



Ordinary Shareholders' Meeting of Snam S.p.A.
27 April 2022

Questions received prior to the Shareholders'
Meeting pursuant to article 127-*ter* of Legislative
Decree no. 58/1998

Questions received from the Shareholder
RECOMMON

1. Snam manages the LNG terminal in Panigaglia (La Spezia) and is a shareholder of OLT Toscana (Livorno) and Adriatic LNG (Rovigo). In Greece, it's a shareholder of Revithoussa LNG Terminal and Alexandroupolis LNG Terminal through DESFA.

1.1 What are the total emissions - related to year 2021 - linked to the aforementioned LNG terminals controlled by Snam or of which Snam is a Shareholder?

The direct emissions of climate-changing gases (GHG) from the LNG terminal in Panigaglia came to 63,033 tonnes of CO2 equivalent in 2021, while those of OLT, a jointly controlled company, came to 68,053 tonnes of CO2 equivalent. In both cases they have reduced with respect to 2020.

The information on emissions from the LNG terminals of other investee companies comes from companies that are not subsidiaries, with their own legal and management independence. It is suggested that you contact the companies concerned directly.

We also point out that the OGMP Framework, to which Snam adhered in 2020, relates to methane emissions, and does not deal with direct CO2 emissions, which contribute to total greenhouse gas (GHG) emissions. The collection of these emissions is therefore not required.

Finally, note that the LNG terminal in Alexandroupolis is not yet operational.

1.2 With regard to the LNG terminals of the Investees, not under the direct operational control of Snam, what are the emission values collected in accordance with OGMP 2.0 on the reporting of methane emissions for the year 2021?

This information is collected and sent to the United Nations Environment Programme (UNEP) which acts as the secretariat and coordinator of the OGMP 2.0 Framework, with the consent of the Investee Companies.

For OLT, a jointly controlled company, methane emissions for 2021 came to 1,395 tonnes of CO2 equivalent. The information on emissions from the LNG terminals of other investee companies comes, as mentioned, from investee but not subsidiary companies, with their own legal and management independence. It is suggested that you contact the companies concerned directly.

1.3 With regard to the LNG terminals of the Investees, what are the reduction targets identified in accordance with the OGMP 2.0 protocol for reporting methane emissions?

OLT and Adriatic LNG do not adhere to the OGMP 2.0 protocol.

Snam and Desfa, on the other hand, have adhered to the protocol and set their own targets for reducing total methane emissions from all their assets under operational control (-55% Snam, -20% Desfa, in both cases by 2025 vs 2015). No specific reduction targets have been set for LNG terminals.

1.4 What were the emissions of methane and other climate-changing gases from the Panigaglia terminal in the years 2015, 2016, 2017, 2018, 2019, 2020, 2021?

The direct emissions of climate-changing gases (GHG) from the Panigaglia terminal (expressed in tonnes of CO2 eq) are shown in the table below:

2015	2016	2017	2018	2019	2020	2021
38,659	54,298	44,421	41,466	83,452	88,339	63,033

The terminal's emissions are strongly dependent on the terminal's operation in relation to the arrival of ships, and the extraordinary maintenance of parts of the plant, which can be discontinuous and vary from year to year. In particular, in the reference year 2015 the plant was

inactive for a large part of the year due to the arrival of a small number of ships, therefore with low total GHG emissions.

1.4.1 What were the emission reductions recorded at the terminal by Snam /GNL Italia for each of the years indicated above?

The following year-on-year % changes have been observed:

2015	2016	2017	2018	2019	2020	2021
-	+40%	-18%	-7%	+101%	+6%	-29%

1.5 What were the emissions of methane and other climate-changing gases from the OLT terminal in the years 2015, 2016, 2017, 2018, 2019, 2020, 2021?

The direct emissions of climate-changing gases (GHG) from the LNG terminal of OLT, a jointly controlled company (expressed in tonnes of CO2 eq) are shown in the table below:

2015	2016	2017	2018	2019	2020	2021
53,911	60,496	64,452	62,162	73,312	73,312	68,053

1.5.1 What were the emission reductions recorded in the terminal by OLT Toscana for each of the above years?

The following year-on-year % changes have been observed:

2015	2016	2017	2018	2019	2020	2021
-	+12%	+7%	-4%	+18%	+0%	-7%

1.6 What were the emissions of methane and other climate-changing gases from the Rovigo/Adriatic LNG terminal in the years 2015, 2016, 2017, 2018, 2019, 2020, 2021?

As mentioned, this is information about an investee but not a subsidiary company, with its own legal and management independence. It is suggested that you contact the company concerned directly.

1.6.1 What were the emission reductions recorded at the Adriatic LNG terminal for each of the above years?

As mentioned, this is information about an investee but not a subsidiary company, with its own legal and management independence. It is suggested that you contact the company concerned directly.

1.7 What were the fugitive methane emissions for 2021 from the Panigaglia, OLT Toscana and Adriatic LNG terminals?

The methane emissions from the LNG terminal in Panigaglia came to 34,954 tonnes of CO2 equivalent in 2021, while those of OLT, a jointly controlled company, amounted to 1,395 tonnes of CO2 equivalent.

The information on emissions from Adriatic LNG comes, as mentioned, from investee but not subsidiary companies, with their own legal and management independence. It is suggested that you contact the company concerned directly.

1.8 How much gas was imported by each of the aforementioned terminals in 2021 and first quarter 2022?

GNL Italia imported around 1 BCM in 2021, and around 0.12 BCM in the first quarter of 2022.

OLT imported around 1.35 BCM in 2021, and around 0.9 BCM in the first quarter of 2022.

Adriatic LNG: this is information about an investee but not a subsidiary company, with its own legal and management independence. It is suggested that you contact the company concerned directly.

1.9 Where does the gas imported by each of the aforementioned terminals in 2021 and first quarter 2022 come from?

The origin of GNL Italia's cargoes in 2021 and the first quarter of 2022 was Algeria.

The origin of OLT's cargoes in 2021 was: US (38%), Nigeria (18%), Algeria (13%), Trinidad (13%), Qatar (6%), Egypt (6%) and Reload EU (6%). The origin of OLT's cargoes in first quarter of 2022 was: US (60%), Guinea (20%), Egypt (10%), Nigeria (10%).

Adriatic LNG: this is information about an investee but not a subsidiary company, with its own legal and management independence. It is suggested that you contact the company concerned directly.

1.10 How much has Snam invested in the Alexandropoulis LNG terminal, either directly and/or through its subsidiary Desfa?

On 30 December 2021, Desfa completed the acquisition of 20% of Gastrade's shareholding. Desfa: This is information about an investee but not a subsidiary company, with its own legal and management independence. It is suggested that you contact the company concerned directly

2. On 2 March 2021, Snam launched a pre-qualification procedure (2021/S 045-113850) for the supply of ships and vessels, particularly for the supply of "Floating storage regasification units (FSRU) or gas tankers"¹

2.1 Could the company provide definitive figures on the cost of the operation?

It is not clear from the question which operation is being referred to. On 2 March 2021, Snam published the qualification system in order to qualify possible suppliers of FSRUs or gas tankers to be invited to subsequent tenders.

2.2 Can we call the purchase complete? If not, why not?

It is not clear from the question which operation is being referred to. Snam has launched a public tender for the supply of an FSRU for the Portovesme FSRU project and a public tender for the charter of a gas tanker to supply the aforementioned FSRU with LNG. Both tenders are still in progress.

2.3 What is the capacity of the gas carrier units and FSRUs purchased?

As mentioned in the answer to question 2.2, the tenders are still in progress. The Portovesme FSRU is expected to have a useful storage capacity of at least 110,000 m3 of LNG, while the gas tanker will have an LNG storage capacity of around 30,000 m3.

¹ <https://ted.europa.eu/udl?uri=TED:NOTICE:113850-2021:TEXT:IT:HTML&src=0>

2.4 Is the timeframe for the commissioning of the FSRU terminals confirmed as 2024 for Portovesme and 2025 for Porto Torres?

2024 is confirmed for Portovesme and 2025 for Porto Torres.

2.5 Are LNG pre-purchase contracts already in place? If yes, from which countries?

Snam does not purchase gas.

2.6 Given the island's orientation towards renewable energy development and the closure of the Grazia Deledda coal-fired thermoelectric power plant, what will be the environmental and climatic impact in the Portovesme area of the virtual pipeline's southern section?

The environmental and climatic impact was analysed in-depth in the context of the multidisciplinary studies conducted for the applications for the necessary authorisations to construct the Portovesme Terminal.

See the content of the Portovesme Terminal "Environmental Impact Study" document presented as part of the submission of the EIA application.

3. Related to the "Non-Technical Summary" submitted on the "PORTOVESME TERMINAL" project:

Failure to implement the project or 'zero option' would mean giving up the availability of natural gas at a price in line with the regulated tariffs applied in other Italian regions, with negative repercussions not only on the cost of energy for civil users, but above all on the competitiveness of the industrial sector in Sardinia, which would not have the opportunity to catch up with the rest of the country in this area.

And not to be underestimated are the favourable consequences that would be lost in the reduction of pollutant emissions (CO₂, particulate matter and sulphur oxides) as a result of replacing traditional fossil fuels with natural gas, especially in the thermoelectric and transport sectors.

Finally, failure to carry out the project would, in the medium term, severely slow down development of the biomethane and hydrogen blends that will be produced on the island following development of renewable energy sources. (<https://va.minambiente.it/File/Documento/575954>)

3.1 What are the regulated tariffs for users in Sardinia?

The tariffs for the gas distribution and metering services for the Sardinian tariff area are equivalent to those applied for the southern area (Calabria and Sicily). The tariffs approved by the Authority for 2022 are set out below.

Tabella 1
Tariffa obbligatoria per l'anno 2022

ZonaTariffaria	t ₁ (cot) (euro/PDR)	t ₁ (dis) G4..G6 (euro/PDR)	t ₁ (dis) G10..G40 (euro/PDR)	t ₁ (dis) oltre G40 (euro/PDR)	t ₂ (mis) G4..G6 (euro/PDR)	t ₂ (mis) G10..G40 (euro/PDR)	t ₂ (mis) oltre G40 (euro/PDR)	d _a smc/anno	a smc/anno	t ₃ (dis) (centesimi di euro/smc)	ST (euro/PDR)	VR (euro/PDR)	CE (euro/PDR)
AMBITO SARDEGNA	1,79	1194,71	1499,36	2024,92	26,56	170,88	419,83		120	0,0000	0,00	0,00	1138,87
								121	490	18,2527			
								481	1.560	16,7062			
								1.561	5.000	16,7763			
								5.001	80.000	12,9351			
								80.001	200.000	6,3488			
200.001	1.000.000	3,1163											
1.000.001		0,8669											

Transport tariffs will be defined later by the Authority.

3.1.1 How much is the unregulated component? How were the tariffs calculated, given the existing variability?

As the Company is not involved in the sale of commodities, it does not have this information.

3.2 What constraints will ensure that Sardinians benefit from the same tariffs as other regions?

See the answer to question 3.1.

The regulatory framework applicable to gas transmission infrastructures is currently being defined by the Authority.

3.3 Which plants will be able to replace 'traditional fossil fuels' thanks to this new plant?

In the thermoelectric sector, the conversion of existing coal/oil plants to gas will be possible. For transport, both land and sea, natural gas (LNG and CNG) is expected to be introduced as a fuel with a lower environmental impact than the current fuels.

3.4 What are the estimates of biomethane production on the island?

Such estimates are not currently available.

3.5 What are the estimates of hydrogen production on the island?

Such estimates are not currently available.

3.6 Assuming, as per your assurances, 100% hydrogen pipelines, why is it necessary to mix it with methane?

The technological adequacy of the infrastructure does not imply an immediate conversion from methane to hydrogen.

4. In its 2021-25 investment plan published in November, Snam envisages investments for 8.1 billion euros over the plan period, with an overall increase of approximately 700 million euros compared to the 7.4 billion euros of the 2020-2024 plan. The plan includes maintaining, modernising and developing its infrastructure, investing in net zero and accelerating the energy transition.

4.1 What are Snam's planned net zero investments?

The main investments in the net zero area relate to the dual fuel plants, the new headquarters and emission reduction activities.

4.1.1 How much do they amount to?

Around 10% of total capex in the 2021-25 period.

4.1.2 Which are the first three compressor stations Snam plans to convert to dual fuel, and by when?

The first three compression stations Snam plans to convert are:

- **Malborghetto → e.e. 2024**
- **Poggio Renatico → e.e. 2024**
- **Messina → e.e. 2025**

4.1.3 How much is the conversion investment?

The investment for the conversion of the three plants mentioned above (Malborghetto, Poggio Renatico and Messina) amounts to around 280 million euros in total.

4.1.4 What will be the energy savings resulting from that conversion?

The energy savings resulting from the conversion of the three plants mentioned above are on average around 540 GWh/year.

4.1.5 What will be the savings in methane emissions resulting from the conversion, taking into account both the releases and fugitive emissions from each of the plants?

The savings in terms of methane emissions resulting from the conversion of the three plants, including fugitive emissions, is, according to an initial estimate, on average around 275 KSmc/year.

4.1.6 What will be the savings in CO₂ emissions resulting from the conversion?

The savings in terms of CO₂ emissions resulting from the conversion of the three plants are estimated at an average of around 155 Kton/year.

4.1.7 Which are the other three compressor stations for which conversion to dual fuel is planned, and by when?

The other three compression stations Snam plans to convert are:

- **Gallese → e.e. by 2029**
- **Montesano → e.e. by 2029**
- **Istrana → e.e. by 2029**

4.2 In the 2020-2024 investment plan, investments in regulated activities amounted to 6.7 billion euros. How much do these investments amount to in the 2021-2025 plan?

Approximately 6.8bn euros

4.2.1 What would be the mix of regulated activities in the 2021-2025 plan?

Around 80% of investments are in the transport business, and the remaining 20% in storage and LNG.

4.3 How much is the share of hydrogen-ready investments in the 2021-2025 plan?

Approximately 43% of the total value of investments in the 2021-25 period.

4.3.1 What do these investments consist of?

The technical standard that can be used for hydrogen transmission is the American standard ASME B31.12, which provides two options, both of which apply to the transmission of hydrogen for both the design of new pipelines and the conversion of existing pipelines. "Option A" does not require additional material tests but it sets dimension limitations on pipe thickness or, alternatively, on the maximum permissible working pressure of the pipeline with respect to the transmission of natural gas; "Option B" requires additional verifications with respect to the transmission of natural gas, which must be "certified" at the production stage by means of specific tests. Newly built pipelines are designed by Snam in accordance with one or the other option of the ASME B31.12 standard (depending on the diameter and maximum operating pressure), as well as in compliance with the company's technical specifications which Snam has set for this purpose.

4.3.2 Which are the network sections where retrofitting has already been completed? Which sections are planned for retrofitting in 2021-2025?

The main sections to be replaced in 2021-25 are as follows:

- **Rimini – Sansepolcro (DN 650-750)**
- **Ravenna – Chieti (DN 650)**
- **San Salvo – Biccari (DN 650)**
- **Recanati – Foligno (DN 650)**

- Foligno – Gallese (DN 650)
- Sansepolcro – Terranuova (DN 750)
- Alessandria – Turin (DN 750)

No section has been completed to date.

4.3.3 How much are the investments already made?

During the presentation of the 21-25 plan we indicated that around 99% of the network's characteristics meet the h2-ready requirements (based on option A of standard ASME B31.12).

4.4 At which sites does Snam plan to drill the new storage wells?

For the period 2021-2025 Snam has planned the construction of new infilling storage wells in the concessions of Sabbioncello (1 well), Minerbio (2 wells) and Ripalta (4 wells).

4.4.1 How much is the relative investment included in the 2021-2025 plan?

These investments are included in the values disclosed to the market during the presentation of the strategic plan. See answer to 4.4.

4.4.2 Which wells are subject to modernisation?

See answer to 4.4.

4.4.3 How much is the relative investment included in the 2021-2025 plan?

See answer to 4.4.

4.4.4 Which are the hydrogen storage sites?

No h2 storage in Stogit's wells is envisaged over the plan period.

4.4.5 What is their capacity?

n.a.

4.4.6 What is the relative investment included in the 2021-2025 plan?

No investments are envisaged in the 2021-25 plan.

4.4.7 Which are the multi-molecule storage sites?

No multi-molecule storage is planned.

4.4.8 What is their capacity?

n.a.

4.4.9 What is the relative investment included in the 2021-2025 plan?

No investments are envisaged in the 2021-25 plan.

5. From February 2019 to date, SNAM has placed on the market one "Climate Action bond" (500 million euros) and four "Transition bonds" (2.35 billion euros), one of which dual tranches, raising a total of 2.85 billion euros. The proceeds of these funds can be gradually allocated to so-called "eligible projects", i.e. projects that fall within the categories of eligible initiatives set out in the relevant frameworks accompanying the financial instruments in question. As reported in the "Climate and Transition bonds

Report" published by SNAM in March 2022, (https://www.snam.it/export/sites/snamrp/it/investorrelations/debito_credit_rating/file/Climate-Action-and-Transition-bonds-Report_Marzo-2022.pdf) 56% of the proceeds will be allocated to hydrogen-related projects - i.e. network upgrades to enable the transport of the gas/hydrogen mixture known as "Retrofit of gas transmission network" operations - once the entire capital raised has been allocated; at the same time, only 14% of the proceeds will be allocated to renewables. By the end of 2021, only 60% of the proceeds - or 1,595 million of the 2,850 million raised - had been allocated to eligible projects; 12% of the proceeds had been allocated to renewable energy projects; and around 50% to hydrogen projects.

5.1 How have the proceeds of "climate action" and "transition" emissions still not placed in "eligible" projects been used?

See page 12 of the Transition Framework, published in Snam's Sustainable Finance section. In particular, paragraph 3 Management of Proceeds states the following

"The proceeds from Transition Bonds will be managed by Snam's Finance department.

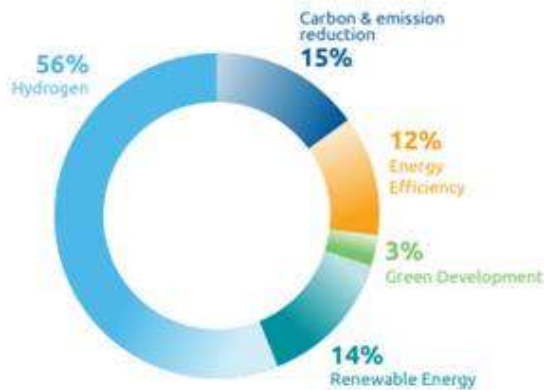
Pending the allocation of Transition Bond proceeds, Snam will either use the proceeds to reimburse outstanding credit facilities / pay down existing debt or keep it in cash, overnight or other short-term financial instruments. Payment of principal and interest on the Transition Bonds will be made from Snam's general funds and will not be directly linked to the performance of any of the Eligible Projects".

5.2 Why will only 14% of Climate action and Transition emission revenues be allocated to renewable energy projects (currently 12%)?

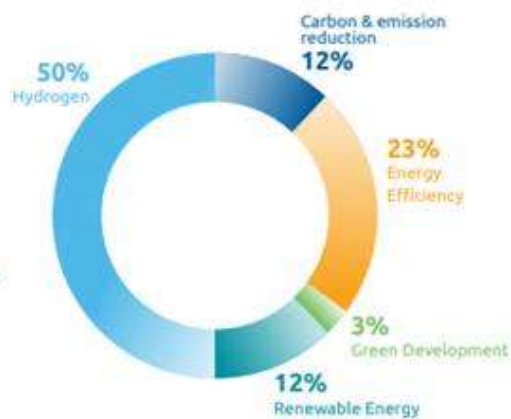
With reference to the Climate and transitions bond report, available in Snam's Sustainable Finance section, Snam finances 5 project categories, for a total of identified projects up to 2025 of approximately 4.2 billion euros (see the detailed graphs below). All these projects share the goal of reducing climate-changing emissions.

Snam's core business is the construction and management of energy infrastructures. Therefore, the allocation of 56% of resources to the preparation of the hydrogen transmission network (retrofit) is consistent with its role. Projects relating to energy transition are also significant and amount to more than 40% of the total: in addition to those involving the development of renewable sources (biomethane), amounting to around 14% of the total, there are also initiatives in energy efficiency (12%), the reduction of methane emissions (15%) and reducing the environmental impact of company buildings (3%).

ELIGIBLE PROJECT IDENTIFIED



ALLOCATION OF PROCEEDS



CLIMATE ACTION AND TRANSITION BONDS REPORT 2022

5.3 Don't you think that this percentage is too low, given the stated needs of the ecological transition? In recent years, Snam has created a broad and diversified platform of activities (energy efficiency, biomethane production and infrastructure, sustainable mobility, hydrogen along the entire value chain) to offer integrated solutions along the green gas chain.

Considering the 40% reported above, out of a total of 4.2 billion euros of identified projects, investments in the energy transition financed by Climate Action / Transition Bonds amount to more than 1.6 billion euros, and the company considers this amount significant and consistent with the strategy described above.

5.4 Half of the allocated revenue - or around 800 million of the 1,595 million reported in the report released in March - has been directed to gas/hydrogen blending projects. What does this adjustment work consist in?

For details on the fifth category of the Framework (Retrofit of Gas pipelines), see pages 27 and 28 of the Report as well as pages 21 and 22 of the Sustainable Finance Framework published in November. Note that this project category is aligned with the European Taxonomy, Article 4.14 of the Climate Change Mitigation Delegation Act.

5.4.1 Why are they necessary?

These investments are necessary to create a fully hydrogen-ready network capable of transporting up to 100% hydrogen and/or green gas (biomethane).

See page 27 of the report for more details, set out below for your convenience:

"In the transition to a net zero-emission economy and, later on, in a fully decarbonized world, hydrogen in combination with renewable electricity will play a major role among energy sources. Green gases are expected to represent almost one third of the energy mix by 2050.

Hydrogen, the first element of the periodic table and the most abundant in the universe, is present, combined with other elements, in compounds such as water or minerals, hydrocarbons and biological molecules. Hydrogen is not present in nature in its essential form. However, it can be produced through a wide range of chemical and physical processes. The cost of production of green hydrogen is expected to decline quickly in the coming years, making hydrogen competitive vis-à-vis fossil fuels and allowing decarbonization of the hard to abate sectors.

Hydrogen can become a “game changer” for energy transition. Snam is among the first mover in the hydrogen space

- *having been the first Gas TSO to successfully test a 10% blending of H2 on part of the infrastructure*
- *and the creation in 2019 of a dedicated business unit, while expanding its footprint in the H2 ecosystem also by striking an industrial partnership with De Nora, a global leading player in sustainable technologies.*

In its long-term strategy, Snam focused on these areas of development in the hydrogen:

- *Ensuring that assets are “hydrogen ready” and can accommodate growing blends;*
- *Promoting the creation of a national H2 backbone mainly based on repurposing the existing gas infrastructure;*
- *Developing hydrogen projects starting from small scale national projects and evolving to larger and more international integrated ones, also in partnership with other players leveraging on well established energy transition platforms and unparalleled execution capabilities”.*

5.5 What is the full list of "eligible projects" funded by the Climate Action bond so far?

A table of the bonds issued (1 Climate Action and 4 Transition Bonds) can be found on page 16 of the Report published in March. The first line refers to Climate Action.

Pages 17-30 provide details of the funded projects with some case studies, such as the Revamping of the Malborghetto Plant (Carbon & Emission Reduction projects category) or the Enersi Plant (biomethane, Renewable Energy category).

5.6 What is the full list of “eligible projects” financed by the four Transition bonds so far?

See the previous answer. The Report details the project categories for both Climate Action and the 4 Transition Bonds.

As regards the reporting process, see the ISS (p. 16 of the 2022 Report).

Proceeds allocated to Eligible Projects.

The proceeds’ allocation is broken down at the project category level, by type of project, and by the Snam operating subsidiary company. [...] The issuer has provided detail about the type of projects included in the portfolio. For each project, the project description, amount funded, environmental performance indicators, and environmental benefits are documented.

ISS ESG finds that the allocation report section of the Climate Action and Transition Bonds Report of Snam aligns with best market practices by providing information on:

- ***The number of projects (re-)financed***
- ***The Use of Proceeds category each project fulfills***
- ***The proportion of proceeds that have been allocated to each Use of Proceeds category.***

5.7 Does Snam believe that the step-up mechanism of the coupon of 25 basis points per year (which increases the cost of Snam's debt if the emission reduction targets are not achieved) is significant enough to act as an incentive for achieving the targets?

Some considerations on the step-up mechanism and the 25bps quantum used for the first Sustainability-Linked issue

- 25bps per year for three years is in line with market best practices
- 25bps represents a 1/3 increase in the cost of these bonds with respect to the first tranche (coupon 0.75%) and 20% with respect to the 2034 tranche (coupon 1.25%), therefore with an additional impact on the cost of the instrument.

5.7.1 And is this mechanism considered relevant enough in terms of both the absolute payment amount and the actual carbon price of unabated emissions?

Yes, as mentioned above, we believe this mechanism is in line with market best practices and sufficiently motivating considering the proportion between the step-up of the instrument and the coupon of the two Sustainability-Linked bonds issued to date.

Finally, a general remark on the nature of the SLB instrument. SLB bonds are an instrument that has recently appeared on the fixed income market, and have been increasingly deployed over the last two to three years.

The “significance” of the instrument in terms of an “incentive” for the company to achieve the sustainability targets is directly proportional to the perimeter against which the penalty mechanism (so-called step up) is applied. In other words, the penalty mechanism could eventually apply to most of a company’s debt cost (e.g. by ensuring that the entire curve of bonds issued is impacted by the 25bps, once the ‘old’ bonds without step-ups expire and are replaced with bonds that instead have that clause), with even greater consequences in the event of non-achievement and therefore a greater incentive for the company.

5.7.2 Why is Snam issuing this type of bond instead of the previous Climate and Transition bonds?

On the basis of the latest available framework, published by Snam in November 2021, the company can issue both “Use of Proceeds Taxonomy Aligned” (UoP) bonds, i.e. bonds that only finance projects aligned with the taxonomy, and “Sustainability Linked” bonds, such as the recent January issue, which is the first issue made with these characteristics (in the past Snam has issued 5 UoP bonds).

Snam intends to use both types of instruments in the future. The focus on Sustainability Linked instruments is down to the increasing importance Snam attributes in its latest business plan to the ambitious emission reduction targets that the company has set itself.

See in particular pages 18 and 19 of the Sustainable Finance Framework, *Rationale behind the Framework evolution and Future updates to this framework* paragraphs.

5.7.3 How does it help the company achieve its objectives, financial or otherwise?

Snam considers it crucial to align Finance with the Company's overall Strategy. Finance serves the business to find financial resources at a convenient price and with a maturity consistent with the regulatory and investment profile operated by the company. These funds are made available to the company to achieve its sustainability goals and to implement specific *Eligible* Projects.

See the *Sustainable Finance aligned with Corporate Strategy* paragraph on page 16 of the Sustainable Finance Framework

6. The Gela-Malta pipeline has been included in the 5th list of 'Projects of Common Interest', under the name 'Interconnector (IT-MT Italian side) (TRA-N-1063)'".

6.1 What is the total cost of the Gela-Malta project?

The project is not included in SNAM's investment plan.

6.2 What is Snam's investment in the project?

The project is not included in SNAM's investment plan.

6.3 What are the pipeline's total emissions, including Scope 3 emissions related to the gas expected to be transported to and from Malta?

The project is not included in SNAM's investment plan.

7. What is the final investment decision for the Matagiola-Massafra pipeline?

The final investment decision for the Matagiola-Massafra methane pipeline has not yet been taken and will depend on the outcome of the incremental capacity application procedure currently underway.

8. Which are Snam's newly-developed gas pipelines that the company calls "hydrogen ready", because they are built using materials that are compatible with natural gas/hydrogen mixtures containing up to 100% hydrogen, based on the international standard ASME B31.12?

See answer 4.3.2.

8.1 Which pipelines, compressor and booster stations and storage facilities have received investments for hydrogen-ready replacements for continuity of service and safety?

See answer 4.3.2.

8.1.1 How much have these interventions cost so far?

See answer 4.3.2.

8.1.2 Which companies made them?

See answer 4.3.2.

8.2 Can Snam confirm that the infrastructure being replaced with a view to hydrogen readiness can transport 100% hydrogen (H₂), with no need to mix it with gas?

The pipelines intended to take the place of the infrastructures to be replaced are designed in accordance with internal regulations which already incorporate the requirements set by international standard ASME B31.12 option B. Therefore, it follows that these pipelines can be operated both for the transmission of natural gas and, for variable percentages, of natural gas/hydrogen blending, as well as for the transmission of 100% pure hydrogen without any change to the Maximum Operating Pressure with respect to the design pressure.

8.2.1 How much does the feasibility study for an H₂NG (hydrogen-natural gas mixture) system commissioned from Enereco cost? https://www.enereco.com/it/projects_portfolio/hydrogen-natural_gasmixtures/?

No disclosure has been made as this is a small amount.

8.2.2 What percentage of natural gas is expected in the H₂NG hydrogen-natural gas mixture being studied?

Minimum 90% Natural Gas (supplemented by up to 10% H₂).

8.2.3 How much energy is needed to transport the mixture(s) being studied?

For this feasibility, given the expected quantities of hydrogen, no additional energy is needed for transmission.

8.2.4 How will the energy needed to transport the mixture(s) being studied be produced?

See answer 8.2.3.

8.3 What does Italian legislation provide for with regard to transporting H2NG hydrogen-natural gas mixtures in the Italian distribution network?

The quality specifications for the transmission of gas on the methane pipeline network are set out in the Ministerial Decree of 18 May 2018 and implemented in the Network Code of Snam Rete Gas. Compliance with this quality specification by Users, which is the same for the entire methane pipeline network, is a necessary condition for releasing gas into the transmission network. The Ministries for Ecological Transition and Economic Development recently notified the European Commission of a proposal to update the “Technical regulations on the chemical and physical characteristics and on the presence of other components in the fuel gas” referred to in the Ministerial Decree of 18 May 2018 to set the limit for the release of hydrogen into gas networks at 2% by volume. This is a first precautionary value that does not compromise the processing, storage and/or use of natural gas. The aim is to start releasing hydrogen into the transmission and distribution networks as soon as possible while at the same time ensuring the highest levels of safety for users, the public and the environment.

Furthermore, work is underway in Europe and Italy to adapt the specific technical regulations for hydrogen transmission. In this context, the ASME B31.12 standard is taken as a reference.

8.3.1 What hydrogen percentages can be injected into the network according to Italian regulations?

The technical rule referred to in Ministerial Decree 18/05/2018 on the “chemical and physical characteristics and the presence of other components in the fuel gas to be piped into the network” is being updated by MITE to allow the introduction of up to 2% hydrogen.

In addition, hydrogen is a possible component of biomethane with a maximum value of 1% (ARERA Resolution of 17 March 2020 64/2020/R/GAS “Update of guidelines for the connection of biomethane plants to natural gas networks”).

8.3.2 Is Snam taking part in tables or consultations with ARERA and/or MITE concerning changes to current legislation?

The regulatory framework for the treatment of hydrogen transmission infrastructures is currently being defined at European level (see the European Commission’s “Hydrogen and decarbonised gas market Package” proposal), which will be followed by the transposition of the relevant provisions into national legislation. Snam participates in the consultations planned in the process of adopting the new standards.

At the Italian level, the Authority held two specific consultations on the regulatory treatment to be applied to pilot projects for optimising the management and innovative use of natural gas infrastructures, in which Snam took part.

Snam participates, through the Italian Gas Committee (CIG) of which it is one of the founding members, in the activities carried out by MITE to alter the current legislation. In particular, CIG was consulted when there was a proposal to update Ministerial Decree 18/05/2018 (see answer at point 8.3.1).

8.3.3 When did these meetings take place and what position did Snam take?

See the answer to question 8.3.2.

As part of the Authority's consultations referred to in the previous answer, Snam expressed its appreciation for the guidelines set out by the Authority, aimed at introducing mechanisms to incentivise experimentation and the implementation of pilot projects to assess the potential as well as to encourage the spread of renewable gases, including hydrogen, also through transmission in existing gas infrastructures.

8.4 Will Snam seek approval of regulated remuneration for hydrogen distribution infrastructure at the suggested 'premium return' to continue dividend growth after 2025?

In line with the guidelines being developed at European level (see the European Commission's "Hydrogen and decarbonised gas market Package" proposal), infrastructures dedicated to hydrogen transmission will be regulated unless specific exemptions are granted. In this context, it is thought that these infrastructures should be remunerated at levels higher than those currently recognised for the transmission of natural gas, in line with what is already happening in other European systems (e.g. Germany).

8.4.1 Can management comment on the expected relative importance of regulated hydrogen remuneration for Snam's profitability after 2025?

As indicated in the 2030 vision, the 2030 targets incorporate the assumption of a regulated return at a premium with respect to gas for investments to convert 2700 km of the network to hydrogen transmission.

8.5 Does Snam feel that the current ARERA tariff regulation criteria suitably encourage decarbonisation of the gas network, in line with Italian and Community net zero objectives?

The current regulatory framework defined by the Authority currently provides specific mechanisms to incentivise the reduction of emissions, for example by setting specific targets, that decrease over time, for methane losses. The cost-benefit analyses in preparation for the tariff recognition of investments also provide for the valuation of the benefits resulting from the reduction in emissions from climate-changing gases and/or other polluting factors.

8.5.1 Can the company comment on the progress made by ARERA on this issue since the last Shareholders Meeting?

In this context, it is believed that the regulatory framework can be further developed, when defining the tariff criteria for the 6th regulatory period, by strengthening the incentive mechanisms that allow companies to share in the benefits generated for the system by the reduction in emissions.

8.6 In its ESG Seminar 2021, Snam acknowledged approximately 150Mt of CO₂eq emissions related to the end use of transported gas, which are currently not included in its Scope 3 scope. Due to the significance of these emissions (150Mt compared to only ~2Mt of total Scope 1, 2 and 3 emissions currently reported), when does Snam plan to include them in its emissions reporting or reduction targets, to show investors whether its decarbonisation efforts are really contributing to an absolute reduction in emissions in line with a 1.5 degree global warming scenario?

The current accounting rules (GHG protocol) on what constitutes scope 3 for infrastructure companies specify that the accounting for GHG emissions related to the end use of the transported gas is not mandatory for TSO gases. For Snam, most of the scope 3 emissions relate to the supply chain and associates, and we set ambitious reduction targets for these last November as part of the new business plan.

As for the emissions of the gas we transport, these are already reported by the upstream companies that own the gas, and reporting them ourselves would result in double counting.

As a gas TSO our job is to ensure the supply of the energy required and we have no control over the molecules that pass through our pipes, but we are fully aware that the sustainability of our business depends on its full compatibility with full decarbonisation. This is why in the ESG seminar we wanted to provide an estimate of the emissions for the system from the end use of the transported gas, even though it is outside our control.

To facilitate the transition to decarbonisation, we ensure that our infrastructure and the investments we make now are 'H2 ready' and therefore will not have to be replaced in the transition to hydrogen. Our infrastructures can be used to transport green molecules and play an enabling role in decarbonisation.

At the same time, we are working to promote green gases, also through our investments in hydrogen and biomethane.

8.7 Snam showed a strong financial performance in FY2021 and expects to deliver continued dividend growth to shareholders despite the negative impact of the WACC revision for the fifth regulatory period in FY2022. Does the company expect a further downward revision in the next (6th) regulatory period?

The recent review of the level of remuneration recognised for regulatory purposes (WACC) is mainly due to the trend of the economic and financial parameters observed on the financial markets (risk-free, inflation, cost of debt, country risk premium, etc.). As part of this review, the beta asset parameter used to determine the cost of capital recognised for regulatory purposes for gas transmission activities was also revised upwards. The methodology for calculating the WACC has been defined until the year 2027 and provides for an interim review of the remuneration in 2025 based on the trend of the economic and financial parameters observed on the markets.

9. What is Snam's plan to reduce emissions related to the new pipelines and LNG terminals it wants to build in the coming years (including: the Sardinian mini backbones, the two new FSRU terminals in Sardinia, the Gela-Malta pipeline, the Matagiola-Massafra pipeline, completion of the Adriatic backbone)?

The investment in the Adriatica project over the plan period is marginal as the initiative at present will be implemented mainly in the following years, while no investments are envisaged in the plan period for the Gela-Malta and Matagioia-Massafra pipelines. Emissions relating to other investments have been taken into account in SNAM's more general plan to reduce emissions.

9.1 What is the timeline for construction of the Gela-Malta pipeline?

The investment is not envisaged in the Plan.

9.1.1 What will Snam's investment be, in the light of the cost review in the current context?

The latest available investment figure for the Sardinian backbone and FSRU is approximately 300 million euros over the plan period.

The investment in the Adriatica project over the plan period is marginal as the initiative at present will be implemented mainly in the following years, while no investments are envisaged in the plan period for the Gela-Malta and Matagioia-Massafra pipelines.

9.1.2 What will the expected additional cost be for the “hydrogen-ready” component of the pipeline?
There is no additional cost.

9.1.3 Are there plans for hydrogen production and storage in Gela?
No.

9.1.4 Are we talking about green hydrogen, grey hydrogen or blue hydrogen?
n.a.

10. Can Snam publish the full results of the piping compatibility assessment (based on the international ASME B31.12 standard) for the transmission of natural gas/hydrogen mixtures containing up to 100% hydrogen related to the TAP pipeline and to the TAP Interconnection pipeline?.

TAP is an investee company of Snam, with its own legal and managerial independence. Snam may not publish data or analyses relating to the Company. Likewise, interconnection data is confidential.

10.1 Has the compatibility assessment of the compressor and booster plants concerned, the pipeline receiving terminal and the Melendugno depressurisation plant also been completed?

TAP is an investee company of Snam, with its own legal and managerial independence. It is suggested that you contact the companies directly.

10.1.1 If so, can Snam publish the full results?

10.2 How come the TAP pipeline and the TAP Interconnection were not designed and built "H2 ready" despite being among the last infrastructures built by Snam?

As far as TAP and interconnection are concerned, the pipeline design phase dates back around ten years.

11. What are the results of the July 2021 incremental capacity auctions?

TAP's incremental capacity auctions for the 2019 Market Test ended without having received any binding bids. Note that TAP was launched in November 2020 and the 2019 market test procedure was concluded in the pipeline's first year of operation. The 2021 Market Test has been launched and the non-binding phase has received requests for incremental capacity. Based on the outcome of the consultation, it is assumed that the planning of the binding phase in Q4 2022 can be considered.

11.1 Can Snam confirm when the works to expand the TAP pipeline are expected to begin?

The 2021 Market Test has been launched and the non-binding phase has received requests for incremental capacity. The question can be answered at the end of the process.

11.2 What is the planned investment for each level of expansion?

The information is available at <https://www.tap-ag.it/i-servizi-di-trasporto/market-testswith> reference to the document *Project Proposal for the 2021 Incremental Capacity Process*.

12. In a recent interview with Sky News 24, TAP's CEO, Schieppati, said that 5.6 billion m³ of gas flowed through TAP in 2021, of which 4.8 billion came to Italy and the rest was sold on the Greek market. The Ministry of Economic Development documents that 7.2 billion m³ have arrived in Italy; TAP's official website says 6.8 billion m³:

12.1 How many m³ of gas transited on SRG from the Melendugno connection point?

The physical volumes measured at the Melendugno intake point in 2021 amounted to around 6.8 billion m³ (average measured HHV of about 11.1 kwh/smc). These volumes correspond to around 7.2 billion m³ when expressed at the reference HHV of about 10.6 kwh/smc.

12.2 How much gas stayed on the Italian market?

The Italian system is based on the Entry-Exit model, which does not provide a precise association between the volumes injected and the relevant destination market (whether domestic or foreign). Taking into account the limited quantities of gas exported (1.6 BCM) compared to the total quantities injected (approximately 76 BCM) in 2021, it is reasonable to consider that a significant share of the imports from TAP have remained on the Italian market.

12.3 What are the amounts due from the transit fees that SNAM obtained from TAP?

The quantities injected into the Italian transmission system through the Melendugno injection point involve the payment of transmission tariffs, as determined annually by ARERA, differentiated by long-term or short-term capacity products subject to contribution by the Shippers.

Revenues from the sale of capacity at the Melendugno Entry Point in 2021 amounted to approximately 50 million euros/year.

13. What is the transport capacity of the Masseria Matagiola infrastructure?

The new Matagiola – Massafra methane pipeline (DN1400 – 80 km) will allow us to increase the maximum capacity of the entry points in Apulia up to 74 Msm³/g, equivalent to around 820 GWh/d, without increasing the overall capacity of the system from the South.

13.1 Can this infrastructure be adapted to accommodate the doubling of TAP's capacity, and with what timescale?

The aforementioned infrastructure (new Matagiola-Massafra methane pipeline) is fit to accommodate the doubling of TAP's capacity, together with the other works envisaged by the Linea Adriatica project in the Snam Rete Gas Ten-Year Plan. The timing will depend on the outcome of the auctions relating to incremental capacity requests which will be held in July 2022.

13.2 Can this infrastructure guarantee the reverse flow, as required by the regulatory authorities?

The Snam Rete Gas infrastructure is capable of physically transporting gas in reverse flow. This service is provided in planned situations or emergency conditions under the approved exemption for the TAP transmission system (see TAP Joint Opinion - Resolution 249/2013). Snam Rete Gas also offers capacity at the Melendugno Exit Point in commercial reverse flow, which is therefore subject to a physical flow into the Italian system greater than or equal to zero.

14. Is the investment decision for extension of the TAP pipeline confirmed?

Any final investment decisions will be taken on the basis of the commitments to be signed by the Users as a result of the incremental capacity procedure in progress.

14.1 How much is Snam investing?

Snam's investment will depend on the level of capacity to be created as determined following the signing of binding commitments by the Users as part of the incremental capacity procedure in progress.

15. With reference to the five projects related to the methanisation of Sardinia subject to the Environmental Impact Assessment procedure at the MiTE, known respectively as "Virtual Pipeline Sardinia - Central Section Energy Network", "Virtual Pipeline Sardinia - Southern Section Energy Network", "Portovesme Terminal and related works", "Metanodotto Allacciamento IVI petrolifera S.p.A. DN 400 (16") DP 75 bar", " Fiume Santo power plant: installation of a combined cycle gas plant to replace coal-fired power generation":

15.1 Could you please confirm whether an EIA has been submitted for the Virtual Pipeline - North Section Energy Network?

It is expected that the EIA application for the Porto Torres FSRU and its connection to the northern section of the Energy Network will be submitted by November 2022. As for the Virtual Pipeline Northern Section, the signing of the EIA Decree is currently pending.

15.1.1 If not, when will it be submitted?

See answer to 15.1.

15.1.2 What are the reasons for these delays?

The timeline is in line with the commissioning of the Porto Torres FSRU project in 2025.

15.1.3 What is the project's timeframe?

See 15.1.2.

15.1.4 What will be the investment for Snam and its subsidiaries?

The investment cost for SNAM and its consolidated subsidiaries is included in the investments presented in the Strategic Plan amounting to 5.6 billion in energy networks in Italy.

15.1.5 Has the project been submitted with a strategic impact assessment?

The question is not clear. If Strategic Environmental Assessment is meant, it relates to plans or programmes and is the responsibility of the public authority.

15.1.6 If not, how come?

See the answer to question 15.1.5

15.1.7 What will be the investment updated to 2021 for the overall project of all the new Sardinian gas pipelines?

See 15.1.4.

15.2 What will be the investment for the "Virtual Pipeline Sardinia - Central Section Energy Network"?
See 15.1.4.

15.3 What will be the investment for the "Virtual Pipeline Sardinia - Southern Section Energy Network"?
See 15.1.4.

15.4 What will be the investment for the 'Portovesme terminal and related works'?
See 15.1.4.

15.5 What will be the investment for the "Metanodotto Allacciamento IVI petrolifera S.p.A. DN 400 (16") DP 75 bar"?
See 15.1.4.

15.6 What will be the investment for the 'Fiume Santo power plant: installation of a gas-fired combined cycle plant to replace coal-fired power generation'?
See 15.1.4.

15.7 What remains of the Sardinian methane backbone project? Have the procedures prior to virtual pipelines been suspended?
As represented in the "Ten-year plan for the development of the natural gas transmission network 2022-2031" of Enura SpA, the company intends to construct the energy network according to a logic of development proportional to the expected demand. The procedures have therefore not been suspended as the sections of the energy network are used for the transmission of natural gas from the planned LNG terminals in Sardinia to the consumption areas.

15.8 In light of what is reported in the aforementioned Report and the provisions of the 2020-2024 Strategic Plan, has Snam abandoned the construction of the connection line?
The implementation of the backbone (i.e. energy network) will be carried out by Enura S.p.A.

15.9 Which are the virtual pipelines that Snam plans to build?
The Virtual Pipeline project envisages the construction of a virtual connection for the supply of natural gas to the Sardinia region from the regulated Italian terminals of Panigaglia and OLT. LNG is expected to be transported, via dedicated shuttle ships (LNG Carriers), to the planned regasification terminals to be built in Sardinia at Portovesme, Porto Torres and Oristano. The regasified gas will then be fed into the energy network and transmitted via pipeline to the main consumption areas on the island.

15.9.1 Will virtual pipelines have the same advantages as gas pipelines in remunerated revenue terms?
As regulated by the Simplification Decree (Decree-Law 76/2020, converted with amendments into Law 120/2020) in Article 60, paragraph 6, the ensemble of transport and regasification infrastructures is considered part of the national transport network, also for tariff purposes.

15.9.2 When will the virtual pipelines be operational?

It is expected that:

- **the works of the Virtual Pipeline South Section and "Portovesme Terminal and related works" will be operational by 2024**
- **the Virtual Pipeline Central Section will be operational by 2024**
- **the Virtual Pipeline Northern Section will be operational by 2025 (see point 15.1.2)**
- **Other sections of the energy network are scheduled to become operational between 2025 and 2028.**

15.9.3 Can Snam provide a schedule?

Refer to Annex II.a, Sheet 3: Virtual Pipeline of the "Ten-year plan for the development of the natural gas transmission network 2022-2031" of Snam Rete Gas SpA.

15.9.4 How is the work progressing?

The projects are in the authorisation phase. The works will be carried out once the necessary authorisations have been obtained. Refer to Annex II.a, Sheet 3: Virtual Pipeline of the "Ten-year plan for the development of the natural gas transmission network 2022-2031" of Snam Rete Gas SpA.

15.10 What is the expected remuneration for the overall project?

See the answer to question 15.9.1

15.10.1 After how many years is the return on investment expected?

See the answer to question 15.9.1

15.11 What will the tariff regime in the connected areas be and based on what decisions/provisions?

See the answer to question 15.9.1

15.12 Are there plans for underwater gas pipelines to Sardinia?

It is planned to supply gas to Sardinia through the Virtual Pipeline system.

16. Is Snam planning to build a gas pipeline between Italy and Spain?

As a result of recent events, the possibility of constructing a gas pipeline to interconnect Spain with Italy has been considered as one of several possible initiatives. All possible initiatives are currently in the preliminary study phase.

16.1 If yes, from where to where?

Several hypotheses are being studied, and the possible locations are being evaluated.

17. Is Snam planning to build a gas pipeline between Italy and Algeria?

To date, Italy and Algeria are interconnected through the TTPC infrastructure that crosses Tunisia and through the TMPC, an infrastructure made up of 5 offshore gas pipelines that crosses the Sicilian channel and reaches Mazara del Vallo. To date, SNAM is not planning to build new pipelines to interconnect Algeria and Italy.

17.1 If yes, from where to where?

See the answer to question 17.

18. Is Snam planning to build a gas pipeline to Corsica?

No, SNAM does not currently plan to build an interconnection between Italy and Corsica.

18.1 If yes, from where to where?

The investment is not envisaged in the Plan.

19. In light of what is stated in the 2020 Report on Operations and the 2020-2024 Strategic Plan, Snam gives greater importance to increasing biomethane production. Snam has also acquired Renerwaste srl and an equity holding equal to 50% of Iniziative Biometano, preceded by the takeover of Ies Biogas.

19.1 At present, are there any plans for new plants for the production of biogas/biomethane in Sardinia?

There are no biogas/biomethane production projects in Sardinia.

19.2 What organic material will be used for the anaerobic digestion process?

OFMSW (organic fraction of municipal solid waste) for the waste part.

Vegetable biomass and agro-livestock sub-products for the agricultural part.

19.3 What will be the projects, if any, of Renovit in Sardinia?

There are currently no specific projects planned in Sardinia.

19.4 And in other Italian regions?

Renovit operates in Italian regions with the operating companies Miecì for the PA, TEP for the industrial and residential sectors and Evolve for the residential sector. As part of the commercial and development activities of these companies, there are several projects with different clients throughout Italy. The projects concern Renovit's core business as an ESCO: investments in energy and plant upgrading of various types with reduced consumption and improved sustainability, signing Energy Performance Contracts, Conventions and PPPs.

19.5 Are new investments expected to be made in the hydrogen supply chain in Sardinia?

The 21-25 strategic plan does not envisage any h2 investments in Sardinia by Snam.

19.5.1 If yes, for what amount?

n.a.

19.6 Does the subsidiary De Nora have orders in Sardinia?

This is information about an investee but not a subsidiary company, with its own legal and management independence. It is suggested that you contact the company concerned directly.

19.6.1 If yes, for which production sites?

19.7 What are De Nora's orders in other Italian regions?

See 19.6.

19.8 What are De Nora's orders in the Mediterranean area?

See 19.6.

20. The "Sardinia" Prime Ministerial Decree recently signed by Mario Draghi provides for the mooring of a Floating Storage Regasification Unit (FSRU) in Portoscuso and another similar unit in Porto Torres. Even before it was signed, SNAM submitted the Portoscuso project (awarded to Technip Italy for 2.3 million euros https://fornitori.snam.it/tamtamy/permalink/sys_720_SNM_glo_8416733BC9.action) to the Ministry of Ecological Transition for an Environmental Impact Assessment.

20.1 Was the FSRU in question available to Snam at the time?

See the answer to question 2.2. The tender is still in progress.

20.1.1 If yes, was the FSRU purchased or leased?

See the answer to question 2.2. The tender for the supply is still in progress.

20.1.2 At what price?

See the answer to question 2.2. The tender is still in progress.

20.2 Was the FSRU planned for Porto Torres purchased or leased?

A further tender is expected to be launched shortly for the provision of an FSRU to be used in the Porto Torres project.

20.2.1 At what price?

See the answer to question 20.2.

20.2.2 Will it be operated by Snam?

The supplier selected through the aforementioned tender will also provide fitting-out and management services for the aforementioned FSRU.

20.3 According to recent press rumours, Snam is in negotiations to acquire (buy or lease) two FSRUs: are these the units that will be installed in Porto Torres and Portovesme, according to the Dpcm?

No.

21. Today the picture is strongly characterised by international tensions arising from the war in Ukraine and the real possibility of a disruption in Russian gas supplies. According to Corriere della Sera (https://www.corriere.it/economia/aziende/22_marzo_31/gnl-litalia-caccia-nuove-navi-rigassificazione-snam-trattativa-due-unita-923d3b94-b049-11ec-9789-5da5d2d36231.shtml), Snam personnel have carried out inspections in Piombino to check whether a 5 billion m³/year FSRU can be moored in the port of Piombino.

21.1 Can Snam confirm that it is going to purchase and lease two 5 billion m³/year FSRUs?

Various options are currently being explored to make two FSRUs available with regasification capacities of around 5 billion m³ of natural gas per year.

21.2 What is the storage capacity of the FSRUs?

The planned storage capacity is approximately 170,000 m3 of LNG.

21.3 Apart from Piombino, which locations are being considered for installation of the 5 billion m3/year FSRUs?

Various sites are being assessed.

21.4 If the FSRUs were to be moored at Piombino, would the 'SEALINE' pipeline, the Sardinia-Continent interconnection project already assessed by Snam, be built?

There are no plans for a Sardinia-Continent Sealine.

21.5 How big is a 5 billion m3/year FSRU?

The size of an FSRU of around 170,000 m3 LNG is approximately 300 metres long and 45 metres wide.

21.6 In the case of Piombino, does Snam confirm that it would be expecting to moor it in the port for at least two years, pending completion of construction of the offshore terminal for permanent anchorage?

This cannot be confirmed at the moment as evaluations are underway.

21.7 In the case of Trieste, is the mooring of a possible second FSRU in the port being discussed?

This kind of detail cannot be provided at present. See the answer to question 21.3.

21.8 Are they open-cycle FSRUs, as in the case of Portovesme?

See the answer to question 21.1. The different options available are currently being assessed.

22. Have the contracts to supply the "Sardinian" FSRUs already been finalised?

The question is not clear. If this refers to the supply of the "FSRU" asset, see the answers to question 2.2 for Portovesme and question 20.2 for Porto Torres. If instead it refers to the LNG supply, please refer to the answer to question 2.5.

22.1 If so, at what price?

See the answer to question 22.

22.2 Are these contracts for the regulated market?

See the answer to question 22.

22.3 What share is reserved for the non-regulated market?

See the answer to question 22.

23. According to phase 2 of the RSE study (July 2021) the "optimal" configuration of the so-called Virtual pipeline for the methanisation of Sardinia foresees the construction of three mini-branches serving the metropolitan areas of Cagliari and Sassari and the area of Oristano. These pipeline sections would be supplied by the (naval and onshore) storage/recovery facilities in Portoscuso, Porto Torres and Oristano. The profitability of these works appears to be questioned due to several factors. In the RSE study (phase 1 and phase 2), the scenarios of low, moderate and high methanization of gas consumption in the

residential sector are calculated with reference to the basins served by Italgas only (18 out of 38). In many cases, these are the basins that would be served by Snam's methane pipelines (in particular, those related to the largest Sardinian cities). However, the residential consumption figures reported by RSE do not appear to be in line with those of PEARS. For example, in the residential sector, PEARS estimates consumption (across the 38 basins) at 52 million m³ (base case), 72 (development) and around 90 (intensive development). Moreover, gas consumption could decrease even further due to the propensity of Sardinian citizens to electrify their consumption and the higher costs associated with gas (although socialised at national level).

23.1 In the light of the data presented here and the gas price increases, shouldn't the cost-benefit analyses and, therefore, the profitability of investments linked to energy networks (subjected to an environmental impact assessment by Enura at the Mite) be reconsidered?

The cost-benefit analyses of the works in Sardinia have been prepared taking into account the fuel prices reported in the SNAM - TERNA scenarios, which take as a reference those developed by ENTSO-G. The analyses will be updated on the basis of the new Italian scenarios presented in 2022, which will also take into account recent developments in the energy markets for the updating of gas prices, as well as the prices of replaced fuels.

23.2 Is Snam planning to present the Northern Energy Network project, i.e. the system of methane pipelines that, starting from the Porto Torres terminal, should supply gas to the main towns in the north-west of the island?

See the answer to question 15.1.

24. In the "Portovesme Terminal" project submitted to the Ministry of Ecological Transition, Snam does not estimate the fugitive methane emissions. Considering the entire FSRU cycle, that is the loading/unloading operations (assessed on the basis of the number of planned loading/unloading operations of the LNG tankers supplying the FSRU or to be supplied by it, the number of tanker loading operations), storage, regasification, any use of flares, and all the devices on board, how much will the fugitive emissions amount to according to Snam?

SNAM is conducting a study that takes into account the different contributions of emissions into the atmosphere, including fugitive emissions into the atmosphere, as required by the preliminary EIA - Environmental Impact Assessment.

24.1 Which instruments will be used to monitor fugitive emissions, and how often?

Monitoring will be done using gas analysers (sniffers). This activity will be carried out within the plant, at points corresponding to all potential sources which will be identified in advance (flanges, valves, instruments, etc.). With reference to the monitoring phases and frequencies, the post-operational phase (OP) envisages:

- **1 survey of all potential sources of fugitive emissions at the commissioning of the Terminal;**
- **1 measurement campaign in the first year of operation, to be repeated every 3 years for the entire operation of the work.**

24.2 Has Snam considered carrying out a survey to consider the cumulative environmental impact of fugitive emissions in relation to the industrial pollution already affecting the area, already designated a Site of National Interest and therefore to be reclaimed?

The industrial pollution already present in the project area was considered as a baseline for the estimation of atmospheric emissions generated by the terminal in operation. Fugitive emissions will be monitored as detailed in the previous point.

In any case, it is specified that methane emissions, by their nature, do not cause health problems for workers, citizens and users of the areas adjacent to the plants and are not subject to the limits of Legislative Decree no. 155/2010, regarding ambient air quality.

24.3 What is the estimate of fugitive emissions for the Portovesme Energy Network pipeline leaving the FSRU?

The estimation of methane emissions will be carried out as part of the ongoing authorisation procedures, as required. As mentioned, methane emissions do not cause health problems and are not subject to the limits of Legislative Decree No 155/2010.

In any case, the Portovesme Energy Network is a completely underground system, with the exception of a few above-ground plants. The periodic maintenance of these components consists of checking and control operations that do not involve gas discharges into the atmosphere. Once in operation, the system does not therefore lead to significant methane emissions into the atmosphere, both in terms of fugitive emissions (i.e. emissions due, for example, to the imperfect sealing of flanged or threaded couplings, or from valve stems), and in terms of timely emissions due to maintenance.

24.4 What is the estimate of fugitive emissions from the southern and central energy networks?

Methane emissions have not been estimated as the extent is not significant. As mentioned, methane emissions do not cause health problems and are not subject to the limits of Legislative Decree No 155/2010.

24.5 Which instruments will be used to monitor fugitive emissions, and how often?

For this type of infrastructure, the actions already normally taken by Snam to reduce methane emissions will be implemented, and in particular the following checks will be carried out, as provided for by internal company regulations when new gas pipelines and plants are commissioned and during operation:

- **once the gas pipeline is constructed and after the first commissioning at reduced pressure (5 bar), a leakage check is carried out, in accordance with existing company procedures, on all above-ground parts of the plants (flanged and threaded connections etc.), using foaming liquid; leakage checks are also carried out on the vent pipes of the tunnels and protection pipes using gas detectors. After the gas pipeline has been pressurised to network pressure, the pressure stability in the pipeline and plants is checked, after which, if the outcome is positive, all the checks described above, carried out at the end of the initial commissioning, are repeated. Within 3 months from commissioning, leakage checks are carried out on the entire stretch of the new pipeline using gas detectors with a carpet probe or similar; a further leakage check is carried out on the vent pipes of the tunnels and the protection pipes and on the threaded and flanged connections of the above-ground equipment of the plants;**
- **during operation, the maintenance plan requires that during each cycle of maintenance on the plant/section/system function a leakage check with a portable gas detector and, where applicable, with foaming liquid, of the above-ground components be carried out. In addition, if leaks are detected in other sections/system functions that are not subject to the maintenance cycle, or in any case during the presence in the plant of operators who are always equipped with a gas detector (explosimeter), they are in any case detected and simultaneously eliminated.**

In addition to these controls, Snam has also adopted a Leak Detection and Repair (LDAR) programme for monitoring and repairing any leaks in the above-ground components. Leak

quantification is carried out using flame ionisation instrumentation in accordance with standard EN 15446; these additional checks are carried out every four years.

For underground pipelines, checks will be carried out every three years to identify and promptly eliminate gas leakage in the pipeline, as provided for in Resolution No. 554/2019/R/gas of 19 December 2019 of the Regulatory Authority for Energy Networks and the Environment. This control is normally carried out by means of suitable helicopter-mounted instrumentation, unless flight restrictions are put in place by the relevant authorities or particular environmental conditions prevent its use. In these circumstances, the inspection is carried out overland by walking the route of the gas pipeline with a portable gas leak detector.

25. Open-circuit regasification technology causes an almost complete sterilisation of sea water. The large volumes of water used to enable the LNG temperature to rise are treated with active chlorine. This causes the resulting release of toxic substances, organic chloro-derivatives, specifically organic halo-derivatives: toxic, persistent and mutagenic substances (bromoform and trihalomethanes, chloramines, etc.). The risk is that the biocenosis of a large part of the marine habitat will be compromised. And biomagnification cannot be excluded.

25.1 Has Snam considered the phenomena associated with the re-injection of treated water into the marine ecosystem in relation to the open-cycle FSRU Portovesme plant?

A modelling study on thermal/chemical dispersion in the marine environment was carried out, which concluded that the planned discharge into the state-owned canal has the most effective temperature and chlorine dispersion characteristics from an environmental point of view compared to the other solutions analysed, in that discharge into this canal means the wastewater can be channelled directly into the sea with a significant reduction in concentrations.

25.2 Will Snam be investigating these impacts on the marine ecosystem?

In order to provide an up-to-date characterisation of the marine environment in the vicinity of the project area, a dedicated study of the coastal biocenosis and ichthyofauna found in the project area was carried out and on the basis of this study the optimal location of the Terminal's water discharges was chosen. In addition, the "marine water environment" and "biodiversity" component will be monitored ante-operam and post-operam to check the potential effects related to the operation of the FSRU.

25.3 Is there a problem with the transit of pelagics, as fishing them is an important part of the local economy?

See the answer to question 25.2.

26. Are investments expected related to the subsidiary Snam4mobility by 2025?

Yes, around 100m euros (slide 31 of the business plan).

26.1 How much are they?

About 100 million euros of investments are envisaged in the period '22-'25, mainly for Bio L-CNG Stations, 8 H2 Stations and midstream facilities to support the availability of Bio-LNG (liquefactors and truckloading).

26.2 Are there any projects included in the Italian Recovery and Resilience Plan (RRP)?

Not at present. The business plan sets out projects in line with the NRRP guidelines and the issuing of NRRP calls for possible interest in the project are being monitored.

26.3 Could you detail them

The S4M plan includes some investments consistent with the aims of the NRRP, but NRRP calls for measures consistent with the Mobility aims have not yet been published. We will be able to provide more details in the coming months.

26.4 Are there any projects abroad?

There are currently no approved projects abroad.

26.4.1 If yes, where?

n.a.

27. Are investments expected in regard to the subsidiary Cubogas Srl by 2025?

Yes

27.1 How much are they?

The amounts are small mainly due to the development of H2 compression technology and systems (compressor and booster) and maintaining capex.

27.2 Are there any projects included in the Italian Recovery and Resilience Plan (RRP)?

The guidelines of the NRRP are in line with some of the Cubogas projects. The possibility of participating with Cubogas in specific NRRP calls is being assessed.

27.3 Are there any projects abroad?

No.

27.4 If yes, where?

n.a.

28. What investments are planned for the subsidiary De Nora by 2025?

Snam has no plans to invest in its subsidiary De Nora.

28.1 How much are they?

See answer 28.

28.2 Are there any projects included in the Italian Recovery and Resilience Plan (RRP)?

This is information about an investee but not a subsidiary company, with its own legal and management independence. It is suggested that you contact the company concerned directly.

28.3 Are there any projects abroad?

See 28.2.

28.4 If yes, where?

See answer 28.1.

29. What investments are planned for the subsidiary Renovit by 2025?

Mainly IT investments across the Renovit Group.

29.1 How much are they?

During the presentation of the 21-25 strategic plan, information was provided on the investments planned in the energy efficiency business unit, which amount to 230m euros (slide 31 of the business plan).

29.2 Are there any projects included in the Italian Recovery and Resilience Plan (RRP)?

There are no projects relating to the NRRP.

29.3 Are there any projects abroad?

No.

29.4 If yes, where?

No.

30. What investments are planned for the subsidiary Tep Energy Solutions by 2025?

Investments in energy efficiency plants for the industrial sector.

30.1 How much are they?

See the answer to question 29.1.

30.2 Are there any projects included in the Italian Recovery and Resilience Plan (RRP)?

There are no projects relating to the NRRP.

30.3 Are there any projects abroad?

No.

30.4 If yes, where?

31. What investments are planned for the subsidiary Miecì by 2025?

Energy efficiency actions and an integrated energy management service for buildings and technological plants for the Public Administration segment mainly through PPPs and public tenders.

31.1 How much are they?

See the answer to question 29.1.

31.2 Are there any projects included in the Italian Recovery and Resilience Plan (RRP)?

At present there are no projects relating to the NRRP.

31.3 Are there any projects abroad?

No.

31.4 If yes, where?

32. What investments are planned for the subsidiary Evolve by 2025?

Investments linked to the creation of new products for the Residential segment such as Energy Service 2.0 and Energy Communities.

32.1 How much are they?

See the answer to question 29.1.

32.2 Are there any projects included in the Italian Recovery and Resilience Plan (RRP)?

At present there are no projects relating to the NRRP.

32.3 Are there any projects abroad?

No.

32.4 If yes, where?

33. What investments are planned for the subsidiary Snam4Environment by 2025?

Investments are planned for the construction of biomethane plants with a total installed capacity of 118MW.

No significant investments are envisaged in the S4E Biomethane holding other than those to integrate the information processes of the different staff departments.

33.1 How much are they?

Around 750m of investments are planned, of which around 100m euros are for grants.

Over the 2022-2025 plan period, Snam plans to invest approximately 750 million in the biomethane business, net of possible grants of approximately 100 million euros.

33.2 Are there any projects included in the Italian Recovery and Resilience Plan (RRP)?

The business plan includes projects that are in line with the guidelines of the NRRP. However, calls relating to NRRP investments in this area have not yet been published. The business plan provides for the use of NRRP funds of around 100m euros.

33.3 Are there any projects abroad?

No.

33.4 If yes, where?

34. What investments are planned for the subsidiary IES Biogas by 2025?

IES' core business is Engineering, Procurement and Construction for plants owned by other parties.

34.1 How much are they?

During the presentation of the 21-25 strategic plan, information was provided on the investments planned in the biomethane business unit, which amount to 850m euros, including approximately 100m euros related to sustainable mobility.

34.2 Are there any projects included in the Italian Recovery and Resilience Plan (RRP)?

Not at present. The business plan includes projects that are in line with the guidelines of the NRRP. However, calls relating to NRRP investments in this area have not yet been published. The business plan provides for the use of NRRP funds of around 100m euros.

34.3 Are there any projects abroad?

IES has a number of EPC orders abroad nearing completion.

34.4 If yes, where?

France, China and South Korea.

35. What investments are planned for the subsidiary Renerwaste by 2025?

They are included in the investments of the biomethane business unit.

35.1 How much are they?

See the answer to question 34.1.

35.2 Are there any projects included in the Italian Recovery and Resilience Plan (RRP)?

Not at present. The business plan includes projects that are in line with the guidelines of the NRRP. However, calls relating to NRRP investments in this area have not yet been published. We may give more information later.

35.3 Are there any projects abroad?

No.

35.4 If yes, where?

36. For which sections of the gas pipelines has Snam tested the transmission of blended gas and hydrogen in 2021, and what percentage of hydrogen are already transmitted by these sections?

The network section concerned is the "Contursi Industrial Development Area Backbone" DN100 5 bar. The pre-mixed blending with a maximum hydrogen content of 10% was injected upstream of the Contursi 818 Reduction Station, which reduces the pressure from 75 bar to 5 bar, and distributed through the section of the pipeline mentioned above.

37. What investment is planned by Snam for the production of green hydrogen?

Refer to what was said during the presentation of the 2021-2025 strategic plan to shareholders. The plan provides for 250m euros net of approximately 100m euros in possible grants in the hydrogen business unit's activities in mobility projects (trains, light and heavy vehicle refuelling stations and airports), the decarbonisation of industrial sectors and development and venture capital initiatives.

37.1 How is construction progressing on green hydrogen refuelling infrastructures for rail transport ?

The plan is to build the refuelling infrastructure for the railway system with the help of resources made available by the NRRP M2C2 Investment 3.4. The funds will be allocated by public tender. There are currently no details of the tender procedure.

37.2 Where are they located?

In the absence of official indications from the relevant ministries, there is no evidence of the final location of the refuelling stations.

37.3 Where will the green hydrogen for these infrastructures be produced?

In the absence of official indications from the relevant ministries, there is no evidence of the final location of the production sites.

37.4 Will De Nora build the facilities?

The contractor will be chosen by means of a public call for tenders, so it is not known at this stage who will carry out the necessary works.

37.5 Is the construction of storage facilities also planned?

The storage method will be defined through appropriate technical studies after the production and supply areas have been defined.

37.5.1 If yes where?

Refer to the previous answer.

38. Which countries does Snam plan to import hydrogen from?

Snam's acquisition of 49.9% of ENI's shareholdings in the TTPC and TMPC pipelines linking Algeria to Italy makes it possible to envisage the future use of these assets also for the transmission of green hydrogen from North Africa, which could become a hub for solar energy and green hydrogen production.

38.1 Is it green hydrogen?

Snam plans to transport hydrogen produced from renewable sources from the countries mentioned in the previous answer.

39. What investment has Snam planned through its subsidiaries in the White Dragon project?

The White Dragon project involves the investee companies TAP and DESFA. It was selected for submission to the second wave IPCEI hydrogen notification. The investment in the project will also depend on the outcome of the notification process. However, since this information relates to Desfa and TAP, investee companies of Snam with their own legal and management independence, Snam cannot publish data relating to the companies.

39.1 How big is the plant to be built by De Nora?

This is information about an investee but not a subsidiary company, with its own legal and management independence. It is suggested that you contact the company concerned directly.

39.2 How much is the planned investment?

See 39.1.

40. What are the hydrogen scale initiatives that Snam refers to in its 2021-25 investment plan?

See answer 37.

40.1 What is the outcome of the application submitted under the IPCEI programme for the construction of an Italian electrolyser Gigafactory by De Nora?

MiSE pre-notified the European Commission about the initiative on 31/08/2021. The process is underway.

40.1 How much is the overall investment planned for the project?

The investment amount is being defined.

40.2 How much is the Snam and De Nora investment in the project?

The investment amount is being defined.

40.3 Is the Italian State making any contributions for the project?

Yes

41. How much is the investment planned for construction of a hydrogen route linking North Africa to Italy, which Snam refers to in its 2021-25 investment plan?

The 2021-2025 investment plan makes no reference to any hydrogen route linking North Africa to Italy.

41.1 Which countries are affected by the infrastructure?

See answer 41.

41.2 Where will the hydrogen that Snam intends to transport be produced?

See answer 41.

41.3 Is it green hydrogen?

See answer 41.

41.4 Where will the water needed for green hydrogen production plants be taken from, and how much?

See answer 41.

41.4.1 What will be the pipeline capacity?

See answer 41.

42. Which sites has Snam identified for hydrogen storage in Italy?

Refer to 4.4 and following.

42.1 What capacity do they have?

n.a.

42.2 How much is Snam's investment?

No investments are planned in the 21-25 Strategic Plan.

42.3 When will they be operational?

n.a.

42.4 Will they be managed according to the regulated market?

The rules being developed at European level (see the European Commission's "Hydrogen and decarbonised gas market Package" proposal) currently require hydrogen storage infrastructures to be operated under a regulated regime.

43. What reforestation initiatives has Arbolia carried out so far?

Since its establishment up to today, in around a year and a half, Arbolia has carried out 22 urban forestation initiatives in 17 municipalities in 9 Italian regions.

43.1 How much is the investment in each project?

The amounts vary according to the type of project, the location (maintenance is more expensive in warmer areas), the planned maintenance years and the size of the plants planted. For a typical forestation project with two years of maintenance, the average investment is around 40 thousand euros/hectare.

43.2 How many trees were planted in each project?

Below is a table summarising the location and indicative number of plants for each site:

PLACE	NUMBER OF PLANTS
PARMA (Cinghio Sud)	2000
PARMA (Eurosia)	1800
TURIN	2100
ROVIGO	600
LECCE	4000
PIGNATARO MAGGIORE (CS)	400
PISA	1600
MILAN (Paulese)	500
MILAN (Cantalupa)	7300
TARANTO (Mura Archaeological Park)	2300
TARANTO (Paolo VI)	4500
UDINE LOTTO (Cascina Marouner)	1500
VICENZA (South West)	3000
ROMA CAMPUS BIOMEDICO	4000
SAN DONATO MILANESE	2200
SAN GIULIANO MILANESE	2000
POMPEI AREA PIC NIC	1500
LADISPOLI (ROME)	3000
VICENZA (North West)	3000
VICENZA (Via Annecy-Canile)	700
ALBAIRATE (MI)	1700
MORDANO (BO)	900

43.3 How old are the planted trees?

Two years on average, but in some projects (e.g. Pompei, Albairate) plants more than 10 years old have been planted.

44. How much is Snam's investment in the Israel-Egypt peace pipeline?

Snam has acquired from the Thai energy company PTT Energy Resources Co. Ltd., a wholly owned subsidiary of PTT Public Company Limited, 25% of the East Mediterranean Gas Company (EMG), owner of the Arish-Ashkelon gas pipeline, part of the “peace pipeline”, for a consideration of approximately 50 million dollars.

44.1 Is Snam planning to invest in retrofitting the pipeline?

At present, retrofitting is not planned as the gas pipeline is designed to transport gas produced in the Israeli offshore deposits Leviathan and Tamar. Volumes are expected to saturate the gas pipeline’s capacity by 2023 and remain stable for the next 20 years.

44.2 If yes, how much?

Not applicable, see 44.1

44.3 Which hydrogen production plants will supply the pipeline?

Not applicable, see 44.1

44.3.1 Will it be green hydrogen or grey and/or blue hydrogen?

Not applicable, see 44.1

44.4 Which biomethane plants will supply the pipeline?

Not applicable, see 44.1

44.5 What quantities of hydrogen and biomethane is the pipeline expected to transmit?

Not applicable, see 44.1

45. On 25 September 2020, Snam signed a Memorandum of Understanding with the Autonomous Region of Friuli Venezia Giulia to regulate the guidelines for collaborative actions to identify and develop projects and initiatives in the energy transition field. The protocol identifies hydrogen, biomethane, sustainable mobility and energy efficiency as priority areas for collaboration.

45.1 Have any addenda to this Protocol been signed?

To date, this has not been necessary in relation to the ongoing discussions, which involved in-depth technical studies and discussions on individual topics covered by the MoU.

45.1.1 If so, can Snam publish them in full and/or provide details and describe their content?

45.2 Have working groups been set up?

Yes

45.2.1 If yes, which ones?

Working groups have been set up with the Friuli-Venezia Giulia Region and other stakeholders to assess, in particular, projects for the development of an integrated green hydrogen supply chain in the region.

45.3 Which projects have been assessed to decarbonise the port?

For the decarbonisation of the port of Trieste, applications of green hydrogen to internal mobility vehicles are being assessed.

Snam's role in the project will be defined in compliance with the current legal and regulatory framework.

45.3.1 And which projects have been assessed to decarbonise the airport?

For the decarbonisation of consumption at Trieste airport, green hydrogen applications are being assessed for the consumption of the terminal and internal mobility vehicles.

Snam's role in the project will be defined in compliance with the current legal and regulatory framework.

45.3.2 How much will Snam invest and how much will other partners invest in each of these projects?

The investment by Snam and its partners is currently being quantified, also in relation to access to potential funding to support the two initiatives mentioned above.

45.3.3 Will these projects be funded through the RRP?

Hydrogen-related NRRP calls concerning measures in line with the aims of the projects described above have not yet been published. We are currently following the final definition phase of the NRRP by the relevant ministries and we will therefore be able to provide more details in the coming months.

45.4 Have any sites for green hydrogen production been identified in the region?

A technical and economic feasibility analysis is still ongoing and has not yet been completed. It should be noted, however, that at this stage Snam does not qualify as a proposer, but it is collaborating with other partners (public and private), and that the Company's role will be defined at a later date in accordance with the current legal and regulatory framework.

45.4.1 If yes, where?

45.4.2 How much will Snam invest and how much will other partners invest in these projects?

The investment by Snam and its partners is currently being defined, also in relation to potential funding to support the two initiatives mentioned above.

45.4.3 How much green hydrogen does each plant expect to produce?

The quantification of the green hydrogen envisaged for each production site is currently being defined, also based on the expected consumption in the region and possible requirements relating to opportunities to access public finance.

45.4.4 Will the electrolyzers be produced by De Nora?

This is information about an investee but not a subsidiary company, with its own legal and management independence. It is suggested that you contact the company concerned directly.

45.5 How much is Snam investing in the development of a research centre/pole of expertise, R&D and innovation as a catalyst for the growth of the hydrogen supply chain?

The Snam Hydrogen Innovation Center initiative, illustrated to investors during the Strategy Presentation in November 2021, is currently launching the *Friuli Venezia Giulia Hub*, within which Snam will operate with the ATS being established by the University of Trieste, the University of Udine, the Area Science Park, the National Institute of Oceanography and Experimental Geophysics, the International School for Advanced Studies, the National Research Centre, the Department of Physical Sciences and Technologies of Matter and Elettra-Sincrotrone Trieste. The Friuli-Venezia Giulia Hub is one of the 4 Italian hubs that make up the Snam Hydrogen Innovation Center.

45.5.1 Where will the centre be located?

The Snam Hydrogen Innovation Center is based on the Hub-Spoke principle. The activities of the Friuli-Venezia Giulia centre will be carried out at the premises of all the subjects involved in the aforementioned ATS.

45.5.2 Is development of the green hydrogen chain planned, or also grey and/or blue hydrogen?

The primary objective for Snam is to develop the green hydrogen supply chain, which is why the projects developed within the Snam Hydrogen Innovation Center are geared towards the advancement of enabling technologies for the supply chain itself.

45.5.3 Are there any plans to develop research projects on CCS?

The importance of further exploring CCS technology to pursue decarbonisation scenarios, especially in hard-to-abate contexts, has already been analysed in the past. From a research perspective in this area, we will focus on conducting technical and economic analyses of the main technological alternatives for CO₂ management. Studies may be carried out in collaboration with external research institutions and also through the development of CCS cost assessment and environmental impact models to assess the implications of the development of this technology.

45.6 Which projects for the construction of biomethane plants from biomass or OFMSW have been identified?

There are no biomethane production projects in the waste sector.

As part of its 2020-2025 strategic plan, Snam aims to increase the number of plants it manages and, especially in the agricultural sector, it could seize development opportunities in the area.

45.6.1 Where will they be implemented?

We will make an assessment based on the opportunities that arise.

45.6.2 Where will the biomass come from, and in what quantities?

Our strategy for the development of “agricultural” biomethane envisages that plant and animal by-products and dedicated crops will be provided by neighbouring agricultural and livestock farms in order to optimise the input-output exchange at the plants and enhance the agricultural territory. The total quantity of biomass will of course depend on the number of projects that are implemented.

45.6.3 Where will the OFMSW come from and in what quantity?

There are no waste projects to date.

45.6.4 How much is Snam investing in the project?

Over the 2022-2025 plan period, Snam expects to invest approximately 580 million in the biomethane business [ed. both organic and inorganic growth, net non-repayable fund - gross non-repayable fund are approximately 700 million], a part of the investment could concern opportunities that will arise in the region.

46. Which high schools, universities and companies in the ELIS consortium are taking part in the training paths of the new Four-year Liceo for Ecological and Digital Transition?

The high schools (27) participating in the project are:

Regione	Città	Istituto
Abruzzo	Pescara (PE)	Liceo Maior
Basilicata	Policoro (MT)	IIS E.Fermi
	Matera (MT)	LS Dante Alighieri
Campania	Aversa (CE)	Liceo E. Fermi
	Pompei (NA)	Liceo E. Pascal
	Capua (CE)	Liceo S. Pizzi
Emilia Romagna	Cento (FE)	I.S.I.T. U.Bassi - P. Burgatti
	Castel San Giovanni (PC)	IIS A. Volta della Val Tidone
	Forlì (FO)	Liceo Fulcieri
	Bologna (BO)	Liceo Malpighi
Lazio	Montefiascone (VT)	IIS Dalla Chiesa
Liguria	La Spezia (SP)	IIS Capellini Sauro
	Mortara (PV)	IIS Omodeo
Lombardia	Ostiglia (MN)	IIS Galileo Galilei
	Cinisello Balsamo (MI)	ITI LSA Cartesio
	Pavia (PV)	Scuola internazionale di Pavia
Marche	Fermo (FM)	Liceo T.C.O.
	Brindisi (BR)	I.I.S.S. Majorana
Puglia	Maglie (LE)	IIS E. Mattei
	Bari (BA)	IIS Marconi Hack
	Galatina (LE)	Liceo A. Vallone
	Taranto (TA)	Liceo G. Battaglini
Sicilia	Caltanissetta (CL)	I.I.S.S. S. Mottura
	Gangi (PA)	IIS G. Salerno
	Siracusa (SR)	IIS Luigi Einaudi
	Gela (CL)	Liceo E. Vittorini
Veneto	Noventa Vicentina (VI)	IS Masotto

The universities (5) participating in the project are:

1. Polytechnic University of Milan
2. Bocconi University of Milan
3. Tor Vergato University of Rome
4. LUMSA University of Rome
5. Mind4Children - spinoff of the University of Padua

The ELIS Consortium companies (23) that have so far confirmed their economic support for the project are:

1. A2A
2. Acciaierie d'Italia
3. Accenture
4. Acea
5. Amazon Web Services

6. Autostrade
7. CDP Venture Capital
8. Cisco
9. Com.net
10. Engineering
11. Generali Italia
12. Gruppo Campari
13. Hera
14. Intesa Sanpaolo
15. Iren
16. Lottomatica
17. Manpower
18. NTT Data
19. SAS
20. Snam
21. Sport e Salute
22. Umana
23. UniCredit

The list of participating companies may change due to additional companies joining the project.

46.1 What is Snam's investment in the project?

Snam, as a founding company, intends to support the project by paying a contribution of 70,000 euros for each of the four years of the project experimentation, for a total investment of 280,000 euros.

46.2 How much RRP funding does the project receive?

At present, the project does not benefit from any NRRP funding. The issue of NRRP calls for possible interest in the project is being monitored.

46.3 How much will it cost students to enrol?

There is no registration fee for students.

46.4 What other public funding does the project receive?

As part of the activities to find funding for the project, an application was submitted for participation in the call launched in November 2021 by AICS (Italian Agency for Development Cooperation), known as the "2021 Call for the granting of contributions to initiatives to raise awareness and global citizenship education proposed by Local Authorities, Civil Society Organisations and Non-Profit Entities" with a deadline of 1 March 2022. The outcome of the call is not yet known. If the outcome is positive, the AICS call would effectively cover project activities amounting to 465,400 euros. Moreover, other public funding of possible interest in which to participate is being monitored, such as the Erasmus - Alliances for Innovation call with a deadline of 15 September 2022. Lastly, the possibility of submitting an application for funding to the social enterprise "Con i Bambini" is being considered.

47. Which Snam division operates in the Italian gas market?

Snam operates on the Italian gas market through its subsidiary Snam Rete Gas S.p.A. to provide transmission services in accordance with EU and national regulations.

47.1 Which other financial markets (futures, forwards, options etc.) such as TTF, PSV and other over-the-counter markets does it operate on at European and international level?

Snam operates exclusively at national hub level (PSV), mainly on organised gas markets managed by the GME.

47.2 Which Snam division operates in the ETS market?

Snam operates on the ETS market mainly through its investee companies Snam rete gas S.p.A., Stogit S.p.A. and GNL Italia S.p.A. and exclusively for compliance purposes in accordance with applicable regulations.

It should be noted that - as reported on page 104 of the Snam 2021 Financial Report - with Resolution 114/209/R/gas of 28 March 2019, ARERA defined the regulatory criteria for the fifth regulatory period (2020-2023) of the natural gas transmission and metering service, providing, among other things, for the recognition of costs relating to the Emission Trading System (ETS).

Resolutions 419/2019/R/gas and 474/2019/R/gas introduced the recognition of costs relating to the ETS mechanism also for the storage service (regulatory period 2020-2025) and for the regasification service (2020-2023).

As stated on page 175 of the 2021 Report, Snam owns 22 plants subject to the EU ETS, whose emissions amounted to 0.73 million tonnes of carbon dioxide, of which 0.14 million quotas were allocated free of charge, while the remaining 0.59 million tonnes were purchased from the market.

47.3 What other commodity markets does it operate on in Italy, Europe and internationally?

None, see answer 47.1.