

# Letter of Assurance





## **Independent report on the limited assurance engagement of the Sustainability Report of the Snam Group as of 31 December 2018**

To the Board of Directors of Snam SpA

We have carried out a limited assurance engagement on the Sustainability Report (hereinafter the “Report”) of Snam SpA and its subsidiaries (hereinafter “Snam SpA” or the “Group”) for the year ended 31 December 2018.

### ***Responsibility of the Directors for the Sustainability Report***

The Directors are responsible for preparing the Report in compliance with the “GRI-Sustainability Reporting Standards” defined in 2016, as indicated in the paragraph “Methodological note” of the Report, and for that part of internal control that they consider necessary to prepare a sustainability report that is free from material misstatement, whether due to fraud or unintentional behaviours or events. The Directors are also responsible for defining the sustainability performance targets of the Group, for reporting the sustainability results, as well as for identifying the stakeholders and the significant aspects to be reported.

### ***Auditor’s responsibility***

We are responsible for the preparation of this report on the basis of the work performed. We conducted our engagement in accordance with *International Standard on Assurance Engagements 3000 (Revised) – Assurance Engagements other than Audits or Reviews of Historical Financial Information (ISAE 3000)*, issued by the IAASB (*International Auditing and Assurance Standards Board*) for limited assurance engagements. The standard requires that we comply with applicable ethical requirements, including professional independence, and that we plan and perform our work to obtain limited assurance that the Report is free from material misstatement. The procedures consisted in interviews, primarily of company personnel responsible for the preparation of the information presented in the Report, analysis of documents, recalculations and other verification procedures.

Our company applies the *International Standard on Quality Control 1 (ISQC (Italy) 1)* and, therefore, maintains an overall quality control system that includes directives and procedures on the compliance with the ethical principles, with the professional principles and with the applicable laws and regulations.

The procedures we performed consisted in verifying compliance of the Report with the principles for defining the content and the quality of a sustainability report set out in the GRI Standards and are summarised as follows:

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#### **PricewaterhouseCoopers SpA**

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- comparing the financial information reported in chapter “Snam’s profile” of the Report with the information included in the Group’s Consolidated Financial Statements as of 31 December 2018 on which we issued our audit opinion, in accordance with articles 14 of legislative decree n° 39 of 27 January 2010, on 11 March 2019;
- analysing, through inquiries, the governance system and the process for managing the sustainability issues relating to the Group’s strategy and operations;
- analysing the process aimed at defining the significant reporting areas to be disclosed in the Report, with regard to the methods for their identification, in terms of priority for the various stakeholders, as well as the internal validation of the process findings;
- analysing the processes underlying the generation, recording and management of quantitative data included in the Report. In detail, we carried out:
  - meetings and interviews with management of Snam SpA, to achieve a general understanding of the information, accounting and reporting systems in use to prepare the Report, as well as of the procedures supporting the collection, aggregation, processing and submission of the information to the function responsible for the Report preparation;
  - a sample-based analysis of the documents supporting the preparation of the Report, in order to obtain evidence of the reliability of processes in place and of the treatment of the information relating to the objectives disclosed in the Report;
  - verification on site, for the regasification plant of Panigaglia (GNL Italia SpA) and the storage plant of Cortemaggiore (Stogit SpA) in order to obtain evidence of the reliability of the processes in place underlying the treatment of the information, as well as, on a sample basis, to cross check data from the processes towards supporting documents;
- analysing the internal consistency of the qualitative information described in the Report and its compliance with the guidelines identified in the preceding paragraph “Responsibility of the Directors for the Sustainability Report”;
- analysing the engagement of stakeholders and its results through the existing documentation concerning the significant matters arisen during the Group dialogue initiatives;
- obtaining a representation letter, signed by the legal representative of Snam SpA, on the compliance of the Report with the guidelines identified in the paragraph “Responsibility of the Directors for the Sustainability Report”, as well as the reliability and completeness of the disclosed information.

Our limited assurance work was less in scope than a reasonable assurance engagement performed in accordance with ISAE 3000 (*reasonable assurance engagement*) and, consequently, it does not provide us with a sufficient level of assurance necessary to become aware of all significant facts and circumstances that might be identified in a reasonable assurance engagement.

## **Conclusions**

Based on the work performed, nothing has come to our attention that causes us to believe that the Sustainability Report of Snam Group as of 31 December 2018 has not been prepared, in all material



respects, in compliance with the GRI Standards defined in 2016 by the *GRI - Global Reporting Initiative* as disclosed in the paragraph “Methodological Note” of the Report.

***Other aspects***

Comparative information of the year ended 31 December 2017, has been subject to a limited assurance from another auditor who expressed a conclusion without any remarks on that Report.

Milan, 11 March 2019

PricewaterhouseCoopers SpA

*Signed by*

Giulio Grandi  
(Partner)

*This report has been translated from the original, which was issued in Italian, solely for the convenience of international readers.*