

Methodological note - Integrated Annual Report 2021

Objectives of the document

For the second year now, the Italgas Group (hereinafter also referred to as “Italgas” or the “Group”) has presented the annual financial report in the form of an Integrated Annual Report (hereinafter also referred to as the “Report” or the “Integrated Report”) as a tool for the integrated reporting of financial and non-financial data. The Integrated Annual Report includes information which was previously, before 2020, included in the following documents:

- | Annual financial report;
- | Consolidated Non-Financial Statement (hereinafter also “NFS” or “Non-Financial Statement”).

In particolare, la Relazione Annuale Integrata si compone della More specifically, the Integrated Annual Report consists of the Integrated Directors’ Report, with both financial and non-financial reporting, the Consolidated Financial Statements and the Separate Financial Statements of Italgas S.p.A..

By way of this document, the Italgas Group also aims to meet the requirements of Italian Legislative Decree 254/16, issued in order to “implement Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014 amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups”. Also, “to the extent necessary to ensure understanding of the business, its performance, results and the impact it produces, the document covers environmental and social matters, personnel-related issues, respect for human rights and the fight against active and passive bribery, which are important, considering the activities and characteristics of the company”.

The Integrated Annual Report makes it possible to provide stakeholders with an accurate, extensive and transparent report of the Group’s activities, the results achieved and their progress, in addition to the services provided.

Having joined the United Nations Global Compact, Italgas also decided to update the annual *Communication on Progress* (CoP)⁹ within its Integrated Report, by supplementing its content in order to notify all internal and external stakeholders of the activities undertaken and results achieved when implementing the Ten Principles of the Global Compact.

Reference framework and reporting standards

In relation to the financial information, the Italgas Integrated Annual Report was prepared using the following references:

- | International accounting standards (IAS/IFRS);
- | Italian Legislative Decree no. 58 of 24 February 1998, as amended (“Consolidated Finance Act” or “TUF”);
- | Regulation (EC) No. 1606/2002;
- | Italian Legislative Decree no. 25/2016, implementing European Directive 2013/50/EU.

Pursuant to Italian Legislative Decree 254/2016, the reporting of non-financial information is carried out “in accordance with the methods and principles required by the reporting standard used as a reference or by the independent reporting method used to prepare the statement”.

For this aspect, the Group used the following technical and methodological references:

- | for reporting of the information required by Italian Legislative Decree 254/16, Italgas has adopted the “Global Reporting Initiative Sustainability Reporting Standards” (hereinafter “GRI Standards”) issued by the “Global Reporting Initiative” in 2016, as amended. In particular, according to the provision of the GRI Standard 101: Foundation, section 3, the Group decided to prepare the document in accordance - Core. The references to the GRI Standards reported on are contained in both the Integrated Annual Report and the table of indicators;
- | the Integrated Annual Report refers to the Guiding Principles and Content Elements required by the International Integrated Reporting Framework (hereinafter also “IIRF” or “IR Framework”), issued by the International Integrated Reporting Council (IIRC) and updated in January 2021;

For the information on the topics required by Italian Legislative Decree no. 254/2016, a specific reconciliation table has been prepared.

Where estimations were required in order to report particular data, this is specified in the description or in the notes to the table.

In addition, with reference to the requests for information correlated with European Taxonomy, the report is made in compli-

⁹The United Nations Global Compact (GC), the world’s largest voluntary corporate citizenship initiative, requires companies to adhere to principles which encourage the integration of sustainability in business. Companies/organisations joining the initiative are required to inform all internal and external stakeholders of the activities undertaken and results achieved during implementation of the Global Compact principles. Participating companies are in fact required to notify stakeholders on a yearly basis of any progress they have achieved, by publishing an annual reporting document (Communication on Progress, COP) on the GC website.

ance with the provisions of the “Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088” as well as with the Delegated Acts applicable to it with reference to the date of publication of this document.

The document is published annually and is available on the website: <https://www.italgas.it/investitori/bilanci-e-presentazioni/>

To facilitate the reading of this document, specific icons have been used to identify the minimum elements required by Italian Legislative Decree 254/16  and the principles required by the Global Compact. 

Finally, the Group also provides a summary of its governance, strategy, risks and opportunities, metrics and targets relative to climate change, in response to the recommendations made by the Task Force on Climate-related Financial Disclosures: this information is provided in summary form in the table “Information on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)”, at the foot of this document.

Reporting scope and period

The data and information reported in this Integrated Annual Report refer to the performance of the Italgas Group in the financial year ending 31 December 2021.

Compared with last year, the consolidation scope has changed as a result i) of the incorporation of Toscana Energia Green into Seaside, ii) of the establishment of Bludigit, iii) of the acquisition of all the capital of the company Isgastrentatré followed by its incorporation into Medea and iv) of the acquisition of Ceresa.

For the non-financial reporting, the quantitative data in this document refer, where possible, to the 2019, 2020 and 2021 financial years. This is to ensure comparison of the information with information from previous financial years, as required by Italian Legislative Decree 254/16, and also to comply with the comparability principle under the GRI Standards.

The reporting boundary of the non-financial data includes:

- | Italgas S.p.A., parent company with offices in Milan, Via Carlo Bo 11;
- | Italgas Reti S.p.A., with offices in Turin, at Largo Regio Parco 11, whose core business is nationwide gas distribution;
- | Italgas Acqua S.p.A., with offices in Caserta, at Via Falco 31, whose core business is water distribution in five municipalities of the Campania region;
- | Medea S.p.A., with offices in Sassari, at Via Torres 4, whose core business is the distribution of natural gas and propane air in the Sardinia region;
- | Toscana Energia S.p.A., with offices in Florence, at Piazza E. Mattei 3, whose core business is gas distribution primarily in the Tuscany region;
- | Seaside S.p.A., with offices in Bologna, at Via E. Cristoni 88, an Energy Service Company (ESCO) providing consulting services and technological and financing solutions in the energy efficien-

cy sector;

- | Gaxa S.p.A., with registered office in Milan, at Via Carlo Bo 11, whose core business is the sale of gas in the Sardinia region;
- | Bludigit S.p.A., with registered office in Milan, at Via Carlo Bo 11, whose core business is tied to the management of the Italgas Group business and assets in the IT area and the creation of a commercial offer of IT services;

Data relating to the Energy Service Company (ESCO) Ceresa S.p.A., with registered office in Turin, at Corso Palestro ¹⁰, is not included in the 2021 non-financial reporting boundary insofar as the completion of acquisition of control took place in December 2021 and has no significantly material effects on the report.

Any exceptions to the criteria set out above are detailed in the individual sections of the document in the form of a footnote to a table or page.

Reporting process

Preparation of the Italgas Integrated Annual Report involved across-the-board engagement of all Italgas Group companies, departments and divisions and the performance of the following activities:

- | identifying the reporting scope for financial and non-financial information;
- | preparing and updating the materiality analysis, including through stakeholder engagement;
- | collecting the qualitative and quantitative data to be reported, with the direct engagement of the company divisions/units in charge of such data;
- | consolidating the data and preparing the draft Integrated Annual Report;
- | the issuance of reports by the independent auditing firm appointed;
- | approval on 09 March 2022 by the Board of Directors of the Integrated Annual Report and the draft financial statements for the year ended 31 December 2021;
- | the issuance of reports by the independent auditing firm appointed.

More specifically, the following independent auditors' reports contain the results of the audits conducted by Deloitte & Touche S.p.A.:

- | Report in accordance with Article 3, paragraph 10 of Italian Legislative Decree no. 254 of 30 December 2016 and Article 5 of CONSOB Regulation no. 20267/2018, drawn up in relation to non-financial information reporting in the document;
- | Reports in accordance with Article 14 of Italian Legislative Decree no. 39 of 27 January 2010 and Article 10 of Regulation (EU) No 537/2014, drawn up in relation to the financial information in the Consolidated Financial Statements and Separate Financial Statements.

¹⁰ Please note that for the purposes of non-financial reporting in the Integrated Annual Report, the Italgas Group only includes companies over which Italgas exercises control and not also affiliates that are not subsidiaries, for which the operating data is stated. For the list of companies consolidated using the line-by-line method, please refer to the detail in point “B”) Consolidated financial statements “as at 31 December 2021.

Materiality analysis

The structure and contents of the Integrated Annual Report must revolve around the analysis of the material issues, i.e. those considered relevant and a priority for the company, taking into account not only the minimum elements set out in Italian Legislative Decree 254/2016 (Article 3, paragraph 1), but also its own business and characteristics, as well as the expectations of its stakeholders.

As the Group looks to sustainability as an evolutionary concept, Italgas has chosen to update the materiality matrix once a year, in order to incorporate, for example, stakeholder requests, the evolution of the regulatory context, the group's strategy and any drivers potentially able to significantly impact the Group's capacity to create value in the short, medium and long-term.

In particular, Italgas updates its Materiality Matrix by means of a series of activities coordinated by the Sustainability Department. These activities include but are not limited to:

- | benchmarking against key competitors;
- | media and ESG (environmental, social and governance) area trend analyses and in sustainability indexes/questionnaires;
- | identification, including based on the materiality matrix reported in the 2020 Integrated Annual Report, of any developments in the Group and context in which it operates, of matters of greatest interest highlighted by the reference stakeholders and the minimum scopes of disclosure set out in Italian Legislative Decree 254/16, of the list of relevant issues to be submitted for evaluation by Italgas top management and the stakeholders;
- | internal and external stakeholder engagement activities, aimed at gathering information on the importance of the issues for stakeholders in terms of economic, environmental and social impact and/or priority given.

Following in-depth stakeholder engagement activities carried out for the 2020 non-financial report, for 2021, Italgas refined its ma-

teriality matrix through internal stakeholder engagement, involving the top management of the companies of the whole Group. This resulted in a reassessment of the relevance of certain topics and the inclusion of new aspects, with a view to guaranteeing an even greater level of alignment with the 2021-2027 Strategic Plan and with the evolution of the sustainability route undertaken.

This refinement led to some minor variations in the definition of the material topics, as well as to the following main changes:

- | grouping together of the "Compliance and transparency" and "Fight against corruption" topics;
- | division of the topic "Environmental sustainability and the fight against climate change" into two different topics "Energy transition and the fight against climate change", which was well and importantly laid out in the 2021-2027 Strategic Plan, and in that which has a more ample meaning, namely "Environmental sustainability", which includes aspects relating to emissions (not climate-altering), waste and water resources (individually not considered as a material topic);
- | extension of the topic "Enhancement of human resources" to "Protection, inclusion, enhancement and well-being of human resources", so as to incorporate, just as mentioned above, elements relating to HR management that were already reflected in the 2021-2027 Strategic Plan;
- | inclusion of the topic "Respect for human rights".

The very same relevance of topics, consequently, has changed in adherence to the contents of the 2021-2027 Strategic Plan.

Dialogue with stakeholders is an opportunity that is useful for understanding the level of satisfaction of a company's work. It is also a chance to gather useful insights in order to improve the services and operational and management models. Accordingly, Italgas adopts diversified and flexible dialogue and involvement practices, in response to the various characteristics and needs of its stakeholders.

The stakeholder categories identified and stakeholder engagement activities carried out in 2021 are set out below.

Stakeholder category	Stakeholder interaction methods
Investors and lenders	Periodic financial reports and conference calls about these; presentation of the business plan; shareholders' meeting; physical and on-line meetings and conference calls with analysts and investors, also focusing specifically on SRI matters; corporate website; social networks.
Suppliers	Dedicated meetings, supplier conventions; annual engagement initiatives.
Customers and sales companies	Direct, ongoing relationship with the sales personnel through dedicated dialogue channels (e.g. "GasOnLine"); periodic workshops with sales companies; interactions with end customers through the customer portals (MyItalgas, MyToscanaEnergia, MyMedea, etc.); customer satisfaction surveys.
Authorities and Associations	Periodic meetings; continuous dialogue and workshops for debate and discussion of sustainability topics on an Italian and international level.
People	Training events; periodic meetings; annual meetings to discuss career development paths; newsletters; company environment analyses; company Intranet.
Communities and local areas	Meetings with representatives of local communities, associations and organisations; social and cultural initiatives.

Another method of interaction compared with those summarised, which is valid for all stakeholders, is the answering of questionnaires aiming to assess sustainability performance and the publication of the results obtained in them.

Italgas has therefore updated its materiality matrix, highlighting the degree of relevance assigned to priority topics, from an internal perspective (x-axis) and an external perspective, i.e. of the reference stakeholders (y-axis).

MATERIALITY MATRIX 2021



- 1 Compliance, transparency and fight against corruption
- 8 Sustainable economic value generation and ESG finance
- 2 Sustainable management of the supply chain
- 9 Corporate identity
- 3 Responsible governance and risk management
- 10 Protection, inclusion, enhancement and well-being of human resources
- 4 Safety of network, assets and people
- 11 Environmental sustainability
- 5 Quality of services and customer satisfaction
- 12 Energy transition and fight against climate change
- 6 Innovation
- 13 Respect for human rights
- 7 Dialogue and value creation on territory

The highest relevance, from an internal and external perspective, was given to the following five topics:

- | energy transition and the fight against climate change;
- | protection, inclusion, enhancement and well-being of the human resources;
- | safety of the networks, assets and people;
- | innovation;
- | generation of sustainable economic value and ESG finance.

The topic of "Respect for human rights", which is in any case constantly monitored and supervised by the Group, has been, however, assessed with low relevance.

The aspect relating to water resources contained in the "Environmental sustainability" topic is also, on its own, considered as not relevant to the core business of Italgas, as more fully explained in the section on "Attention to the environment" of this document. Considering, in fact, the entity of the volumes of water withdrawn, the type of use made and the geographic location of the Italgas companies, the impacts on the water resource were considered negligible. Although the water resources management topic may be of greater relevance to Italgas Acqua, this topic was not included in the non-financial reporting in the Integrated Annual Report, given the impact of this business on the Group's total revenue (less than 1%). Despite this, as evidence of the fact that the aspect is in any case monitored and supervised, the above section sets out the withdraw-

als, discharges and consumptions of the Group, in compliance with the requirements of Italian Legislative Decree no. 254/16.

With regard to the areas provided for by the Decree, Italgas's material topics are broken down as follows:

- | **social:** sustainable supply chain management; dialogue and the creation of value on the territory; network, asset and personal safety; quality of service and customer satisfaction; generation of sustainable economic value and ESG finance; innovation; compliance, transparency and the fight against corruption; respect of human rights;
- | **people:** protection, inclusion, enhancement and well-being of the human resources; compliance, transparency and the fight against corruption;
- | **environmental** environmental sustainability; energy transition and the fight against climate change;
- | **fight against bribery and corruption:** compliance, transparency and fight against corruption;
- | **respect for human rights:** respect of human rights; protection, inclusion, enhancement and well-being of the human resources; sustainable supply chain management.

The material topics "Responsible governance and risk management" and "Corporate identity" are transversal with respect to the areas envisaged by the Decree.

Below is the table of GRI indicators reported.

TABLE OF GRI INDICATORS

GRI content index			
GRI ID	Description of indicator	Notes	Page
General standard disclosures			
Profile of the organisation			
102-1	Name of organisation		16
102-2	Activities, brands, products and services		30-31
102-3	Location of headquarters		16
102-4	Location of operations		16
102-5	Ownership and legal form		16
102-6	Markets served		30-31
102-7	Scale of the organisation		30; 74; 92
102-8	Information on employees and other workers		111-112; 131
102-9	Supply chain		144 -157
102-10	Significant changes to the organisation and its supply chain	In 2021, no significant changes were made to the organisation and its supply chain	
102-11	Principle of precaution		62-74
102-12	External initiatives		52-55
102-13	Membership of associations		110

GRI content index

GRI ID	Description of indicator	Notes	Page
Strategia			
102-14	Statement from senior decision-maker		9-11
Ethics and integrity			
102-16	Values, principles, standards and norms of behaviour		Valori, missione e purpose; 77
Governance			
102-18	Governance structure		56-62
102-22	Composition of the highest governance body and its committees		56-62
102-24	Nominating and selecting the highest governance body		56-62
Stakeholder engagement			
102-40	List of stakeholder groups		19
102-41	Collective bargaining agreements	In the three years 2019-2021, the percentage of employees covered by collective bargaining agreements is 100%.	
102-42	Identifying and selecting stakeholders		17-21
102-43	Approach to stakeholder engagement		17-21
102-44	Key topics and concerns raised		17-21
Reporting practices			
102-45	Entities included in the consolidated financial statements		4; 16
102-46	Defining report content and topic boundaries		17-21
102-47	List of material topics		17-21
102-48	Restatements of information		17
102-49	Changes in reporting	No significant changes occurred in 2021.	
102-50	Reporting period		16
102-51	Date of most recent report	The 2020 Integrated Annual Report was published in April 2021.	
102-52	Reporting cycle		14
102-53	Contact points for questions regarding the report	sustainability@italgas.it	
102-54	Claims of reporting in accordance with the GRI Standards		15
102-55	GRI content index		21-26
102-56	External assurance		17; 197

GRI content index

GRI ID	Description of indicator	Notes	Page
Economic performance			
103-1	Explanation of the material topic and its boundary		21; 162
103-2	The management approach and its components		21; 162
103-3	Evaluation of the management approach		21; 162
201-1	Direct economic value generated and distributed		162
Anti-corruption			
103-1	Explanation of the material topic and its boundary		21; 81-83
103-2	The management approach and its components		21; 81-83
103-3	Evaluation of the management approach		21; 81-83
205-2	Disclosure and training on anti-corruption policies and procedures		82
205-3	Confirmed incidents of corruption and actions taken		81
207-1	Approach to taxation		163-164
207-2	<i>Tax governance, risk control and management</i>		163-164
207-3	Stakeholder engagement and management of tax concerns		163-164
207-4	Country-by-country reporting	Not applicable, Italgas only operates in Italy.	
Energia			
103-1	Explanation of the material topic and its boundary		21; 165-173
103-2	The management approach and its components		21; 165-173
103-3	Evaluation of the management approach		21; 165-173
302-1	Energy consumed within the organization		183
302-3	Energy intensity		183-184
302-4	Reduction of energy consumption		178
Water withdrawals and discharges			
303-1	Interactions with water as a shared resource		21; 165-166; 181-182
303-2	Management of water discharge-related impacts		21; 165-166; 181-182
303-3	Water withdrawals		185
303-4	Water discharge		185
303-5	Water consumption		185
Emissioni			
103-1	Explanation of the material topic and its boundary		21; 165-166; 3174-179
103-2	The management approach and its components		21; 165-166; 3174-179
103-3	Evaluation of the management approach		21; 165-166; 3174-179

GRI content index

GRI ID	Description of indicator	Notes	Page
305-1	Direct (Scope 1) GHG emissions	The CO ₂ e emissions were consolidated using the operational control approach. The GHGs included in the calculation are CO ₂ and CH ₄ and the emissions are calculated with a GWP of methane equal to 28, as indicated in the scientific study of the Intergovernmental Panel on Climate Change (IPCC) "Fifth Assessment Report IPCC". Losses from venting can be considered residual, while there are no pneumatic or unburned material losses.	177; 185
305-2	Energy indirect (Scope 2) GHG emissions		177; 185
305-3	Other indirect (Scope 3) GHG emissions	As regards the calculation of scope 3 emissions linked to value spent, an internal approach was used that associates a conversion factor from the value spent into CO ₂ e emissions for each product category.	177; 185
305-4	GHG emissions intensity		185
305-5	Reduction in GHG emissions		178
305-7	Nitrogen oxides (NO _x), sulphur oxides (SO _x), and other significant emissions	SO _x and COV emissions are not considered significant	186

Waste

103-1	Explanation of the material topic and its boundary		21; 165-166; 180-181
103-2	The management approach and its components		21; 165-166; 180-181
103-3	Evaluation of the management approach		21; 165-166; 180-181
306-4	Waste sent for recovery		186-187
306-5	Waste for disposal		186-187

Environmental compliance

103-1	Explanation of the material topic and its boundary		21; 165-166
103-2	The management approach and its components		21; 165-166
103-3	Evaluation of the management approach		21; 165-166
307-1	Non-compliance with environmental laws and regulations	In 2021, just like in 2020 and 2019, the Italgas Group did not receive any significant sanctions for breaching environmental laws and regulations.	

Environmental assessment of suppliers

103-1	Explanation of the material topic and its boundary		21; 144 -157
103-2	The management approach and its components		21; 144 -157
103-3	Evaluation of the management approach		21; 144 -157

GRI content index

GRI ID	Description of indicator	Notes	Page
308-1	New suppliers that were screened using environmental criteria		157

Employment

103-1	Explanation of the material topic and its boundary		21; 111
103-2	The management approach and its components		21; 111
103-3	Evaluation of the management approach		21; 111
401-1	New employee hires and employee turnover		113; 115-116
401-3	Parental leave		129

Health and safety in the workplace

103-1	Explanation of the material topic and its boundary		21; 134-135
103-2	The management approach and its components		21; 134-135
103-3	Evaluation of the management approach		21; 134-135
403-1	Occupational health and safety management system		21; 134-135
403-2	Hazard identification, risk assessment, and incident investigation		21; 134-135
403-3	Occupational health services		21; 134-135
403-4	Worker participation, consultation, and communication on occupational health and safety		21; 134-135
403-5	Worker training on occupational health and safety		21; 134-135
403-6	Promotion of worker health		21; 134-135
403-7	Prevention and mitigation of occupational health and safety linked by business relationships		21; 134-135
403-9	Workplace accidents		135-136

Education and training

103-1	Explanation of the material topic and its boundary		21; 111; 117-123
103-2	The management approach and its components		21; 111; 117-123
103-3	Evaluation of the management approach		21; 111; 117-123
404-1	Average hours of training per year per employee		120

Diversity and equal opportunities

103-1	Explanation of the material topic and its boundary		21; 111; 130-134
103-2	The management approach and its components		21; 111; 130-134
103-3	Evaluation of the management approach		21; 111; 130-134
405-1	Diversity of governance bodies and employees		58; 131-134
405-2	Ratio of basic salary and remuneration of women to men		133

GRI content index

GRI ID	Description of indicator	Notes	Page
Non discrimination			
103-1	Explanation of the material topic and its boundary		21; 111-127
103-2	The management approach and its components		21; 111-127
103-3	Evaluation of the management approach		21; 111-127
406-1	Incidents of discrimination and corrective actions taken		127
Child labour			
103-1	Explanation of the material topic and its boundary		21; 144 -157
103-2	The management approach and its components		21; 144 -157
103-3	Evaluation of the management approach		21; 144 -157
408-1	Operations and suppliers considered to have significant risk for incidents of child labour	<p>To become part of the Italgas supply chain it is necessary to accept the principles of the Group's Code of Ethics, as well as the Code of Ethics of the Italgas Suppliers and the Ethics and Integrity Agreement, in compliance with our Organisational Model 231. All suppliers are required to meet important criteria in terms of human rights and work by accepting the Italgas Policy on Human Rights, health and safety, environmental protection and the ethical and responsible management of the business.</p> <p>No supplier has been identified as having significant risk for incidents of child labour.</p>	
Forced or compulsory labour			
103-1	Explanation of the material topic and its boundary		21; 144 -157
103-2	The management approach and its components		21; 144 -157
103-3	Evaluation of the management approach		21; 144 -157

GRI content index

GRI ID	Description of indicator	Notes	Page
409-1	Operations and suppliers considered to have significant risk for incidents of forced or compulsory labour	<p>To become part of the Italgas supply chain it is necessary to accept the principles of the Group's Code of Ethics, as well as the Code of Ethics of the Italgas Suppliers and the Ethics and Integrity Agreement, in compliance with our Organisational Model 231. All suppliers are required to meet important criteria in terms of human rights and work by accepting the Italgas Policy on Human Rights, health and safety, environmental protection and the ethical and responsible management of the business.</p> <p>No supplier has been identified as having significant risk for incidents of forced or compulsory labour.</p>	

Social assessment of suppliers

103-1	Explanation of the material topic and its boundary		21; 144 -157
103-2	The management approach and its components		21; 144 -157
103-3	Evaluation of the management approach		21; 144 -157
414-1	New suppliers that were screened using social criteria		157

Public policy

103-1	Explanation of the material topic and its boundary		21; 107-109
103-2	The management approach and its components		21; 107-109
103-3	Evaluation of the management approach		21; 107-109
415-1	Political contributions	As envisaged by the Code of Ethics, Italgas does not make any direct or indirect contribution in any form to political parties, movements, committees, political organisations or trade unions, nor to their representatives and candidates, except for those specifically mandated by applicable laws and regulations.	110

Customer health and safety

Material issue: Quality and safety of assets

103-1	Explanation of the material topic and its boundary		21; 99-107; 141-143
103-2	The management approach and its components		21; 99-107; 141-143
103-3	Evaluation of the management approach		21; 99-107; 141-143
416-1	Assessment of the health and safety impacts of product and service categories		100-101

On the basis of the materiality matrix and the table of GRI indicators reported above, below is the table reconciling:

- | Minimum elements envisaged by Italian Legislative Decree no. 254/2016;
- | Document chapters/paragraphs;
- | Capital and material topics;
- | GRI indicators.

RECONCILIATION TABLE

Minimum elements envisaged by Italian Legislative Decree no. 254/2016	Document chapters/paragraphs	Capital and material topics	Indicators
Corporate management model and organisation of the business activities	<ul style="list-style-type: none"> Methodological note 1. Value creation process in the Italgas Group (paragraphs 1.1 Corporate identity, 1.2 Business model and 1.3 External context, markets and Italgas share) 3. Governance, risks and opportunities (paragraphs 3.1 Governance, 3.3 The internal control system and 3.4 Ethics and compliance) 4. Summary data and information (paragraph 4.3 Operating performance) 	<p>Responsible governance and risk management</p> <p>Corporate identity</p> <p>Compliance, transparency and fight against corruption</p> <p><i>Relational capital</i></p> <p><i>Human capital</i></p>	<ul style="list-style-type: none"> 405-1 - Diversity of governance bodies and employees
Policies practised by the company	<ul style="list-style-type: none"> 2. Strategy and forward-looking vision 5. Italgas Group performance (paragraphs 5.1 Transparent relations, 5.2 Put people at the centre, 5.3 Create value for customers and the market, 5.4 Create value for the territory and the communities and 5.5. Attention to the environment) 		
Risk management	<ul style="list-style-type: none"> Methodological note (paragraph "Materiality analysis") 3. Governance, risks and opportunities (paragraph 3.2 Risk management) "Information on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)" Table 		

Minimum elements envisaged by Italian Legislative Decree no. 254/2016	Document chapters/paragraphs	Capital and material topics	Indicators
<p>Use of energy resources</p> <p>Greenhouse gas emissions and polluting emissions into the atmosphere</p> <p>Impact on the environment or other relevant environmental risk factors</p>	<p> 5. Italgas Group performance (paragraph 5.5. Attention to the environment)</p>	<p>Environmental sustainability</p> <p>Energy transition and the fight against climate change</p> <p><i>Natural capital</i></p>	<p> 302-1 - Energy consumed within the organization</p> <p> 302-3 Energy intensity</p> <p> 302-4 - Reduction of energy consumption</p> <p> 303-3 - Water withdrawals</p> <p> 303-4 - Water discharge</p> <p> 303-5 - Water consumption</p> <p> 305-1 Direct (Scope 1) GHG emissions</p> <p> 305-2 - Indirect (Scope 2) GHG emissions from energy consumption</p> <p> 305- 3 - Other indirect (Scope 3) GHG emissions</p> <p> 305-4 - GHG emissions intensity</p> <p> 305-5 - Reduction in GHG emissions</p> <p> 305-7 - Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant emissions</p> <p> 306-4 - Waste sent for recovery</p> <p> 306-5 - Waste for disposal</p> <p> 307-1 - Non-compliance with environmental laws and regulations</p>
<p>Impact on health and safety or other relevant health risk factors</p> <p>Personnel management</p> <p>Action taken to prevent discriminatory action or behaviour</p>	<p> 5. Italgas Group performance (paragraph 5.2 Put people at the centre)</p>	<p>Protection, inclusion, enhancement and well-being of the human resources</p> <p><i>Human capital</i></p>	<p> 401-1 - New hires and turnover</p> <p> 403-9 - Accidents at work</p> <p> 405-1 - Diversity of governance bodies and employees</p> <p> 405-2 - Ratio of basic salary and remuneration of women to men</p> <p> 401-3 - Parental leave</p> <p> 404-1 - Average hours of training per year per employee</p> <p> 406-1 - Incidents of discrimination and corrective actions taken</p>

Minimum elements envisaged by Italian Legislative Decree no. 254/2016	Document chapters/paragraphs	Capital and material topics	Indicators
Social (including those relating to the supply chain and subcontracting and respect for human rights)	<ul style="list-style-type: none"> 4. Summary data and information (paragraph 4.2 Key data) 5. Italgas Group performance (paragraphs 5.1 Transparent relations, 5.3 Create value for customers and the market, 5.4 Create value for the territory and the communities and 5.6 Business outlook (economic-financial)) 6. Comment on the economic and financial results and other information (paragraph 6.2 Comment on the economic and financial results) 	Innovation Safety of the networks, assets and people Sustainable supply chain management Quality of service and customer satisfaction Dialogue and the creation of value on the territory Generation of sustainable economic value and ESG finance <i>Intellectual capital</i> <i>Manufacturing capital</i> <i>Relational capital</i> <i>Financial capital</i>	<ul style="list-style-type: none"> 308-1 - New suppliers that were assessed using environmental criteria 414-1 - New suppliers that have been assessed through the use of social criteria 416-1 - Assessment of the health and safety impacts of product and service categories 201-1 - Direct economic value generated and distributed Non-GRI indicator - Value of sponsorships and donations 207-1 - Approach to taxation 207-2 - Tax governance, risk control and management 207-3 - Stakeholder engagement and management of tax concerns 207-4 - Country-by-country reporting 102-7 - Scale of the organisation
Respect for human rights	<ul style="list-style-type: none"> 2. Strategy and forward-looking vision 5. Italgas Group performance (paragraphs 5.2 Put people at the centre and 5.3 Create value for customers and the market) 	Protection, inclusion, enhancement and well-being of the human resources Sustainable supply chain management Respect for human rights <i>Relational capital</i> <i>Human capital</i>	<ul style="list-style-type: none"> 408-1 Operations and suppliers considered to have significant risk for incidents of child labour 409-1 Operations and suppliers considered to have significant risk for incidents of forced or compulsory labour 414-1 - New suppliers that have been assessed through the use of social criteria
Fight against both active and passive corruption	<ul style="list-style-type: none"> 3. Governance, risks and opportunities (paragraph 3.4 Ethics and compliance) 	Compliance, transparency and fight against corruption <i>Relational capital</i>	<ul style="list-style-type: none"> 205-2 - Disclosure and training on anti-corruption policies and procedures 205-3 - Confirmed incidents of corruption and actions taken