

STANDARD GRI 201-1 DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

MILLIONS OF €	2018	2019*	2020	2020 VS 2019
Distributed				
Suppliers	546.9	754.2	756.4	0.3%
Personnel	247.0	258.3	266.9	3.3%
Lenders	48.1	53.0	56.4	6.4%
Shareholders	189.3	207.2	243.6	17.6%
Public Administration	195.3	203.9	229.8	12.7%
Community	0.8	0.7	3.1	342.9%
Withheld				
Company	511.3	549.6	550.5	0.2%
Total value generated	1,738.7	2,026.9	2,106.7	3.9%

*Restated. For the value reported in the 2019 Consolidated Non-Financial Statement, please refer to the document published on the Group's website at https://www.italgas.it/export/sites/italgas/italgas-gallery/Documenti_it/Non-Financial-Statement-2019.pdf.

FOCUS ON TAX – GRI 207

The Company has defined and approved the principles and guidelines inspiring the Group Tax Strategy, in order to assure capital integrity over time and the transparency of management of the tax variable and risks associated to it.

The Tax Strategy, defined and approved by the Board of Directors of Italgas S.p.A., incorporated by its subsidiaries and disclosed to non-subsidiary affiliates, in order to promote awareness and application of the principles and guidelines contained therein, aims to:

- _ guarantee the correct calculation and settlement of taxes due by law (and execution of connected obligations), well aware that management of taxes is an integral part of the broader economic and social role the Group performs in the Country it operates in;
- _ control the fiscal risk, understood as the risk of violating tax regulations or of operating against the principles or purposes of the tax system.

The Tax Strategy is inspired by the same principles expressed in the Italgas Code of Ethics, that comprises the set of values that the Group acknowledges, accepts and shares and the responsibilities undertaken both inside and outside its organisation, which constitute the ethical business culture inspiring Italgas' strategic reasoning and running of its business.

In line with these values, Italgas acts in compliance with applicable laws and the principles of the tax system of the country in which it operates, in order to determine the tax due and the fulfilment of the requirements; in interpreting said laws and principles, it operates in such a way as to responsibly manage the risks connected with the tax variable; it establishes relations with the Financial

Administration based on the spirit of collaboration, transparency and good faith, pursuing the objective of developing constructive relations, based on its reliability as counterparty.

The Italgas S.p.A. Board of Directors guarantees the conditions for the implementation of the Tax Strategy, promoting awareness on all levels of the importance that the Group attaches to the values of honesty, correctness and legality in tax.

Italgas has also adopted a policy that contains the definition of principles and methods, characteristics and operating logics of the roles and responsibilities, inherent to the institution, maintenance over time and operation of the system used to detect, manage and control the tax risks (the "Tax Control Framework" or "TCF") - adopted in accordance with Italian Legislative Decree no. 128 of 5 August 2015 - as well as the assessment of its constant effectiveness in terms of adequacy and operating efficiency.

The Tax Control Framework comes as part of the more extensive Internal Control and Risk Management System of Italgas and is characterised by the presence of the following essential elements:

- _ tax risk detection and assessment process
- _ internal control system overseeing the tax risks identified
- _ periodic control of the adequacy and effective application of the TCF
- _ roles and responsibilities
- _ information flows between the corporate departments and reporting in regard to the company's senior management.

The responsibilities of Italgas' departments with respect to the TCF refer to the concept of the "lines of defence":

1. the first line of defence is represented by the management, with the responsibility of implementing suitable controls to cope with the risks involved in their area of responsibility;
2. the second line of defence is the Tax Risk Manager, who is responsible for overseeing the process of identifying, assessing, managing and controlling the tax risk;
3. the third line of defence of the organisation is the Internal Audit, responsible for providing comprehensive assurance on the design and overall function of the Internal Control and Risk Management System.

Tax risks are measured on the basis of quantitative and qualitative elements using the tax risk assessment methodology, developed inspired by the corporate methods adopted in Enterprise Risk Management aspects, at least once every two years and involving the Line management (the "owner" of the processes and related risks).

For each tax risk detected during the tax risk assessment, within specific control matrices, the measures implemented by Italgas to mitigate such risks are identified and mapped.

In order to assess the adequacy of the tax risk control and management system adopted, with respect to the characteristics of Italgas and the risk profile assumed in relation to the tax variable, the Italgas S.p.A. Board

of Directors will examine at least once a year the report prepared by the Tax Risk Manager, which is thereafter sent to the Revenue Agency.

On 29 December 2020, Italgas and the subsidiary Italgas Reti S.p.A., starting from the 2019 tax period, were admitted by the Revenue Agency to the Cooperative Compliance regime, established by Italian Legislative Decree no. 128 of 5 August 2015, in order to promote forms of communication and cooperation with the tax Authority, based on mutual trust.

Adherence to the regime requires an adequate system to detect, measure, manage and control tax risk, using the term to mean the risk of operating in violation of laws of a fiscal nature or against the principles or aims of the tax regulations.

Adherence to the cooperative compliance regime aims to reduce the level of uncertainty over tax matters, fostering the prevention of the onset of disputes, through the preventive discussion of situations that may generate tax risks.

With the admission provisions, the Revenue Agency has also arranged for the publication of the registration of Italgas and Italgas Reti on the list of companies operating under the context of this cooperation and transparency regime with the Italian tax Authority.

In 2020, donations were made in the amount of € 2,028.9 thousand.

_ Health € 1,744.4 thousand

_ Culture € 284.5 thousand

STANDARD GRI 203-1 INFRASTRUCTURE INVESTMENTS AND SERVICES SUPPORTED

LIBERAL DONATIONS AND SPONSORSHIPS	U.O.M.	2018	2019	2020
Sponsorships	thousand euros	688	671	1,086
Liberal donations		76	26	2,029
Total		764	697	3,115