather areas that are of particular relevance for companies within this industry.

ASSESSMENT SUMMARY

SPO SECTION	SUMMARY	EVALUATION[5]
Part I: **Alignment with GBP and GLP**	The Issuer has defined a formal concept for its green debt instruments regarding use of proceeds, processes for project evaluation and selection, management of proceeds, and reporting. This concept is in line with the GBP and GLP.	**Aligned**
Part II: **Sustainability quality of the eligibility criteria**	The green debt instruments will (re)finance the following eligible asset categories: Green Infrastructure, Green Gases, Green Buildings, and Energy Efficiency. Product and/or service-related use of proceeds categories[6] individually contribute to one or more of the following SDGs:  Process-related use of proceeds categories[7] individually (i) improve the Issuer's operational impacts and (ii) mitigate potential negative externalities of the Issuer's sector on the following SDG: 	**Positive**
Part III: Alignment with EU taxonomy	Snam's project characteristics, due diligence processes and policies have been assessed against the requirements of the EU taxonomy (Climate Delegated Act of June 2023), on a best-efforts basis.[8] The nominated project categories are considered to be: ▪ Aligned with the climate change mitigation criteria ▪ Aligned with the do no significant harm criteria ▪ Aligned with the minimum safeguards requirements	

[5] The evaluation is based on Snam's Sustainable Finance Framework (April 8, 2025, version), on the analyzed eligibility criteria as received on Mar. 27, 2025.
[6] Green Infrastructure, Green Gases, Green Buildings, and Energy Efficiency.
[7] Green Infrastructure.
[8] While the final delegated acts for mitigation and adaptation were published in June 2023, the technical screening criteria allow for discretion on the methodologies in determining alignment in certain cases. Therefore, at this stage, the alignment with the EU taxonomy has been evaluated on a "best-efforts basis."

SPO SECTION	SUMMARY	EVALUATION[5]
Part IV: **Assessment of Issuer's climate transition strategy against the CTFH**	1. The Company has shared a credible, science-based climate transition strategy. Action plans and the funding strategy to achieve targets are available. There is clear governance and oversight of the decarbonization path, and a third-party review has confirmed the credentials and characteristics of the strategy. 2. The Company's climate transition strategy addresses the most environmentally material parts of its business model and funds changes in its core activities. Snam evaluates its environmental and social impact and related mitigation measures. It discloses Scope 3 emissions, except for Category 11 because, while Snam operates gas pipelines, it does not own the gas and therefore cannot exercise any direct leverage to reduce those emissions. 3. The climate transition strategy is quantifiably measurable and aligned with the latest available methodologies and benchmarks. The Company provides transparency on current, baseline and historic emissions data, and this data is externally verified. 4. Snam is transparent regarding the investment program supporting the transition, and the expected climate-related outcomes and impacts. The Issuer does not publish information on potential emissions lock-in or the phase-out of activities. The Company discloses adverse impacts on the workforce, community, surrounding environment and related mitigation efforts; it incorporates 'just transition' considerations.	
Part V: **Consistency of green debt instruments with Snam's sustainability strategy**	The Issuer clearly describes the key sustainability objectives and the rationale for issuing green debt instruments. All considered project categories align with the Issuer's sustainability objectives.	**Consistent with Issuer's sustainability strategy**

SPO ASSESSMENT

PART I: ALIGNMENT WITH THE GREEN BOND PRINCIPLES AND GREEN LOAN PRINCIPLES

This section evaluates the alignment of Snam's Sustainable Finance Framework (as of April 8, 2025) with the GBP and GLP.

GBP AND GLP	ALIGNMENT	OPINION
1. Use of proceeds	✓	The use of proceeds description provided by Snam's Sustainable Finance Framework is **aligned** with the GBP and GLP. The Issuer's green categories align with the project categories proposed by the GBP and GLP. Criteria are defined clearly and transparently. Disclosure of an allocation period and a commitment to report by project category has been provided, and environmental benefits are described. The Issuer defines a look-back period of 36 months.
2. Process for project evaluation and selection	✓	The process for project evaluation and selection described in Snam's Sustainable Finance Framework is **aligned** with the GBP and GLP. The project selection process is well-defined and structured in a congruous manner. ESG risks associated with the project categories are identified and managed appropriately. Furthermore, the selected projects align with the Issuer's sustainability strategy. The Issuer defines exclusion criteria for harmful project categories. The Issuer clearly defines and transparently communicates the responsibilities within the process for project evaluation and selection, involving various stakeholders in line with best market practices. Additionally, the Issuer ensures alignment of its Sustainable Finance Framework and green projects with official market-wide taxonomies, specifically the EU taxonomy.

GBP AND GLP	ALIGNMENT	OPINION
3. Management of proceeds	✓	The management of proceeds provided by Snam's Sustainable Finance Framework is **aligned** with the GBP and GLP. The net proceeds collected will equal the amount allocated to eligible projects. These proceeds are tracked appropriately and attested to in a formal internal process. They are managed on an aggregated basis for multiple green bonds (portfolio approach). Moreover, the Issuer discloses the temporary investment instruments for unallocated proceeds and confirms that each loan tranche will be clearly labeled as green. The Issuer has defined an expected allocation timeframe of 2025 to 2029.
4. Reporting	✓	The allocation and impact reporting provided by Snam's Sustainable Finance Framework is **aligned** with the GBP and GLP. The Issuer commits to disclosing the allocation of proceeds transparently and reporting with appropriate frequency. The reporting will be publicly available on the Issuer's website. Snam has disclosed the type of information to be reported and explained that the expected reporting level will be at the project category level. Moreover, the Issuer commits to reporting annually until the proceeds are fully allocated. The Issuer is transparent regarding the level of impact reporting and the information reported and further defines the duration and frequency of the impact reporting, in line with best market practices. The Issuer discloses the location and link to the reports and commits to an external audit of the allocation report, in line with best market practices.

PART II: SUSTAINABILITY QUALITY OF THE ELIGIBILITY CRITERIA

A. CONTRIBUTION OF THE GREEN DEBT INSTRUMENTS TO THE U.N. SDGs[9]

The Issuer can contribute to the achievement of the SDGs by providing specific services/products that help address global sustainability challenges, and by being a responsible actor, working to minimize negative externalities in its operations along the entire value chain. This section assesses the SDG impact of the use of proceeds (UoP) categories financed by the Issuer in two different ways, depending on whether the proceeds are used to (re)finance:

- Specific products/services
- Improvements of operational performance

1. Products and services

The assessment of UoP categories for (re)financing products and services is based on a variety of internal and external sources, such as ISS ESG's SDG Solutions Assessment, a proprietary methodology designed to assess the impact of an Issuer's products or services on the U.N. SDGs, as well as other ESG benchmarks (the EU taxonomy Climate Delegated Act, the Green/Social Bond Principles and other regional taxonomies, standards and sustainability criteria).

The assessment of UoP categories for (re)financing specific products and services is displayed on a three-point scale:

Obstruction	No Net Impact	Contribution

Each of the green debt instruments' use of proceeds categories has been assessed for its contribution to, or obstruction of, the SDGs:

USE OF PROCEEDS (PRODUCTS/SERVICES)	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
Green Infrastructure — Network for renewables and low-carbon gases *Construction and operation of transmission and distribution pipelines dedicated to the transport*	**Contribution**	

[9] The impact of the UoP categories on U.N. SDGs is assessed with proprietary methodology and may therefore differ from the Issuer's description in the Framework.

of renewable and low-carbon gases (biomethane and hydrogen). *The activity includes leak detection and repair of existing gas pipelines and other network elements to reduce methane leakage.* *Example of funding projects:* ▪ *Transportation of biomethane from production plants to the service stations dedicated to the supply of methane and to the methane pipeline network.* ▪ *Preliminary engineering for a future network for exclusive hydrogen transport* *The activity is in line with the substantial contribution criteria for climate change mitigation of EU taxonomy activities 4.14 and 6.15.*		
Green Infrastructure — Network for renewables and low-carbon gases *Construction and operation of H_2 refueling station.* *The activity is in line with the substantial contribution criteria for climate change mitigation of EU taxonomy activities 4.14 and 6.15.*	**Contribution**	
Green Infrastructure — CCS *Transport and permanent storage of captured CO_2 in appropriate underground geological formations, where:*[10] ▪ *The CO_2 transported from the installation where it is captured to the injection point does not lead to CO_2 leakages above 0.5% of the mass of CO_2 transported.* ▪ *The CO_2 is delivered to a permanent CO_2 storage site that meets the criteria for underground geological storage of CO_2 as per the applicable criteria for underground permanent geological*	**Contribution**	

[10] The CO_2 is delivered to a permanent CO_2 storage site that meets the criteria for underground geological storage of CO_2 as per the applicable criteria for underground permanent geological storage of CO_2 in the EU taxonomy; or to other transport modalities, which leads to a permanent CO_2 storage site that meets those criteria.

storage of CO_2 in the EU taxonomy; or to other transport modalities, which lead to a permanent CO_2 storage site that meets those criteria.

It is planned to implement a leak detection and repair program to monitor, control and repair the fugitive leaks in collaboration with CH4 Group.

The activity will only cover the repurpose of existing infrastructure with the installation of assets that increase the flexibility and improve the management of the network.

Examples of projects:

- *A pilot project with ENI that involves capture and transport of the CO_2 emitted by an ENI compressor and the permanent storage in a depleted gas field offshore Ravenna.*
- *In future years, other projects with CO_2 capture, transport and storage at industrial scale will be developed with third-party emitters mainly in the hard-to-abate sectors. The CO_2 captured will be transported and permanently stored in depleted gas fields in the North Adriatic offshore.*
- *The pilot project and future industrial developments rely on the repurpose of existing onshore and offshore infrastructures in Ravenna and the use of depleted offshore gas fields for the permanent storage of CO_2.*

The CCS technology will not be applied to refinery projects.

The activity is in line with the substantial contribution criteria for climate change mitigation of EU taxonomy activities 5.11 and 5.12.

Green Infrastructure — Data driven solutions for GHG emissions reductions

Development and use of ICT solutions that are predominantly used for the provision of data and analytics enabling GHG emission reductions. Where an alternative

Contribution

solution/technology is already available on the market, the ICT solution demonstrates substantial life-cycle GHG emission savings compared to the best performing alternative solution/technology. *Example of funding projects: digital transformation and technology projects for the detection of methane leaks and further energy efficiency projects for Snam's buildings.* *The activity is in line with the substantial contribution criteria for climate change mitigation of EU taxonomy Activity 8.2.*	**Contribution**	
Renewable Energy — Biomethane *Manufacture of biogas using agricultural biomass[11] where the greenhouse gas emission savings from the manufacture of biogas are at least 65% in relation to the GHG saving methodology and the relative fossil fuel comparator set out in Annex V to Directive (EU) 2018/2001.* *For manufacture of biogas from anaerobic digestion of organic material specifically:* ▪ *A monitoring and contingency plan is in place to minimize methane leakage at the facility* ▪ *The produced biogas is upgraded to bio-methane for injection in the natural gas grid* *Examples of projects:* *Capital expenditures and acquisition of plants to produce biomethane.* *The activity is in line with the substantial contribution criteria for climate change mitigation of EU taxonomy Activity 4.13.*		

[11] Agricultural biomass complies with criteria outlined in Article 29, paragraphs 2 to 5, of Directive (EU) 2018/2001. Food-and-feed crops are not used for the manufacture of biofuels, for use in transport or for the manufacture of bioliquids.

Renewable Energy — Biomethane

Construction and operation of facilities for the treatment of sewage sludge or bio-waste by anaerobic digestion with the resulting production and utilization of biogas or chemicals, where:

- *A monitoring and contingency plan is in place to minimize methane leakage at the facility.*
- *The produced biogas is used directly for the generation of electricity or heat, upgraded to bio-methane for injection in the natural gas grid, or used as vehicle fuel or as feedstock in chemical industry.*

For anaerobic digestion of bio-waste specifically:

- *The bio-waste that is used for anaerobic digestion is source segregated and collected separately*
- *The produced digestate is used as fertilizer or soil improver, either directly or after composting or any other treatment*
- *In the dedicated bio-waste treatment plants, the share of food and feed crops used as input feedstock, measured in weight, as an annual average, is less than or equal to 10% of the input feedstock.*

Examples of projects:

Capital expenditures and acquisitions of plants for the production and utilization of biogas from organic fractions of municipal solid waste.[12] *Each plant consists of two sections: one to produce biomethane and one to produce compost. The plants are equipped with a system for the capture and treatment of odorous emissions and a constant process control and monitoring program.*

The activity is in line with the substantial contribution criteria for climate change mitigation of EU taxonomy Activity 5.7.

Contribution

[12] Snam confirms that it only uses organic municipal waste for producing the biomethane.

Renewable Energy — Biomethane ▪ *The produced digestate is used as fertilizer or soil improver, either directly or after composting or any other treatment* *Examples of projects:* *Capital expenditures and acquisitions of plants for the production and utilization of biogas from organic fractions of municipal solid waste.*[13] *Each plant consists of two sections: one to produce biomethane and one to produce compost. The plants are equipped with a system for the capture and treatment of odorous emissions and a constant process control and monitoring program.* *The activity is in line with the substantial contribution criteria for climate change mitigation of EU taxonomy Activity 5.7.*	**Contribution**	
Green Gases *Manufacture of hydrogen that complies with the life-cycle GHG emissions savings requirement of 73.4% for hydrogen resulting in life-cycle GHG emissions lower than 3 tCO2e/tH_2 and 70% for hydrogen-based synthetic fuels relative to a fossil fuel comparator of 94 gCO2e/MJ in analogy to the approach set out in Article 25(2) of and Annex V to Directive (EU) 2018/2001.* *Examples of projects:* ▪ *Hydrogen valley*[14] ▪ *Research and development projects* *The activity is in line with the substantial contribution criteria for climate change mitigation of EU taxonomy Activity 3.10.*	**Contribution**	
Green Buildings *Constructions of new buildings for which the primary energy demand is at least 10% lower than the threshold set for the nearly zero energy building requirements in national measures implementing Directive 2010/31/EU of the*	**Contribution**	

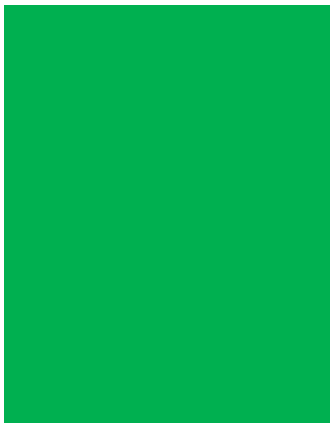
[13] Ibid.
[14] The assessment of the alignment is limited to the activity itself and not the activities using the green hydrogen produced.

European Parliament and of the Council. The energy performance is certified using an as-built energy performance certificate. *Example of financed project: construction of new Snam headquarters.* *The activity is in line with the substantial contribution criteria for climate change mitigation of EU taxonomy Activity 7.1.*	Contribution	
Energy Efficiency *Installation, maintenance and repair of onsite renewable energy technologies such as (but not limited to):* ▪ *Solar photovoltaic systems and ancillary technical equipment* ▪ *Solar hot water panels and ancillary technical equipment* *The activity is in line with the substantial contribution criteria for climate change mitigation of EU taxonomy activities 4.1 and 4.15.*	Contribution	
Energy Efficiency *Installation, maintenance and repair of onsite renewable energy technologies such as (but not limited to):* ▪ *Heat pumps*[15] *The activity is in line with the substantial contribution criteria for climate change mitigation of EU taxonomy Activity 4.16.*	Contribution	
Energy Efficiency *Energy efficiency measures aimed at improving efficiency such as (but not limited to):* ▪ *Replacement of existing fixtures with energy efficient units* ▪ *Installation and replacement of energy efficient light sources, for instance replacing old halogen lamps with LED lamps*	Contribution	

[15] The Issuer confirmed that project financed under this category (a) refrigerant threshold: Global Warming Potential does not exceed 675; and (b) energy efficiency requirements laid down in the implementing regulations under Directive 2009/125/EC are met.

- *Thermal insulation of buildings (i.e., external walls, roofs, lofts, basements and ground floors)*
- *Installation, replacement, maintenance and repair of heating, ventilation and air conditioning and water heating systems*

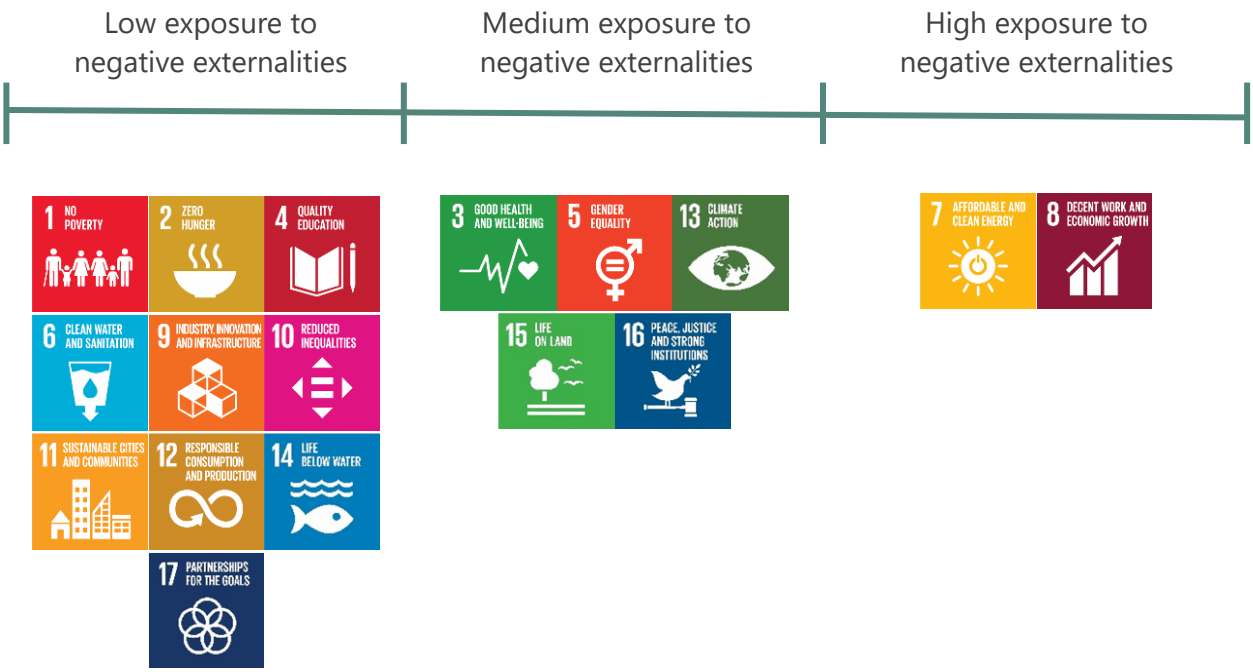
The activity is in line with the substantial contribution criteria for climate change mitigation of EU taxonomy activities 7.2 and 7.3.



2. Improvements of operational performance (processes)

The below assessment qualifies the direction of change (or "operational impact improvement") resulting from the operational performance projects (re)financed by the UoP categories, as well as related SDGs impacted. The assessment displays how the UoP categories mitigate the exposure to the negative externalities relevant to the Issuer's business model and sector.

According to ISS ESG's SDG Impact Rating methodology, potential impacts on the SDGs related to negative operational externalities in the gas and electricity network operators sector (to which Snam belongs) are the following:



The table below displays the direction of change resulting from the operational performance improvement projects. The outcome displayed does not correspond to an absolute or net assessment of the operational performance.

USE OF PROCEEDS (PROCESSES)	OPERATIONAL IMPACT IMPROVEMENT[16]	SUSTAINABLE DEVELOPMENT GOALS
Green Infrastructure — multi-molecule ready infrastructure *Retrofit of gas transmission and distribution networks that enable the integration of hydrogen and other low-carbon gases in the network, including any gas transmission or distribution network activity that enables the*	✓ [17]	13 CLIMATE ACTION

[16] Only the direction of change is displayed, and the scale of improvement is not assessed.
[17] The Issuer has aligned its selection criteria with the technical screening criteria for a substantial contribution to climate change mitigation of EU taxonomy Delegated Act (June 2023) Activity 4.14.

USE OF PROCEEDS (PROCESSES)	OPERATIONAL IMPACT IMPROVEMENT[16]	SUSTAINABLE DEVELOPMENT GOALS
increase of the blend of hydrogen or other low-carbon gasses in the gas system. *The activity includes leak detection and repair of existing gas pipelines and other network elements to reduce methane leakage.* *Examples of projects:* ▪ *Replacement of existing gas pipelines with pipelines that can integrate hydrogen and other low-carbon gases* ▪ *Electric compressors that better allow for the integration of hydrogen and other low-carbon gases into the network*		

PART III: ALIGNMENT OF THE ELIGIBILITY CRITERIA WITH THE EU TAXONOMY CLIMATE DELEGATED ACT

The alignment of Snam's project characteristics, due diligence processes and policies for the nominated use of proceeds project categories has been assessed against the relevant substantial contribution to climate change mitigation and do no significant harm (DNSH) technical screening criteria, and against the minimum safeguards requirements of the EU taxonomy Climate Delegated Act (June 2023), based on information provided by Snam. Where Snam's project characteristics, due diligence processes and policies meet the EU taxonomy criteria requirements, a tick is shown in the table below.

Snam's project selection criteria overlap with the following economic activities in the EU taxonomy:

- 3.10 Manufacture of hydrogen
- 4.1. Electricity generation using solar photovoltaic technology
- 4.13 Manufacture of biogas and biofuels for use in transport and of bioliquids
- 4.14 Transmission and distribution networks for renewable and low-carbon gases
- 4.15 District heating/cooling distribution
- 4.16 Installation and operation of electric heat pumps
- 5.7 Anaerobic digestion of bio-waste
- 5.11 Transport of CO_2
- 5.12 Underground permanent geological storage of CO_2
- 6.15 Infrastructure enabling low-carbon road transport and public transport
- 7.1 Construction of new buildings
- 7.2 Renovation of existing buildings
- 7.3 Installation, maintenance and repair of energy efficiency equipment
- 8.2 Data-driven solutions for GHG emissions reductions
- 9.3 Professional services related to energy performance of buildings

All projects financed under the Sustainable Finance Framework are and will be located in Italy.

To avoid repetition, the evaluation of the alignment of Snam's assets to the DNSH criteria for climate change adaptation is provided in Section P.2. Similarly, the alignment evaluations for water, pollution, and protection and restoration of biodiversity and ecosystems are provided in sections Q.3, R.5 and S.6, respectively. These evaluations are applicable to all the aforementioned activities.

This analysis only indicates whether the EU taxonomy criteria are fulfilled. For brevity, the original text of the EU taxonomy criteria is not shown but can be found at the following link.

a) 3.10 – Manufacture of hydrogen

PROJECT CHARACTERISTICS AND SELECTION PROCESSES[18]	ALIGNMENT WITH THE EU TAXONOMY'S TECHNICAL SCREENING CRITERIA
1. SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION	
The activity is associated with NACE code C20.11 in accordance with Regulation (EC) No 1893/2006. The projects that Snam has identified foresee the creation of hydrogen valleys: integrated ecosystems encompassing the production of green hydrogen, its distribution and use in hard-to-abate sectors, as well as in mobility applications. Other projects related to hydrogen production will align with EU taxonomy criteria. When implementing these projects, Snam is fully committed to confirming compliance with the taxonomy-aligned category before financing them under this Framework. The activity complies with the life-cycle GHG emissions savings requirements.	✓
2. CLIMATE CHANGE ADAPTATION – DO NO SIGNIFICANT HARM CRITERIA	
See p)	✓
3. WATER AND MARINE RESOURCES – DO NO SIGNIFICANT HARM CRITERIA	
See q)	✓
4. CIRCULAR ECONOMY – DO NO SIGNIFICANT HARM CRITERIA	
N/A	
5. POLLUTION – DO NO SIGNIFICANT HARM CRITERIA	
See r) Snam commits to adhering to the criteria and principles laid down in Regulation (EU) 2020/852 of the European Parliament and of the Council and in Commission Delegated Regulation (EU) 2021/2139. Snam confirms that it will implement specific governance measures to monitor emissions from the hydrogen production plant and ensure that emissions remain within or below the emission levels associated with the best available techniques (BAT-AEL) ranges set out in the relevant best available techniques (BAT) conclusions, including: (a) the BAT conclusions for the production of chlor-alkali and the	✓

[18] This column is based on input provided by the Issuer.

BAT conclusions for common wastewater and waste gas treatment/management systems in the chemical sector; (b) the BAT conclusions for the refining of mineral oil and gas.	
6. BIODIVERSITY AND ECOSYSTEMS – DO NO SIGNIFICANT HARM CRITERIA	
See s)	✓

b) 4.1 – Electricity generation using solar photovoltaic technology

PROJECT CHARACTERISTICS AND SELECTION PROCESSES[19]	ALIGNMENT WITH THE EU TAXONOMY'S TECHNICAL SCREENING CRITERIA
1. SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION	
The activity is associated with NACE Codes D35.11 and F24.22 in accordance with Regulation (EC) No 1893/2006. The financed projects generate electricity using photovoltaic technology.	✓
2. CLIMATE CHANGE ADAPTATION – DO NO SIGNIFICANT HARM CRITERIA	
See p)	✓
3. WATER AND MARINE RESOURCES – DO NO SIGNIFICANT HARM CRITERIA	
N/A	
4. CIRCULAR ECONOMY – DO NO SIGNIFICANT HARM CRITERIA	
Snam has not yet identified projects in this category. However, it is implementing new end-of-life procedures for solar plants. These procedures will comply with all applicable local and EU legislation based on the technology type. Furthermore, Snam will implement policies to ensure that equipment and components used in the construction of solar plants are durable, recyclable and easily dismantled and refurbished.	✓
5. POLLUTION – DO NO SIGNIFICANT HARM CRITERIA	
N/A	

[19] Ibid.

6. BIODIVERSITY AND ECOSYSTEMS – DO NO SIGNIFICANT HARM CRITERIA	
See s)	✓

c) 4.13 – Manufacture of biogas and biofuels for use in transport and of bioliquids

PROJECT CHARACTERISTICS AND SELECTION PROCESSES[20]	ALIGNMENT WITH THE EU TAXONOMY'S TECHNICAL SCREENING CRITERIA
1. SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION	
The activity is associated with NACE code D35.21 in accordance with Regulation (EC) No 1893/2006. Snam uses only agricultural and agro-industrial biomass for biogas or biofuel manufacturing and does not use food or feed crops. All agricultural biomethane plants in this economic activity receive incentives per Italian Ministerial Decree No. 340 of Sept. 15, 2022. This decree complies with the sustainability requirements outlined in EU Directive 2018/2001. Incentives comprise a production-linked feed-in tariff (€/MWh) considered operating income and a capital contribution (up to 40% of eligible CapEx). To access the tariff system, all biomethane plants must reduce greenhouse gas emissions by at least 65%, calculated using a formula provided by Gestore Servizi Energetici (GSE). For biogas manufacturing that relies on anaerobic digestion of organic material, a monitoring and contingency plan minimizes methane leakage. The biomethane produced is delivered directly to entry points. Biogas is upgraded exclusively to biomethane for injection into the natural gas grid. CO_2 capture and storage are not foreseen in agricultural plants, so no CO_2 will be transported or stored underground.	✓
2. CLIMATE CHANGE ADAPTATION – DO NO SIGNIFICANT HARM CRITERIA	
See p) Snam complies with Italian Ministerial Decree No. 340 of Sept. 15, 2022, which mandates that individual national recovery and resilience plans (PNRR) must satisfy the DNSH principles. The PNRR funds the MASE incentives, and all	✓

[20] Ibid.

investments must comply with Italian regulations. These regulations align with European regulations and transpose the directives mentioned in the DNSH criteria. To certify compliance with the DNSH requirements, specific documentation (established by the GSE) must be submitted to access the incentive system/capital contribution. To assess its capacity to adapt to climate change, Snam used the guidelines indicated by ISO 14091:2021 (adaptation to climate change — guidelines on vulnerability, impacts and risk assessment). The climate risk screening, the vulnerability assessment of the work and the identification of adaptation solutions were conducted, and the results comply with DNSH principles.	
3. WATER AND MARINE RESOURCES – DO NO SIGNIFICANT HARM CRITERIA	
See q) Snam complies with Italian Ministerial Decree No. 340 of Sept. 15, 2022, which establishes that the individual national PNRR must satisfy the DNSH principles. To certify compliance with the DNSH requirements, specific documentation (established by the GSE) must be submitted to access the incentive system/capital contribution. The conditions imposed for the protection of water quality are satisfied by compliance with national legislation (Legislative Decree 152/2006 and subsequent amendments).	✓
4. CIRCULAR ECONOMY – DO NO SIGNIFICANT HARM CRITERIA	
N/A	
5. POLLUTION – DO NO SIGNIFICANT HARM CRITERIA	
See r) Snam complies with Italian Ministerial Decree No. 340 of Sept. 15, 2022, which establishes that the individual national PNRR must satisfy the DNSH principles. To certify compliance with the DNSH requirements, specific documentation (established by the GSE) must be sent to access the incentive system/capital contribution.	✓

For biogas production, Snam commits to include storage tanks equipped with covers for gas recovery. For anaerobic digestion plants treating over 100 tonnes per day, Snam confirms compliance with the emission limits associated with BAT-AEL ranges for air and water emissions. Furthermore, Snam confirms that no waste is treated in the anaerobic digestion plants.[21]	
6. BIODIVERSITY AND ECOSYSTEMS – DO NO SIGNIFICANT HARM CRITERIA	
See s) Snam complies with Italian Ministerial Decree No. 340 of Sept. 15, 2022, which establishes that the individual national PNRR must satisfy the DNSH principles. To certify compliance with the DNSH requirements, specific documentation (established by the GSE) must be submitted to access the incentive system/capital contribution. For plants located in or near sensitive areas in terms of biodiversity, an assessment is carried out. This assessment includes all necessary mitigation measures and an evaluation of compliance with the regulations of the protected areas.	✓

d) 4.14 – Transmission and distribution networks for renewable and low-carbon gases

PROJECT CHARACTERISTICS AND SELECTION PROCESSES[22]	ALIGNMENT WITH THE EU TAXONOMY'S TECHNICAL SCREENING CRITERIA
1. SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION	
The activity is associated with NACE codes F42.21 and H49.50 in accordance with Regulation (EC) No. 1893/2006. Snam confirms the following: ▪ The activity consists of one of the following: construction or operation of new transmission and distribution networks dedicated to hydrogen or	✓

[21] Waste digestate is regulated by the Ministerial Decree of Agricultural Policies, Article 22.
[22] This column is based on input provided by the Issuer.

other low-carbon gases; conversion/repurposing of existing natural gas networks to 100% hydrogen; retrofit of gas transmission and distribution networks that enables the integration of hydrogen and other low-carbon gases in the network, including any gas transmission or distribution network activity that enables the increase of the blend of hydrogen or other low-carbon gases in the gas system. ▪ The activity includes leak detection and repair of existing gas pipelines and other network elements to reduce methane leakage.	
2. CLIMATE CHANGE ADAPTATION – DO NO SIGNIFICANT HARM CRITERIA	
See p)	✓
3. WATER AND MARINE RESOURCES – DO NO SIGNIFICANT HARM CRITERIA	
See q)	✓
4. CIRCULAR ECONOMY – DO NO SIGNIFICANT HARM CRITERIA	
N/A	
5. POLLUTION – DO NO SIGNIFICANT HARM CRITERIA	
See r) Directive 2009/125/EC is in force in Italy. Operations for this category will exclusively be located in Italy. Snam commits to complying with the Directive, transposed in Italy via Legislative Decree No. 15/2011.	✓
6. BIODIVERSITY AND ECOSYSTEMS – DO NO SIGNIFICANT HARM CRITERIA	
See s)	✓

e) 4.15 – District heating/cooling distribution

PROJECT CHARACTERISTICS AND SELECTION PROCESSES[23]	ALIGNMENT WITH THE EU TAXONOMY'S TECHNICAL SCREENING CRITERIA
1. SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION	

[23] Ibid.

The Issuer commits, on an ex-post basis, to complying with the criteria for the construction and operation of pipelines and associated infrastructure for distributing heating and cooling, and for the refurbishment of pipelines and associated infrastructure for distributing heating and cooling. The activity involves modification to lower temperature regimes or advanced pilot systems (control and energy management systems, Internet of Things).	✓
2. CLIMATE CHANGE ADAPTATION – DO NO SIGNIFICANT HARM CRITERIA	
See p)	✓
3. WATER AND MARINE RESOURCES – DO NO SIGNIFICANT HARM CRITERIA	
See q)	✓
4. CIRCULAR ECONOMY – DO NO SIGNIFICANT HARM CRITERIA	
N/A	
5. POLLUTION – DO NO SIGNIFICANT HARM CRITERIA	
See r) The Issuer confirms that fans, compressors, pumps and other equipment used comply, where relevant, with the top-class requirements of the energy label and with implementing regulations under Directive 2009/125/EC.[24] This equipment represents the best available technology.	✓
6. BIODIVERSITY AND ECOSYSTEMS – DO NO SIGNIFICANT HARM CRITERIA	
See s)	✓

f) 4.16 – Installation and operation of electric heat pumps

PROJECT CHARACTERISTICS AND SELECTION PROCESSES[25]	ALIGNMENT WITH THE EU TAXONOMY'S TECHNICAL SCREENING CRITERIA
1. SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION	
Snam confirms that, as of today, the installation of heat pumps may exceed the Global Warming Potential threshold of 675 considering currently available	✓

[24] Directive 2009/125/EC, national transposition into Decreto Legislativo 8 Novembre 2021, n. 210.
[25] This column is based on input provided by the Issuer.

technology. The Issuer considers the option of moving to different heat pumps for future investments to be in line with more stringent requirements. Additionally, the Issuer commits to reporting on how the assets comply with the technical screening criteria.	
2. CLIMATE CHANGE ADAPTATION – DO NO SIGNIFICANT HARM CRITERIA	
See p)	✓
3. WATER AND MARINE RESOURCES – DO NO SIGNIFICANT HARM CRITERIA	
See q)	✓
4. CIRCULAR ECONOMY – DO NO SIGNIFICANT HARM CRITERIA	
As of today, Snam uses equipment that represents the best technology on the market, especially regarding durability for its long-term contracts. In the future, Snam will likely implement more sophisticated company procedures for product recyclability and dismantling. A commitment to developing an end-of-life waste management plan at the time of project financing is included in the Sustainable Finance Framework.	✓
5. POLLUTION – DO NO SIGNIFICANT HARM CRITERIA	
See r) Snam confirms that for air-to-air heat pumps with a rated capacity of 12 kW or below, indoor and outdoor sound power levels are below the threshold set out in Commission Regulation (EU) No 206/2012 of 6 March 2012 implementing Directive 2009/125/EC of the European Parliament and of the Council with regard to ecodesign requirements for air conditioners and comfort fans (OJ L 72, 10.3.2012, Page 7).	✓
6. BIODIVERSITY AND ECOSYSTEMS – DO NO SIGNIFICANT HARM CRITERIA	
See s)	✓

g) 5.7 – Anaerobic digestion of bio-waste

PROJECT CHARACTERISTICS AND SELECTION PROCESSES[26]	ALIGNMENT WITH THE EU TAXONOMY'S TECHNICAL SCREENING CRITERIA

[26] Ibid.

1. SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION	
The activity is associated with NACE codes E38.21 and F42.99 in accordance with Regulation (EC) No 1893/2006. The activity includes monitoring and contingency plans for the biogas and methane production sections. The biomethane produced is injected into the methane pipelines and, once liquefied, moved to fueling stations. Additionally, the municipal bio-waste is collected separately at a plant and used to produce compost. Snam confirms that the input used for the biomethane plants is the organic fraction of municipal waste, not food or crops.	✓
2. CLIMATE CHANGE ADAPTATION – DO NO SIGNIFICANT HARM CRITERIA	
See p) Snam confirms that every project undergoes a risk assessment analysis in accordance with Italian Legislative Decree 152/2006 on pollution, soil, water and waste. This analysis comprises an environmental due diligence review during the plant's acquisition and internal monitoring plans to evaluate environmental impacts.	✓
3. WATER AND MARINE RESOURCES – DO NO SIGNIFICANT HARM CRITERIA	
See q)	✓
4. CIRCULAR ECONOMY – DO NO SIGNIFICANT HARM CRITERIA	
N/A	
5. POLLUTION – DO NO SIGNIFICANT HARM CRITERIA	
See r) The emissions from the anaerobic digestion plants are within or below the levels associated with best available techniques (BAT-AEL). Each plant has one section to produce biomethane and one to produce compost. The plants are equipped with systems that capture and treat odorous emissions and have constant control and monitoring. Internal monitoring occurs regularly, while external monitoring occurs every three or six months. Independent monitoring is performed by third parties accredited by the Ministry of Agricultural Policies (Ministerio Politiche Agricole), which collects and analyzes samples and communicates the results to local, regional and national authorities.	✓
6. BIODIVERSITY AND ECOSYSTEMS – DO NO SIGNIFICANT HARM CRITERIA	

See s)	✓

h) 5.11 – Transport of CO_2

PROJECT CHARACTERISTICS AND SELECTION PROCESSES[27]	ALIGNMENT WITH THE EU TAXONOMY'S TECHNICAL SCREENING CRITERIA
1. SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION	
The activity is associated with NACE codes F42.21 and H49.50 in accordance with Regulation (EC) No 1893/2006. Snam confirms that CO_2 transported from the capture installation to the injection point does not result in leakages exceeding 0.5% of the mass transported. All components, including valves, are tested for tightness in compliance with relevant EN standards such as UNI ENI 14141:2013 and UNI EN 13942:2009. The transported CO_2 is permanently stored in a site aligned with Activity 5.12 of the EU taxonomy and meets the requirements for underground geological storage of CO_2. The pipelines are designed with leak detection systems, including Snam's PIMOS system, CO_2 sensors, and thermographic cameras to detect even small leakages. A leak detection and repair program will be implemented to monitor, control and repair fugitive leaks in collaboration with CH4 Group. An independent third party will verify the program's effectiveness. The use of CCS in the transition to low-carbon gas-fired power generation contributes to service adaptability and the optimal integration of intermittent and continuous renewable energy sources into the national energy system.	✓
2. CLIMATE CHANGE ADAPTATION – DO NO SIGNIFICANT HARM CRITERIA	
See p)	✓
3. WATER AND MARINE RESOURCES – DO NO SIGNIFICANT HARM CRITERIA	
See q) CO_2 transport infrastructures are subject to environmental impact assessments regulated by Italian Legislative Decree 162/2011, which includes the prevention of impacts on water ecosystems.	✓

[27] Ibid.

4. CIRCULAR ECONOMY – DO NO SIGNIFICANT HARM CRITERIA	
N/A	
5. POLLUTION – DO NO SIGNIFICANT HARM CRITERIA	
N/A	
6. BIODIVERSITY AND ECOSYSTEMS – DO NO SIGNIFICANT HARM CRITERIA	
See s)	✓

i) 5.12 – Underground permanent geological storage of CO_2

PROJECT CHARACTERISTICS AND SELECTION PROCESSES[28]	ALIGNMENT WITH THE EU TAXONOMY'S TECHNICAL SCREENING CRITERIA
1. SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION	
The activity is associated with NACE code E39.00 in accordance with Regulation (EC) No 1893/2006. Snam confirms that the Italian Ministry for Environment and Energy Security has authorized the activities. The authorization requires monitoring activities (environmental, geological and seismic) and closure and post-closure obligations compliant with Directive 2009/31/EC and Italian Legislative Decree 162/2011. Additionally, leak detection systems are in place.	✓
2. CLIMATE CHANGE ADAPTATION – DO NO SIGNIFICANT HARM CRITERIA	
See p)	✓
3. WATER AND MARINE RESOURCES – DO NO SIGNIFICANT HARM CRITERIA	
See q) Storage infrastructures are subject to environmental impact assessments regulated by Italian Legislative Decree 162/2011, which includes the prevention of impacts on water ecosystems.	✓
4. CIRCULAR ECONOMY – DO NO SIGNIFICANT HARM CRITERIA	

[28] Ibid.

N/A	
5. POLLUTION – DO NO SIGNIFICANT HARM CRITERIA	
See r) Snam confirms that the activity complies with Directive 2009/31/EC.[29] The activities are authorized by the Italian Ministry for Environment and Energy Security, with specified pollution prevention and control measures. These include compliance with the limits set by the authorization for the transport and storage of CO_2, pollution limitation of powder produced, pollution limitation of CO_2 produced by vessels during offshore construction activities, limitation of pollution by trucks during onshore construction activities, and implementation of CO_2 leakage detection systems and safety plans.	✓
6. BIODIVERSITY AND ECOSYSTEMS – DO NO SIGNIFICANT HARM CRITERIA	
See s)	✓

j) 6.15 – Infrastructure enabling low-carbon road transport and public transport

PROJECT CHARACTERISTICS AND SELECTION PROCESSES[30]	ALIGNMENT WITH THE EU TAXONOMY'S TECHNICAL SCREENING CRITERIA
1. SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION	
The activity is associated with NACE codes F42.11, F42.13, F71.1 and F71.20 in accordance with Regulation (EC) 893/2006. The infrastructure supports the construction of hydrogen fueling stations, enabling the deployment of hydrogen-based vehicles to replace diesel engine vehicles.	✓
2. CLIMATE CHANGE ADAPTATION – DO NO SIGNIFICANT HARM CRITERIA	
See p)	✓
3. WATER AND MARINE RESOURCES – DO NO SIGNIFICANT HARM CRITERIA	
See q)	✓

[29] Directive 2009/31/EC transposed into Italian national laws with the Decreto Legislativo (DLgs) 162/2011.
[30] This column is based on input provided by the Issuer.

4. CIRCULAR ECONOMY – DO NO SIGNIFICANT HARM CRITERIA	
The infrastructure's construction complies with applicable local, national and international regulations, including Decision 2000/532/EC, which mandates a minimum 70% reuse, recycling and recovery of non-hazardous waste.	✓
5. POLLUTION – DO NO SIGNIFICANT HARM CRITERIA	
See r) Snam confirms that the activity complies with local, national and international regulations. Noise and vibration levels from the hydrogen refueling stations are not significant enough to require the installation of open trenches or wall barriers. Dust and air pollutant levels do not require mitigation measures.	✓
6. BIODIVERSITY AND ECOSYSTEMS – DO NO SIGNIFICANT HARM CRITERIA	
See s)	✓

k) 7.1 – Construction of new buildings

PROJECT CHARACTERISTICS AND SELECTION PROCESSES[31]	ALIGNMENT WITH THE EU TAXONOMY'S TECHNICAL SCREENING CRITERIA
1. SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION	
Snam confirms that the construction of new buildings financed under this framework complies with the first technical screening criteria of 7.1: the primary energy demand (PED) is at least 10% lower than the threshold set for the nearly zero energy building requirements in national measures implementing Directive 2010/31/EU of the European Parliament and of the Council. Energy performance is certified using an as-built energy performance certificate. Assets related to this category will be located in Italy, where policies are in place ensuring that, for new building construction, the designer is compelled to justify compliance or non-compliance with the minimum energy performance requirements in a report to obtain the construction license. Snam confirms that the energy performance will be verified once the building is operational. Snam confirms that buildings larger than 5,000 m^2 will undergo testing for air-tightness and thermal integrity upon completion to meet LEED certification	✓

[31] Ibid.

requirements. Snam also confirms that any deviations in performance levels set at the design stage or defects in the building envelope are disclosed to investors and clients. For buildings larger than 5,000 m^2, Snam will systematically calculate and disclose to investors and clients, upon request, the life-cycle Global Warming Potential for each stage of the life cycle.	
2. CLIMATE CHANGE ADAPTATION – DO NO SIGNIFICANT HARM CRITERIA	
See p)	✓
3. WATER AND MARINE RESOURCES – DO NO SIGNIFICANT HARM CRITERIA	
See q) Snam confirms that the buildings financed under this Framework comply with the following criteria: a. Wash hand basin taps and kitchen taps have a maximum water flow of 6 liters/min. b. Showers have a maximum water flow of 8 liters/min. c. WCs, including suites, bowls and flushing cisterns, have a maximum full flush volume of 6 liters and a maximum average flush volume of 3.5 liters. Snam has a contract in place with the contractor. This contract, governed by special specifications, requires ¾.5-liter toilet cisterns, 1.5 L/min bathroom taps, 5 L/min kitchen sink taps, and 4 L/min showerheads. Snam confirms that urinals will not be present in the buildings financed under this Framework.	✓
4. CIRCULAR ECONOMY – DO NO SIGNIFICANT HARM CRITERIA	
Snam confirms it will adhere to the following technical screening criteria, in accordance with Article 34 of Italian Legislative Decree No. 50 of April 18, 2016, and will report accordingly:[32] ▪ At least 70% (by weight) of the non-hazardous construction and demolition waste (excluding naturally occurring material referred to in category 17 05 04 in the European List of Waste established by Decision 2000/532/EC) generated on the construction site is prepared for reuse, recycling and other material recovery, including backfilling operations using waste to	✓

[32] Italian Legislative Decree N. 50 of 18 April 2016 provides further guidance on contracting stations and establishing minimum environmental criteria for awarding design services. Works on building interventions have been established in the following action plan, defined in Point 2.4.14 of the minimum environmental criteria in accordance with the requirements of the EU taxonomy.

substitute other materials. This will be conducted in accordance with the waste hierarchy and the EU Construction and Demolition Waste Management Protocol(300). ▪ Operators limit waste generation in processes related to construction and demolition, in accordance with the EU Construction and Demolition Waste Management Protocol. This includes considering best available techniques and using selective demolition to enable the removal and safe handling of hazardous substances. It also entails facilitating reuse and high-quality recycling by selectively removing materials, using available sorting systems for construction and demolition waste. ▪ Building designs and construction techniques support circularity. With reference to ISO 20887(301) or other standards for assessing the disassembly or adaptability of buildings, designs demonstrate how buildings are more resource-efficient, adaptable, flexible and dismantlable to enable reuse and recycling.	
5. POLLUTION – DO NO SIGNIFICANT HARM CRITERIA	
See r) Snam confirms that the building components and materials used in construction comply with the criteria set forth in Appendix C of the EU taxonomy. Snam confirms that the building components and materials used in construction that may come into contact with occupants will be in accordance with the conditions specified in Annex XVII to Regulation (EC) No 1907/2006 and in accordance with CEN/EN 16516 (CEN/TS 16516: 2013, Construction products – Assessment of release of dangerous substances – Determination of emissions into indoor air) or ISO 16000-3:2011. Snam confirms that the site to be constructed under this Framework underwent a decontamination process that was completed and approved by the competent bodies. Regarding measures to reduce noise during construction or maintenance work, Snam applies the UNI EN ISO 14001 and UNI EN ISO 14004 standards.	✓
6. BIODIVERSITY AND ECOSYSTEMS – DO NO SIGNIFICANT HARM CRITERIA	
See s) Snam confirms that the new construction is not built on any of the following: a. Arable and crop land with a moderate to high level of soil fertility and below-ground biodiversity, as referred to in the EU LUCAS survey.	✓

b. Greenfield land of recognized high biodiversity value and land that serves as habitat for endangered species (flora and fauna) listed on the European Red List or the IUCN Red List. c. Land matching the definition of forest as set out in national law used in the national greenhouse gas inventory, or, where not available, in accordance with the FAO definition of forest. Snam confirms that the new building will be built between Via Condino and Via Vezza d'Oglio in the dynamic "Symbiosis" district, where other relevant companies are located. Symbiosis is an innovative and sustainable urban regeneration project, developed by Covivio, with zero local emissions and powered mainly through renewable sources.	

l) 7.2 – Renovation of existing buildings

PROJECT CHARACTERISTICS AND SELECTION PROCESSES[33]	ALIGNMENT WITH THE EU TAXONOMY'S TECHNICAL SCREENING CRITERIA
1. SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION	
Snam confirms that financed building renovations will result in at least a 30% reduction in PED. Furthermore, Snam confirms that eligible building renovations in this category must achieve an upgrade of at least two energy ratings, verified by an external auditor.	✓
2. CLIMATE CHANGE ADAPTATION – DO NO SIGNIFICANT HARM CRITERIA	
See p)	✓
3. WATER AND MARINE RESOURCES – DO NO SIGNIFICANT HARM CRITERIA	
N/A, as Snam's interventions do not include internal redevelopment with a water system.	
4. CIRCULAR ECONOMY – DO NO SIGNIFICANT HARM CRITERIA	
Snam confirms it will adhere to the following technical screening criteria and report on them in accordance with Italian national legislation, specifically Article 34 of Legislative Decree No. 50 of April 18, 2016:[34]	✓

[33] This column is based on input provided by the Issuer.
[34] Italian Legislative Decree N. 50 of 18 April 2016 provides further guidance on contracting stations and establishing minimum environmental criteria for awarding design services. Works on building interventions have been established in the following action plan, defined in Point 2.4.14 the minimum environmental criteria in accordance with the requirements of the EU taxonomy.

▪ At least 70% (by weight) of the non-hazardous construction and demolition waste (excluding naturally occurring material referred to in category 17 05 04 in the European List of Waste established by Decision 2000/532/EC) generated on the construction site is prepared for reuse, recycling and other material recovery methods, including backfilling operations using waste to substitute other materials, in accordance with the waste hierarchy and the EU Construction and Demolition Waste Management Protocol. ▪ Operators limit waste generation in processes related to construction and demolition, in accordance with the EU Construction and Demolition Waste Management Protocol. This includes considering best available techniques and using selective demolition to enable the removal and safe handling of hazardous substances and to facilitate reuse and high-quality recycling through the selective removal of materials using available sorting systems for construction and demolition waste. Building designs and construction techniques support circularity. With reference to ISO 20887 or other standards for assessing the disassembly or adaptability of buildings, they must demonstrate how they are designed to be more resource-efficient, adaptable, flexible and dismantlable to enable reuse and recycling.	
5. POLLUTION – DO NO SIGNIFICANT HARM CRITERIA	
See r) Snam confirms that the building components and materials used in construction comply with the criteria set out in Appendix C of the EU taxonomy. Moreover, Snam confirms that the renovation of buildings will not involve any type of pollution and, in accordance with National Building Renovation regulations, will generate a reduction in building energy consumption and a consequent reduction in CO_2 emissions. Snam confirms that the buildings slated for renovation have undergone a decontamination process that was completed and approved by the competent bodies. Snam confirms that the site designated for renovation is subject to dust and pollutant emission reduction measures in accordance with the LEED protocol. Regarding noise reduction measures during construction or maintenance work, Snam applies the UNI EN ISO 14001 and UNI EN ISO 14004 standards.	✓
6. BIODIVERSITY AND ECOSYSTEMS – DO NO SIGNIFICANT HARM CRITERIA	
N/A	✓

m) 7.3 – Installation, maintenance and repair of energy efficiency equipment

PROJECT CHARACTERISTICS AND SELECTION PROCESSES[35]	ALIGNMENT WITH THE EU TAXONOMY'S TECHNICAL SCREENING CRITERIA
1. SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION	
Snam confirms that the activity consists of one of the following individual measures, provided they comply with the minimum requirements set for individual components and systems in the applicable national measures implementing Directive 2010/31/EU. Additionally, where applicable, measures must be rated in the highest two populated classes of energy efficiency in accordance with Regulation (EU) 2017/1369 and delegated acts adopted under that Regulation: ▪ Addition of insulation to existing envelope components, such as external walls (including green walls), roofs (including green roofs), lofts, basements and ground floors. This includes measures to ensure air-tightness, reduce the effects of thermal bridges and scaffolding, and products for the application of insulation to the building envelope (including mechanical fixings and adhesive). ▪ Replacement of existing windows with new energy-efficient windows. ▪ Replacement of existing external doors with new energy-efficient doors. ▪ Installation and replacement of energy-efficient light sources. ▪ Installation, replacement, maintenance and repair of heating, ventilation and air conditioning and water heating systems, including equipment related to district heating services, with highly efficient technologies. ▪ Installation of low-water and energy-using kitchen and sanitary water fittings that comply with technical specifications set out in Appendix E. Shower solutions, mixer showers, shower outlets and taps must have a maximum water flow of 6 L/min or less, attested by an existing label in the Union market.	✓
2. CLIMATE CHANGE ADAPTATION – DO NO SIGNIFICANT HARM CRITERIA	
See p)	✓
3. WATER AND MARINE RESOURCES – DO NO SIGNIFICANT HARM CRITERIA	
N/A	

[35] This column is based on input provided by the Issuer.

4. CIRCULAR ECONOMY – DO NO SIGNIFICANT HARM CRITERIA	
N/A	
5. POLLUTION – DO NO SIGNIFICANT HARM CRITERIA	
See r)	✓
6. BIODIVERSITY AND ECOSYSTEMS – DO NO SIGNIFICANT HARM CRITERIA	
N/A	

n) 8.2 – Data-driven solutions for GHG emissions reductions

PROJECT CHARACTERISTICS AND SELECTION PROCESSES[36]	ALIGNMENT WITH THE EU TAXONOMY'S TECHNICAL SCREENING CRITERIA
1. SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION	
Snam currently aims to finance one project in this category: an internally developed ICT solution called PIMOS. This application detects and locates gas leaks on the pipeline network and identifies possible causes of pressure variations leveraging machine learning. Snam developed PIMOS due to the unique topology and size (over 38,000 km) of its gas infrastructure network. Therefore, Snam confirms that no alternative solutions are available on the market due to the complexity of its network. Snam quantifies and reports the reduction of methane emissions resulting from PIMOS deployment using the Oil and Gas Methane Partnership 2.0 framework developed by the United Nations.	✓
2. CLIMATE CHANGE ADAPTATION – DO NO SIGNIFICANT HARM CRITERIA	
See p)	✓
3. WATER AND MARINE RESOURCES – DO NO SIGNIFICANT HARM CRITERIA	
N/A	
4. CIRCULAR ECONOMY – DO NO SIGNIFICANT HARM CRITERIA	
Snam confirms that the equipment used for PIMOS meets the requirements set in accordance with the Directive for servers and data storage products and	✓

[36] Ibid.

does not contain the restricted substances listed in Annex II to Directive 2011/65/EU. Snam uses Hewlett Packard Enterprise's (HPE) cloud services, software and storage for its PIMOS application and other ICT solutions. HPE complies with all applicable laws and regulations, including material restriction requirements under the European Union Recast RoHS Directive 2011/65/EU and ecodesign requirements for servers and data storage products pursuant to European Union Directive 2009/125/EC. Regarding its waste management plan, Snam confirms that it has measures in place to ensure maximal recycling at the end of life of electrical and electronic equipment. In addition, Snam confirms that at the end of life, its equipment considered "Circular Economy Items" undergoes preparation for reuse, recovery or recycling operations, or proper treatment, including the removal of all fluids and selective treatment.	
5. POLLUTION – DO NO SIGNIFICANT HARM CRITERIA	
N/A	
6. BIODIVERSITY AND ECOSYSTEMS – DO NO SIGNIFICANT HARM CRITERIA	
N/A	

o) 9.3 – Professional services related to energy performance of buildings

PROJECT CHARACTERISTICS AND SELECTION PROCESSES[37]	ALIGNMENT WITH THE EU TAXONOMY'S TECHNICAL SCREENING CRITERIA
1. SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION	
The activity is associated with NACE codes D35.11, F24.22, 235.5, F43 and M71 in accordance with Regulation (EC) No. 1893/2006. Snam confirms that the financed activities will consist of the following: i) technical consultations (energy consultations, energy simulations, project management, production of energy performance contracts, dedicated training) related to improving the energy performance of buildings; ii) accredited energy audits and building performance assessments; iii) energy management services; iv) energy performance contracts; v) energy services provided by energy service companies.	✓

[37] Ibid.

2. CLIMATE CHANGE ADAPTATION – DO NO SIGNIFICANT HARM CRITERIA	
See p)	✓
3. WATER AND MARINE RESOURCES – DO NO SIGNIFICANT HARM CRITERIA	
N/A	
4. CIRCULAR ECONOMY – DO NO SIGNIFICANT HARM CRITERIA	
N/A	
5. POLLUTION – DO NO SIGNIFICANT HARM CRITERIA	
N/A	
6. BIODIVERSITY AND ECOSYSTEMS – DO NO SIGNIFICANT HARM CRITERIA	
N/A	

p) Generic criteria for DNSH to climate change adaptation

PROJECT CHARACTERISTICS AND SELECTION PROCESSES[38]	ALIGNMENT WITH THE EU TAXONOMY
2. CLIMATE CHANGE ADAPTATION – DO NO SIGNIFICANT HARM CRITERIA	
In 2023, Snam implemented a climate change risk management (CCRM) project to identify physical and transitional risks impacting its assets and business. These risks, aligned with the EU taxonomy and Task Force on Climate-related Financial Disclosures (TCFD) requirements, were evaluated based on their probability of occurrence and economic and reputational impacts. The initial phase assessed physical risks and their economic impact on assets, excluding the effect of existing mitigators. The analysis utilized data from international open sources, including the European Severe Weather Database, CNR Climate DT, Aqueduct, and the Global Facility for Disaster Reduction and Recovery. The second phase focused on residual risk, considering existing safeguards for each asset. Assets mapped by geolocation represent approximately 82% of the Group's total revenues. The assessment covered the short to medium term (2023-2030) and the long term, considering the IPCC scenarios (1.9, 4.5 and 8.5) with a view to 2040, aligning with the Group's net-zero targets.	✓

[38] Ibid.

Snam's transition risk mapping focused on four trend categories: market, technology, policy and legal, and reputation. The mapping considered Shared Socioeconomic Pathways (SSPs) and International Energy Agency (IEA) scenarios up to 2040 and identified opportunities related to the Company's energy transition. This project activity will be replicated annually and integrated with the Company's risk management model. This integration incorporates events into the Company's risk and opportunity portfolio, identifiable through standard enterprise risk management (ERM) process metrics.

Current and prospective risks and opportunities associated with Snam's business strategy are identified, assessed and monitored through the ERM model. Identified risks are classified as financial, operational, legal and compliance, and strategic. The ERM process is repeated regularly (semiannually for critical and high risks) and annually evaluates the impact of climate events on existing and new assets, considering mitigation plans. Furthermore, Snam will soon undertake new risk assessment steps, aiming to: (i) define new mitigation plans for climate change impacts on assets, and (ii) identify mitigation solution applications in accordance with business units.

In 2024, the CCRM was integrated into climate change and biodiversity risk management, extending the scope to include potential impacts from biodiversity changes (an "outside-in" approach).

q) Generic criteria for DNSH to water

PROJECT CHARACTERISTICS AND SELECTION PROCESSES[39]	ALIGNMENT WITH THE EU TAXONOMY
3. WATER AND MARINE RESOURCES – DO NO SIGNIFICANT HARM CRITERIA	
Snam confirms that all activities comply with European and Italian legislation. EU Directive 2000/60/EC has been transposed into Italian Legislative Decree No. 162 of Sept. 14, 2011. An environmental impact assessment (EIA) is performed for every project per Directive 2011/92/EU, including measures adopted by Snam to avoid or minimize environmental impacts. If not addressed in the EIA, these measures are incorporated into the Integrated Environmental Authorization issued by the competent authority, which is necessary to commence activities. The design, construction and decommissioning of gas pipelines consider water consumption, adopting compensation measures when impacts are unavoidable. The projects do not impede marine waters, ensuring good	✓

[39] Ibid.

environmental status in accordance with Directive 2008/56/EC, transposed into Italian Legislative Decree No. 190 of Oct. 13, 2010. Water consumption or seawater and freshwater production processes and office activities totaled 57 million cubic meters in 2023. Of this, 99% was seawater, with the remainder being freshwater.

The significant increase in water supply compared to 2022 (5,565,104 m^3) is attributable to the commissioning of the Golar Tundra FSRU, moored in the port of Piombino. The Golar Tundra's production process involves significant seawater withdrawal. During regasification, seawater is used for cooling auxiliary plants at both the Panigaglia LNG plant and the FSRU. This water is then fully discharged back into the sea at the same volume but a slightly higher temperature, within legal limits. Freshwater withdrawal, primarily for office activities, fire-fighting systems and the irrigation of green areas, increased by 8% compared to 2022. Regarding water discharge, wastewater is primarily conveyed to sewage networks (87%) or discharged into the soil and surface water bodies (13%). In locations without sewage system access, closed-loop phyto-purification plants have been installed. This technology eliminates domestic wastewater discharge by treating and having it fully absorbed by planted vegetation.

Upstream storage activities produced approximately 2,901 cubic meters of process water (-55% compared to 2022), all of which was sent to an external purification plant for treatment.

r) Generic criteria for DNSH to pollution

PROJECT CHARACTERISTICS AND SELECTION PROCESSES[40]	ALIGNMENT WITH THE EU TAXONOMY
2. CLIMATE CHANGE ADAPTATION – DO NO SIGNIFICANT HARM CRITERIA	
Snam is committed to complying with all European and Italian environmental regulations. However, the Company does not systematically exclude all harmful substances listed by the relevant regulations. Snam is certified according to UNI EN ISO 14001, an international standard that specifies the requirements for an effective environmental management system. Furthermore, the Company is committed to ensuring its activities do not lead to the production, marketing or use of hazardous substances, as specified in various European Union regulations and directives (Regulation (EU) 2019/1021, Regulation (EU) 2017/852, Regulation (EC) No 1005/2009, Directive 2011/65/EU, Regulation (EC) 1907/2006). This commitment also	✓

[40] Ibid.

extends to the production, presence in the final product or output, or marketing of other hazardous substances.

s) Generic criteria for DNSH to protection and restoration of biodiversity and ecosystems

PROJECT CHARACTERISTICS AND SELECTION PROCESSES[41]	ALIGNMENT WITH EU TAXONOMY
6. BIODIVERSITY AND ECOSYSTEMS – DO NO SIGNIFICANT HARM CRITERIA	
Snam confirms that all activities comply with European and Italian legislation. EU Directive 2011/92/EU and Directive 2014/52/EU have been transposed into the Italian Environment Act: D.Lgs. 156/06.[42] The Environment Act lists the project categories requiring EIAs or EIA screening procedures in accordance with the EU Directives. Snam confirms that required EIAs have been conducted. Snam further confirms that all necessary mitigation and compensation measures identified through the EIAs are documented and implemented appropriately. These measures are often integrated into the environmental conditions of the EIA Decree and are formally reviewed by the Authorities. Based on EIA studies and pre-operational environmental monitoring results, Snam implements site- and species-specific mitigation measures. These include: halting construction activities during reproductive/migratory periods for certain species to minimize the impact on fauna; introducing shelter or nesting support for specific species; and conducting fauna surveillance during excavations. Snam confirms that appropriate assessments are conducted for projects located within 5 km of Natura 2000 sites, in accordance with Directives 2009/147/EC and 92/43/EEC.	✓

Minimum Safeguards

The alignment of project characteristics and selection processes with the EU taxonomy minimum safeguards, as described in Article 18 of the Taxonomy Regulation, has been assessed. The results of this assessment are applicable to every project category financed under this Framework and are displayed below:

PROJECT CHARACTERISTICS AND SELECTION PROCESSES[43]	ALIGNMENT WITH THE EU TAXONOMY REQUIREMENT

[41] Ibid.
[42] Legislative Decree of 16 June 2017, n. 104 Implementation of Directive 2014/52/EU of the European Parliament and of the Council amending Directive 2011/92/EU on the assessment of the effects of certain public and private projects on the environment, pursuant to articles 1 and 14 of the Law 9 July 2015, n. 114.
[43] This column is based on input provided by the Issuer.

Snam adheres to national and international legislation. As part of its commitment to align with the EU taxonomy, Snam has a Code of Ethics and a Human Rights Policy. The Human Rights Policy, publicly available on Snam's website, applies to Snam and its subsidiaries. It covers the right to freedom of association; the provision of equal opportunities for growth and development; fairness and equal access to remuneration; and the condemnation of discrimination based on ethnicity, nationality, language, religion, gender, sexual orientation, social background, age, disability, or any other personal, cultural or professional characteristics. Policy infringements are reported through anonymous and non-anonymous channels.

Snam offers training to its suppliers regarding health and safety, business integrity and ethics, diversity, inclusion, and sustainability. This training is available to all suppliers on the "Supplier Portal." To be included in the Snam Supplier Register (Vendor List), all suppliers must sign the Ethics and Integrity Agreement. This is required to obtain qualification to work with Snam and maintain subcontracts from the Snam Group. Snam checks its suppliers' compliance regarding health, safety, environment and quality through its Compliance Audits. ✓

Snam performs EIAs to identify potential adverse impacts associated with projects and implements site-specific mitigation measures. Additionally, Snam commits to implementing environmental monitoring projects, consisting of measurements, surveys and field analyses, including water, soil, biodiversity, noise, atmosphere and landscape.

Regarding stakeholder engagement, Snam analyzes the risks and impacts associated with its activities on local communities and authorities and maintains continuous dialogue with the relevant communities where it operates.

In 2024, Snam interviewed all relevant functions involved with each minimum safeguard requirement, as defined by OECD and UNGP criteria. Snam formalized the results in a positive compliance checklist, referencing all applicable internal and external company documentation, such as policies, project papers, collective bargaining agreements, partnership agreements, contracts and analysis reports.

PART IV: ASSESSMENT OF THE ISSUER'S CLIMATE TRANSITION STRATEGY AGAINST THE CTFH

ELEMENTS OF THE CLIMATE TRANSITION STRATEGY	OPINION
1. Climate transition strategy and governance	The Company has a public climate transition strategy that includes long-term and interim targets. For Scope 1 and 2, these targets are a 25% reduction by 2027, a 40% reduction by 2030, a 50% reduction by 2032, and a 65% reduction by 2035 from 2022 levels. Scope 3 emissions reduction targets are 30% by 2030 and 35% by 2032 from 2022 levels, in absolute terms. Additionally, Snam has the target to reach carbon neutrality by 2040 for Scope 1 and 2 GHG emissions, and net zero by 2050 for Scope 1, 2 and 3. These targets are not currently science-based, as the Science Based Targets Initiative (SBTi) and the Transition Pathway Initiative do not yet have a methodology to certify targets from oil and gas companies. The Issuer commits to validating its targets through the SBTi when the specific methodology becomes available. The strategy was designed using three climate scenarios: the NECP scenario for 2030, and the Global Ambition and Distributed Energy scenarios for 2040. These scenarios were developed by the European Network of Transmission System Operators for Gas and Electricity (ENTSO-E and ENTSOG). The strategy explains how the business model will adapt to these scenarios by repurposing gas infrastructure to accommodate lower-carbon fuels, constructing transmission pipelines dedicated to transporting renewable and low-carbon gases, reducing operational emissions through energy efficiency, and reducing methane emissions. This is part of a broader sustainability strategy, and Snam explains how it intends to advance these goals, including the most material levers to decarbonize. The Issuer provides information on the oversight and governance of the climate transition, specifically the board of directors and two board committees: the Sustainability and Energy Transition Scenario committees. Snam has obtained external verification for: the alignment of its climate targets with the chosen climate scenario, the credibility of its strategy, and the level and type of independent governance and oversight of the strategy. Snam has set the target of dedicating 90% of its total funding to sustainable

	finance by 2029, after reaching its previous target of 84% in 2024. The Issuer used information from the International Energy Agency scenarios, legislative framework, the Regulatory Authority for Energy Networks and the Environment, Fit for 55, PNIEC, ENTSOG-ENTSO-E, and the European Commission to develop its strategy.
2. Business model environmental materiality	The strategy addresses core business activities that drive significant current and future environmental impacts. These activities, representing 79% of total emissions (35% attributed to Scope 1 and 2, and 44% to Scope 3), are central to the Issuer's business model transition toward a multi-molecule infrastructure. This transition aims to integrate renewable gases like hydrogen and biomethane into the grid to support decarbonization, protect biodiversity, engage employees, positively impact local communities, and foster innovation. Funds are directed toward strategic changes core to these business activities. Snam recognizes the environmental and social impacts of its operations and seeks mitigation strategies. The Strategy Plan dedicates a section to engagement and local communities, detailing workforce and community impacts and outlining mitigation measures. The Company discloses Scope 3 GHG emissions, excluding Category 11. While this category represents a significant portion of emissions for oil and gas transmission companies, the Issuer, operating solely as a gas pipeline operator without gas ownership, claims insufficient capacity to reduce these emissions. A materiality assessment, publicly shared in Snam's Strategic Plan, informed the key aspects of the sustainable strategy. Seven pillars, including people, local communities, biodiversity and regeneration, are fundamental to Snam's sustainability approach. The assessment included a nature footprint analysis demonstrating each business area's impact on land and sea use; air, soil and ocean pollution; and contribution to resource exploitation.[44]

[44] As outlined on Page 74 of Snam's 2025-2029 Strategic Plan.

3. Climate transition strategy to be "science-based"	The Company's climate transition strategy is quantitatively measurable and aligned with credible, available methodologies and benchmarks. The targets set by the Issuer cover most, if not all, material emissions scopes. Snam discloses historical emissions data, including the 2022 baseline year, and interim targets. The Company explains that its 2030 GHG target uses the SBTi general methodology for the 1.5-degree scenario, which is currently one of the most widely used tools. The transition strategy and GHG emissions targets were chosen to align with Snam's net-zero trajectory and the IEA well-below 2-degrees scenario. Snam participated in Moody's Net Zero Assessment to verify the ambition and consistency of its implementation plans and alignment with the Paris Agreement. The Company did not receive external verification from other parties on the scientific basis of its climate strategy. Snam clarified that the strategy received input from an external consultant, and the historical data, including the baseline year data, underwent limited assurance validation in 2024. Snam will only offset its residual GHG emissions after efforts to minimize and reduce them closer to 2040.
4. Implementation transparency	Snam discloses the underlying capital and operational expenditure program supporting the transition. The 2025-2029 Strategic Plan outlines planned investments totaling EUR 12.4 billion, allocated as follows: EUR 8 billion in transport (Adriatic Line, pipeline replacement, dual-fuel compression stations, and FSRU and biomethane connections), EUR 2 billion in storage upgrades and Edison Stoccaggio CapEx, EUR 900 million in LNG, and EUR 1.5 billion in the energy efficiency platform. Snam plans to disclose climate-related outcomes and impacts of these expenditures in its Consolidated Sustainability Statement included in the Annual Report, including reporting on Scope 1, 2 and 3,[45] publicly available on its website. The Issuer does not publish information on potential locked-in GHG emissions from key assets and products, nor does it provide information on the phase-out plan for activities and/or products incompatible with the climate transition strategy. The company is transparent about the adverse impacts on the workforce, community and surrounding environment, and how it plans to mitigate them. Snam performs a double materiality analysis assessing the negative impacts of its activities, and it

[45] Including scope 3 categories 1, 2, 3, 4, 5, 6, 7, 8, and 15.

	explains its incorporation of a "just transition" into its climate transition strategy through diversity and inclusion initiatives, welfare benefits, training programs, and health and safety measures. These investments will support the adaptation of the Company's infrastructure for hydrogen transport, upgrading the infrastructure to enhance transmission efficiency, reduce methane emissions, increase energy efficiency, and introduce biomethane production and related solutions, such as hydrogen-powered trains and fueling stations.

PART V: CONSISTENCY OF GREEN DEBT INSTRUMENTS WITH Snam'S SUSTAINABILITY STRATEGY

Key sustainability objectives and priorities defined by the Issuer

TOPIC	ISSUER APPROACH
Strategic ESG topics	For its sustainability strategy, the Issuer focuses on seven pillars: ▪ Development of a multi-molecule infrastructure ▪ Green transition ▪ Carbon neutrality ▪ Biodiversity and regeneration ▪ People ▪ Local communities ▪ Transformative innovation These sustainability pillars have been defined and are updated through a double materiality analysis in line with the Corporate Sustainability Reporting Directive requirements.
ESG goals/targets	To achieve its strategic ESG topics, the Issuer set the following goals: ▪ Development of a multi-molecule infrastructure: ▪ Avoided and captured CO_2 emissions of 875 ktCO_2e by 2029. ▪ H_2 readiness length of network certified of 3,200 km by 2029. ▪ Keep annual Gas transportation operational availability above 99%. ▪ Production of biomethane of 30 Mscm by 2025. ▪ Investment of EUR 626 million related to phases 1 and 2 of the CCS Ravenna project by 2029. ▪ Carbon neutrality: ▪ Achieve carbon neutrality (Scope 1 and 2 emissions) by 2040 and achieve net zero across all emissions (including Scope 3) by 2050. ▪ Reduction of total natural gas emissions by 68.5% by 2029. ▪ 70% ESG criteria in procurement procedures by 2029. ▪ RES on total electricity purchased (%) of 100 by 2029. ▪ Spending on total procured with decarbonization plan from suppliers of 50 % by 2029. ▪ Biodiversity and regeneration:

TOPIC	ISSUER APPROACH
	▪ Net positive impact by 2027, commitment to regenerate, reintroduce or protect wildlife and vegetation within the Issuer's high-risk hotspots. ▪ Vegetation restored in areas of pipes construction and new forestation by over 100 % by 2025, and ensure the same annual level moving forward. ▪ People and local communities: ▪ Employee engagement index above 80% by 2029. ▪ Women in executive and middle-management roles of 29.5% by 2029. ▪ Gender pay gap of +/- 5 % by 2029. ▪ Participation in welfare initiatives of 82% by 2029. ▪ Training hours delivered to employees of 42 h/capita by 2029. ▪ Benefits for local communities over reg. revenues ~1 yearly. ▪ Value released at local communities above EUR 1 billion per year. ▪ Annual average customer satisfaction rate for service quality (1-10) above 8. ▪ Transformative innovation: ▪ Investments in innovation as % of revenues of 3 by 2029. ▪ PoC and scale of technologies and services # 75(11) by 2029. ▪ AI enabled IT applications of 40% by 2029. ▪ Projects covered by Security by Design cyber approach 100% by 2029.
Action plan	The Issuer has the following programs in place to achieve its goals: ▪ Development of a multi-molecule infrastructure: Retrofitting distribution network to allow for multi-molecule infrastructure. ▪ Green transition: Managing and developing gas infrastructure to secure the energy supply and decarbonization objectives across Italy and Europe. ▪ Carbon neutrality: Lowering carbon intensity within the company and throughout the value chain through partnerships with suppliers. ▪ Biodiversity and regeneration: Systematically including considerations on positive biodiversity impacts as part of new infrastructural developments.

TOPIC	ISSUER APPROACH
	▪ People and local communities: Providing opportunities to employees and communities through training and development. ▪ Transformative innovation: Maximizing technological effectiveness through the creation of a "culture of innovation" to enable all other pillars.
Climate transition strategy	Please see Part IV regarding the Issuer's climate transition strategy.
ESG risk and sustainability strategy management	Current and prospective risks and opportunities associated with Snam's corporate strategy are identified, assessed and monitored through the ERM model. This process, repeated regularly (annually for all risks and opportunities and semiannually for critical and high risks), classifies identified risks as financial, operational, legal and compliance, and strategic. During 2023, Snam implemented a CCRM. Based on physical and transitional risks related to climate change, and aligned with EU taxonomy and TCFD requirements, the Company identified risks (physical and transitional) impacting its assets and business. These events were evaluated in terms of their probability of occurrence and their economic and reputational impacts. The assessment considered the short to medium term (2023-2030) and the long term. Specifically, the long-term assessment considered the IPCC scenarios (1.9, 4.5 and 8.5) with a view to 2040, the time horizon of the Group's net-zero targets. Transition risk mapping focused on four trend categories (market, technological, policy and legal, and reputational), taking into consideration SSPs and IEA scenarios up to 2040. The Control and Risk and Related Party Transactions Committee, in coordination with the Environmental, Social & Governance and Energy Transition Scenarios Committee, periodically examines and approves the Group's strategic risks. This includes those related to climate change and energy transition. The Control and Risk Committee is responsible for the identification, measurement, management and monitoring of the main business risks, including ESG risks. The Environmental, Social & Governance Committee is also involved with the definition and update of the sustainability strategy.
Sustainability reporting	The Issuer reports on its ESG performance and initiatives annually. The report, prepared according to the European Sustainability Reporting Standards, is included in Snam's annual report. It includes reconciliation tables with other frameworks, particularly the GRI

TOPIC	ISSUER APPROACH
	Universal Standards, the Sustainability Accounting Standards Board standards for the oil and gas midstream sector, and the TCFD recommendations.
Industry associations, collective commitments	The Issuer has been a member of the Oil and Gas Methane Partnership since November 2020 and a member of the Nasdaq Sustainable Bond Network since 2021. Snam also contributes at the EU level as a member of the Corporate Forum for Sustainable Finance. Furthermore, Snam has been a signatory of the United Nations Global Compact since 2009.
Previous sustainable/sustainability-linked issuances or transactions and publication of sustainable financing framework	Snam has issued several sustainable finance instruments: ▪ In 2019, its first climate action bond for EUR 500 million, which was followed by the issuance of four transition bonds for EUR 2.35 billion. ▪ In 2022, its first EUR 1.5 billion sustainability-linked bond and its first EU taxonomy aligned transition bond for EUR 300 million. ▪ In 2023, an EU taxonomy aligned convertible transition bond for EUR 500 million, as well as an EU taxonomy aligned transition bond for EUR 650 million. ▪ In 2024, a EUR 500 million green bond, a EUR 1 billion sustainability-linked bond, a GBP 600 million sustainability-linked bond, and a EUR 750 million sustainability-linked issuance.

Rationale for issuance

Snam's Sustainable Finance Framework is designed to incorporate recent market dynamics into the Company's sustainable finance strategy, charting the course for the Group's financial strategy in the coming years.

Specifically, Snam updated its Sustainable Finance Framework to better align with its recently published Transition Plan. This plan outlines the long-term energy scenarios incorporating the 2024 National Energy and Climate Plan and European industry scenarios (e.g., ENTSOs). Furthermore, following the European Commission's publication of new FAQs on the EU taxonomy in November 2024, the Commission provided further guidance on interpreting of the criteria for Activity 4.14 (transmission and distribution networks for renewable and low-carbon gases) in Annex I to the taxonomy's Climate Delegated Act. Given these clarifications, Snam added additional eligibility criteria to the Sustainable Finance Framework and streamlined its EU taxonomy aligned activities, enabling the potential issuance of a European Green Bond in the future.

Opinion: *The Issuer clearly describes the key sustainability objectives and the rationale for issuing green debt instruments. The majority of the project categories financed align with the Issuer's sustainability objectives.*

DISCLAIMER

1. Validity of the Second Party Opinion ("SPO"): Valid as long as the cited Framework remains unchanged.
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ANNEX 1: METHODOLOGY

The ISS-Corporate SPO provides an assessment of labeled transactions against international standards using ISS-Corporate's proprietary methodology.

EU taxonomy

The assessment evaluates whether the details of the nominated projects and assets or project selection eligibility criteria included in the Sustainable Finance Framework meet the criteria listed in relevant activities in the EU taxonomy Climate Delegated Act (June 2023).

The evaluation shows if Snam's project categories are indicatively in line with the entirety (or some of) the requirements listed in the EU taxonomy technical annex.

The evaluation was carried out using information and documents provided confidentially by Snam (e.g., due diligence reports). Furthermore, national legislation and standards, depending on the project category location, were drawn on to complement the information provided by the Issuer.

ANNEX 2: QUALITY MANAGEMENT PROCESSES

SCOPE

Snam commissioned ISS-Corporate to compile a green debt instruments SPO. The second-party opinion process includes verifying whether the Sustainable Finance Framework aligns with the GBP and GLP and assessing the sustainability credentials of its green debt instruments, as well as the Issuer's sustainability strategy.

CRITERIA

Relevant standards for this second-party opinion:

- Green Bond Principles, ICMA, June 2021 (with June 2022 Appendix 1)
- Green Loan Principles, LMA, February 2023
- EU taxonomy Climate Delegated Act, Annex I, June 2023
- Climate Transition Finance Handbook, ICMA, June 2023

ISSUER'S RESPONSIBILITY

Snam's responsibility was to provide information and documentation on:

- Framework
- Eligibility criteria

ISS-CORPORATE'S VERIFICATION PROCESS

Since 2014, ISS Group, which ISS-Corporate is part of, has built up a reputation as a highly reputed thought leader in the green and social bond market and has become one of the first CBI-approved verifiers.

This independent second-party opinion of the green debt instruments to be issued by Snam has been conducted based on proprietary methodology and in line with the GBP and GLP.

The engagement with Snam took place from February to April 2025.

ISS-CORPORATE'S BUSINESS PRACTICES

ISS-Corporate has conducted this verification in strict compliance with the ISS Group Code of Ethics, which lays out detailed requirements in integrity, transparency, professional competence and due care, professional behavior and objectivity for the ISS business and team members. It is designed to ensure that the verification is conducted independently and without any conflicts of interest with other parts of the ISS Group.

About this SPO

Companies turn to ISS-Corporate for expertise in designing and managing governance, compensation, sustainability and cyber risk programs that align with company goals, reduce risk and manage the needs of a diverse shareholder base by delivering best-in-class data, tools and advisory services.

ISS-Corporate assesses alignment with external principles (e.g., the Green/Social Bond Principles), analyzes the sustainability quality of the assets and reviews the sustainability performance of the Issuer itself. Following these three steps, we draw up an independent SPO so investors are as well-informed as possible about the quality of the bond/loan from a sustainability perspective.

Please visit ISS-Corporate's website to learn more about our services for bond issuers.

For more information on SPO services, please contact SPOsales@iss-corporate.com.

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