

# Reading guide

The contents of the Report on operations, which constitutes the **Integrated Report of Snam** (hereinafter also Report on Integrated Management), are presented following the indications of the Framework proposed by the IIRC (International Integrated Reporting Council). The objective of the document is to represent, in addition to annual operating results, Snam's model for the creation of value and the sustainability of the business over the medium and long term, thereby indicating and demonstrating the interconnections between strategy, governance, business and financial performance, and the social, environmental and economic environment in which the enterprise operates. The aspects covered by the Report represent the principal factors that have a potential impact on business and financial performance and material sustainability issues. The following schedules facilitate reconciliation of the various keys to reading and interpretation recommended by the IIRC Framework and the content of the Report. The management report also contains information referred to in the **Consolidated Non-Financial Statement (NFS)** which constitutes a specific section thereof, in compliance with the provisions of Legislative Decree no. 254/2016.



NFS contents are integrated, where deemed necessary and appropriate, by the information reported in the Report on operations, which can be identified and consulted by following the specific references: Infographics and grey background / character, associated with the paragraph title (if entirely referring to aspects described in the NFS) or to the specific text content

## References in the integrated report to value creation

Time frames and dynamics	Value-creation methods	Main operating activities	Report references
<p>In the short-term, Snam creates value by pursuing its business in the manner established by the rules and procedures, with particular focus on risk management and operational efficiency. The main point of reference is the <b>annual budget</b></p>	Maintaining the efficiency and availability of the network and providing a quality service without interruptions	<ul style="list-style-type: none"> <li>- Executing the scheduled works</li> <li>- Maintenance</li> <li>- Controls and inspections</li> <li>- Compliance with the network codes</li> </ul>	<p>Snam in 2018 - Summary data and information</p> <p>Snam in 2018 - Summary data and information</p> <p>Snam in 2018 - Summary data and information</p> <p>Business segment operating performance</p>
	Preventing and mitigating risks and detrimental outside forces	<ul style="list-style-type: none"> <li>- Managing financial risks</li> <li>- Managing operating risks</li> <li>- Managing foreign partnership portfolios</li> <li>- Managing crises</li> <li>- Preventing accidents</li> <li>- Mitigating environmental impact</li> <li>- Reorganising processes and activities</li> </ul>	<p>Elements of risk and uncertainty</p> <p>Elements of risk and uncertainty</p> <p>Snam in 2018 - Summary data and information</p> <p>Snam in 2018 - Summary data and information</p> <p>Other operating impacts and results</p> <p>Other operating impacts and results</p> <p>Business model and sustainable development</p>
<p>In the medium term, the ability to carry out investment programmes, thereby ensuring a flow of resources and that favourable economic conditions are maintained, is also important. The main point of reference is the <b>Business Plan</b>, which covers a period of up to <b>5 years</b></p>	Maintaining the flow of investments	<ul style="list-style-type: none"> <li>- Investment planning</li> <li>- Obtaining financial resources on the market</li> <li>- Permissions</li> <li>- Implementation of CNG, biomethane projects</li> </ul>	<p>Snam in 2018 - Summary data and information</p> <p>Snam in 2018 - Summary data and information</p> <p>Business segment operating performance</p> <p>Business model and sustainable development</p>
	Maintain, develop and transform human and relational capital to develop the business	<ul style="list-style-type: none"> <li>- Relationships with Authorities</li> <li>- Managing the supply chain in relation to the development of construction sites</li> <li>- Developing roles and capabilities</li> <li>- Managing relations with local communities</li> <li>- Partnerships related to new business</li> </ul>	<p>Business segment operating performance</p> <p>Snam in 2018 - Summary data and information</p> <p>Other operating impacts and results</p> <p>Other operating impacts and results</p> <p>Business model and sustainable development</p>
<p>In the long term, it is vital that the investment decisions and strategic choices made have interpreted trends in the best way possible. The main point of reference is the <b>infrastructure development plan</b> submitted to the Authority, which covers a period of <b>10 years</b>.</p>	Develop strategic directions and business development plans consistent with the reference scenarios	<ul style="list-style-type: none"> <li>- Planning infrastructure development</li> <li>- The 2019-2022 Business Plan</li> <li>- Creating sustainable value: the Snam business model</li> </ul>	<p>Snam in 2018 - Summary data and information</p> <p>Business model and sustainable development</p> <p>Business model and sustainable development</p>